

Minutes of Regular Board Meeting January 15, 2014

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Newport office on Wednesday January 15, 2014 at 10:00 a.m. PST. President Abbott called the meeting to order and asked that the roll be called.

Members present: Curt Abbott
Ron Benfield
Larkin Kaliher
Judy Matheny
Tom Tymchuk

Others present: Debra Smith, General Manager
Brian Barth, Accounting & Finance Manager
Julie Brown, Executive Assistant
Wade Carey, Energy Services Administrator
Chris Chandler, Communication, Community & Economic Development Manager
Doug Dawson, IT & Communications Manager
Brandon Hignite, Power Analyst
Dennis Hinton, Customer & Energy Services Manager
Bruce Lovelin, Chief Engineer & Systems Engineering Manager
Gary Nieborsky, Distribution, Engineering & Operations Manager
Sue Tyler, Personnel, Compensation and Benefits Manager
Steve Uerlings, President of Barker Uerlings Insurance
Michael G. Hoyt, Senior Account Executive, Barker Uerlings Insurance

Staff and Visitors Recognized

President Abbott welcomed visitors and staff to the meeting.

Election of Officers

President Abbott stated that as this was the first meeting of 2014, it was customary to elect new officers for the coming year. He then asked for nominations.

Mr. Tymchuk nominated the following slate of officers: Mrs. Matheny, President; Mr. Kaliher, Vice President; Mr. Benfield, Secretary; and Mr. Tymchuk, Treasurer. Discussion was held and the following motion was made:

Motion: Mr. Tymchuk moved and Mr. Benfield seconded that the nominations be closed and the above slate of officers be approved for 2014. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny.

The meeting continued with Mrs. Matheny serving as President.

Property and Liability Insurance

Mrs. Matheny welcomed Mr. Steve Uerlings President, and Mr. Michael Hoyt, Senior Account Executive, from Barker Uerlings Insurance, agents of record for the District’s property and liability insurance.

- Mr. Uerlings explained that they were present to give a summation of Central Lincoln’s property and liability insurance program which was renewed on January 1, 2014.
- He further explained that the District’s commercial property and liability policies were renewed with the SDAO’s insurance services based on their specifically tailored coverage for public entities, reasonable premiums, and the excellent ongoing services provided by SDAO over many previous years.
- He then discussed specific renewal recommendations for the District and had a Q& A session with the board. (See attached.)

Mr. Uerlings and Mr. Hoyt left the meeting at this time.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of December 18, 2013 Regular Board Meeting
- b) Vouchers for December, 2013
- c) Petty Cash for December, 2013
- d) Uncollectibles for December, 2013
- e) Directors’ Cash Report dated January 15, 2014

2014 Board Meeting Dates and Locations

Discussion was held regarding the board meeting schedule for 2014. The following dates and locations were reviewed and revised. After discussion the following motion was made:

Motion: Mr. Benfield moved and Mr. Abbott seconded that the proposed schedule of board meeting dates and locations be approved as revised. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny.

Jan. 15th	Newport
Feb. 19th	Florence
March 12th	Newport
April 16th	Depoe Bay
May 14th	Newport
June 25th	Reedsport
July 16th	Waldport
August 20th	Yachats
Sept. 17th	Newport
Oct. 22nd	Toledo
Nov. 19th	Newport
Dec. 17th	Florence

Meetings and Workshops - 2014

Motion: Mr. Kaliher moved and Mr. Abbott seconded that the Board of Directors be authorized to attend meetings and workshops that are of benefit or interest to Central Lincoln for 2014. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny.

Annual Pension, 401(k) and 457 Plan Trustee Appointments

Mr. Barth explained that annually the Central Lincoln Board appoints trustees to Central Lincoln's Pension Plan, 401(k) plan and 457(k) plan. This year it is necessary that two new trustees must be appointed. Mr. Barth proposed that in compliance with Article XIV paragraph 1 of Central Lincoln's Pension Plan and Trust, Brandon Hignite, Jennifer Watkins and Brian Barth be appointed Plan Trustees for the year 2014. After discussion the following motion was made:

Motion: Mr. Kaliher moved and Mr. Abbott seconded that in compliance with Article XIV paragraph 1 of Central Lincoln's Pension Plan and Trust, Brandon Hignite, Jennifer Watkins and Brian Barth be appointed Plan Trustees for the year 2014, and further that Brandon Hignite, Jennifer Watkins and Brian Barth are appointed to serve as 701(k) and 457 Plan Trustees for the year 2014. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny.

Mr. Barth also discussed a pension issue that arose in 2013 and needed clarification from Central Lincoln's pension attorney and concurrence from the Board. After discussion it was determined that the Board agreed with the Trustees interpretation and that the change to the plan will be included as an update, when the plan is next formally amended. (See attached.)

Board Compensation and Benefits Policy Resolution No. 875

Ms. Smith stated that the attached board policy and resolution were in response to a request from the board for clear policy with respect to Board member compensation and benefits. She explained that draft Policy III (H) would codify the existing practices and Resolution No. 875 would replace all previous resolutions covering board compensation and/or benefits.

Mr. Benfield requested a change in the first sentence of the policy, to read:
Board members will be compensated for their work at a rate *established by the board* that is consistent with Board Resolution No. 875, the practice of other Oregon People's Utility Districts, and Oregon law (ORS 261.305(10)).

After discussion the following motion was made:

Motion: Mr. Abbott moved and Mr. Benfield seconded to accept Board Policy III (H) with the language change as amended by Mr. Benfield, and to be reviewed annually in April. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny.

Motion: Mr. Abbott moved and Mr. Tymchuk seconded to approve Resolution No. 875.

Mr. Kaliher stated that travel expense *to and from* a conference has not been clarified in Resolution No. 875. After discussion the following change was made to paragraph No. 2:

Directors will receive an additional stipend of \$100.00 per day for attendance at meetings and conferences outside the District's service territory that are approved as part of the annual travel approval process *and will include travel expenses for one day traveling to an event and one day's return travel if required.*

Amended Motion: Mr. Abbott moved and Mr. Tymchuk seconded to amend the original motion to correct the language in Resolution No. 875 to clarify that travel will be reimbursed *to and from* a conference. Aye: Kaliher, Tymchuk, Abbott, Benfield, Matheny. (See attached.)

February 19th Board Agenda - Florence Office

Board Meeting -	10:00 a.m.	Sole Source Procurement, BPA Load Forecast, Review Emergency Executive Succession, pg. 5, Board - GM Relation, pg. 20-24, Shutter Creek Property Procurement
Consent Agenda -		Minutes, vouchers, petty cash, uncollectibles, and Directors' cash report

Manager's Report

Central Lincoln Service Territory

Ms. Smith noted a memorandum on Service Territory Exclusivity was follow-up information to a question asked at the December meeting. Ms. Smith stated that Power Analyst Brandon Hignite had done a great job of research and analysis compiling important service territory information and documenting this information for future use and reference. A brief discussion ensued. (See attached).

Conservation

Mr. Carey presented the current Central Lincoln, Bonneville Power Administration, FY 2014-FY 2015 Conservation Program Report, covering the first quarter of BPA's fiscal year. The activity summary included the budget balance, amount claimed to BPA, customer savings and the aMW savings claimed.

Mr. Carey also discussed the MyMeter program participation since the program was launched in November of 2013, with graphs showing user registration and the number of user logins on a daily and cumulative basis. (See attached).

Project Care Donation

Ms. Smith briefly discussed a report from Communication, Community & Economic Development Manager Chris Chandler, on a Project Care Donation Summary for 2013. A spreadsheet was enclosed showing a record number of contributions for the year. (See attached).

One Page Budget

Ms. Smith stated that the enclosed one page view of Central Lincoln's FY 2013-2014-budget was compiled by Mr. Barth for a public records request from a vendor. It is the same budget approved by the board only in condensed form. (See attached).

Customer Appreciation

A letter from a Waldport customer expressing appreciation for roadside assistance help from Line Foreman Ed Strom was discussed. The customer stated that Ed had performed a "heroic act" in helping her husband with a boat trailer by the side of Highway 101. (See attached).

Coastlines

The January issue of Coastlines was briefly discussed. An article entitled "Shall Old Meters Be Forgotten" which discussed the many positive aspects of Central Lincoln's new digital meters, along with an informative article discussing "How We Get Power Back On" during an outage.

Office Closures

Ms. Smith reported that all Central Lincoln business offices will be closed Friday January 17th due to a Customer Service staff meeting.

Opt Out Letters

Ms. Smith stated that the drafts of the Advanced Metering Infrastructure Opt Out customer letters that were reviewed at the December meeting were recently mailed to the customers who chose not to have a new digital meter. A subsequent request from one customer for a broadcasting digital meter was noted.

AMI Feedback

Ms. Smith discussed instances where the Advanced Metering Infrastructure system has helped to identify problem issues with speed and accuracy. These new tools are being identified by staff regularly and put to good use expediting time and energy savings for customers and staff.

Cold Snap

Ms. Smith discussed the extreme cold weather experienced in December on the Oregon coast and in the valley and reviewed the on the impact on power loads, demands and revenue.

4-10's Work Schedule

Ms. Smith informed the board that Central Lincoln's Labor Management Committee (LMC) will be reviewing a proposal for a 4 day 10-hour work week at a meeting scheduled later this month. The schedule would be in effect for a specific group of employees (Operations

only). The schedule will be a one-year pilot program and will be reviewed at that time. Much discussion will be held on this topic.

Board Member Email

Ms. Smith stated that work is being done and progress is being made on the request from the board for information concerning the procedure for sending personal board email. Mr. Dawson is working on determining how members send and receive Central Lincoln email and will then determine a method that insures all Central Lincoln email responded to is sent through the Central Lincoln system. More information will follow.

BPA Issues

BPA Transmission

A discussion was held on how Bonneville Power Administration calculates its transmission rates and the potential financial impact for utilities if the way these segmented costs are changed. Ms. Smith commented that there are a lot of assumptions being made within the industry and this will be an ongoing discussion.

Coded Wire Tag Issue

Ms. Smith discussed a BPA issue that is currently garnering a lot of discussion in the industry concerning a small reduction of funding for fish tagging on the Oregon Coast and below the Bonneville Dam. BPA has rejected a recommendation by the Northwest Power and Conservation Council to maintain its current annual funding and will instead cut \$2.5 million from the program, with the funds redirected into other projects to aid fish restoration. Ms. Smith stated that a letter from Central Lincoln has been sent to U.S. Representative Schrader in support of the BPA's decision, and we anticipate other PUD's will follow our lead.

The meeting adjourned at 12:15 p.m.

Ron Benfield, Secretary

Judy Matheny, President