

## **Minutes of Regular Board Meeting November 19, 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 November 19, 2014 at 10:00 a.m. President Matheny called the meeting to order and asked that 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  
Sunnetta Capovilla, Executive Assistant  
Wade Carey, Energy Services Administrator  
Chris Chandler, Communication, Community & Econ Development Mgr.  
Doug Dawson, IT & Communications Manager  
Randy Grove, Distribution, Engineering & Operations Manager  
Brandon Hignite, Power Analyst  
Bruce Lovelin, Chief Engineer & Systems Engineering Manager  
Gail Malcolm, Project Manager  
Sue Tyler, Personnel, Human Resources Manager  
Pete Gintner, Legal Counsel  
Ken Beeson, Facilities Planning Consultant  
Ken Kuhns, Certified Public Accountant  
Mark Miranda, City of Newport Chief of Police  
Vicky Murphy, Central Lincoln Customer

### **Staff and Visitors Recognized**

President Matheny welcomed staff to the meeting, and recognized visitors Vicky Murphy and Mark Miranda. Ms. Murphy addressed the Board about her concerns with a power quality issue at her home. Board members thanked her for her comments and promised her concerns would be reviewed and addressed. Chief Miranda discussed the importance of protecting personal belongings, including wallets and credit cards, especially during the holiday season. He noted he has some short staffing issues within his department, but noted that officers will always respond immediately to a 9-1-1 call. The Board thanked Mr. Miranda for his time.

### **Public Hearing**

The Board recessed the regular meeting to convene a public hearing for the purpose of taking comments on the District's draft findings in support of an exemption from competitive bidding requirements under ORS 279C.335 for the construction of an operations center. Hearing no public comment, the Board adjourned the public hearing, and reconvened the regular session.

## **Audit Review for Year End June 30, 2014 and 2013**

After receiving a copy of the full audit report, the Board heard from Ken Kuhns of Kenneth Kuhns & Co., Certified Public Accountants. Mr. Kuhns noted the following audit highlights:

- Central Lincoln was found to be financially strong
- Revenues were the same, but expenses were higher last year due to Central Lincoln's not raising rates to pay for the last two Bonneville Power Administration's rate increases
- Good internal controls were noted, and no weaknesses were found
- Central Lincoln was found to be in compliance with state laws
- All financial records were well maintained, and there were no significant proposed adjustments

## **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of October 8, 2014 Regular Board Meeting
- b) Vouchers for October, 2014
- c) Petty Cash for October, 2014
- d) Uncollectibles for October, 2014
- e) Directors' Cash Report as of October 31, 2014

## **Governance Policy** **Financial Condition, Pg. 4**

General Manager Debra Smith reviewed a memorandum with the Board concerning current financial conditions as required by the Carver Governance Policy. Central Lincoln has just finished the first quarter of the current fiscal year, and there have been no expenditures beyond what was budgeted.

## **Resolution No. 882** **Approval of Alternative Procurement Process** **Granting Exemption from Competitive Bidding Requirement**

The board reviewed Resolution 882 to grant an exemption to competitive bidding requirements for the proposed Newport Operations Center (NOC), allowing use of a Request for Proposal (RFP) process for the selection of a Construction Manager/General Contractor for completion of the project. After discussion and hearing no objections at the public hearing, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Benfield seconded the adoption of Resolution 882. Aye: Abbott, Benfield, Kaliher, Tymchuk, Matheny.

## **Contract Award: 30% design services for the Newport Operations Center (NOC)**

Central Lincoln has issued an RFP for a single contractor to provide architectural and engineering services to develop a 30% Design for the proposed Newport Operations Center,

an operations/warehouse facility in Newport. Nine proposals were received and evaluated. Management recommended awarding the contract to gLAs Architects, LLC for an amount not to exceed \$270,000. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Benfield seconded to approve the staff recommended not-to-exceed contract award of \$270,000 for 30% Design services for the NOC. Aye: Abbott, Benfield, Kaliher, Tymchuk, Matheny.

### **Power Transformer Procurement for the Kingwood Substation**

Twelve proposals were received and evaluated. Staff recommended awarding the purchase of a 115kV/12.5kV, 25MVA Power Transformer to Virginia Transformer for a price of \$559,665.00. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Abbott seconded to approve the staff-recommended contract award of \$559,665 for the Power Transformer for the Kingwood Substation. Aye: Abbott, Benfield, Kaliher, Tymchuk, Matheny.

### **Contract Award: Underground 15kV Cable for the Kingwood Substation**

As part of the SS251 Kingwood Substation project, management recommended the purchase of 63,300 feet of Prysmian 750KCM, 15kV underground primary power cable from General Pacific for \$264,594.00. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Abbott seconded to approve the staff recommended contract award of \$264,594.00 for 63,000 feet of Prysmian underground 15kV cable. Aye: Abbott, Benfield, Kaliher, Tymchuk, Matheny.

### **Contract Award: GIS Field Inventory Project**

This project will conduct system wide electric distribution facility mapping and inventory. Project goals include improving customer reliability and maximizing the value of the District's Advanced Metering Infrastructure (AMI) system through enhanced outage management. After a competitive RFP process, management recommended awarding the Geographic Information System (GIS) Field Inventory Project to Global Mapping Solutions for a not to exceed price of \$450,000. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Benfield seconded to approve the staff recommended not-to-exceed contract award of \$450,000 for the GIS Field Inventory Project. Aye: Abbott, Benfield, Kaliher, Tymchuk, Matheny.

### **December 17, 2014 Board Agenda – Florence Office**

Board Meeting - 10:00 a.m. Contract Award: Digger Derrick  
Kingwood Boring Project  
Tom Barrows – Lobbyist Presentation  
Executive Session – Bargaining (tentative)

Consent Agenda -

Minutes, vouchers, petty cash, uncollectibles, and  
Directors' cash report

### **Manager's Report**

#### **Conservation Quarterly/Year End Update**

As we pass the halfway mark of the BPA rate period, Central Lincoln conservation programs continue to perform well. We are still on track to exceed our rate period savings target and expend all of our BPA conservation funding. The new heat pump water heater program was launched October 1, 2014 and is already receiving a good deal of customer interest.

#### **Four 10's Work Week Pilot Analysis**

Central Lincoln embarked on a 4x10 work week pilot for Operations personnel beginning March 1, 2014 and ending October 31, 2014. In an effort to assess the impact of the 4x10 workweek, staff tracked customer service interactions, overall fleet mileage and overtime hours. Various charts and graphs were presented for Board review for informational purposes only.

#### **Retirement Plan Update**

Debra Smith reviewed with the Board the financial and budgetary impacts of the pension plan, the 401(k) and 457 retirement plans.

#### **Property Tax Summary**

The Board reviewed a graph of property taxes for the last ten years by county (within Central Lincoln's District). The total paid by Central Lincoln for tax year 2014-15 after the early-pay discount was \$1,474,888; an increase of \$67,334 from the prior year. The cause of the increase was primarily due to an increase in assessed value of \$3.8 million and increased tax rates.

#### **Status of IBEW Contract Negotiations**

Central Lincoln's current labor contract with the IBEW Local 659 expires on April 1, 2015. Last year, a decision was made to adopt the Interest Based Problem Solving (IBB) approach to contract negotiations. Ms. Smith provided the Board with a high level status report about the process and anticipated next steps. It is likely the Board will schedule an Executive Session in December or January to discuss specific issues.

#### **SDAO Insurance**

The Board completed Special District Association of Oregon's insurance incentive program requirements, and Central Lincoln was awarded the highest premium discount allowed by Special Districts as a result.

#### **Per Diem Changes for Travel**

Ms. Smith discussed with the Board changes in the travel reimbursement policy that will take place in 2015. A new per diem schedule for meals & incidentals following GSA guidelines will be followed for overnight stays. Meal allowances for day trips will be taxable through the payroll process.

### **Early Closure on Christmas Eve**

Ms. Smith noted that Central Lincoln will be closing at 3:00 pm on December 24<sup>th</sup>, and will be closed Christmas Day as well.

### **ICS Training**

As part of Central Lincoln's Emergency Preparedness Program, the next workshop for Incident Command System (ICS) training is being held December 1<sup>st</sup>. By December 31<sup>st</sup>, all Central Lincoln employees will have completed ICS 100 training.

### **New Internet Site**

Management has been working on a new internet website that will go live by January 1, 2015. The site is designed to be more informative and user-friendly for customers.

### **Franchise Agreement Update**

Mr. Barth, with information provided by Pete Gintner, Legal Counsel, updated the Board on the status of franchise agreements for Depoe Bay and Lakeside.

### **Western Electricity Coordinating Council (WECC) De-registration**

Mr. Lovelin announced that the Bonneville Power Administration (BPA) took over responsibility for the Under-Frequency Load Shedding reliability requirement in early November. As a result, Central Lincoln has filed for de-registration for the major WECC reliability standards.

### **Bonneville Transmission Line Incident:**

Ms. Smith reported that we received notice in the afternoon of Thursday, November 13, 2014 that one of BPA's main feeder lines to our district had gone down. Central Lincoln was informed that load shedding might be required if a second line also went down. Management immediately began talks with Georgia-Pacific to let officials there know that they might lose power. GP is Central's Lincoln's largest customer, and curtailing the mill's power supply was an option to consider versus thousands of homes and businesses going without power for an extended period of time during cold weather. Fortunately load shedding was not necessary; as the line was repaired on Saturday November 15<sup>th</sup> and no other feeder lines to the District went down between Thursday and Saturday.

### **Directors' Discussion**

- President Matheny appointed Ron Benfield to the OPUDA Budget Committee
- President Matheny appointed Curt Abbott to serve as Central Lincoln's primary voting delegate for both seats on OPUDA's Board of Directors. Mr. Abbott will be OPUDA's President-Elect for 2015, and President in 2016 as Central Lincoln's turn to lead OPUDA is coming up in 2016.
- President Matheny appointed Larkin Kaliher as Central Lincoln's alternate delegate on the OPUDA board.

Meeting adjourned at 1:30 p.m.

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Ron Benfield, Secretary

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Judy Matheny, President