

**Minutes of Regular Board Meeting November 20, 2013**

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 20, 2013 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  
Judy Matheny  
Tom Tymchuk  
Larkin Kaliher

Others present: Debra Smith, General Manager  
Brian Barth, Accounting & Finance Manager  
Julie Brown, Executive Assistant  
Chris Chandler, Communication, Community & Economic Development 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  
Chief Mark Miranda, Newport Chief of Police  
Kenneth Kuhns - Certified Public Accountant

**Staff and Visitors Recognized**

President Abbott welcomed visitors and staff to the meeting. He asked Chief Mark Miranda of the Newport Police Department if he would like to address the board. Chief Miranda stated that he was present to touch bases and to remind everyone that the inclement weather has arrived and to drive with care and to de-ice vehicle windows before driving. He discussed some current local matters and had a Q&A session with the board members.

**External Audit Report**

President Abbott asked Mr. Kenneth Kuhns, Certified Public Accountant, if he would like to address the board. Mr. Kuhns stated that he was present to review Central Lincoln's annual audit report for the fiscal year ending June 30, 2013. He noted the report prepared by Kuhns and Co. had been sent to the directors prior to the meeting for their information and review. He then reviewed Central Lincoln's financial activities, and gave a final summary and analysis for the fiscal year ending June 30, 2013. He stated that the District was receiving a clean audit, meaning that his firm found no issues of concern during Central Lincoln's audit.

**Consent Agenda**

The Board took action to approve the following Consent Agenda items as presented:  
a) Minutes of October 16, 2013 Regular Board Meeting

- b) Vouchers for October, 2013
- c) Petty Cash for October, 2013
- d) Uncollectibles for October, 2013
- e) Directors' Cash Report dated November 20, 2013

**Financial Condition, pg. 4**

Ms. Smith reviewed the quarterly report on the Financial Condition from the Board's Governance Policy.

- She mentioned that in addition to the annual audit report from Kenneth Kuhns & Co., Central Lincoln has also received the actuarial valuation from Milliman for the Pension & Trust Fund as of July 1, 2013. (Copies of salient pages are attached).
- A discussion on the upcoming transition to new policies from the Government Accounting and Standards Board, policies GASB 67 and 68 was held.
- Central Lincoln has just finished the first quarter of FY 14 and there have been no expenditures beyond what has been budgeted.

**Resolution No. 873**  
**Rate Schedule 405T**

Ms. Smith explained that since Resolution No. 873 had expired on its own terms on September 30, 2013, a new Rate Schedule should be put in place without an end date. The rate will not be changed, only the footer will be modified to indicate an effective date of October 1, 2013.

After discussion the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Benfield seconded that Resolution No. 873 in which a new Rate Schedule shall be put in place without an end date, and recognizing that the rate will not be changed, be approved. Aye: Tymchuk, Benfield, Matheny, Kaliher, Abbott.

**December 16th Board Agenda - Waldport City Hall**

Board Meeting -	10:00 a.m.	OSU Extension Service - Wave Energy Curriculum Presentation, Procurement Policy Amendment, Lineman Rodeo Presentation, CVR Sole Source Request.
Consent Agenda -		Minutes, vouchers, petty cash, uncollectibles, and Directors' Report

**Manager's Report**

**Smart Grid Update**

Ms. Smith discussed an update on Central Lincoln's AMI Smart Grid Project that was compiled by our Smart Grid Team 2020, and Central Lincoln Leadership Team. The memo reviewed our U.S. Department of Energy (USDOE) Smart Grid Investment Grant history and provided a table showing what's been accomplished so far, what's coming up before April 26, 2014, and where we're going by 2020.

### **Conservation Voltage Regulation**

A discussion was held on a proposal for a Conservation Voltage Management Regulation Program (CVR), which asked the question, "Should Central Lincoln proceed with system-wide deployment of a CVR program"? An attached memorandum reviewed background of our Smart Grid Investment Grant from the USDOE; a CVR pilot project in Lincoln Beach; and a proposal for a system-wide CVR deployment at Central Lincoln; with a staff recommendation supporting the proposal. Ms. Smith stated that a Sole Source purchasing recommendation for the CVR project will be submitted to the board at the December board meeting.

### **Property Tax Graph**

A graph showing property taxes paid for the last ten years by county (Lincoln, Lane, Douglas, Coos) was briefly discussed. The total paid for tax year 2013 -14 showed a slight decrease from the prior year, primarily due to a lower tax rate for Lincoln County.

### **GP**

A letter from Kenneth Li, General Manager of Georgia-Pacific, Toledo, LLC extending thanks to Central Lincoln was reviewed. In the letter, Mr. Li stated that "the immediate response by Randy Grove and John Sullivan's line crew enabled the mill to recover quickly and avoid the potentially serious consequences of an extended power outage."

### **Customer Forum**

A letter from a Reedsport customer thanking Central Lincoln and the staff who organized the 2013 Annual Customer Forum was reviewed.

### **SDAO Best Practices Survey**

Ms. Smith discussed a best practices survey from the Special Districts Association of Oregon that is used to help determine discount rates for the insurance that we purchase from it annually. Ms. Smith then reviewed the following employee policies with the board as requested by SDAO: Policy No. 010 - Equal Employment Opportunity, No. 411 - Harassment/Unlawful Discrimination, No. 610 - Performance Appraisal, No. 412 - Corrective Action, No. 424 - Substance Abuse, and No. 720 - DOT Drug and Alcohol Testing Policy for Drivers.

### **Columbia River Treaty Draft**

Ms. Smith asked Mr. Hignite to discuss his recent presentation to the Legislative Counsel of River Governance, concerning the newest Columbia River Treaty draft recommendation. Mr. Hignite represented a consumer-owned utilities perspective on the issue. (See attached.)

### **Directors Discussion**

#### **OPUDA 2014 Budget**

Mr. Benfield reviewed the proposed Oregon PUD Association budget, with allotted dues per utility. The budget showed year-to-date and proposed 2014 expenditures. Mr. Benfield stated

that no significant changes have been made from the previous year's budget. After discussion the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Tymchuk seconded that the proposed 2014 OPUDA budget be approved. Aye: Tymchuk, Benfield, Matheny, Kaliher, Abbott.

**Director Compensation**

A discussion on current Board compensation was held. It was determined that since this is an annual budgeted item, that a board policy should be available for the board to review annually. In addition, it was stated that board practices should be documented for consistency's sake, and for reference purposes. After discussion it was determined that policy language for board compensation will be provided to the board in the near future.

**Central Lincoln Service Area**

The history and certification of Central Lincoln's service territory of was briefly reviewed.

The meeting adjourned at 2:15 p.m.

\_\_\_\_\_  
Larkin Kaliher, Secretary

\_\_\_\_\_  
Curt Abbott, President