

**Minutes of Regular Board Meeting October 16, 2013**

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Port of Umpqua office in Reedsport on Wednesday October 16, 2013 at 1:00 p.m. PDT. President Abbott called the meeting to order and asked that the roll be called.

Members present: Curt Abbott  
Ron Benfield  
Judy Matheny  
Tom Tymchuk

Members absent: Larkin Kaliher

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  
Brandon Hignite, Power Analyst  
Dennis Hinton, Customer & Energy Services Manager  
Bruce Lovelin, Chief Engineer & Systems Engineering Manager  
Gary Nieborsky, Distribution, Engineering & Operations Manager

**Staff and Visitors Recognized**

President Abbott welcomed staff to the meeting.

**Consent Agenda**

The Board took action to approve the following Consent Agenda items as presented:

- a) Minutes of September 11, 2013 Regular Board Meeting
- b) Vouchers for September, 2013
- c) Petty Cash for September, 2013
- d) Uncollectibles for September, 2013
- e) Directors' Cash Report dated October 16, 2013

**Communication and Counsel to the Board**

Ms. Smith reviewed the annual report on Communication and Counsel to the Board from the Board's Governance Policy. She discussed three items from the policy that had new information added.

- Item No. 2 - the Board will have the opportunity to participate in a strategic "scan" in January 2014. More information will be coming on this.
- Item No. 6 - New formatted memorandums were discussed that will be used for all future Board communication and will clearly indicate whether Board action is required or requested.

- A “*previous Board meeting follow-up item*” will be added to the agenda to clarify or add requested information as needed.
- Item No. 8 - An Economic Development Summary that outlined Central Lincoln’s community involvement this past year was reviewed and ways to possibly expand that participation in the future was discussed.

**Sole Source No. SQ-03-14**  
**Doble Three Phase Simulator**

Mr. Lovelin discussed a Sole Source request for a Doble Three Phase Simulator for use by the Meter and Relay Shop, at an estimated purchase cost of \$53,175. Central Lincoln has standardized Doble test equipment for substation control circuit testing. Staff has received specialized training, and has developed software programs specific to Doble equipment. This purchase request would replace 25-year-old equipment and would replace four separate current injection devices with one more portable device.

Per Board Resolution No. 862, Article V section 5, the qualification for this Sole Source purchase is threefold:

- Qualification A.) The efficient utilization of existing goods requires the acquisition of compatible goods and services.
- Qualification E.) There is only one source that meets the quality or specifications required of the goods or services.
- Qualification F.) Sole source procurement will result in substantial savings to the utility.

After discussion the following motion was made:

**Motion:** Mr. Tymchuk moved and Mrs. Matheny seconded that Sole Source No. SQ-03-04 for a Doble Three Phase Simulator at the estimated purchased price of \$53,175., and meeting the requirements of Resolution No. 862, Article V, Section 5, items A , E and F be approved.

Aye: Matheny, Tymchuk, Benfield, Abbott.

**Lease of (2) Dark Fiber Surplus**

Ms. Smith discussed two separate requests for the lease of dark fiber surplus capacity to CoastCom Inc. an Oregon Corporation:

- a) A request for one fiber pair on the fiber system for seven years from the Central Lincoln fiber optic vault near Toledo Middle School to the Central Lincoln vault at Sturdevant Road and SE Alder Lane Dr. in Toledo. The fee would be \$75.00 a month based on \$75.00 per pair per mile for a one mile minimum.
- b) A request for a lease of 1 fiber pair on the fiber system for seven years from the Central Lincoln vault at the junction of Indian Trail and Douglas St, Depoe Bay, to a fiber vault near James Frank Ave. in Siletz. The fee would be approximately \$750.00 a month at the Central Lincoln fiber rate of \$75.00 per pair per mile for approximately ten miles.

Both requests are in accordance with Resolution 835, Article 4, 15(d). The following are reasons for this authorization:

1. A negotiated contract will not result in favoritism or reduced competition.

- ◇ Additional capacity is available for other companies to request a lease over this section during this time frame.

2. Savings to the District can be obtained through this lease.

- ◇ Revenue will allow recovery of investment in the fiber pair. The capacity is surplus to Central Lincoln's needs.

After discussion the following motion was made:

**Motion:** Mrs. Matheny moved and Mr. Benfield seconded that the two requests from CoastCom Inc for the lease of one fiber pair on the on the fiber system for seven years 1) from the Central Lincoln fiber optic vault near Toledo Middle School to the Central Lincoln vault at Sturdevant Road and SE Alder Lane Dr. in Toledo, and 2) one pair from the Central Lincoln vault at the junction of Indian Trail and Douglas St, Depoe Bay, to a fiber vault near James Frank Ave. in Siletz, be approved. Aye: Matheny, Tymchuk, Benfield, Abbott.

### **November 20th Board Agenda - Newport**

Board Meeting -	10:00 a.m.	Financial Condition, pg. 4, Pension & Trust Amendment, Ken Kuhns Audit Report, Smart Grid Update, Columbia River Treaty Update.
Consent Agenda -		Minutes, vouchers, petty cash, uncollectibles, and Directors' Report

### **Manager's Report**

### **Quarterly Conservation Update**

Ms. Smith asked Mr. Carey to discuss this memorandum. Mr. Carey discussed changes made to the budget balance portion of the report and stated that this report closes out the BPA (Bonneville Power Administration) two-year rate period that ended on September 30, 2013. All figures shown have been reported to BPA. He also discussed Central Lincoln's success in reaching the set goals, and then gave a brief preview of programs and projects that will be offered in the FY14-FY15 year rate period. A promotional hand-out for commercial customers was also distributed. (See attached.)

### **September Board Meeting Follow-up**

#### **Net Metering**

A memorandum discussing how Central Lincoln handles net metering relationships was enclosed. There was no further discussion on this subject. (See attached.)

#### **Ductless Heat Pumps**

A memorandum discussing questions raised by the Board about Central Lincoln's Ductless Heat Pump Program was enclosed. There was no further discussion on this subject. (See attached.)

### **Payday News**

Ms. Smith discussed a copy of Central Lincoln's newsletter "Payday News". It will be compiled by Communication, Community & Economic Development Manager Chris Chandler, with articles and information submitted from various employees. Initially it will be distributed with the paychecks to all employees as a means for providing pertinent district and industry information to all. (See attached.)

### **Coastlines**

The current issue of Coastlines featuring Central Lincoln's 2013 summer interns and the upcoming November issue was discussed. (See attached.)

### **Heceta Water District PUD**

Ms. Smith discussed the election, May of this year that created the Heceta Water District PUD. She reviewed the statutory constructions of this formation and discussed Central Lincoln's future options and legal opinions given by Central Lincoln's legal counsel.

### **Waldport Office Remodel**

Ms. Smith discussed the internal remodel of Central Lincoln's Waldport office which will align its configuration with the rest of Central Lincoln's offices.

### **CLPUD Pension Plan**

Ms. Smith briefly discussed a change of definition for the word "spouse," to "a legally binding marriage" in any jurisdiction, in Central Lincoln's Health Plan to waylay any future issues should Oregon follow suit with other states and pass a same-gender marriage act. Discussion ensued.

### **Hauser Tower Site**

Ms. Smith discussed a property in Hauser that Bonneville Power Administration owns and has recently been offered for purchase to Central Lincoln. Its property that Central Lincoln has used for many years as a tower site and will want continue to use in the future.

## **Directors' Discussion**

### **Board Governance Policy**

The Board's policy Aims/Ends; page 1 of the Governance Policy was discussed. The ASAI-Average Service Availability Index past performance and future reporting methods were reviewed. Mr. Nieborsky is currently developing a process and procedure through the new AML system for future use to more accurately measure Central Lincoln's reliability. No changes to the policy were made. (See attached.)

**Romain Contract Review**

A discussion on a contract renewal with the Oregon PUD Association's lobbyists, The Romain Group LLC, was held. Further discussion will be held at the Budget Committee meeting on October 17<sup>th</sup> in Salem.

**BPA**

Ms. Smith gave a review on information given from the recent Public Power Council (PPC) meeting concerning the Bonneville Power Administration's current issues with the Federal Department of Energy.

The meeting adjourned at 3:15 p.m.

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Larkin Kaliher, Secretary

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Curt Abbott, President