

Minutes of Regular Board Meeting September 11, 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 September 11, 2013 at 10:00 a.m. PDT. 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
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
Steve Alexanderson, Senior Systems Engineer (Professional) - Electrical
Lyndsey Clark, Summer Intern - Systems Engineering
Dale Dawson, Senior Systems Engineer (Professional) - Civil
Shamus Gamache, Senior Systems Engineer (Professional) Electrical
Jake Hale, Summer Intern - Systems Engineering
Mrs. Hale, visitor (Jake's mother)
Erik Halvorson, Systems Transmission Specialist
Joseph Monsanto, Senior Systems Engineer (Professional) - Electrical

Staff and Visitors Recognized

President Abbott welcomed staff and visitors to the meeting.

Summer Intern Presentation

Mr. Lovelin, Chief Engineer and Systems Engineering Manager introduced his staff (Shamus Gamache, Dale Dawson, Joseph Monsanto, and Steve Alexanderson), who were present to introduce and lend support to Central Lincoln's two summer interns.

- Mr. Dale Dawson gave a short introduction explaining the background of the intern program at Central Lincoln and thanked the board for their continued support of the program. He then introduced Central Lincoln's Civil Engineering Intern from Newport, Jake Hale, who is currently attending Southwestern Oregon Community College and plans to transfer to Oregon State University his senior year and take the exam for his Fundamentals of Engineering designation (FE) and Professional Engineering designation (PE) in the following year.

- Mr. Joseph Monsanto introduced Ms. Lyndsey Clark, Central Lincoln's Electrical Engineering Intern from Hillsboro, Oregon who is currently attending Oregon State University and has plans to graduate in two years and to also obtain her FE and PE in the future.
- Both interns gave a PowerPoint presentation and discussed the highlights of their job responsibilities this summer including participation in the re-construction of Substation 131 in Toledo from the ground up; 3D AutoCAD designing; and upgrades to the SCADA system.
- Both interns stated that they had learned a lot from their experience working at Central Lincoln and thanked the board for the opportunity to work here.

Consent Agenda

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

- a) Minutes of August 21, 2013 Regular Board Meeting
- b) Vouchers for August, 2013
- c) Petty Cash for August, 2013
- d) Uncollectibles for August, 2013
- e) Directors' Cash Report dated September 11, 2013

Board Governance Policy **Financial Condition, pg. 4**

Ms. Smith reviewed the quarterly report on the Financial Condition from the Board's Governance Policy. She discussed the Five Year Financial Plan that was presented as part of the FY-14 Operating Budget approval in May of 2013; and discussed some assumptions that were made at that time and have since been altered, and the reasons for the variance.

Sole Source No. SQ-02-14 **SEL Relays**

Mr. Lovelin discussed a Sole Source request for Schweitzer Engineering Laboratories (SEL) Relays as part of the substation automation equipment upgrade project. Staff is recommending the purchase of Real Time Automation Controller (RTAC); Discrete Programmable Automation Devices (DPAC); and Satellite Clock and Annunciator, at an estimated purchase cost of \$90,490.00.

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

- Qualification A.) The efficient utilization of existing goods requires the acquisition of compatible goods. SEL Relays integrate well with Central Lincoln's Citect SCADA system and will integrate with our future Survalent SCADA system. They are currently used in substations as well as the distribution system.
- Qualification F.) Sole source procurement will result in substantial savings to the utility. Central Lincoln has invested in training and tools to program and maintain these devices. Changing to a different manufacturer would result in additional cost and training.

After discussion the following motion was made:

Motion: Mr. Kaliher moved and Mr. Tymchuk seconded that Sole Source No. SQ-02-04 for Schweitzer Engineering Laboratories Relays at the estimated purchased price of \$90,490.00, and meeting the requirements of Resolution No. 862, Article V, Section 5, items A and F be approved. Aye: Kaliher, Matheny, Benfield, Abbott.

Resolution No. 872
Adoption of new Rate Schedules

Ms. Smith asked Mr. Hignite to discuss this Resolution. Mr. Hignite explained that Resolution No. 872 rescinds Rate Schedule 400 and updates schedules 405, 700 and Central Lincoln's Net Metering Schedules (NM1, NM2, NM3, and NM4).

- Schedule 400 reflects a single large customer (NOAA) that will be moving to a different rate schedule.
- Schedule 405 reflect BPA's (Bonneville Power Administration) Power and Transmission charges (plus Central Lincoln charges) all which will be changing;
- Schedule 700 is updated to be consistent with recent board decisions and discussions concerning idle service fees and AMI metering, for consistency with Central Lincoln practices.
- NM1's update will reflect new avoided cost rates (and is also for administrative convenience).
- NM1,2,3,and 4 will all be separate net metering schedules which correspond with different customer classes: Residential, General Service (small) General Service (Large), and Commercial and Industrial.

After discussion the following motion was made:

Motion Mr. Benfield moved and Mr. Kaliher seconded that Resolution No. 872, which will adopt new rate schedules for 405, 700, NM1, NM2, NM3, NM4, and will rescind rate schedule 400, be approved. Aye: Kaliher, Matheny, Tymchuk, Benfield, Abbott.

October 16th Board Agenda - Reedsport

Customer Forum - 10:00 a.m.	Port of Umpqua Conference Room
Board Meeting - 1:00 p.m.	Communication and Counsel to the Board, pg. 8, Aims/Ends, pg. 6, Conservation Review, Annual Meeting Review, Smart Grid Update
Consent Agenda -	Minutes, vouchers, petty cash, uncollectibles, and Directors Report

Manager's Report

CenturyLink Request

Ms. Smith discussed a memo from Chris Chandler and Gary Nieborsky concerning a request CenturyLink made to the Oregon PUC (Public Utility Commission), to change the safety violation response period from two years to ten.

Boardlines

A brief discussion was held on this year's issue of Boardlines.

Customer Forum

Ms. Chandler discussed plans for the upcoming Customer Forum to be held in Reedsport at the Port of Umpqua on October 16, 2013.

Directors' Discussion

OPUDA

A brief discussion was held on Oregon PUD Association's issues.

The meeting adjourned at 11:45 a.m.

Larkin Kaliher, Secretary

Curt Abbott, President