

Minutes of Regular Board Meeting January 21, 2015

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 21, 2015 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
Doug Dawson, IT & Communications Manager
Randy Grove, Distribution, Engineering & Operations Manager
Brandon Hignite, Power Analyst
Dennis Hinton, Customer & Energy Services Manager
Bruce Lovelin, Chief Engineer & Systems Engineering Manager
Gail Malcolm, Project Manager
Sue Tyler, Personnel, Human Resources Manager
Dana Jenkins, Lincoln County Clerk

Staff and Visitors Recognized

President Matheny welcomed staff and visitor Dana Jenkins to the meeting.

Oaths of Office

The Oaths of Office were administered by Lincoln County Clerk Dana Jenkins to the newly elected Directors, Mr. Larkin Kaliher, Mr. Ron Benfield, and Mr. Tom Tymchuk.

Mr. Jenkins left the meeting at this time.

Election of Officers

President Matheny stated that as this was the first meeting of 2015, it was customary to elect new officers for the coming year. She then asked for nominations. Mr. Tymchuk nominated the following slate of officers: Mr. Kaliher, President; Mr. Benfield, Vice President; Mr. Abbott, Secretary; and Mr. Tymchuk, Treasurer. Discussion was held and the following motion was made:

Motion: Mr. Tymchuk moved and Mr. Abbott seconded that the nominations be closed and the above slate of officers be approved for 2015. Aye: Tymchuk, Abbott, Benfield, Matheny, Kaliher.

The meeting continued with Mr. Kaliher serving as President.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of December 17, 2014 Regular Board Meeting
- b) Vouchers for December, 2014
- c) Petty Cash for December, 2014
- d) Uncollectibles for December, 2014
- e) Directors' Cash Report as of December 31, 2014

2015 Board Meeting Dates and Locations

Discussion was held regarding the board meeting schedule for 2015, and the following motion was made:

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

Jan. 21 st	Newport
Feb. 18 th	Reedsport
March 18 th	Newport
April 15 th	Waldport City Hall
May 27 th	Newport
June 17 th	Depoe Bay City Hall
July 15 th	Newport
August 19 th	Yachats Overleaf
Sept. 16 th	Newport
Oct. 14 th	Florence
Nov. 18 th	Newport
Dec. 16 th	Toledo City Hall

Meetings and Workshops - 2015

Motion: Mr. Abbott moved and Mr. Tymchuk seconded that the Board of Directors be authorized to attend meetings and workshops that are of benefit or interest to Central Lincoln for 2015. Aye: Tymchuk, Abbott, Benfield, Matheny, Kaliher.

Annual Appointments to Pension and Deferred Compensation Plans

Annually, the Central Lincoln Board appoints trustees to Central Lincoln's Pension Plan, 401(k) Plan and 457 Plan. Management recommended reappointment of the current Defined Pension Plan trustees for calendar year 2015: Brandon Hignite, Jennifer Watkins and Brian Barth.

Management also recommend that the individuals who had served as trustees for the Deferred Compensation Plans be reappointed as committee members (a more industry-standard term), adding Ken Murray (IT Supervisor) and Teri Turner (HR Generalist). After discussion the following motion was made:

Motion: Mr. Abbott moved and Mrs. Matheny seconded that in compliance with Article XIV paragraph 1 of Central Lincoln's Pension Plan and Trust, Brandon Hignite, Jennifer Watkins and Brian Barth are appointed Plan Trustees for the year 2015; and further that Brandon Hignite, Jennifer Watkins, Ken Murray, Teri Turner and Brian Barth are appointed to serve as 401(k) and 457 Plan committee members for the year 2015.

RFP Update for Deferred Compensation Plan Administration:

The cutoff for responses to an RFP to administer the Deferred Compensation Plan was December 29th, 2014. The eight proposals received are being reviewed, with finalist interviews in February.

February 18, 2015 Board Agenda – Reedsport Office

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| Board Meeting - | 10:00 a.m. | Contract Award: CM/GC
Contract Award: Digger Derrick
Franchise agreement for the City of Lakeside (tentative)
Financial Condition – Quarterly Update
Review of GM Role, Delegation & Job Description |
| Consent Agenda - | | Minutes, vouchers, petty cash, uncollectibles, and Directors' cash report |

Manager's Report

Conservation Quarterly Update

Mr. Carey reviewed Central Lincoln's BPA FY 2013-2015 Conservation Program results with the Board. He stated Central Lincoln is near the end of the two-year rate period ending September 30, and is projecting Central Lincoln will exceed its savings target by 1,927,200 kWh. Residential ductless heat pumps continue to be very popular, accounting for 40% of our incentive spending thus far. Mr. Carey has a few small commercial lighting projects being completed on a monthly basis along with a few recently-completed commercial custom projects.

BPA recently announced several utilities had relinquished Energy Efficiency Incentive funds totaling \$3.66 million due to underspending. Central Lincoln requested and received \$110,656.69 from these funds. The additional funds will help Central Lincoln minimize an anticipated funding shortage which we had planned to offset with some of our BPA Performance Payment funds.

Annual Property and Liability Insurance Update

The Board's policy on "Asset Protection" (II.E) states that the General Manager may not "Fail to insure against theft and casualty losses to at least 80% replacement value and against liability losses to Board members, staff or the organization itself in an amount greater than the average for comparable organizations. (Distribution poles, conductor, transformers and associated hardware are uninsured.)" In addition, the "Board Job Description" (Policy III.B) includes the following work output: "Hire insurance agent of record and review liability insurance policy annually."

Ms. Smith distributed the annual Property and Liability Renewal Summary for 2015-16 as provided by Central Lincoln insurer Barker Uerlings. She noted a change in the value of our buildings, content and inventory, reflecting some downward movement; based on a recently-completed appraisal by the Special Districts Association of Oregon; the first in seven years. The appraisal showed lower property values in several areas; and as a result, lower assessed premiums.

She also noted a total premium decrease of \$12,426 (-4.72%) over the prior year. Central Lincoln also received the maximum best practices credit of \$21,891 which is up from last year's \$17,997.

Safety Manual

Management has been working diligently to produce a safety manual specific to Central Lincoln. The planned finalization date is February 1st. Next month's new dashboard report will include a safety performance section.

Customer Letters:

Two letters were received from customers last month. One wanted to convey their appreciation to the Florence operations supervisor and servicemen who were extremely helpful in solving a complicated issue at the customer's home involving a broken water main that had flooded their electrical panel. The other expressed frustration at not being able to call in monthly meter readings as they had 'opted out' of the automated meter program. Central Lincoln policy requires 'opt out' customers pay a monthly \$7 meter reading fee per board policy effective October 1, 2014.

Oregon Department of Energy (ODOE)

Ms. Smith noted Governor Kitzhaber's proposed "Cool Schools II Program" would not only use state lottery revenues, but funding may also be slated to come from the state ESA (Energy Supplier Assessment), which Central Lincoln pays annually. The Oregon PUD Association (OPUDA), has not voted or taken a position on this issue yet, but is watching closely. Central Lincoln will assist OPUDA, where possible, in suggesting an alternative approach to Cool Schools II to assist with energy advocacy and conservation education for Oregon schools.

ODOE has asked, and Central Lincoln has agreed to host, a Distributed Generation Interconnection workshop in March for 20-30 attendees. The workshop will be free of charge for utility engineers.

Yachats Utility Undergrounding Project

Central Lincoln has been in discussions with the City of Yachats regarding the city's desire to underground overhead power lines. The project involves a quarter-mile stretch of road that includes the installation of a custom-designed vacuum fault interrupter (VFI) at a cost of \$126,019, which will need to be paid by the city before Central Lincoln will solicit formal bids. The total cost of Central Lincoln's portion of the project (to be paid by the City of Yachats) is estimated to be \$524,588. The project is currently on hold until full payment and a signed letter of intent to proceed is received from the city.

Depoe Bay Office Closure

Ms. Smith reported the closure of the Central Lincoln office in Depoe Bay January 15th went very smoothly. Customers received a postcard letting them know the office was closed with information about a new pay station option at Columbia Bank in Depoe Bay for those wanting to pay their bill in person. Many customers have wished our staff person well on her transition to the Newport office.

New Staff Positions

Ms. Smith reviewed with the Board staff vacancies that are open, and the status of the hiring process. Those positions are as follows: Civil Engineering Tech, Engineering Tech, Customer Service Representative/Newport, Substation Shop Wireman

Georgia-Pacific Toledo Internal Electrical Issues

Mr. Grove reported on a few incidents that occurred at G-P the prior week during a planned maintenance shut-down of the plant. The incidents all occurred on GP's side of the system, and one resulted in personal injury to contract electricians working on site. Central Lincoln has reached out to GP and offered our assistance with accident investigation and remediation.

Wind Farm Study

It was reported that Lincoln County is considering moving forward with a study for a commercial-scale wind turbine or turbines. Central Lincoln appreciates advocates' efforts to explore renewable resources, but have let the county know at this time we have no interest in purchasing power from such a project; but could provide in-kind support such as assistance from our engineers.

Directors' Discussion

- Mr. Benfield asked Ms. Capovilla to review the new per diem meal reimbursement policy with the Board, and she did so.
- The Cascadia Subduction Zone Preparedness Summit for 2015 is being held in Portland on February 25th. Mr. Kaliher will be attending as well as three Central Lincoln staff members.

Executive Session: The meeting recessed into Executive Session at 12:05 p.m. President Kaliher stated "The Central Lincoln PUD Board of Directors will now meet in Executive Session in accordance with ORS 192.660 (2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations."

The Board reconvened into Regular Session at 1:13 p.m. There being no further business, the meeting adjourned at 1:13 p.m.

Curt Abbott, Secretary

Larkin Kaliher, President