

Minutes of Regular Board Meeting October 14, 2015

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Florence Office on Wednesday, October 14, 2015 at 10:00 a.m. President Kaliher called the meeting to order and asked that roll be called.

Members present: Curt Abbott
Larkin Kaliher
Judy Matheny
Tom Tymchuk
Ron Benfield

Others present: Debra Smith, General Manager
Sunnetta Capovilla, Executive Assistant
Brian Barth, Customer and Financial Services Manager
Chris Chandler, Public Affairs Manager
Doug Dawson, IT & Telecom Manager
Randy Grove, Operations Manager
Brandon Hignite, Senior Planner Analyst
Bruce Lovelin, Engineering Manager
Gail Malcolm, Project Manager
Sue Tyler, Human Resources Manager
Joe Coyne, Customer
Dale Smith, Customer
Ken Beeson, Facilities Planning Consultant
Andy Dykeman, Senior Project Manager, Lease Crutcher Lewis
Chris Walkup, Architect, gLAs Architects
Trace Ward, Principal, gLAs Architects

Staff and Visitors Recognized

President Kaliher welcomed staff and visitors to the meeting. Joe Coyne, a resident of Winchester Bay, spoke for a few minutes about earthquake preparedness and tsunami concerns. He suggested some ideas for moving equipment to higher ground. Ms. Smith and Ms. Malcolm briefly explained Central Lincoln's focus on emergency preparedness and reviewed the progress to date. Business cards were exchanged to allow for a more detailed discussion at a future date.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of September 23, 2015 Regular Board Meeting
- b) Vouchers for September, 2015
- c) Uncollectibles for September, 2015
- d) Directors' Cash Report as of September 30, 2015

Board Governance Policies

Aims/Ends: Organizational Purpose, Pg. 1

Staff proposed some clarifying edits to this policy regarding safety and reliability definitions, as well as a few grammatical corrections. Board members asked that some of the suggested modifications be brought back in November for approval by resolution, and identified which suggested modifications would be revisited in the future.

Communication and Counsel to the Board, Pg. 8

After reviewing this policy, the Board supported staff's recommended edits qualifying what type of economic development information needs to be communicated to the Board. This change will be brought to the Board via a resolution at the November Board meeting.

Ms. Chandler provided the Board with a brief economic development update within Central Lincoln's district:

- The Florence City Council has created an economic development committee, and Central Lincoln has a permanent seat on that committee, which meets monthly. Members of the committee are very excited about the new Kingwood Substation and have requested a tour when possible.
- Central Lincoln staff has put together a resource document regarding assets, leases and obligations with respect to the former Waldport, Depoe Bay and Toledo offices. The front of the old CLPUD building in Waldport has been painted, and signage removed.
- Over \$140 million is being invested in various Newport-area projects i.e. a new city pool, the OMSI facility, Hatfield Marine Science Center expansion, Port of Toledo boatyard expansion, the new hospital etc.
- The City of Newport has just created two new urban renewal districts.
- The City Manager of Toledo is convening monthly economic development meetings to discuss items such as Main Street and affordable housing, hoping to make the town a draw for folks looking for a nice and affordable place to live.

Mr. Tymchuk mentioned that it appears the Jordan Cove Natural Gas Pipeline project is still coming to Coos Bay, and if so, will make a large positive economic impact for that city and the communities around it, including Reedsport.

Mr. Abbott noted that the Economic Development Alliance of Lincoln County just changed its bylaws to become a membership organization, so others can now join as they so desire.

November 18, 2015 Board Agenda – Newport Office

Because November's agenda is fairly full, it was suggested that the meeting begin an hour earlier. After discussion, the following motion was made:

Motion: Mrs. Matheny moved and Mr. Abbott seconded to change the start time of the November 18th meeting from 10am to 9am. Aye: Abbott, Benfield, Matheny, Tymchuk and Kaliher.

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| Board Meeting - | 9:00 a.m. | Updated Five-Year Financial Plan for Approval FY 15 Audit Report Contract Award: NISC Governance Policy Updates by Resolution Report from Economist Mark Roberts NOC Build/No Build Decision (Tentative Resolution) NOC Architect Contract Amendment Considerations Consent Agenda - Minutes, Vouchers, Uncollectibles, and Directors' Cash Report |
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Manager's Report

Retirement

Ms. Smith announced that Doug Dawson will be retiring effective December 1, 2015. Before leaving, he will be working hard to complete negotiations with NISC (National Information Solutions Cooperative) for the enterprise software solution that management will bring to the Board in November. Ms. Smith noted that while Mr. Dawson will be missed, employees are happy for him.

30% Design and Project Cost for a New Operations Facility

Ms. Smith introduced Trace Ward and Chris Walkup with gLAs Architects, Andy Dykeman, Construction Manager/General Contractor with Lease Crutcher Lewis and Ken Beeson, Project Consultant who were in attendance to present 30% design renderings, an executive summary, projected budget costs and a proposed construction schedule for a new operations facility in Newport.

The proposed design has a total of approximately 70,000 square feet of building space which houses all work functions currently located at South Beach including electric operations, line construction, equipment storage, substation shop, meter/relay shop, communications shop, warehouse, fleet management, tree trimming, distribution engineering, administrative support and dispatch. A fenced yard, parking and drive areas are included. The design utilizes an existing 12,000 square feet structure (part of the overall 70,000) located on site that has been determined usable and will be remodeled to house the meter/relay and communications shops.

The total estimated cost for development and construction of the new facility is \$27.7 million. This amount includes all costs associated with the new facility including the design and construction services, land, site development, utilities, traffic light, structures, equipment and furnishings.

If the Board authorizes the building of the proposed operations facility in November, construction could begin as early as May 2016. Construction is estimated to take approximately 14 months and will include site preparation, foundations, walls, interiors, mechanical, electric and plumbing, and finishes. Assuming the 14-month timeframe, completion and move-in would be in July 2017.

No action was requested; however, a request for a build/no-build decision along with necessary contract amendments for the Architect and CM/GC may be brought to the Board for action at the November meeting.

House Bill 259

This bill requires that utilities provide written reports to their Boards of Directors regarding procedures and policies for residential customers in danger of disconnect due to non-payment. Brian Barth, Customer & Financial Services Manager and Irene King, Customer Service Supervisor provided the Board with the required report outlining Central Lincoln's procedures.

Customer and Community Connections Calendar Update

Ms. Chandler provided the Board with an updated 2015-2016 calendar of events identifying customer outreach, workshops, and other events planned by Central Lincoln.

In the past six months, Central Lincoln has participated in several events, including a booth at the Lincoln County Emergency Preparedness Fair, complete with a serviceman offering “Safety Town” demonstrations; as well as seven community parades. Response from the various communities to our parade entries has been very positive, and most recently, several tribal elders came by to thank Central Lincoln for participating in the Siletz Pow Wow Parade.

October is Public Power Month/Week and we are trying some new activities, including month-long food drives at the Florence, Newport, and Reedsport offices; an “I Know My Central Lincoln” quiz/contest, giving away one iPad mini at each of those offices, and providing coffee and cookies during Public Power Week Oct. 5-9.

Central Lincoln is also implementing a pilot program of sponsoring CLPUD-branded teams of employees in bowling, basketball and softball leagues.

Quarterly Conservation Report

Mr. Carey presented the current Central Lincoln BPA FY2014 – FY2015 Conservation Program Report. The report covered the complete two year BPA rate period. Central Lincoln was again very successful in fulfilling program goals. Funding for this rate period was managed in a way to maximize benefits to Central Lincoln. Funding for the new rate period is robust as BPA has informed Central Lincoln that the EEI (Energy Efficiency Incentive) for the FY2016 – FY2017 rate period will be \$3,291,885 which represents an increase of 2.24%.

Directors’ Discussion

Currently there are 4,700 customers using the MyAccount Online system. Staff plans to do additional marketing of the paperless billing option to increase that number.

There being no further business, the meeting adjourned at 1:00 p.m.

Curt Abbott, Secretary

Larkin Kaliher, President