

## **Minutes of a Regular Board Meeting August 17, 2016**

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Overleaf Event Center in Yachats on Wednesday, August 17, 2016 at 1:00 p.m. President Benfield called the meeting to order and asked that roll be called.

Directors present: Ron Benfield, President  
Curt Abbott, Vice President  
Judy Matheny, Secretary  
Tom Tymchuk, Treasurer  
Larkin Kaliher, Board Member

Others present: Debra Smith, General Manager  
Brian Barth, Customer & Shared Services Manager  
Ron Beck, Network Engineer  
Sunnetta Capovilla, Executive Assistant  
Wade Carey, Energy Services Manager  
Noelle Cavanaugh, Accounting Clerk  
Chris Chandler, Public Affairs Manager  
Dale Dawson, Senior Systems Engineer (Civil)  
Brandon Hignite, Finance and Resource Planner  
Tyrell Hillebrand, Systems Engineer (Civil)  
Bruce Lovelin, Engineering Manager  
Gail Malcolm, Project Manager  
Hunter Templeton, Engineer Associate I  
Teri Turner, Human Resources Manager  
Dale Smith, Customer

### **Staff and Visitors Recognized**

President Benfield welcomed staff and visitors to the meeting.

### **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of July 20, 2016 Regular Board Meeting
- b) Vouchers for July, 2016
- c) Uncollectibles for July, 2016
- d) Directors' Cash Report as of July 31, 2016

### **Vulnerability Risk Assessment**

Due to technical difficulties, this report was not available for discussion, and was postponed until the October meeting.

### **Board Governance Policies**

#### **Staff Treatment, pg. 2**

This Board policy states that "dealings with staff will not be inhumane, unfair, unprofessional, undignified or disrespectful". In a report to the Board, Ms. Smith outlined areas where she as General Manager ensures that Central Lincoln:

- Operates using personnel procedures that are in compliance with current law; clarifies personnel rules for staff; provides for effective handling of grievances; and protects against wrongful conditions (i.e. safety, health and welfare)
- Acquaints staff with their rights under this policy
- Provides a work environment that promotes the highest level of employee morale
- Reports to the directors, in a timely manner, any labor issue(s) that may have deleterious financial impacts to Central Lincoln.

#### **Financial Condition, pg. 4**

Ms. Smith reported that Central Lincoln has completed the fiscal year that ended June 30, 2016 with preliminary results; and has not expended more funds than were budgeted for the current fiscal year. An updated Budget to Actual Report for that period was submitted for review. The Performance Dashboard as of June 30, 2016 was also presented for review.

#### **Heceta Substation Easement Resolution 910**

As part of the Florence Area Reinforcement Project, Central Lincoln is expanding the Heceta Substation to install a new 115kV line terminal position. In order to make the transmission line readily accessible for Central Lincoln's use and to continue to provide the adjacent landowners (Jon and Pamela Thompson) access to their property, it was determined that a reciprocal easement with the Thompsons was necessary for all-season access by both the landowner and Central Lincoln. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Tymchuk seconded to adopt Resolution No. 910 which grants a non-exclusive easement for Jon and Pamela Thompson to use Central Lincoln's access road across the Heceta Substation property. Aye: Abbott, Kaliher, Matheny, Tymchuk, Benfield.

#### **Sole Source Acquisition Request Techimp Partial Discharge Monitoring System**

Central Lincoln "may award a contract for goods or services without competition when the Board of Directors, after reviewing findings of fact, determines that the goods or services or class of goods or services are available from only one source." Techimp is the only vendor that can provide a continuous on-line partial discharge monitoring system for Central Lincoln's underground 69kV transmission cable in Newport. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mrs. Matheny seconded to approve a sole source acquisition request for a Techimp Partial Discharge Monitoring System. Aye: Abbott, Kaliher, Matheny, Tymchuk, Benfield.

## **BPA Lakeside Radio Station Acquisition**

The Bonneville Power Administration previously established a microwave relay site at the former Hauser Air Force Station (now a state-owned correctional facility) and later the BPA allowed Central Lincoln to place a two-way radio repeater at this location, referred to by the BPA as the Lakeside Radio Station. This repeater extended Central Lincoln's radio coverage, enabling crews to communicate with the Reedsport and Florence offices. Central Lincoln subsequently extended a fiber optic and digital microwave system to the site to complete a self-healing communications ring between this site and the Gardiner Ridge site (above Reedsport.)

BPA is no longer using this site, and at the BPA's request, Central Lincoln has taken over maintenance and operational responsibility pending a sale. The location provides excellent coverage that would be difficult and costly to duplicate elsewhere. Management recommended that the Board authorize the General Manager to enter into an agreement with the BPA to purchase the Lakeside Radio Station for \$75,000.

This purchase agreement does not include real property; but does assign Central Lincoln perpetual exclusive easements for access and use of the site. Equipment included in the purchase agreement with BPA is a 10 x 24 foot aluminum insulated building on a concrete slab, a 27-foot tall steel lattice tower, a wood pole with splice cabinet, with an air conditioner, located adjacent to the tower.

Inquiries have been received regarding potential third party leases of the tower and building, which could result in additional revenue to further defray the purchase cost. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Abbott seconded to authorize the General Manager to enter into an agreement with the BPA to purchase the Lakeside Radio Station for \$75,000. Aye: Abbott, Kaliher, Matheny, Tymchuk, Benfield.

## **September 14, 2016 Board Agenda – Newport Office**

Board Meeting - 10:00 a.m. Intern Presentations  
Review of Rate Schedules 405 and 700  
Post 2024 High Water Mark Election Discussion

## **Manager's Report**

### **Conservation Update**

Mr. Carey reviewed Central Lincoln's Conservation Program Activity Summary for the period October 1, 2015 – June 30, 2016. Spending and savings levels have remained consistent over the last quarter. Mr. Carey announced a pending project in the Florence area that involves the installation of 30 ductless heat pumps in low-income housing. When completed, this project would account for just over \$110,000 of Central Lincoln's Energy Efficiency Incentive budget and would save an estimated 114,000kWh.

Ms. Smith informed the Board that Mr. Carey will be presenting a PowerPoint presentation to the Rotary Club in Newport about photovoltaic solar installations (primarily for residential customers); which will provide cost and payback information, discuss pros and cons for installation in the

coastal areas, and also give information on other energy efficiency programs available through Central Lincoln. A presentation at the county level (per the City of Newport's request) is planned in the near future.

### **NISC (National Information Solutions Cooperative) Update**

Mr. Benfield will discuss NISC in the upcoming September issue of "Boardlines." It is expected that in about one year, this software program will allow the option for customers to access and pay their bill through an application called "Smart Hub". It is anticipated that a prepaid option will become available allowing customers the flexibility to pay in advance for their electricity as it fits their budget, know the credit amount remaining, and know when another payment will be needed to avoid disconnection of services. It will also provide greater security for the financial information for those who prefer to pay electronically.

### **Customer Letters**

Ms. Smith shared two letters received from satisfied customers. One letter praised Central Lincoln Serviceman Scott Johnson; who, during a routine service call, noticed a homeowner's wiring was in poor condition, and shared that information with the customers who called an electrician to have the issue repaired right away. The electrician confirmed the wiring was old and it practically disintegrated during the repair. The customers were extremely thankful for the very observant and helpful employee.

The other letter was from a customer leaving Central Lincoln's service area after 32 years. She noted how much she appreciated Central Lincoln's service and the courtesy shown to her and her (now deceased) husband over the years.

### **Directors' Discussion**

Mr. Kaliher reported that he recently toured the new Northern Operations Center property, commenting that the cement slab and footings have been poured for the meter shop. The ground has been leveled for the main building, footings have been set and utility conduits are being run. After the September Board meeting, the Board will tour the property to observe the progress firsthand.

Mr. Kaliher requested that rate structure, including demand charges, be discussed at a future workshop or meeting.

There being no further business, the meeting was adjourned at 2:33pm.

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Judy Matheny, Secretary

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Ron Benfield, President