

Minutes of Regular Board Meeting August 18, 2010

The Regular Meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Reedsport office on the 18th of August, 2010 at 10:00 a.m. PDT. President Matheny 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: Paul Davies, General Manager
Brian Barth, Accounting and Finance Manager
Julie Brown, Executive Assistant
Chris Chandler, Communication, Community and Econ. Devel. Mgr
Dennis Hinton, Customer and Energy Services Manager
Gary Nieborsky, Distribution Engineering Operations Manager
Mike Wilson, Power Manager
Bob and Kiki Alexander, Red Hat Construction
Jack Lindamen Jr., RV Park owner
Joe Coyce, Friends of the Umpqua Light
Dale Dawson, Senior Systems Engineer
Shamus Gamache, Systems Engineer
Troy Love, summer Intern
Kate Malcolm, summer Intern
Senator Joanne Verger
Josh Savey, Intern
Representative Arnie Roblan

Visitors Recognized

President Matheny welcomed the District's staff, and visitors to the meeting. She asked Mr. Bob Alexander from *Red Hat Construction in Corvallis*, if he would like to address the Board. Mr. Alexander stated that he was acting on behalf of a Seal Rock customer, and wanted to discuss a *Request for Variance of Service Reconnect Rule*. He was requesting an exception to the existing rule with respect to reinstalling an electrical meter. (See attached handout).

Mr. Alexander left the meeting at this time.

President Matheny asked Mr. Joe Coyne from the *Friends of the Umpqua River Light* if he would like to address the Board. Mr. Coyne stated he was here to provide information to the Board concerning the possible decommission of the Umpqua River Lighthouse on Winchester Bay by the Coast Guard. Their committee has concerns for the Fresnel lens, and they want to insure the lighthouse's integrity as a museum for future generations. The organization wanted Central Lincoln to be aware of the issue.

President Matheny asked Mr. Jack Lindeman Jr. from *Fisherman's RV Park* in Winchester Bay if he would like to address the Board. Mr. Lindeman stated he was present to discuss a larger capacity transformer for his RV Park to handle his increased load and to discuss the possibility of underground wiring.

Senator Joanne Verger Presentation

President Matheny asked Senator Verger if she would like to address the Board. Senator Verger stated that she was interested in hearing any important topics or concerns that were of interest to the Board as the 2011 Legislative session approaches. She stated that the budget situation looks very grim and a special session might be in order to review budget cuts. A Q and A session followed on issues of concern.

Senator Verger introduced to the Board, Mr. Josh Savey, an intern in her office, who will be her policy advisor in 2011.

Representative Arnie Roblan Presentation

Rep. Roblan reviewed his background in government and answered questions from the Board. He discussed the challenges the Legislature will be facing in 2011.

Central Lincoln Summer Interns

Central Lincoln's Senior Systems Engineer, Mr. Dale Dawson, introduced Mr. Troy Love, a student from Oregon State University, and a summer intern in Systems Engineering. Mr. Gamache, a Systems Engineer introduced Ms. Kate Malcolm who is attending Stanford University and interning at Central Lincoln for her summer break. Ms. Malcolm heard about Central Lincoln's Internship Program at a Career Day event while attending Newport High School. Both interns gave a Power Point presentation discussing the highlights of their job responsibilities this summer.

Consent Agenda

The Board took action to approve the following consent agenda items as presented:

- a) Minutes of the July 21st, 2010 Regular Board Meeting;
- b) Vouchers for July, 2010;
- c) Petty Cash for July, 2010;
- d) Uncollectibles for July, 2010;
- e) Directors' Cash Report dated August 18, 2010.

Conservation Update

Mr. Davies asked Mr. Hinton to give his quarterly update to the Board on conservation issues. Mr. Hinton reviewed a Conservation Rate Credit (CRC) activity summary for the period of October 2009-2010, showing a budget balance, credits acquired and estimated kWh saved. (See attached.)

Financial Condition

Mr. Davies reviewed the Board's Governance Policy on the Financial Condition. He discussed the Five Year Capital Plan for FY-11 through FY -15, (Board approval in April 2010); the Bonneville Power Administration rate increase that will take effect in October of 2011; he noted that the valuation report for July 1, 2010 for the pension plan has not been returned from the actuary; and that medical costs have increased by 13% which has resulted

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in an additional cost to the District of \$1,550.00 per participant. A discussion on rate increases for 2010 and 2011 was then held. (See attached.)

Staff Treatment

Mr. Davies reviewed his report on the Board's Governance Policy on Staff Treatment. He briefly discussed the District's personnel policy manual, employee meetings, handling of grievances, employee advisory committee, focus meetings and negotiations.

(See attached.)

September Board Meeting Agenda

The following items are to be included on the agenda for the September 22nd Board Meeting that is scheduled to be held at the Overleaf Lodge in Yachats:

Workshop -10:00 a.m.	Customer Forum - Overleaf Lodge Event Center
Board Meeting - 1:00 p.m.	Rate Schedules/ Cost of Service Analysis Approval of NIES - LCA Steve Wright - BPA Administrator
Consent Agenda:	Minutes, vouchers, petty cash, uncollectibles, and Director's cash report

Manager's Report

Information for the Board

- Mr. Davies reported that Central Lincoln awarded Bid No. 01-027-10 for two 72.5 KV circuit breakers to the low bidder *ABB* who met bid specifications. (See attached.)
- Mr. Davies reported that a RFP for the purchase of one 40 foot Aerial Platform, Service Body Construction and Installation for truck No. 2256 has been sent out, with an opening date of August 25, 2010. (See attached.)

Correspondence

- Ms. Chandler commented on a letter received from a customer concerning alternative energy sources in the 1950's. (See attached.)
- Mr. Davies read a letter from a customer in Depoe Bay who commended the crew that came to repair lines to their home and commented on their professional and competent manner. (See attached.)
- A comment from a customer complimenting the billing insert *Coastlines* was noted.

Website ReVamp

Ms Chandler reported that the Central Lincoln website will be updated by *Ruralite* in the near future.

Director's Discussion

Public Comments

The Board reviewed the public comments received at the beginning of the meeting.

Request for a Variance of Service Reconnect

The request from Mr. Bob Alexander for a variance to the existing rules for reinstalling a meter was discussed:

Due to safety, regulatory and liability issues Central Lincoln has adopted a Line Extension Policy which defines the responsibilities of the District and the responsibilities of the customer for the extension of new electrical service. Central Lincoln stands by this policy.

Upgraded Transformer and Underground Wiring

The request from Mr. Jack Lindeman, the owner of the Fisherman's Resort in Winchester Bay, was reviewed and the following points made:

The Board agreed with Mr. Lindeman's plan to sub-meter his facility in the coming years and felt a fair estimate had been given by Central Lincoln to supply the customer for the expansion of his business in the future.

The Friends of the Umpqua River Light

The comments from Mr. Coyce concerning the Umpqua Lighthouse were discussed.

The Board noted that even though a public utility may not make donations to non-profit organizations, Central Lincoln is supportive of *The Friends of the Umpqua River Light* cause. It was also noted that the Coast Guard has not yet defined its position or its intentions for the future of the Lighthouse.

OPUDA

The RFP that was sent out in August for the OPUDA office Administrator was discussed.

The meeting adjourned at 1:50 a.m.

A list of vouchers, cash report, uncollectibles, and manager's financial report were all given to the Board prior to the meeting.