

Minutes of Regular Board Meeting February 17, 2010

The Regular Meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Depoe Bay City Hall on the 17th day of February, 2010 at 10:00 a.m. PST. 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
Julie Brown, Executive Assistant
Chris Chandler, Communication, Community and Econ. Devel. Mgr
Dennis Hinton, Customer and Energy Services Manager
Bruce Lovelin, Chief Engineer and Systems Engineering Manager
Mike Wilson, Power Manager
Erik Knoder, Economist, Oregon Employment Dept. Newport

Visitors Recognized

President Matheny welcomed the District's staff and visitors to the meeting.

Consent Agenda

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

- a) Minutes of the January 14, 2010 Regular Board Meeting;
- b) Vouchers for January, 2010;
- c) Petty Cash for January, 2010;
- d) Uncollectibles for January, 2010;
- e) Directors' Cash Report dated February 17, 2010

Oregon Department of Employment

President Matheny asked Mr. Erik Knoder from the Oregon Employment Department in Newport if he would like to address the Board. Mr. Knoder gave a Power Point Presentation on *Data and Trends* compiled from the Lincoln County Employment Department and compared the current economic recession to past recessions. (See attached).

Mr. Knoder left the meeting at this time.

Financial Condition

Mr. Davies briefly discussed the Five Year Capital Plan for FY 2011-2015 in accordance with the Board's Governance Policy, pg. 4. He reviewed the areas that will need concentration, and discussed a timeline for the budget. The completed budget will be presented to the Board at the May Board meeting and will be resubmitted in June for Board approval.

Mr. Davies also reported that Central Lincoln is being asked to consider joining the *Cooperative Finance Corporation (CFC)* to facilitate letters of credit for future use in supplying Tier II power to the Northwest Intergovernmental Energy Supply (NIES) organization. (See attached.)

Review Board/GM Relations

A brief discussion on *Board/GM Relations*, pgs. 20-24 in the Board's Governance Policy was held. After review it was determined that no changes to the current policy were necessary. (See attached.)

BPA Power Charge Comparison

Mr. Davies asked Mr. Wilson to discuss this matter. Mr. Wilson reviewed:

- A comparison of Bonneville Power Administration's *Tiered Rate Methodology* and the WP10 rates (wholesale power rates for 2010 that are currently in use), for the first quarter of FY 2010;
- Central Lincoln's Tier II Purchase Agreement from NIES;
- A recent meeting with the South Dunes Project Manager; and
- A hydro-electric Wave energy converter that is being considered for use in our area. (See attached).

RFP-02-10

Purchase of 55' Digger Derrick

Mr. Davies asked Mr. Lovelin to review RFP-02-10. Mr. Lovelin stated that this is a request to purchase a Digger Derrick and chassis for \$245,000.00 from Altec Industries. He reported that this is a demonstration vehicle with low mileage and full factory warranties. In addition it has substantial upgrades, and would be available for *immediate delivery*. He noted that it is staff's recommendation to purchase the Digger Derrick for \$250,500 from Altec Industries. After discussion the following motion was made:

Mr. Kaliher moved and Mr. Benfield seconded that RFP-02-10, submitted for the purchase of a 55' Digger Derrick at the purchase price of \$250,000, be awarded to Altec Industries. Aye: Abbott, Tymchuk, Kaliher, Benfield, Matheny. (See attached).

Manager's Report

Conservation Update

Mr. Davies asked Mr. Hinton to report on the quarterly *Conservation Update*. Mr. Hinton reviewed the FY 2010-2011 Conservation Rate Credit, showing the budget balance, the credits acquired, estimated kWh saved and estimated aMW saved. (See attached).

Appreciation

Mr. Davies discussed a letter from the Director of the *Festival of Trees* expressing appreciation for Central Lincoln's billing insert service. (See attached).

Florence Planned Outage

Ms. Chandler reported on a planned power outage affecting a small segment of the population just east of Florence on Thursday March 4th.

115 kV upgrade to Gardiner

Mr. Lovelin reported that negotiations with BPA to build a 115 kV *point of delivery* in Gardiner has reached an oral agreement. This agreement will allow Central Lincoln to build a 115 kV transmission line, connecting our Reedsport substation to the Gardiner substation, which will greatly enhance our power reliability in the Reedsport area.

Arc Flash Clothing

Mr. Davies updated the Board on the *Arc Flash Clothing Stipend* that had been discussed at the January *Employee Advisory Committee* meeting with the Board.

Director's Discussion

OREGON PUD ASSOCIATION

A discussion on Oregon PUD Association issues was held.

Mr. Wilson, Mr. Lovelin and Mr. Hinton left the meeting at this time.

Executive Session

President Matheny adjourned the regular meeting and an Executive Session was then convened at 1:15 p.m. "in accordance with ORS 192.660. (2)(d) "to conduct deliberations with persons designated by the governing body to carry on labor negotiations".

The Session adjourned at 1:45 p.m. PST.

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