

Minutes of Regular Board Meeting September 22, 2010

The Regular Meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Overleaf Lodge on September 22, 2010 at 1:00 p.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
Brandon Hignite, Electric Policy Analyst
Bruce Lovelin, Chief Engineer & Systems Engineering Manager
Mike Wilson, Power Manager

Visitors Recognized

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

Consent Agenda

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

- a) Minutes of the August 18, 2010 Regular Board Meeting;
- b) Vouchers for August, 2010;
- c) Petty Cash for August, 2010;
- d) Uncollectibles for August, 2010;
- e) Directors' Cash Report dated September 22, 2010.

Cost of Service Analysis

Mr. Davies reported that FY 2010 had recently been closed. A discussion on the final details of the 5 Year Projected Operating Capital Plan for 2011-2015 was held. The total revenue, capital expenditures, total operating costs for the year ending June 30, 2010 were reviewed. The actuarial valuation of the Pension Plan, completed by Milliman was also discussed.

The Cost of Service Analysis completed by D. Hittle & Associates was then discussed. It was determined that over a two year period, an average increase of 7.5% across all rate classes would be necessary to pay for the anticipated BPA rate increase of 15% that will take effect in October 2011. The increases within the different rate classes were then reviewed as were tables showing the allocation of Annual Operating Costs for 2010. (See attached.)

Resolution No. 861
2010 Rate Schedules

Mr. Davies noted that the next item for consideration was Resolution No. 861 which approves the new rate schedules for rates 100,120,190,195,200,300,350,400,500,510,520,530 and 700 effective October 1, 2010. After discussion the following motion was made;

Motion: Mr. Abbot moved, and Mr. Benfield seconded that Resolution No. 861 be adopted.

Aye: Benfield, Abbott, Tymchuk, Kaliher, Matheny.

(See attached Resolution and Rate Schedules)

Resolution No. 860
NIES Load Commitment Agreement

Mr. Davies explained that Resolution No. 860 was requesting permission from the Board of Directors of Central Lincoln PUD to authorize the General Manager to complete and execute an Amended and Restated Load Commitment Agreement, (including a Certificate of Authority and a Confidentiality Agreement) with Northwest Intergovernmental Energy Supply (NIES). He further explained that this agreement will simplify the operation of NIES for the purchasing of Tier II power. Mr. Davies noted that attorneys Mr. Thomas Grim and Mr. Peter Gintner had reviewed the documents. After discussion the following motion was made;

Motion: Mr. Abbott moved and Mr. Tymchuck seconded that the General Manager be authorized to sign the Amended and Restated Load Commitment Agreement, the Certificate of Authority, and the Confidentiality Agreement from NIES. **Aye:** Benfield, Abbott, Tymchuk, Kaliher, Matheny.

(See attached Resolution and documents)

October Board Meeting Agenda

The following items are to be included on the agenda for the October 27th Board Meeting that is scheduled to be held at the Newport office:

Workshop -

Board Meeting - 10:00 a.m.	AMI RFP review and approval Communication and Counsel to the Board, pg.8 Aims/Ends, pg. 1 Customer Forum Review OPUDA 2011 Annual Meeting discussion
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Consent Agenda:	Minutes, vouchers, petty cash, uncollectibles, and Director's cash report
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After discussion the following motion was made;

Motion: Mr. Tymchuk moved and Mr. Kaliher seconded that the November Board meeting scheduled for Lakeside on November 17th be moved to the Newport office. **Aye:** Benfield, Abbott, Tymchuk, Kaliher, Matheny.

Manager's Report

Information for the Board

- Mr. Davies reported that Central Lincoln had received a certificate for membership to Ruralite Services Inc.
- A memo from staff informing the Board that a proposal for a Service Body Construction and Installation was awarded to Altec for a bid price of \$75,808.00. (See attached.)
- A comment from a customer complimenting the billing insert *Coastlines* was noted. (See attached.)
- A letter from a customer in Reedsport complimenting the work of Marc Wangerin and Paul Rohner during a recent outage was noted. (See attached.)
- A customer in Reedsport who commented on the Boardlines insert was discussed. It was determined that a response will be sent to him. (See attached.)
- A letter from a Newport customer sent to President Matheny concerning a reconnection to a new meter was discussed. A response will be made to the customer reiterating Central Lincoln's policy on the matter. (See attached.)
- Ms. Chandler commented briefly on a COU (Consumer Owned Utility) meeting that was held in Eugene at EWEB.

Closing the Loop

A power point presentation was given by Mr. Lovelin which showed the recent closing of a 69 Kv power transmission line near Depoe Bay. This was enabled by using high-speed fiber and protection devices and will create a closed loop of power thereby;

- Lessening the impact of future outages;
- Ensuring that power flows more efficiently;
- Providing energy loss savings and increased safety factors.

A video which demonstrated the challenges of power blasting and painting energized transformers in substations was also shown.

Director's Discussion

Oregon PUD Association

- A discussion was held on a RFP that was sent out in August for an OPUDA Office Administrator. The committee made a recommendation based on their responses.
- Further discussion will be held at the OPUDA Annual meeting in McMinnville in October.
- A gift for the outgoing OPUDA President was discussed.

The meeting adjourned at 3:10 p.m.

9/22/10

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

Ron Benfield, Secretary

Judy Matheny, President