

**Minutes of Regular Board Meeting August 19, 2009**

The Regular Meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Reedsport Office on the 19th day of August, 2009 at 10:00 a.m. Pacific Daylight Time. President Abbott 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, Finance, and Customer Service Manager  
Matt Boshaw, Distribution Engineering and Operations Manager  
Julie Brown, Executive Assistant  
Chris Chandler, Communications, Community & Econ.Dev. Mgr.  
Mike Sleight, Energy Services Manager  
Mike Wilson, Chief Engineer  
Mrs. Shannon Souza, Sol Coast Consulting and Design  
Mr. Dale Dawson, Civil Engineer  
Mr. Tyler Katchca, Engineering Intern  
Mr. Colin McClintock, Engineering Intern

**Visitors Recognized**

President Abbott welcomed the District's staff and visitors to the meeting. Mr. Sleight introduced Mrs. Shannon Souza from *Sol Coast Consulting and Design* and explained that she would be making a presentation on *Renewable Energy Incentives* later in the meeting.

**Consent Agenda**

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

- a) Minutes of the July 15, 2009 Regular Board Meeting;
- b) Vouchers for July, 2009;
- c) Petty Cash for July, 2009;
- d) Uncollectibles for July, 2009;
- e) Directors' Cash Report dated August 19, 2009.

**Convene To Executive Session**

President Abbott adjourned the regular meeting at 10:15 a.m. and declared that an Executive Session was convened pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Barth, Mr. Boshaw, Ms. Chandler, Mr. Wilson, Mr. Sleight and Mrs. Souza left the meeting at this time.

**Reconvene to the Regular Meeting**

The Executive Session was adjourned and the regular meeting was reconvened at 10:35 a.m. Mr. Barth, Mr. Boshaw, Ms. Chandler, Mr. Wilson, Mr. Sleight and Mrs. Souza returned to the meeting at this time.

### **Conservation Update**

Mr. Davies asked Mr. Sleight for an update on current conservation projects at Central Lincoln. Mr. Sleight reported that Central Lincoln has been meeting their goals in the Conservation Rate Credit (CRC) program.

- Budgeting for the next two years (FY 2010-11) has been increased to 1.4 million
- Central Lincoln has currently conserved .7 average Megawatts (aMW) of which 75% will go towards our High Water Mark (HWM).
- How the CRC funds have been dispersed this past year was reviewed.

Mr. Sleight introduced Mrs. Shannon Souza who discussed Central Lincoln's *Renewable Energy Incentive Program* which will offer incentives to customers installing qualified solar energy systems. The program will begin in FY 2010 and sunset on October 1, 2011, dependent on BPA funding.

- She also discussed a micro-hydro power system and solar power demonstration projects. (See attached.)

### **Financial Condition**

Mr. Davies reviewed the Board's Governance Policy on Financial Condition. He discussed the FY 2010-14 Operating/Capital Plans which have been updated to reflect the closing of FY 09. He reported that;

- The Bonneville Power Administration rate increase was settled at a lower than expected rate (7.5% as opposed to the assumed 10.0%).
- There was a higher than expected cash reserve.
- There are lower than expected Above HWM loads for FY-12, 13, and 14.
- Pension costs for FY-10 are known and are higher than expected.
- Medical Plan cost went up by 13% in 2009.

Due to this information, adjustments have been made to the Five-Year Plan. After discussion the following motion was made.

**Motion:** Mr. Kaliher moved to accept the revised Five Year Plan for FY 2010-14 which will represent the 7.5% BPA rate increase as presented. Mr. Benfield seconded the motion. Aye: Kaliher, Benfield, Tymchuk, Matheny, Abbott. (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, employee advisory committee and the safety committee. (See attached.)

Mr. Dawson, Mr. Katchka, and Mr. McClintock joined the meeting at this time.

### **Summer Internships**

Mr. Dale Dawson, Central Lincoln's Civil Engineer, introduced Mr. Tyler Katchka, and Mr. Colin McClintock, students from Oregon State University, who are interning in the Engineering department for the summer season. They each gave a Power Point Presentation showing their specific job responsibilities, briefly discussed their personal history and future employment goals.

Mr. Dawson, Mr. Katchka, and Mr. McClintock left the meeting at this time.

### Rate Setting

A discussion on a 5% rate increase for residential, commercial and industrial customers, for FY 2010, effective October 1, 2009 was held. After review the following motion was made.

**Motion:** Mr. Benfield moved to adopt:

- A residential rate increase of 5% (with a monthly basic charge of \$16.00 )
- A small commercial rate increase of 5% (with a monthly basic charge of \$22.00),
- Rates 300 and 350 will apply only to services installed prior to October 1, 2009.
- Rate 400 will apply to Loads greater than 500 KW.
- All other rate schedules, and *deposits* will have a 5% increase.
- The 95% Bonneville power factor will be increase to a 97% power factor penalty (only applied to certain rates).

This will be effective October 1, 2009. Aye: Kaliher, Benfield, Matheny, Tymchuk, Abbott.

Tiered Rate Methodology (TRM) for 2012 was briefly discussed and will be presented in more depth at the September Board meeting. (See attached.)

### Advanced Metering Infrastructure

Mr. Davies explained that the AMI discussion would be two-fold in that; Mr. Boshaw would be reviewing the current meter base replacement policy, and permission would be asked to sign the current AMI contract.

- Mr. Boshaw then gave an overview of the current meter-base policy and discussed possible changes and costs that might be incurred through installation of the AMI system. The Board did not alter the current policy.

Mr. Davies asked Mr. Wilson to discuss the AMI contract. Mr. Wilson reported that;

- System engineering has successfully completed negotiations, in the AMI RFP process with *Cooper Power Systems* and recommends that the Central Lincoln Board of Directors authorize the General Manager to sign the Frame Agreement with Cooper Power Systems LLC to provide materials and services (as outlined in the Frame agreement for the project.)
- *The Smart Grid Grant* proposal from Federal Stimulus funding is still pending. There are possible matching funds totaling 9 million dollars to be awarded.
- The project timeline would begin in March 2010 with anticipated completion in June 2012.

Discussion was held and the following motion was made.

**Motion:** Mrs. Matheny moved that Central Lincoln continue to move forward with the AMI project, and that Mr. Davies have permission to sign the current contract. Mr. Kaliher seconded the motion. Aye: Kaliher, Benfield, Matheny, Tymchuk, Abbott. (See attached.)

### Conservation Contract

Mr. Davies explained that Bonneville Power Administration had offered Central Lincoln a Five- year Energy Conservation Agreement. He asked Mr. Sleight to explain this matter further. Mr. Sleight stated that;

- This agreement removes some uncertainty from the conservation funding issues.
- It will put utilities in the same time frame as the Council's five year power plans.
- Current Conservation Rate Credits (CRC) levels will increase about 15% for FY 2010-11.
- No decisions have been made for post-2011 as of yet.

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- The Agreement will put a bi-lateral contract capability in place for utilities to receive reimbursements from BPA for approved conservation measures. A current placeholder of \$100K is present, which can be increased at anytime during contract period.

After discussion the following motion was made.

**Motion:** Mr. Tymchuk moved and Mrs. Matheny seconded to accept the Conservation Contract from Bonneville Power Administration for the reasons stated above. Aye: Kaliher, Benfield, Matheny, Tymchuk, Abbott. (See attached.)

### **September Board Meeting Agenda**

After discussion the following motion was made:

**Motion:** Mr. Benfield moved and Mrs. Matheny seconded that the September 16<sup>th</sup> regular board meeting be moved to Wednesday September 23<sup>rd</sup>. Aye: Kaliher, Benfield, Matheny, Tymchuk, Abbott.

The following items are to be included on the agenda for the September 23rd Board Meeting which is scheduled to be held in the Florence office.

Board meeting (10:00 a.m.) -	Customer Forum Discussion
Board Action -	TRM (Part 2) Discussion
Consent Agenda -	Minutes, vouchers, petty cash, uncollectibles, and Director's cash report.

### **Managers Report**

#### **Correspondence**

- Mr. Davies reviewed a letter from NWPPA concerning a recent E&O Conference.
- Ms. Chandler reviewed correspondence received concerning the Board of Directors recent letter on the Bi-Op Program.
- Mr. Davies discussed a letter from a local Toledo artist.

#### **Legislative Session**

Mr. Davies asked Mrs. Chandler to report on Legislative issues.

- She discussed a slate plaque that is being considered as an option for State Legislators from the Oregon PUD Association; and distributed a 2009 Legislative Session Report prepared by The Romain Group, LLC.

#### **Coastlines/Boardlines**

Ms. Chandler briefly discussed the new format of the *Coastlines*. After discussion it was determined that Mr. Kaliher and Mr. Abbott, and Mrs. Matheny would submit articles for the November issue of the Boardlines.

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**Directors Discussion**

**Oregon PUD Association**

A discussion on the value of including an experienced lobbyist in the 2010 OPUDA Budget was held.

**American Public Power Association**

The Annual APPA lobbying trip to Washington D.C.in February was briefly discussed.

There being no further business, the regular meeting adjourned at 3:32 p.m.

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

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Larkin Kaliher, Secretary

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Curt Abbott, President