

**Minutes of Regular Board Meeting May 27, 2009**

The Regular Meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Newport Office on the 27th day of May, 2009 at 10:00 a.m. Pacific Daylight Time. Vice President Matheny called the meeting to order and asked that the roll be called. Mr. Abbott was present via tele-conferencing from Waldport.

**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, Community and Economic Development Admin. Mgr  
Gary Cockrum, Communications Manager  
Doug Dawson, Information Technology Manager  
Bruce Lovelin, Engineering Supervisor  
Mike Wilson, Chief Engineer  
Dr. John Baker, Newport

**Visitors Recognized**

Vice President Matheny welcomed the District's staff and visitor Dr. John Baker to the meeting.

**Consent Agenda**

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

- a) Minutes of the April 15, 2009 Regular Board Meeting;
- b) Vouchers for April, 2009;
- c) Petty Cash for April, 2009;
- d) Uncollectibles for April, 2009;
- e) Directors' Cash Report dated May 27, 2009.

**OSU Award Presentation**

Mr. Davies asked Mr. Lovelin to address the Board. Mr. Lovelin reported that he recently attended an annual meeting for west coast industries that participate in the *Electrical Engineering Program at Oregon State University*. Mr. Lovelin presented the Board with a platinum award that was given to Central Lincoln for their support of research and education at the School of Engineering at OSU.

Mr. Lovelin left the meeting at this time.

### **Employee Forum Discussion**

Vice President Matheny asked Dr. Baker if he would like to address the Board. He briefly discussed the agenda for the upcoming *Employee Forum* on June 24<sup>th</sup> at the Yachats Commons.

- A decision was made to hold the annual *Customer Forum* in Newport on October 21, 2009. Dr. Baker will meet with the Board in Florence at the September 16, Board Meeting for a pre-meeting review. (See attached.)

### **Compensation and Benefits/ General Manager's Compensation (pgs. 7&23)**

At the April 15<sup>th</sup> Board meeting, the Board adopted the Five Year Capital/Operating Plan for FY 2010-14 that was submitted as Draft B. There were no wage or salary increases included in that budget between July 1, 2009 and June 30, 2010.

### **High Water Mark Discussion**

Mr. Davies asked Mr. Wilson to report on this.

- Mr. Wilson gave a Power Point presentation on Tiered Rate Methodology (TRM) and explained the various types of High Water Marks (HWMs).
- He explained that HWM's are a major component of the TRM and Central Lincoln's Load-Following Contract.
- He explained that the HWM sets the eligibility to purchase BPA power at the Tier 1 rate. He explained how HWM's are calculated and future timelines for their use. (See attached.)

### **Advanced Metering Infrastructure**

Mr. Wilson explained that the AMI contract is still in negotiations with attorneys. However, this will allow time to apply for two different stimulus packages from the Federal Government to help defray the costs. This may delay the process but will assist with the cost of the program. A consultant may be needed to help write the applications.

### **Request for Lease of Dark Fiber**

Mr. Dawson reported that CoastCom Inc. is requesting a lease for one fiber pair on the fiber system for seven years from the Depoe Bay Office to Central Lincoln pole B05P/26 near the Century Tel Central Office in Depoe Bay. This is in accordance with Resolution 835, Article 415(d). The following are reasons for this authorization:

- A negotiated contract will not result in favoritism or reduced competition. Additional capacity is available for other companies to request a lease over this section during this time frame.
- Savings to the District can be obtained through this lease. Revenue will allow recovery of investment in the fiber pair over a period of approximately ten years. The capacity is a surplus to Central Lincoln. After discussion the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Benfield seconded that the lease of dark fiber to CoastCom Inc. be approved due to the facts stated above. Aye: Kaliher, Tymchuk, Benfield, Abbott, Matheny. (See attached.)

**Award Bid No. 04-008-09**

Mr. Boshaw reported that on May 6, 2009 a bid was received for a tree trimming company to furnish equipment and two crews to trim trees for the District, for fiscal years 2010-2012. After review, it is staff's recommendation to accept the bid submitted by *Trees Inc.* in the amount of \$361.84 per hour for two tree trimming crews. Discussion was held and the following motion was made:

**Motion:** Mr. Kaliher moved to award Bid No. 04-008-09 to *Trees Inc.* to furnish equipment and two crews to trim trees for the District for fiscal years 2010-2012 at the bid price of \$361.84 per hour. Mr. Kaliher seconded the motion. Aye: Kaliher, Tymchuk, Benfield, Abbott, Matheny. (See attached.)

**Residential Exchange Program Agreement**

Mr. Davies briefly reviewed the *Residential Exchange Program Agreement* between Central Lincoln and Georgia Pacific Toledo effective June 1, 2009, and discussed any final questions, before submitting the signed agreement to GP. (See attached.)

**June 24th Board Meeting Agenda**

The following items are to be included on the agenda for the June 24<sup>th</sup> Regular Board Meeting scheduled to be held in Yachats:

Workshop – 9:30 a.m.

Dr. John Baker/ Employee Forum

Board Meeting:  
1:00 PM

NWPPA/APPA National Meeting Review

Board Action/Review and Assess:  
Consent Agenda

Minutes, vouchers, petty cash,  
uncollectibles, and Directors Cash Report

**Manager's Report**

**Employee Meetings**

Mr. Davies reviewed the *Employee Meetings* which are scheduled for June, and are held annually to go over any changes to the *Employee Manual and Medical Plan*. He will also discuss any other issues that the Employees might have at this time.

**Service Awards**

The 2009 *Employee Service Awards* will be held on September 25<sup>th</sup> and will recognize 19 Employees who have collectively had 425 years of service. Wayne Secrist from Toledo will be celebrating his 35th year of service to Central Lincoln, the longest term Employee receiving an award this year.

**Legislative Issues**

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

- She reviewed *Senate Bill 80, Cap and Trade/Carbon tax, and HB 2186.*

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- It was the consensus of the Board that a letter be drafted by Central Lincoln supporting *Northwest RiverPartners* concern with the federal Bi Op and dam removal. (See attached.)

### **Directors' Discussion**

#### **Oregon People's Utility District Association**

- A discussion was held on the selection of a representative from Central Lincoln to be on the OPUDA Planning Committee for 2010 to discuss the process for future visits to Washington D.C, for the Annual Legislative Rally. Mr. Kaliher was appointed by President Abbott to be Central Lincoln's representative.
- Ron Benfield will continue to represent Central Lincoln on the OPUDA Budget Committee in 2010.
- Mr. Abbott will attend the OPUDA meeting on Tuesday June 2<sup>nd</sup> to continue with the Executive Director selection.

#### **Correspondence**

A response drafted to Mr. Whit Patrick in response to his letter written to the Board, was reviewed.

There being no further business, the regular meeting adjourned at 1:52 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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Judy Matheny, Vice President