2013 November

Minutes of the Board of Directors’ Meeting
Lane Electric Cooperative, Inc.
November 25, 2013

The regular monthly meeting of the Board of Directors of Lane Electric Cooperative Inc. was called to order by President Christopher B. Seubert at 11:00 AM on Monday, November 25, 2013, at the Cooperative’s office at 787 Bailey Hill Rd, Eugene, Oregon. Directors present were Jeri Nelson, Vice-President; Charles J. Leighter, Secretary; Patricia C. Dymock, Treasurer; and directors, Charles E. Bangle, and Jack Billings. Also present were Charles N. Fadeley, Cooperative’s attorney; Rick Crinklaw, General Manager; Dave D’Avanzo, Manager of Member Services; Debi Wilson, Manager of Office & Staff Services; Tony Toncray, Manager of Construction & Maintenance; Doug Stockdale, Manager of Engineering Services; and Brenda Everts, Executive Secretary, who acted as recording secretary.

Member Input
There were several members present to observe the meeting, all of the members were applicants for the vacant Oakridge Director position. The members were, Susan Knudsen-Obermeyer, John Weddle, Mavis Pas, Rustie Ackland, and Glenn Fortune.

Approval of the Agenda
President Seubert asked if there were additions or amendments to the agenda. Upon motion and proper second it was moved to approve the agenda approved as presented.

Approval of Minutes
President Seubert asked if there were any additions or corrections to the minutes of the regular board meeting or the Post-Annual Organizational meeting minutes from October 28, 2013. Hearing none, President Seubert then declared both sets of minutes approved as presented.

Reports – Director & Committee

• Director:

Budget Committee: Director Dymock reported on the Budget Workshop that was held November 21.

General Manager Search & Selection Committee (GMSSC): Director Nelson reported the GMSSC met to determine the form that would be used to request proposals from executive search consultants, and to approve a list of search firms to which proposal requests would be submitted.
Safety Committee Meeting: Director Bangle reported on the safety meeting held on November 21, the topic was “Holiday Stress”. He mentioned it was a very good meeting.

• ORECA Director:

President Seubert, ORECA director, reported on NRECA’s Region IX meeting held in Portland. He then inquired as to whom all would be attending the ORECA Annual meeting to be held in Salem at the Grand Hotel Dec. 3-5 and whom would be attending the pre-meeting classes.

• ORECA Government Affairs Committee (GAC):

Mr. Crinklaw reported on the creation of the Governors renewable portfolio standard task force.

Report – Manager’s

• Thank You Cards:

Cards and thank you letters were shared with the board.

• Biological Opinion (BiOp)/ Fish & Wildlife Status:

Mr. Crinklaw gave an update on the following items:

• The final revised Bi-Op is expected to be prepared by mid-December.
• The filing deadline for remanded Bi-Op is Jan. 1, 2014.
• Status of Columbia and Snake River Chinook Run.
• NOAA Proposed delist of Stellar Sea Lions from Endangered Species Act

• Regional/Federal Power Issues:

Mr. Crinklaw reported on the following issues:

• Residential Exchange Program
• Employment status of BPA’s Administrator and Deputy Administrator
• Congressional Engagement
• The Columbia River Treaty

• PNGC Financial report:

Mr. Crinklaw reported on the current monthly and year-to-date financials for PNGC through October. He also reported the 2013 audit is underway and that he is the chairman of the Audit Committee.

• PNGC Activities:

Mr. Crinklaw reported on the Equity Planning Workshop and the Coffin Butte Project.

• NERC/WECC Assessment
Mr. Crinklaw reported that LEC received an invoice for the 2014 assessment. The total NREC/WECC Assessment is $45.2 million and LEC’s share is $6,869.

• Grand Coulee REC’s

Mr. Crinklaw reported the Oregon Department of Energy has certified hydro “Incremental” upgrades at Grand Coulee Dam to qualify for Renewable Energy Credits (REC). REC could be used to meet Oregon’s Renewable Portfolio Standard obligations.

• NRECA Pension Plan

Mr. Crinklaw reported the Senate Committee on Health, Education, Labor & Pensions, voted unanimously to support “Cooperative & Small Employer Charity Pension Flexibility Act”. He reported if approved it would maintain a provision that would have sunset, and would reduce the DRC and spread pension funding.

• NRECA Dues

Mr. Crinklaw reported there will not be a rate increase in the 2014 NRECA dues.

• ACRE

Mr. Crinklaw reported for the 2013 year the Cooperative maintained their 100 percent Century Club legacy. The 2014 ACRE year cards should be arriving soon.

• Net-Metering Installation:

Mr. Crinklaw reported there was one new net-metering installation for the month of October, bringing the total net-metering participants to 54 residential and two commercial systems producing 225,665 kWh per year.

• FEMA Assistance

Mr. Crinklaw reported that FEMA is increasingly strident on policies and requirements.

• King Estate Solar Project

Mr. Crinklaw reported that the solar system continues to experience operational difficulties, however it is believed there was an undersized recloser (breaker). The breaker has been replaced and will be monitored.

• Pre-Pay Program Update:

🌟 Participants = 756
🌟 Current Percentage = 6.3%
🌟 Goal Percentage by Dec. 31, 2013 = 10%
🌟 Participants needed to meet the goal = 444

• Conferences & Meetings:

• Oregon Rural Electric Cooperative Annual Meeting – Salem Convention Center, December 3-5.

• Managers Report:

Mr. Crinklaw reported on the following items:

• Election Results
• Bylaw printing
• Mission Statement
• Oregon Director Appointment
• General Manager Search

• Holiday Open House

Mr. Crinklaw invited everyone to his home the evening of Monday December 16, following the board meeting, for a Holiday Open House.

• Travel & Meetings Itinerary:

Each director received a copy of Mr. Crinklaw’s travel and meeting itinerary for November and December.

Attorney Chuck Fadeley arrived for the meeting at 12:00 P.M

Policy Review

Mr. D’Avanzo, Manager of Member Service reported on the two policies up for review this month, Policy 209 (Purchases – Employees & Directors) and Policy 603 (Donations & Contributions). There were no proposed changes in either policy. A motion was made and properly seconded to renew as presented Policy 209 (Purchases – Employees & Directors) and Policy 603 (Donations & Contributions). Following discussion, a motion was made and properly seconded to amend the motion to include language changes to Policy 209 that would remove language referring to directors and group purchasing. The motion to amend the motion, passed by unanimous vote. Upon motion made and properly seconded to renew as amended Policy 209 (Purchases- Employees & Directors) and Policy 603 (Donations & Contributions) as presented. The motion was approved by unanimous vote.

Health Insurance Renewal

Mr. Crinklaw declared a conflict of interest and excused himself from the discussion.

The Employee Insurance Committee reviewed and discussed the proposed options submitted by Providence Health Plan and Pacific Source. The pricing of each option was presented.
Following a lengthy discussion, a motion was made and properly seconded to authorize the renewal of medical insurance coverage for the Cooperative’s employees with Providence Health Plan and as presented by the Employees Insurance Committee as Option #1. The motion was approved by unanimous vote.

Lunch – Approve 2014 Board Meeting Dates

Upon motion made and properly seconded to move to approve a presented the slate of monthly board meeting dates for 2014.

Consider Adoption of 2014 Budget

Previously, the board held a budget workshop on November 22 to discuss several versions of the DRAFT 2014 budget. Debi Wilson, Manager of Office & Staff Services along with Cynthia Scoble, Controller, presented the DRAFT 2014 budget to the board.

Upon motion made and properly seconded it was moved to adopt as presented, and identified as version 2, the operating and capital budgets for calendar-year 2014. The motion was approved by unanimous vote.

Upon a motion moved and properly seconded to move to authorize revisions in the Cooperative’s retail rate schedules to effect an average revenue increase of 7% percent, and that revisions will include setting the Basic Charge for the GS-a rate schedule (General Service Single Phase) at $15.00 and the Basic Charge for the GS-3 rate schedule (General Service Three-Phase) at $25.00 for demand up to 50KW and at $70.00 for demand more than 50 KW; that revised rates will be effective to all billings rendered on or after January 1, 2014. The motion was approved by unanimous vote.

Donation Request

Senior Meals Programs – A motion was made and seconded to donate $2,000 collectively to the five Senior Meals Programs. The motion was approved by unanimous vote.

Toys for Tots -Oakridge Volunteer Fire & EMS –A motion was made and properly seconded to donate $400 to the Toys for Tots -Oakridge Volunteer Fire & EMS. The motion was approved by unanimous vote.

Appointments

Upon motion made and properly seconded it was moved to appoint the following individuals to serve as representatives for Lane Electric Cooperative:
• Board of Directors – Oregon Rural Electric Cooperative Association (ORECA)
  ♦ Director: President Seubert, Alternate; Director Billings
• Oregon Action Committee for Rural Electrification (ACRE)
  ♦ Delegate: Mr. Crinklaw
• General Manager Search & Selection Committee
  ♦ Chairwomen: Vice President Nelson

Present DRAFT Strategic Planning Initiatives & Objectives
Mr. D’Avanzo, along with staff members, discussed the draft version of the strategic plan goals and initiatives. The final version is scheduled to be presented at the December board meeting.

Financial Report

Ms. Scoble, Controller, along with Debi Wilson reported on the financial condition of the Cooperative for the period ending October 2013.

Pre-Audit Conference with Kenneth Kuhns & Co.

The Lane Electric Board of Directors, acting as the Audit Committee, met with Kenneth Kuhns, CPA, of Kenneth Kuhns & Company for the 2013 Pre-Audit Conference on November 25, 2013.

Mr. Kuhns told the Board about the firm’s electric utility audit experience. Mr. Kuhns said his firm would share best practices from other utility audits. Audit field work is to be completed in early February if records available, with the audit report at the March Board meeting.

Staff was excused. The board along with the Cooperative’s attorney entered into executive session.

Approve 2013 Audit Engagement Agreement

The board, acting as the Audit Committee, reconvened from executive session. Upon motion made and properly seconded it was moved to retain the services of Kenneth Kuhns & Company to conduct the Cooperatives; 2013 audit, and authorize the Cooperative’s President, General Manager and Manager of Office & Staff Services to execute the 2013 audit engagement agreement as presented. The motion was passed unanimously.

Safety Program Report

Toncray, Manager of Construction & Maintenance, reported the Office safety meeting was held October 17 and the topic was “Winter Driving”. The Construction and Maintenance safety meeting was held October 24. The topic was “Winter Driving”. He also reported on the status of the Employee Safety Program through the end of October, and reported there have been 425 days without a time loss injury.

Agenda Items for December 16

• Donations
• Waiver of Notice
• Adopt Strategic Initiatives and Objectives
• Fox Hollow Substation Vegetation Management Plan – Update
• EWEB Service area transfer update
• Resolution – Allocation of REP Proceeds
• EWEB Service Area Transfer – Update
• Construction Work Plan Activities Report

Legal report and Executive Session
There being no further business to come before the board in open session, the directors along with Mr. Crinklaw and Mr. Fadeley, entered into executive session.

Adjournment

Meeting adjourned at approximately 3:15 PM.