

Minutes of Regular Board Meeting April 16, 2014

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Depoe Bay City Hall on Wednesday April 16, 2014 at 10:00 a.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: Debra Smith, General Manager
Brian Barth, Accounting & Finance Manager
Ken Beeson, Facilities Planning Consultant
Julie Brown, Executive Assistant
Sunnetta Capovilla, new Executive Assistant effective July 1st
Chris Chandler, Communication, Community & Econ Development Mgr.
Doug Dawson, IT & Communications Manager
Brandon Hignite, Power Analyst
Dennis Hinton, Customer & Energy Services Manager
Bruce Lovelin, Chief Engineer & Systems Engineering Manager
Gail Malcom, Project Manager
Gary Nieborsky, Distribution, Engineering & Operations Manager
Bill Reinhart, Accounting Supervisor
Sue Tyler, Personnel, Compensation and Benefits Manager

Staff and Visitors Recognized

President Matheny welcomed staff and visitors to the meeting. Ms. Smith introduced Mr. Ken Beeson, LLC with whom Central Lincoln has contracted to develop a long-term facilities plan for the District's operations. Mr. Beeson provided the board and staff with a PowerPoint presentation in addition to a fully detailed facility plan.

- The recommendations Mr. Beeson has made are intended to help form our long-term capital plans and prioritize needs based on earthquake and tsunami-related inundation risk.
- The report discussed facility needs and high-level costs for renovation or replacement of facilities, and potential closure of a number of existing facilities. This would be based on the cost of replacement or renovation of facilities and their proximity to the Tsunami Inundation Zone (TIZ).

A Q&A with the Board and staff followed. (See attached.)

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of March 26, 2014 Regular Board Meeting
- b) Vouchers for March, 2014
- c) Petty Cash for March, 2014

- d) Uncollectibles for March, 2014
- e) Directors' Cash Report dated April 16, 2014

Board Governance Policy

Annual Board Planning

At the March board meeting Ms. Smith suggested two possible modifications to the Annual Board Planning Policy F:

- 1) Clarification of the timing of the annual plan (with fiscal year incorporated in addition to annual).
 - 2) A recommendation to include the approved version of the strategic plan within this policy.
- After discussion it was the consensus of the board that the changes suggested to Policy F be approved. (See attached.)

Asset Protection

Ms. Smith reported on Asset Protection, pg. 6 of the Governance Policy. She reviewed the many methods implemented to protect and maintain Central Lincoln's assets. She noted that Central Lincoln has engaged an attorney from Hershner Hunter in Eugene who will provide workplace/harassment training for all employees scheduled in June 2014 and Managers and Supervisors will receive reasonable suspicion training as well. (See attached.)

Customer Feedback

After a brief discussion on Customer Feedback pg. 9 of the Governance Policy, it was determined that no changes would be made to the current policy. (See attached.)

Board Compensation

This policy which defines Board Member Compensation was adopted in January of 2014 with a review date of April 2014. Since all other governance policies (A-G) have a March review date it was determined that the Board Member Compensation Policy be amended to have a March review date as well. (See attached.)

Five Year Capital Improvement Plan

Mr. Dawson, IT and Communications Manager, Mr. Lovelin, Chief Engineer/Systems Engineering Manager and Mr. Nieborsky, Distribution Engineering & Operations Manager presented a five-year capital plan, focusing on major projects scheduled to be completed over the next three fiscal years. The plan includes the current year (FY 2013-2014) budget. Ms. Smith stated that in May, staff will bring a Five Year Financial Plan to the board which will include the capital budget as well. She welcomed the Boards input and any requests for additional information. (See attached.)

Identity Theft

Ms. Smith asked Mr. Barth to discuss this issue. He stated that the Federal Trade Commission (FTC) enforces the Red Flags Rule and because Central Lincoln provides

service in advance of payment, we are considered a creditor under Red Flags definitions. Because of this we are required to comply with a written Identity Theft Prevention Program designed to detect the warning signs or “red flags” of identity theft, in addition to providing an annual report to the Board of Directors. Mr. Barth noted in his report that there were no known instances of identity theft at Central Lincoln and no changes are needed to the program at this time. (See attached.)

May 14th Board Agenda - Newport Office

Board Meeting - 10:00 a.m. Compensation and Benefits, pg. 7, Financial Condition, pg. 4, Budget/Forecasting, pg. 3. Five Year Financial Plan, Pension Amendment, Conservation Quarterly, Bore Project Bid.

Consent Agenda - Minutes, vouchers, petty cash, uncollectibles, and Directors’ cash report

Manager’s Report

Strategic Planning Update

Ms. Smith gave an update on the progress of Central Lincoln’s ongoing strategic planning process. It incorporates the mission, vision, values and business strategies that have been completed to date. The Plan also includes the summary SWOT analysis that has been previously discussed with the Board.

- She told the board “it was not necessary for the Board to officially adopt the plan but there is value in formally adopting the finished plan. Once approved staff will finalize the FY 2014-2014 budget to align with our business strategies and planning templates and staff will then move forward with implementation of internal communication and alignment efforts.”
- It was the consensus of the board that the Draft of the Central Lincoln People’s Utility District 2014-2018 Strategic Plan be approved. (See attached.)

Waldport Customer Service Center

Ms. Smith called the board’s attention to a 2013 Transaction Activity Review brought to the Board at the February meeting showing a comparison of Central Lincoln’s six offices transaction statistics.

- A team was formed and tasked with analyzing the Waldport office transactional activity, and to look at alternative ways to provide customer service that would address current customer usage and needs of our broader customer base.
- Ms. Smith stated “Our goal has been to improve the level of transactional customer service we provide to Central Lincoln customers in a cost- effective way. Rethinking our customer service delivery model is an important part of that process.”
- After extensive analysis, staff and management has recommended that Central Lincoln should move forward with the closure of the Waldport office.
- It was the consensus of the board to move forward with the Waldport office closure.

4/16/2014

Meeting adjourned at 1:45 p.m.

Ron Benfield, Secretary

Judy Matheny, President