

## **Minutes of Regular Board Meeting June 15, 2015**

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 Monday, June 15, 2015 at 10:00 a.m. President Kaliher called the meeting to order and asked that roll be called.

Members present: Curt Abbott  
Larkin Kaliher  
Judy Matheny  
Tom Tymchuk  
Ron Benfield

Others present: Debra Smith, General Manager  
Brian Barth, Customer and Financial Services Manager  
Sunnetta Capovilla, Executive Assistant  
Chris Chandler, Communication, Community & Econ Development Mgr.  
Doug Dawson, IT & Telecom Manager  
Randy Grove, Distribution, Engineering & Operations Manager  
Dennis Hinton, Customer and Energy Services Manager  
Irene King, Customer Service Supervisor  
Bruce Lovelin, Chief Engineer & Systems Engineering Manager  
Sue Tyler, Personnel & Human Resources Manager

### **Staff and Visitors Recognized**

President Kaliher welcomed staff and visitors to the meeting.

### **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of May 27, 2015 Regular Board Meeting
- b) Vouchers for May, 2015
- c) Uncollectibles for May, 2015
- d) Directors' Cash Report as of May 31, 2015

### **Board Governance and Organizational Accomplishments**

#### **GM Compensation & Benefits, pg 26**

This policy states in part "The Board will pay its General Manager fair market value for services within the context of fiscal responsibility to the organization." It was noted that an executive session will be held in July to complete Ms. Smith's annual performance evaluation.

#### **Monitoring Organizational Performance, pg 27**

This policy outlines the Board-GM relationship with respect to monitoring organizational performance. No change or action was needed.

### **Annual Accomplishments – FY15**

The Board reviewed a report from Ms. Smith identifying a detailed list of accomplishments for the past twelve months noted under each of Central Lincoln's business strategies:

- ❖ Deliver on our mission by building on our strengths; system reliability, fiscal responsibility and responsiveness to our customers.
- ❖ Strengthen our customers' experience through proactive communication and thoughtful consideration of their needs.
- ❖ Maintain a high-performing workforce through employee engagement and by focusing on safety.
- ❖ Enhance our operational excellence through comprehensive and robust planning.
- ❖ Maximize the value of Central Lincoln's investment in technology to benefit our customer-owners.
- ❖ Preserve and protect Central Lincoln's solid financial foundation.

### **Rate Schedules** **Resolution 890**

New Rate Schedules, which include increases generating approximately 7% more in revenue across most rate classes, were presented for Board consideration along with Resolution 890 to approve the increases. The term "Basic Charge" has been changed to "Facilities Charge" as it more accurately represents the reason for a fixed monthly charge. Staff recommended the Board adopt Resolution 890 approving new Rate Schedules effective July 1, 2015. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mrs. Matheny seconded to adopt Resolution 890 to approve the new Rate Schedules. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

### **Five-Year Financial Plan & FY16 Budget** **Resolution No. 891**

At the May 2015 Board Meeting, staff presented several Five-Year Financial Plan scenarios and recommended that the Board approve "Scenario C." Scenario C identifies a budget that includes a 7% general rate increase for FY16. Staff noted that based on Board policy, the Five-Year Plan must be approved by the Board before FY16 begins; however, staff will bring an updated Five-Year Plan to the Board when a final decision is made about building a new operations center to support the Northern portion of Central Lincoln's system. (see attached) After discussion, the following two motions were made:

**Motion:** Mr. Abbott moved and Mrs. Matheny seconded to modify Resolution 891 as presented approving Year One of the Five-Year Financial Plan and FY 16 Budget. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

**Motion:** Mr. Abbott moved and Mrs. Matheny seconded to adopt Resolution 891 as modified in the previous motion. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

**Deferred Compensation**  
**Resolution No. 886**

Central Lincoln is in the process of changing Deferred Compensation Plan Administrators. After a thorough bid and negotiation process, the Deferred Compensation Committee has decided to move forward with International City/County Management Retirement Corporation (ICMA-RC). ICMA-RC chooses to contract with Matrix for trustee services. Thus, Central Lincoln will sign a Trust Agreement with Matrix in addition to the Administrative Services Agreement with ICMA-RC. These Agreements will replace Central Lincoln's current agreements with Nationwide and Great West for 457 and 401(k) contributions. Staff recommended the Board adopt Resolution 886 giving the General Manager authority to sign all Agreements necessary to change the Deferred Compensation Administrator to ICMA-RC and Matrix as trustee. After discussion, the following motion was made:

**Motion:** Mrs. Matheny moved and Mr. Abbott seconded to adopt Resolution 886 giving the General Manager authority to enter into the deferred compensation agreements as noted above. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

**Contract Award: Tree Trimming**

On May 15, 2015, Material Systems held a bid opening for a three-year tree trimming contract. Six proposals were received from vendors with rates ranging from \$209 to \$262 per hour. After reviewing the bids, Operations staff recommended awarding the bid to Trees Inc. which bid \$209 per hour. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Benfield seconded to award the tree trimming contract to Trees Inc. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

**Change of Board Meeting Dates**

Due to scheduling conflicts, a suggested change was made to the 2015 board meeting schedule: While the July Board meeting was originally scheduled for July 15<sup>th</sup> in the Newport Office, a new date of July 29<sup>th</sup> was proposed for Newport. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Benfield seconded to approve the change in board meeting date to July 29<sup>th</sup>. **Aye:** Abbott, Benfield, Matheny, Tymchuk and Kaliher.

**July 29, 2015 Board Agenda – Newport Office**

Board Meeting -	10:00 a.m.	<b>Work Session</b> to Review Governance Policies Resolution: Public Meeting & Records Procedures Conservation Quarterly OPEB Actuary Report Land Acquisition Decision
-----------------	------------	--

### **Manager's Report**

#### **Customer Service Satisfaction Survey Results:**

Central Lincoln has had six customer satisfaction surveys performed—in 1999, 2002, 2005, 2008, 2012, and 2015. This year the survey was updated and additional questions were added. Approximately 83 customers from each of Central Lincoln's five subdivisions were surveyed, for a total of 414 customers. Ms. Chandler gave a PowerPoint presentation highlighting the survey results.

Customers gave Central Lincoln a 96% satisfaction rating, with 82% saying they were very satisfied, and 14% somewhat satisfied. For service and responsiveness, customers gave the utility a combined 94% rating. Satisfaction with reliability received ratings ranging from 7 to 10 from 96% of those surveyed. Under Communication, 80% said they read Coastlines regularly to occasionally, and 89% said they thought the information they receive from Central Lincoln is somewhat to very useful. Nearly 70% said their preferred method of communication is the Coastlines newsletter, and via billing inserts (which could also include Coastlines); employees were the second-highest choice at 38%. With regard to paperless billing, 21% said they would consider receiving their bills electronically. Responses were mixed with regard to the importance and involvement in community events and activities, with 56% giving a 7 to 10 rating, and only 51% gave a 7-10 rating with regard to their satisfaction with Central Lincoln's involvement in community events and activities.

#### **Toledo Office Closure:**

Ms. Smith discussed the economics of keeping the Toledo office open. Fewer transactions are being done in person at the Toledo office. JC Market in Toledo has been serving as a Central Lincoln pay station for some time. Due to financial considerations Ms. Smith felt it was time to consider closing the Toledo office. Toledo employees would be reassigned to the Newport office. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mrs. Matheny seconded to support the General Manager in her review of all relevant information, and in her consideration of a Toledo office closure. Aye: Abbott, Benfield, Matheny, Tymchuk and Kaliher.

#### **Kenneth Kuhns Audit Letter:**

A letter of understanding was received from Kenneth Kuhns & Co. for FY15 audit services in the amount of \$24,975. After discussion, the consensus of the Board provided authorization for appropriate Central Lincoln representatives to sign the letter.

#### **EAC and Employee Forum:**

New members to the Employee Advisory Committee (EAC) are being nominated and voted upon by employees throughout the District. The EAC has decided to invite three supervisors to attend and participate in the Employee Forum with the Board August 19<sup>th</sup>. Consultant Meri Justis will facilitate this year.

## Directors' Discussion

### Work Session:

Mr. Kaliher asked the Board to review the Governance Policies in preparation for the work session to be held on July 29<sup>th</sup> beginning at 10am.

### APPA

Mr. Kaliher attended the 2015 National American Public Power Association Conference & Public Power Expo in Minneapolis June 6-10. On behalf of Central Lincoln PUD, he accepted the "2015 Energy Innovator Award" for Central Lincoln's Conservation Voltage Management Using Advanced Metering Infrastructure project. He reviewed with the Board various speaker topics such as: Leadership & Success, Understanding the Potential Value of Community Solar and How Public Power Can Prepare for the Future.

### OPUDA Bylaws

Mr. Abbott reviewed a red-line version and clean-copy draft of the Amended and Restated Bylaws of Oregon People's Utility District Association, Inc. (OPUDA) with the Board. The changes propose clarification language for member definitions and the need for approval of new members. There was no objection by the Board to the proposed changes.

There being no further business, the meeting adjourned at 1:18 p.m.

---

Curt Abbott, Secretary

---

Larkin Kaliher, President