

## **Minutes of a Regular Board Meeting June 8, 2016**

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Newport Office on Wednesday, June 8, 2016 at 10:00 a.m. President Benfield called the meeting to order and asked that roll be called.

Directors present: Ron Benfield, President  
Curt Abbott, Vice President  
Judy Matheny, Secretary  
Tom Tymchuk, Treasurer  
Larkin Kaliher, Board Member

Others present: Debra Smith, General Manager  
Brian Barth, Customer and Shared Services Manager  
Donna Beckham, Utility Asset Coordinator  
Sunnetta Capovilla, Executive Assistant  
Chris Chandler, Public Affairs Manager  
Randy Grove, Operations Manager  
Ryan Hansey, Journeyman Tree Trimmer  
Bruce Lovelin, Engineering Manager  
Gail Malcolm, Project Manager  
Bernie Schuette, Senior Distribution Engineering Tech  
Mandy Sutter, Human Resources Specialist  
Teri Turner, Human Resources Manager

### **Staff and Visitors Recognized**

President Benfield welcomed staff and visitors to the meeting.

### **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of May 25, 2016 Regular Board Meeting
- b) Vouchers for May, 2016
- c) Uncollectibles for May, 2016
- d) Directors' Cash Report as of May 31, 2016

### **Board Governance Policies**

#### **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." Ms. Smith's annual performance evaluation was to be conducted in executive session at the end of the meeting.

#### **Monitoring Organizational Performance, Pg. 27**

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

**New Rate Schedules**  
**Resolution No. 906**

New Rate Schedules, which include a 5% general rate increase in revenue across most rate classes, were presented to the Board along with Resolution 906 to approve the increase. The rate changes were proposed to become effective July 1, 2016, with customers seeing the increased charges on bills in August. Rate Schedules 405 and 700 will be adjusted in October after time for further discussion. Net metering rates will not change until new BPA rates go into effect on October 2, 2017. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mrs. Matheny seconded to adopt Resolution No. 906 to approve the new Rate Schedules effective July 1, 2016. **Aye:** Matheny, Tymchuk, Abbott, Kaliher, Benfield.

**To Approve Changes to Governance Policy, Pg 3**  
**Resolution No. 907**

During the May 25, 2016 Board Meeting, the Board reviewed a suggested language change to policy No. 11.B "Budgeting/Forecasting". The Board agreed with language to amend paragraph 3 of the policy as follows: "the General Manager may not cause or allow budgeting which: Provides less than an amount per annum sufficient for Board compensation, Board development and Board meetings. The annual budget will be approved as part of the Five-Year Financial Plan adoption." After discussion, the following motion was made:

**Motion:** Mrs. Matheny moved and Mr. Tymchuk seconded to adopt Resolution No. 907 to Modify Board Policy No. 11.B-Budgeting/Forecasting, paragraph 3. **Aye:** Matheny, Tymchuk, Abbott, Kaliher, Benfield.

**Granting a Conservation Easement on District Property**  
**Resolution No. 908**

As part of the site preparations for the Northern Operations Center, it is necessary to straighten conservation and sewer easements in the area where they wrap around a former residential lot. This proposed resolution authorizes the General Manager to grant the newly-configured 50-foot conservation easement and 20-foot sewer easement to the City of Newport. After discussion the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Abbott seconded to adopt Resolution 908 to authorize the General Manager to grant the newly configured 50-foot conservation easement and 20-foot sewer easement to the City of Newport. **Aye:** Matheny, Tymchuk, Abbott, Kaliher, Benfield.

**July 20, 2016 Board Agenda – Newport Office**

Board Meeting -	10:00 a.m.	Declaration of Surplus Properties Executive Session: Appraisal of Toledo Property Executive Session: GM Salary review Resolution: Reevaluate GM Salary Franchise Fee Discussion APPA Meeting Review
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## **Manager's Report**

### **FY16 Accomplishments**

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 (see attached):

- ❖ 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.

### **2016 Employee Forum**

The Employee Forum will be held at the Overleaf Lodge's conference facility August 17, 2016. Meri Justis will facilitate again this year with the EAC (Employee Advisory Committee) members, invited Supervisors and Board members in attendance.

### **Healthcare Costs**

At last month's meeting, the Board requested an update on Central Lincoln's healthcare plan performance. Staff reported, as a reminder, that Central Lincoln now tracks healthcare premium costs on a fiscal year basis to align the financial performance of the plan with open enrollment on a calendar year basis. Total health care costs are tracking below budget and are lower than last reported.

## **Directors' Discussion**

### **APPA**

Mr. Kaliher will be the only Board member to attend the June APPA National Meeting.

### **Emergency Preparedness**

Mr. Kaliher reported that he attended an excellent presentation in Toledo last week about emergency preparedness during a Cascadia Subduction Zone event.

### **Solar Installations**

Discussion was had about roof-top solar installations and Central Lincoln's existing incentives for solar installations. Staff will be evaluating the existing program and will report back to the Board.

### **Employee Wellness Committee**

Ms. Smith gave the Board an update about the newly formed Employee Wellness Committee. The committee is ready to unveil the new wellness program being proposed and will meet with the EAC and Leadership Team with recommendations to follow. With healthcare expenses tracking lower, some money has been transferred into the pilot wellness program. This is an employee-led initiative.

**Safety Meeting**

A “safety reset” meeting was held with all Operations and Engineering personnel. Over 80 employees attended. Staff will continue developing an updated safety work plan with an emphasis on accountability.

**Executive Session**

The meeting was recessed into Executive Session at 11:33 pm. President Benfield stated “The Central Lincoln PUD Board of Directors will now meet in Executive Session in accordance with ORS 192.660 (2) (i) to review and evaluate the job performance of the General Manager.”

**The Board reconvened into Regular Session at 1:06pm.**

The Board discussed providing General Manager Debra Smith with a general wage adjustment, increase in monthly medical reimbursement as well as a merit bonus. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Mr. Tymchuk seconded that effective 7/1/16 Ms. Smith will receive a 2% general wage adjustment; the health insurance allowance will be raised to \$750.00 per month, continuation of a monthly vehicle allowance of \$500 and an additional \$15,000 merit bonus. Aye: Mrs. Matheny, Mr. Tymchuk, Mr. Abbott, Mr. Kaliher and Mr. Benfield.

Staff will prepare a resolution for the Board's consideration in July to ratify this motion.

There being no further business, the meeting was adjourned at 1:17pm.

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Judy Matheny, Secretary

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Ron Benfield, President