

Minutes of Regular Board Meeting January 18, 2017

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Reedsport Office on Wednesday, January 18, 2017 at 10:00 a.m. In President Benfield's absence, Vice President Abbott called the meeting to order and asked that roll be called.

Members present: Curt Abbott, Vice President
Judy Matheny, Secretary
Larkin Kaliher, Assistant Treasurer

Members absent: Ron Benfield, President

Others present: Debra Smith, General Manager
Brian Barth, Customer and Shared Services Manager
Sunnetta Capovilla, Executive Assistant
Chris Chandler, Public Affairs Manager
Amanda Downey, Accounting Specialist & Notary Public
Randy Grove, Operations Manager
Brandon Hignite, Senior Planner Analyst
Gail Malcolm, Project Manager
Teri Turner, Human Resources Manager
Tom Tymchuk, Retired Board Member
Steve Uerlings, President – Barker Uerlings Insurance
Deidre Thede, Account Manager – Barker Uerlings Insurance

Staff and Visitors Recognized

Vice President Abbott welcomed staff and visitors to the meeting.

Oaths of Office

The Oaths of Office were administered by Notary Public, Amanda Downey, to newly-elected Directors Curt Abbott of Subdivision 3 and Judy Matheny of Subdivision 4.

Appointment to Vacant Board Position

The Board interviewed the only applicant for the expected vacancy for Subdivision 5, Keith Tymchuk, in December, 2016. The following motion was made:

Motion: Mrs. Matheny moved and Mr. Kaliher seconded that Keith Tymchuk be appointed to fill the unexpired portion of the position of Director for Subdivision 5. Aye: Abbott, Kaliher, Matheny.

Oath of Office

The Oath of Office was administered by Notary Public, Amanda Downey, to the newly appointed Director, Keith Tymchuk for Subdivision 5.

Election of Officers

Vice President Abbott stated that since this was the first meeting of 2017, it was customary to elect new officers for the coming year. He asked for nominations. Mrs. Matheny nominated the following slate of officers:

Mr. Abbott, President
Mrs. Matheny, Vice President
Mr. Kaliher, Secretary & Assistant Treasurer
Mr. Benfield, Treasurer

Motion: Mrs. Matheny moved and Mr. Kaliher seconded that the nominations be closed and the above slate of officers be approved for 2017; giving Mr. Benfield and Mr. Kaliher signing authority over the following Central Lincoln bank accounts: US Bank business checking in Newport; Oregon Pacific Bank business checking in Florence; and Columbia Bank pay station account #XXXXXX643 in Depoe Bay, pay station account #XXXXXX009 in Waldport, and Newport payroll checking #XXXXXX146. Tom Tymchuk will no longer be authorized to sign on these accounts.
Aye: Matheny, Tymchuk, Kaliher.

The meeting continued with Mr. Abbott serving as President.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of December 14, 2016 Regular Board Meeting
- b) Vouchers for December, 2016
- c) Uncollectibles for December, 2016
- d) Directors' Cash Report as of December 31, 2016

Annual Property & Liability Insurance Update

Steve Uerlings, representing Barker Uerlings Insurance, as Agents of Record for Central Lincoln; presented Central Lincoln's 2017-2018 property and liability insurance coverage and premium report. Mr. Uerlings reported the overall premium has increased by only .7% over the previous year, noting Central Lincoln's good safety record, which contributed to the low increase in premiums. It was Mr. Uerlings' recommendation that Central Lincoln stay with Special Districts Insurance Services.

Inventory of Board Resolutions

Board Governance Policy: "Communication and Counsel to the Board" requires that the Board be provided an updated synopsis of all Board resolutions. This is done bi-annually, and was provided to the Board. Ms. Smith suggested that the next such presentation take place in October 2018 to coincide with the date required for full review of this governance policy. The Board reached agreement by consensus.

2017 Board Meeting Dates and Locations

2017 Board meeting dates and locations were presented for consideration. After discussion, the following motion was made:

Motion: Mr. Kaliher moved and Mrs. Matheny seconded that the schedule of Board meeting dates and locations be approved as discussed. Aye: Matheny, Tymchuk, Kaliher, Abbott.

January 18 th	Reedsport Office	10am
February 15 th	Newport Office	10am
March 15 th	Newport Office	10am

April 19 th	Florence Office	10am
May 17 th	Waldport – Crestview Hills	3pm (golf course meeting room)
June 14 th	Depoe Bay City Hall	10am
July 19 th	Newport Office	10am
August 16 th	Yachats Overleaf	1pm
September 20 th	Newport Office	10am
October 18 th	Toledo City Hall	10am
November 15 th	Newport Office	10am
December 13 th	Waldport City Hall	10am

Meetings and Workshops - 2017

Motion: Mr. Kaliher moved and Mrs. Matheny seconded that the Board of Directors be authorized to attend meetings and workshops that are of benefit or interest to Central Lincoln for 2017. Aye: Matheny, Tymchuk, Kaliher, Abbott.

Board Appointed Consultants

Board Governance Policy III.B requires the Board to hire legal counsel, external auditor and insurance agent of record. These Board-appointed consultants are exempt from competitive bidding; however, best practice includes annual ratification of their ongoing relationship with the Board. Mr. Abbott wondered about the Board’s need to appoint a specific attorney for human resource issues although he acknowledged staff’s need to specialized counsel available. After discussion the following motion was made:

Motion: Mr. Kaliher moved and Mr. Tymchuk seconded to continue professional relationships with Macpherson, Gintner & Diaz Lawyers for general counsel; Hershner Hunter Attorneys for human resource counsel and pension plan counsel; Kenneth Kuhns & Co. as external auditor and Barker-Uerlings Insurance as Central Lincoln’s insurance agent of record. Aye: Matheny, Tymchuk, Kaliher. No: Abbott.

Annual Pension Trustee, 401(k)/457 Committee Appointments

Management recommended to the Board that all Trustees and Committee Members continue in their current capacities. It was noted that the Board’s Governance Policy does not require an annual reappointment of Pension Trustees or Deferred Compensation Committee Members. Similarly, the Pension Document and ICMA-RC documents do not require an annual reappointment. The Board could decide to only make appointments when changes need to be made. After discussion the following motion was made:

Motion: Mr. Kaliher moved and Mr. Tymchuk seconded that Brian Barth, Brandon Hignite, and Mandi Wright are appointed Pension Trustees. **And further that:** Brian Barth, Brandon Hignite, Ken Murray, Teri Turner, and Mandi Wright are appointed to serve as 401(k) and 457 Plan Committee Members; and that going forward appointments would only be brought to the Board when changes need to be made. Aye: Matheny, Tymchuk, Kaliher, Abbott.

Resolution No. 916
Board Governance Modification and Board Compensation Adjustment

During the December meeting, the Board adopted Resolution 914 which was intended to increase Board compensation by \$200/month. The annual calculation cited within the resolution was based on a 1984 Resolution (No. 670). It was subsequently discovered that the 1984 amount was amended by motion only in 1986. Additionally, Resolution 875 was adopted in January 2014 to memorialize certain past decisions regarding compensation and health care. Resolution 916 correctly calculates compensation to \$8,520 annually and reflects updated health care laws; amending Board Governance Policy "Board Member Compensation." After discussion, the following motion was made:

Motion: Mr. Tymchuk moved and Mrs. Matheny seconded to adopt Resolution 916 which modifies Board Governance Policy "Section III. Policy Type: Governance Process; H. Policy Title: "Board Member Compensation" effective January 1, 2017. Resolution Nos. 670, 875, and 914 were rescinded. Aye: Matheny, Tymchuk, Kaliher, Abbott.

Resolution 917
Authorizing Depositories of the District's Funds and Designating Signatories and Officers to Perform Certain Fiscal Action

Resolution 749 granted authority to open credit cards for Central Lincoln use. Staff contacted Central Lincoln's current credit card issuer and potential issuers and found that they do not require Board action.

Named depositories, as listed in Resolution 858, must be updated occasionally because financial institutions consolidate, change hands, and close. Similarly, positions at Central Lincoln occasionally change or have changes in duties. Resolution 917 identifies current and planned depositories so Central Lincoln may deposit funds with them, and the current positions which are authorized to do business with them. After discussion, the following motion was made:

Motion: Mr. Kaliher moved and Mr. Tymchuk seconded to adopt Resolution 917 which identifies current and planned depositories so Central Lincoln may deposit funds with them, the current positions which are authorized to do business with them, and rescinds Resolutions 749 and 858. Aye: Matheny, Tymchuk, Kaliher, Abbott.

Resolution 918
Adoption of Lincoln County Multi-jurisdictional Natural Hazards Mitigation Plan

In January 2016, FEMA informed Central Lincoln of its eligibility for a grant that could be used to fund 75% of the costs to relocate the underground distribution line impacted by a landslide near Mercer Lake, north of Florence. Further, there was an opportunity to coordinate and share trenching costs with the Heceta Water PUD. To finalize the grant, FEMA requires Central Lincoln to adopt a multi-jurisdictional natural hazards mitigation plan with Lincoln County as a condition of receiving funds. After discussion, the following motion was made:

Motion: Mr. Kaliher moved and Mrs. Matheny seconded to adopt Resolution 918 which specifies the adoption of the Lincoln County Multi-jurisdictional Natural Hazards Mitigation Plan. Aye: Matheny, Tymchuk, Kaliher, Abbott.

February 15, 2017 Board Agenda – Newport Office

Board Meeting - 10:00 a.m. Financial Condition & Dashboard
Review GM Role, Delegation & Job Description
Approval of NOC Interior Furnishings Contract
Customer Service Policies
Conservation Quarterly
Consent Agenda - Minutes, Vouchers, Uncollectibles, and
Directors' Cash Report

Manager's Report

Organizational Chart

Ms. Smith discussed the updated organizational chart, noting recent and future planned changes. A current chart is attached.

NISC Conversion on February 20, 2017

February 20th is Central Lincoln's "go live" date for the Accounting & Business Systems portion of the NISC software conversion. Process mapping during preparation is indicating that work may shift between departments as well as between represented and non-represented positions.

Mutual Aid During December 2016 Ice Storm

During December and January weather events that affected areas from Northern California to Portland, Central Lincoln, through a regional Mutual Aid Agreement, was able to send multiple crews to PGE, PG&E, EWEB and Lane Electric Co-op to provide assistance and help restore power. Management shared with the Board some of the thank you notes that were received from those utilities and their customers. The Mutual Aid Agreement provides for full reimbursement to Central Lincoln for all costs associated with that assistance.

Directors' Discussion

The Board discussed the need to officially respond to a letter that was received from Bruce Lovelin, former Engineering Manager at Central Lincoln. Mr. Lovelin's letter was initially discussed in Executive Session in November and the Board heard a report from an independent investigator during its December Executive Session. Central Lincoln's attorney will draft an appropriate response for President Abbott's signature.

Keith Tymchuk thanked management for the onboarding support he has received, and expressed his appreciation for the opportunity to serve on Central Lincoln's Board of Directors.

There being no further business, the meeting adjourned at 11:40 a.m. Management, staff, and Board members then drove to the Reedsport Substation #301 to participate in the dedication of the substation as Tymchuk Substation #301. Honoree and former Board Member Tom Tymchuk was in attendance.

Larkin Kaliher, Secretary

Curt Abbott, President

