

Minutes of Regular Board Meeting February 15, 2017

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Newport Office on Wednesday, February 15, 2017. President Abbott called the meeting to order at 10:00 a.m. and asked that roll be called.

Directors present: Curt Abbott, President
Ron Benfield, Treasurer
Judy Matheny, Vice President
Keith Tymchuk, Board Member

Directors by phone: Larkin Kaliher, Secretary & Assistant Treasurer

Others present: Debra Smith, General Manager
Brian Barth, Customer & Shared Services Manager
Sunnetta Capovilla, Executive Assistant
Chris Chandler, Public Affairs Manager
Randy Grove, Operations Manager
Gail Malcolm, Project Manager
Tom Willoughby, Materials Systems Manager
Pete Gintner, Legal Counsel

10:01 Executive Session

The regular meeting was recessed into Executive Session in accordance with ORS 192.660(2)(e) "to conduct deliberations with persons designated by the governing body to negotiate real property transactions."

10:15 Regular Session

The regular meeting was reconvened and President Abbott welcomed additional staff and visitors to the meeting. Tom Willoughby left the meeting at this time.

Others present: Wade Carey, Energy Services Manager
Randy Grove, Operations Manager
Brandon Hignite, Senior Planner Analyst
Tajsha Stevens, Customer Service Representative
Mandy Sutter, Human Resources Specialist

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of January 18, 2017 Regular Board Meeting as amended
- b) Vouchers for January, 2017
- c) Uncollectibles for January, 2017
- d) Directors' Cash Report as of January 31, 2017

Board Governance Policies

Financial Condition, Pg. 4

Ms. Smith reported that Central Lincoln has completed the second quarter of the current fiscal year and there have been no expenditures beyond what has been budgeted. The Central Lincoln Performance Dashboard as of December 31, 2016 was reviewed. Preliminary budget work for FY18 has begun, and management will provide high-level budget assumptions at the March board meeting. Changes in the timing and look of future financial reports, due to Central Lincoln's conversion to the NISC software system were noted. NISC implementation is scheduled to begin February 20th. (An expanded NISC update can be found on page 3.)

Review GM Role, Delegation & Job Description, Pgs. 23-25

After a brief review of the policies it was determined that no changes were necessary.

Customer Service Policies

The Board reviewed and discussed a proposed draft of updated Customer Service Policies (formerly known as Rules & Regulations). It was noted that service standards and specifications, which are controlled by the National Electric Safety Code and other authorities, have been removed. The policies have been modified to align with actual and industry-wide best practice. The tone of the document describing billing, credit and collection practices has been softened. The Board provided input, and Management will bring an updated document to the March board meeting for final approval.

Contract Award

Approval of NOC Interior Furnishings Contract

Central Lincoln received five responses to a Request for Proposals to provide chairs, seating, work surfaces and office systems for the Northern Operations Center. None of the proposers could supply all items specified, so the contract awards are being recommended for two different suppliers. After discussion, the following motion was made:

Motion: Mrs. Matheny moved and Mr. Benfield seconded to approve a Contract Approval Request for products and services to Workplace Resource for chairs and seating; and to Smith CFI for work surfaces and office systems for the Northern Operations Center for a total amount not to exceed \$348,749. **Aye:** Benfield, Kaliher, Matheny, Tymchuk, Abbott.

Sole Source Findings to Support Exemption from Bidding Ten Protective Relay Panels - SEL

The Board reviewed a Sole Source Request to purchase ten protective relay panels and devices from Schweitzer Engineering Laboratories (SEL) based on criteria outlined and in accordance with Procurement Resolution No. 862. The Board was in agreement with the proposed purchase for \$128,030. No formal motion was required.

Resolution 919

Authorizing the Sale of Land and Approving the Sale Price

The Board reviewed an offer and counteroffer for the sale of Central Lincoln's Waldport office building and land. After discussion, the following motion was made:

Motion: Mr. Tymchuk moved and Mr. Benfield seconded to adopt Resolution No. 919 which authorizes the General Manager to sign all necessary documents required to sell the property described as 480 NW Hemlock St. Waldport, OR 97394-6400 for the agreed-upon price of three hundred thousand dollars (\$300,000) to Carl Christopher Carlson and Julia M. Carlson of 1007 SW Bayley St. Newport, OR 97365. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

March 15, 2017 Board Agenda – Newport Office

Board Meeting - 10:00 a.m. Review Governance Process
Elect NWPPA Voting Delegate/Alternate
Resolution to Adopt Updated Customer Service Policies
Review High-Level Budget Assumptions
Physical Security & Use of Central Lincoln Meeting Rooms
Consent Agenda - Minutes, Vouchers, Uncollectibles, and
Directors' Cash Report

Manager's Report

Quarterly Conservation Update

Mr. Carey provided Central Lincoln's BPA FY16-17 Conservation Program Report for October 1, 2015 through December 31, 2016. Over the last quarter there was an increase in the dollar amount of incentives paid and the kWh savings claimed. Two large successful projects were the primary drivers for this increase: A low-income multi-family heat pump project in Florence, and eight projects completed as part of the Smart Grocer Program.

NISC (National Information Systems Cooperative) Update

Mr. Barth reported that Central Lincoln is still on schedule for its February 20th "go-live" conversion for the Accounting & Business Systems portion of NISC, with Customer Care & Billing to happen April 10th, and the GIS Engineering piece (Mapwise) to follow in August. Until the Accounting piece is fully integrated, the production of full financial statements may be delayed. It was also noted that Central Lincoln's customer service offices will be closed Friday mornings until the end of March to allow the Customer Service Representatives to train for the new Customer Care & Billing system. It was further noted that customers with Auto-Pay and/or electronic billing will need to sign up for these services again using their new account numbers in the NISC's SmartHub product after April 10th. The Board will have an opportunity to review the NISC Communication Plan at their March Board meeting.

NGA Energy Policy

Ms. Smith reported that she and Gail Malcolm attended the National Governor Association's Policy Academy kick-off meeting in San Diego in late January. Oregon is one of four states selected to participate in the 18-month policy academy on grid modernization and power sector resiliency. A representative from Governor Brown's office, representatives from ODOE and Central Lincoln make up the team that will focus on issues that threaten the ability to deliver electricity after a catastrophic event. The team will access NGA resources and use best practices to evaluate resilient power solutions.

AMI Opt-Outs

An update was given on the initial 165 customers who chose to "opt-out" of Central Lincoln's Advanced Metering Infrastructure (AMI) system. That number was reduced to 110 when the \$7/month fee was implemented in 2014. In 2016 the fee was increased to \$25/month to partially

offset costs associated with reading meters manually. To date, 47 additional customers have chosen to have broadcasting meters installed, reducing manual reads to 63 meters each month.

Disconnects & Low Income Assistance

Between the year-end holidays, weeks of colder than typical winter weather and training for the upcoming NISC conversion, Central Lincoln decided to temporarily suspend its non-payment disconnect policy for several weeks. Due to increased energy use resulting in higher-than-normal bills, many customers are struggling to pay their electric bills, and some are as far behind as 90 days. Discussion ensued regarding Central Lincoln's ability to donate funds to Project Care to assist those customers; focusing on low income and recently unemployed customers. The consensus of the Board was to make a contribution of \$50,000 to Project Care with a review of the specific process and ultimate funding need at the Board's March Board meeting. Ms. Smith said she would initiate the process.

Directors' Discussion

Lobby Day

The Oregon PUD Association (OPUDA) will participate in Lobby Day on February 16, 2017. This is a day for board members, general managers and public policy staff of Oregon PUDs to meet with various elected officials in Salem to discuss the issues and possible legislation that may impact the future of consumer-owned utilities, rates and requirements.

There being no further business, the meeting adjourned at 1:40 p.m.

Larkin Kaliher, Secretary

Curt Abbott, President