

## **Minutes of Regular Board Meeting April 19, 2017**

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Florence Office on Wednesday, April 19, 2017. President Abbott called the meeting to order at 10:00 a.m. and asked that roll be called.

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

Others present: Debra Smith, General Manager  
Brent Barth, Technology Support Specialist  
Brian Barth, Director of Shared Services  
Sunnetta Capovilla, Executive Assistant  
Greg Carter, Operations Supervisor 1  
Chris Chandler, Public Affairs Manager  
Mark Freeman, Director of Employee, Customer & Community Services  
Shamus Gamache, Electrical Engineering Supervisor  
Randy Grove, Director of Engineering & Operations  
Brandon Hignite, Finance & Resource Planner  
Ty Hillebrand, Civil & Distribution Engineering Supervisor  
Ron Klampe, Senior Storekeeper  
Gail Malcolm, Project Manager  
Bill Reinhart, Controller  
Teri Turner, Human Resources Manager  
Gary Wenzel, Operations Supervisor 1  
Tom Willoughby, Materials Manager  
Jon Thompson, Customer

President Abbott welcomed staff and visitors to the meeting.

### **Public Comment**

Jon Thompson, owner of the KCST/KCFM radio stations in Florence addressed the board. He said as a local business owner, he felt Central Lincoln should continue to offer local phone numbers for the Florence and Reedsport offices. He also suggested Central Lincoln consider a name change to something that is more inclusive of the four counties the utility serves, commenting that the upcoming 75<sup>th</sup> anniversary might be a time to consider a change to something like "Central Coast PUD."

Ms. Smith responded to Mr. Thompson's suggestions: Central Lincoln set up an internal "call center" over a year ago. No matter what number customers call, their call is answered by the first customer service representative available regardless of the office they work in, but calls can be transferred to a specific office if requested. Direct numbers are still available if a customer is working with a specific employee on a project or issue. Ms. Smith suggested the board discuss at a future meeting a potential name change, and the ramifications and costs of a potential name change.

## **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of March 15, 2017
- b) Vouchers for March, 2017
- c) Uncollectibles for March, 2017
- d) Directors' Cash Report as of March 31, 2017

## **Board Governance Policies**

### **II.E Asset Protection**

This policy states the General Manager may not allow assets to be unprotected, inadequately maintained nor unnecessarily risked. The Board reviewed a report from Ms. Smith outlining processes in place to comply with this policy including a summary of insurance coverages for 2017.

### **II.H Customer Feedback; Community Connections Calendar Update**

This policy states the General Manager may not fail to have a mechanism for dealing with customer feedback. A report was reviewed from Ms. Smith noting the various avenues Central Lincoln uses to invite and respond to customer feedback. The next customer satisfaction survey will occur during FY18 with results presented to the board by the end of May, 2018. A customer and community connection calendar identifying various publications and outreach projects, such as parade entries, was provided to the board.

## **Five-Year Capital Improvement Plan**

A Central Lincoln Five-Year Capital Improvement Plan (CIP) was presented by Mr. Gamache, Mr. Hillebrand, Mr. Wenzel, Mr. Carter, Mr. Willoughby and Mr. Grove in a PowerPoint presentation illustrating the various areas driving proposed capital expenditures for FY18:

- Distribution System overhead and underground rebuilds and conversions continuing at the same general pace as FY17.
- The second year of the accelerated Transmission Line Structure Replacement Project.
- The Moolack "Express" which ties two existing substations together, creating redundancy and delaying the need for a planned new substation at Moolack.
- The first year of a three year project building a new overhead transmission line (the L9) between the Agate Beach and Steenson Substations in Newport.
- Continuation of multi-year projects upgrading SCADA at our substations to Concept 3 and implementing Conservation Voltage Management.
- Land acquisition to relocate the Mossy Lane Substation in Toledo.
- Northern Operation Center – Final costs per the original budget.
- Southern Operations Center Remodel Project – Additional time to design seismic upgrades has pushed all work to FY18. Total cost has not substantially changed.
- South Beach and Headquarters disaster remediation efforts.
- Ongoing vehicle replacement.
- NISC Enterprise Software Implementation – Mapwise, the third and final of the large NISC modules is included in the FY18 budget with a scheduled go-live date of August 14, 2017.

Ms. Smith noted the Five-Year Capital Improvement Plan is not approved as a stand-alone item, and will be included in the Five-Year Financial Plan and FY18 budget planned for presentation at the May board meeting.

## **Organizational Work Plan FY18**

In March 2016, the Board approved an update to Central Lincoln's Strategic Plan, which included multi-year business strategies to support Central Lincoln in achieving its vision of excellence. Each year, management develops a work plan for the coming fiscal year that guides the utility's activities and supports the adopted strategies. The FY18 Work Plan was reviewed by the Board, and Ms. Smith noted that these objectives, goals and targets cascade down to employee goals and form the basis for performance management.

## **Annual Identity Theft Prevention Report**

The Federal Trade Commission (FTC) enforces a "Red Flags Rule;" and because Central Lincoln provides service in advance of payment, is considered a creditor under Red Flags definitions and is required to comply. The Red Flags Rule sets out a four-step process to combat identify theft and comply with the law. The steps are: 1. Identify relevant red flags; 2. Detect red flags; 3. Prevent and mitigate identify theft; 4. Update the program. The Board reviewed the annual report, and Mr. Barth, who is the compliance officer for this program, reported we have no known instances of identity theft, and no changes are needed.

## **Resolution No. 923** **Board Governance Policy Modifications**

Per Board request, management provided draft changes to updated Board Policies: III.E Committee Structure and III.I Memorializing Board Actions. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mrs. Matheny seconded to adopt Resolution 923 which approves modifications to the Board Governance Policies as presented. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

## **Resolution No. 924** **Advanced Meter Opt-Out Policy**

Per discussion and direction at the Board's March meeting, policy language was developed to create an Advanced Meter Opt-Out Policy to address customer requests for non-broadcasting meters. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Tymchuk seconded to adopt Resolution 924 setting a Statement of District Policy entitled Advanced Meter Opt-Out Policy which will supplement the existing Customer Service Policies. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

## **Contract Award** **Approval of NOC Moving & Relocation Services**

Central Lincoln received responses to a request for proposal for Moving and Relocation Services to transport items from the South Beach Operations Center to the new Northern Operations Center (NOC). Proposals were evaluated on capability, experience, approach to work, equipment & material handling and cost. After discussion, the following motion was made:

**Motion:** Mr. Tymchuk moved and Mr. Benfield seconded to authorize contracts with Lile Relocation Services and Lease Crutcher Lewis for moving and relocation services for amounts not to exceed \$205,495 total. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

**Contract Award**  
**Approval of SOC Interior Furnishings**

In February 2017, the Board awarded contracts for interior furnishings to the NOC. In an effort to provide consistency in office workspaces in terms of quality, appearance and ergonomics, management requested authorization to purchase additional quantities for the Southern Operations Center (SOC). After discussion, the following motion was made:

**Motion:** Mr. Benfield moved and Mr. Tymchuk seconded to authorize contract awards with Workplace Resource and Smith CFI for the purchase of additional furnishings for the SOC remodel project for amounts not to exceed \$47,204 total. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

**Contract Award & Sole Source**  
**Helicopter Tree Trimming**

Central Lincoln has approximately 86 miles of transmission line and 20 miles of distribution line in the northern parts of its system in hard-to-reach areas. Since 2013, a helicopter-mounted system of saw blades has been utilized for right-of-way trimming, and this practice has proven to be a very cost-effective way to maintain these areas. Heli-Dunn is the only provider of this service in the Western United States, and is very familiar with Central Lincoln's service territory. A sole source request was made for a three-year contract with Heli-Dunn. After discussion, the following motion was made:

**Motion:** Mrs. Matheny moved and Mr. Kaliher seconded to authorize a three-year contract award to Heli-Dunn Inc. to perform helicopter tree trimming through June 30, 2019 for a cost not to exceed \$200,000. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

**May 17, 2017 Board Agenda – Newport Office**

Board Meeting -      10:00 a.m.      Governance: Budget/Forecasting; Financial Condition and Dashboard; Compensation and Benefits  
Resolution: Five-Year Financial Plan and FY18 Budget  
Quarterly Conservation Report  
Consent Agenda - Minutes, Check Register, Uncollectibles, and Directors' Cash Report  
Executive Session: Other Post-Employment Benefits

**May and July Board Meeting Location Changes**

Due to a reduction of staff availability during the NISC software conversion, the Customer Forum originally scheduled for May has been rescheduled for July, thus changing the venues of those meetings. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Tymchuk seconded to move the May 17<sup>th</sup> meeting to the Newport Office, and the July 19<sup>th</sup> meeting to the Crestview Golf Club meeting room in Waldport. Aye: Tymchuk, Benfield, Kaliher, Matheny, Abbott.

## **Manager's Report**

### **Facility Plan Update**

In 2014 a high-level Facility Plan was presented to the Board. The Plan prioritized facility construction, relocation and consolidation based on customer geographic distribution, growth assumptions, service efficiencies, cost effectiveness and mitigation of risks including proximity to the tsunami inundation zone. It also provided guidance in moving toward safer working environments for employees, protection of Central Lincoln assets, and utility resilience relative to facilities. The following is a summary update since that presentation in April of 2014:

- Waldport Business Center was closed in June 2014 and staff relocated to Newport
- Depoe Bay Business Center was closed in January 2015 and staff relocated to Newport
- Toledo Business Center was closed in June 2015 and staff relocated to Newport
- Reedsport Business Center & Warehouse was recently remodeled for safety
- South Beach Warehouse & Operations Center will relocate to the NOC July 2017
- Florence Business & Operations Center being remodeled with seismic bracing
- Headquarters Building houses 46 personnel and is the central hub for critical communication and network equipment. Detailed information is noted below.

### **Headquarters Building Status**

One of the recommendations of the 2014 Facility Plan was to complete a structural and geotechnical evaluation of the Headquarters Building given the critical role of the facility and questions related to its continuing operation in the event of an earthquake. An update was provided that discussed terms of seismic retrofits for life safety and immediate occupancy performance levels compared to relocating. The evaluator indicated that the cost of retrofitting the Headquarters building to the Immediate Occupancy performance standard would be about the same as retrofitting to the Life Safety performance standard. The NOC site has space and infrastructure for an administration building.

### **Customer Thank You Letter**

A letter was received from the Reedsport Summer Recreation Association thanking Central Lincoln for providing excavator assistance during a clean-up day on the Association's fields.

### **NISC Software Update**

A brief overview was given about the number of customers who have signed up for Auto-Pay and paperless billing during the first week of Central Lincoln's Customer Care & Billing NISC software upgrade on April 10, 2017.

### **Directors' Discussion**

The Board appointed Mr. Kaliher to be the voting delegate for the June APPA National Meeting; and Mrs. Matheny to be the primary voting delegate and Mr. Kaliher to be the alternate for the May NWPPA Annual Meeting.

There being no further business, the meeting adjourned at 1:56 p.m.

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Larkin Kaliher, Secretary

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Curt Abbott, President