

## **Minutes of Regular Board Meeting May 17, 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, May 17, 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  
Brian Barth, Director of Shared Services  
Sunneta Capovilla, Executive Assistant  
Wade Carey, Energy Services Manager  
Chris Chandler, Public Affairs Manager  
Randy Grove, Director of Engineering & Operations  
Gail Malcolm, Project Manager  
Bill Reinhart, Controller  
Walter Simmons, Senior Storekeeper  
Teri Turner, Human Resources Manager  
Tom Willoughby, Materials Manager

President Abbott welcomed staff and visitors to the meeting.

### **Consent Agenda**

The Board approved the following Consent Agenda items as presented:

- a) Minutes of April 19, 2017
- b) Vouchers for April, 2017
- c) Uncollectibles for April, 2017
- d) Directors' Cash Report as of April 30, 2017

### **Board Governance Policies**

#### **II.B Budgeting/Forecasting**

This board policy requires that the General Manager create and maintain a rolling five-year plan and budget in a way that reasonably projects revenues and expenses; separates capital and operational items, and discloses appropriate planning assumptions. Reports were reviewed that identified days cash on hand, details of budgeted board expenses and anticipated future rate actions required to offset potential BPA increases and necessary operational expenses.

#### **II.C Financial Condition**

This board policy states the General Manager may not expend more funds than have been budgeted in the current fiscal year of the rolling five year plan. Central Lincoln has just finished the third quarter of FY17 and has not expended more funds than were budgeted for the current fiscal year; and is expected to underspend the combined capital and operating budgets by year end. The FY18 budget is being built based on those assumptions.

## **II.F Compensation and Benefits**

This board policy states, with respect to employment, that the General Manager may not change his/her own compensation and benefits; promise or imply guaranteed employment; establish compensation and benefits which deviate materially from the geographic or professional market for the skills employed, or create obligations for longer than one year; or establish or change pension, retirement or post-employment benefit plans. Ms. Smith reported the following: The General Manager's compensation and benefits are set by board resolution each year; all employment is "at will" and the IBEW union contract states employees can be discharged "for incompetence or other serious cause"; the only long-term obligation for wages is established in the union contract approved by the Board; and no changes have been made to the pension, retirement or other post-employment benefit (OPEB) plans during the past year. Management is researching a Voluntary Employees' Beneficiary Association (VEBA) plan and is working with the Labor Management Committee (LMC) to use the VEBA as a tool to close the OPEB for future employees hired into represented positions. It is anticipated that union members will vote on VEBA plan specifics in June, and if passed will be brought to the Board for approval in July.

### **Resolution No. 925** **Five-Year Financial Plan and FY18 Budget**

Each year the Board approves a budget for the coming fiscal year and a Five-Year Financial Plan that is used to manage long-term rate impacts. Planning documents include high-level budget assumptions, a Capital Improvement Plan and a Work Plan that implements the Board's Strategic Plan. Ms. Smith presented the Board with the FY18 Budget, noting that it was developed assuming a 4% rate increase for customers beginning with July's power consumption. Budget details were provided to the Board via a PowerPoint presentation. Management recommended the adoption of the Five-Year Financial Plan and FY18 Budget through proposed Resolution No. 925.

After discussion, the following motion was made: **Motion:** Mr. Kaliher moved and Mr. Tymchuk seconded to adopt Resolution No. 925 to approve the Five-Year Financial Plan and FY18 Budget as presented. **Aye:** Kaliher, Matheny, Tymchuk, Benfield, Abbott.

### **Contract Award** **Tier 2 Advanced Power Strips**

Mr. Carey spoke with the Board about advanced power strips which save energy by disrupting the power supply to electronic devices while not in use. He recommended a significant purchase of advanced power strips for customers to use for energy conservation. This will be the first time Central Lincoln has offered advanced power strips to its customers. The strips will be provided to customers upon request, and will be limited to one per household. The entire cost of the strips will be reimbursed through BPA Energy Efficiency Incentive (EEI) funds. Management requested authorization to accept a bid from AM Conservation for the purchase of 5,000 advanced power strips totaling \$186,550.

After discussion, the following motion was made: **Motion:** Mr. Tymchuk moved and Mrs. Matheny seconded to authorize the purchase of 5,000 advanced power strips from AM Conservation for an amount not to exceed \$186,550. **Aye:** Kaliher, Matheny, Tymchuk, Benfield, Abbott.

## **Change of Board Location for June Board Meeting**

Mr. Abbott suggested the Board consider moving its June meeting from Depoe Bay's City Hall to Central Lincoln's Newport Office. After discussion the following motion was made:

**Motion:** Mr. Benfield moved and Mrs. Matheny seconded to change the location of the June 14, 2017 meeting from Depoe Bay City Hall to Central Lincoln's Newport Office. Aye: Kaliher, Matheny, Tymchuk, Benfield, Abbott.

## **June 14, 2017 Board Agenda – Newport Office**

Board Meeting - 10:00 a.m. Governance: General Manager Compensation & Benefits;  
Monitoring Organizational Performance  
Resolution: New Rate Schedules  
Resolution: Setting General Manager Compensation  
FY17 Accomplishments  
Name Change Discussion  
Consent Agenda - Minutes, Check Register, Uncollectibles,  
and Directors' Cash Report  
Executive Session: General Manager Performance Evaluation

## **Manager's Report**

### **Conservation Update**

Mr. Carey reviewed Central Lincoln's Conservation Program Activity Summary for the period of October 1, 2015 through March 31, 2017. Program participation remains steady. Sizable incentives and savings were documented last quarter due to Central Lincoln's annual holiday LED light bulb giveaway and the Energy Smart Grocer program's incentives and savings. Three large industrial projects are on track to be completed by September 30<sup>th</sup>. With the approval of the advanced power strip program, it is anticipated the Energy Efficiency Incentives program will exceed its savings target and meet its spending goal by the end of the BPA's biennial budget period.

### **Northern Operations Center (NOC) Update**

Ms. Malcolm reported that Central Lincoln continues to work with its new neighbors adjacent to the NOC, keeping them informed as the project nears completion. The relocation of Operations personnel from the South Beach Facility to the NOC is planned to be completed by August 1, 2017.

### **National Governors Association (NGA) – Utility Resiliency**

Central Lincoln hosted an NGA conference on disaster planning and utility resiliency, and it was held on May 5, 2017 in Newport. The event was well-attended by utility and government officials including Central Lincoln Directors Benfield and Abbott.

### **Gardiner Property & New Service**

The new owner of a large piece of property in Gardiner has contacted Central Lincoln about development of that property and potential electrical service needs. It's possible a large Substation may need to be built in that area to accommodate the owner's requirements. Nothing has been finalized yet, and discussions continue.

### **Directors' Discussion**

Board members attended the NWPPA Annual Meeting held May 7-10 in Sunriver, Oregon. One of the most interesting presentations was from a company which, through data analysis, can assist in predicting electrical failures and suggest repairs before losses occur. At the Annual Meeting, Tom Tymchuk received NWPPA's Paul Raver Community Service Award, honoring Tom's superior community service. Tom was one of Central Lincoln's longest serving Board Members, retiring in December 2016 after 34 years.

### **Executive Session at 1:50 p.m.**

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." And ORS 192.660(2)(d) "to conduct deliberations with persons designated by the governing body to carry on labor negotiations."

### **Regular Session Reconvened**

The regular session reconvened, and there being no further business, the meeting adjourned at 2:38 p.m.

---

Larkin Kaliher, Secretary

---

Curt Abbott, President