

Minutes of Regular Board Meeting June 14, 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, June 14, 2017. President Abbott called the meeting to order at 10:20 a.m. and asked that roll be called.

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

Director absent: Larkin Kaliher, Secretary & Assistant Treasurer

Others present: Debra Smith, General Manager
Sunnetta Capovilla, Executive Assistant

President Abbott welcomed staff and visitors to the meeting.

Executive Session 10:21 a.m.

The regular meeting was recessed into Executive Session in accordance with ORS 192.660(2)(i) "to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing."

Regular Session 11:20 a.m.

The regular session reconvened, and the following individuals joined the meeting:

Brian Barth, Director of Shared Services
Chris Chandler, Public Affairs Manager
Mark Freeman, Director of Employee, Customer & Community Services
Randy Grove, Director of Engineering & Operations
Brandon Hignite, Finance & Resource Planner
Gail Malcolm, Project Manager
Teri Turner, Human Resources Manager

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of May 17, 2017
- b) Vouchers for May, 2017
- c) Uncollectibles for May, 2017
- d) Directors' Cash Report as of May 31, 2017

Board Governance Policies

IV.C General Manager Compensation and Benefits

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 conducted in executive session at the beginning of the meeting.

IV.D Monitoring Organizational Performance

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

FY17 Accomplishments

The Board reviewed a report from Ms. Smith identifying a detailed list of accomplishments, listed below, organized by business strategy based upon how work is prioritized; noting that she is “proud of the work we’ve done and the progress we’ve made in shaping ourselves to be successful in the future.”

- ❖ Deliver on our mission by building on our strengths: system reliability, fiscal responsibility and responsiveness to our customers.
- ❖ Provide customer value by interacting in new ways and educating customers about what it means to be a utility of the future.
- ❖ 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 that Central Lincoln’s customers receive from past, present and future investments in technology.
- ❖ Preserve and protect Central Lincoln’s solid financial foundation and manage the impact of future rate pressures.

Ms. Smith also provided a report outlining General Manager Affiliations and Engagements for FY17.

Resolution No. 926 **Approval of New Rate Schedules**

At the May 2017 Board Meeting, staff presented a Five-Year Financial Plan and Fiscal Year 2018 budget which included a 4% general rate increase for FY18. Both were approved by the Board. New Rate Schedules were presented for Board consideration along with Resolution 926 approving those rate schedules. It was noted that Rate Schedule 120 is no longer necessary, as those customers will now be served under Schedule 100 in Central Lincoln’s new software system. After discussion, the following motion was made:

Motion: Mrs. Matheny moved and Mr. Tymchuk seconded to adopt Resolution No. 926 which approves new Rate Schedules designated as No. 100, 190, 195, 200, 300, 350, 500, 510, 520 and 530 effective July 1, 2017. Aye: Benfield, Matheny, Tymchuk, Abbott.

Resolution 927 **Setting General Manager’s Compensation**

The Board discussed General Manager Debra Smith’s compensation package; and the following motion was made: **Motion:** Mrs. Matheny moved and Mr. Tymchuk seconded that effective 7/1/17 Resolution No. 927 be adopted as follows: Ms. Smith will receive an amount equal to a 2.6% general wage adjustment; continuation of her monthly allowances of health insurance for \$750 and vehicle stipend of \$500, as well as a merit bonus of \$15,000. Aye: Benfield, Matheny, Tymchuk, Abbott.

Contract Increase
Make it Happen, LLC

Make it Happen, LLC is providing project management services for Central Lincoln's NISC software conversion. The engineering and operations portion of this conversion project (MapWise) is contingent on completion of a GIS Field Inventory Project by Global Mapping Solutions. That project is taking longer than anticipated and as a result, the MapWise implementation was delayed into August. Therefore a request was made to increase the contract amount with Make it Happen, LLC by \$45,000 to complete the oversight of the conversion. Funds were included in the FY18 Budget. After discussion the following motion was made:

Motion: Mr. Tymchuk moved and Mrs. Matheny seconded to approve a contract increase with Make it Happen, LLC for an amount not to exceed \$45,000. Aye: Benfield, Matheny, Tymchuk, Abbott.

July 19, 2017 Board Agenda – Crestview Golf Club - Waldport

Board Meeting - 3:00 p.m.	Executive Session (tentative): Substation 138 Land Acquisition Solar Eclipse Discussion APPA Meeting Review Consent Agenda - Minutes, Check Register, Uncollectibles, and Directors' Cash Report
Customer Forum - 5:30 p.m.	Customers in Subdivision No. 3 (by invitation only)

Manager's Report

Name Change Discussion

At the April 2017 board meeting, Jon Thompson, owner of Coast Radio Broadcasting, suggested the Board consider a name change to something that better describes Central Lincoln's service territory; which not only includes Lincoln, but parts of Coos, Douglas, and Lane counties. As requested, staff consulted in depth with Counsel Pete Gintner about what a name change would entail legally. Mr. Gintner expressed his opinion that ORS 261 does not offer a process for a formal name change, but the Board could consider a DBA (doing business as) or ABN (assumed business name) for estimated legal costs of \$2,500. A name change would incur further costs, including signage, vehicle identification, letterhead, business cards, etc. with estimated additional costs of \$33,500. The Board expressed an interest in knowing more about customers' opinions on the matter. It was suggested that a question about a name change be added to the customer survey scheduled to be completed by May 2018.

Project Care Plus Disbursements

The Board previously approved staff's recommendation to contribute up to \$50,000 to Project Care (and called it Project Care Plus), for customers struggling to pay their bills after a colder than normal 2016-2017 winter. Twenty-Five Thousand Dollars was distributed in March to three agencies who facilitate the allocation of assistance to these customers. Two of the agencies responsible to distribute Project Care Plus funds reported they did not have adequate time to offer additional assistance before the deadline of April 30, 2017 passed. These agencies have requested until the end of August to manage and distribute the funds. The agency in Reedsport (LUMA) was able to distribute all of its initial allocation, which was \$5,000 less than the Florence & Newport agencies received. The Board gave authorization for an additional \$5,000 distribution to LUMA in Reedsport; for a total Project Care Plus contribution by Central Lincoln of \$30,000.

Customer Conversion Issues

Following the Customer Care & Billing conversion, the NISC core team recommended that Central Lincoln suspend non-pay disconnects for at least two billing cycles to be sure that bills and notices were correct. The board reviewed the impact this decision had on higher than normal accounts receivable balances. The financial impacts of the decision (write-offs and a reduction in late fee revenue) will be managed within the budget and will not have a negative effect moving forward. Collection activities resumed in June.

Meeting Room Letter

Following the decision to end public use of Central Lincoln Headquarters building during evening and weekend hours effective July 1, 2017, a letter of appreciation was received from the MidCoast Watersheds Council. The group noted it had been using Central Lincoln's lunchroom for its monthly Board meetings for 20 years or more, and offered its thanks for Central Lincoln's support over the years.

Financial Statements

Ms. Smith noted May financial statements were not yet available. Central Lincoln is experiencing data reporting issues as part of the new NISC software conversion process. Staff has contacted other NISC utilities in an effort to find a solution; and is working hard to find a resolution to be able to close the fiscal year-end books.

Directors' Discussion

Boardlines will be sent to customers in August, replacing Coastlines for that month. The Board discussed various topics each member could consider for their portion of the publication.

There being no further business, the meeting adjourned at 1:42 p.m.

Larkin Kaliher, Secretary

Curt Abbott, President