

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

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Crestview Golf Club in Waldport on Wednesday, July 19, 2017. President Abbott called the meeting to order at 3:00 p.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  
Mark Freeman, Director of Employee, Customer & Community Services  
Randy Grove, Director of Engineering & Operations  
Brandon Hignite, Finance & Resource Planner  
Teri Turner, Human Resources 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 June 14, 2017
- b) Accounts Payable Check Register for June, 2017
- c) Uncollectibles for June, 2017
- d) Directors' Cash Report as of June 30, 2017

### **Resolution No. 928**

#### **Implementation of Health Reimbursement VEBA Accounts**

ORS 261.305(9) grants the Board authority to provide retirement plans for its employees. The Board must approve by Resolution any changes to employee benefits, and the Board desires to implement Health Reimbursement Accounts (HRA) offered by HRA VEBA (Voluntary Employee Beneficiary Association) for employees. On June 14, 2017 I.B.E.W. Local Union 659 approved an amendment to the union contract as outlined below (Letter of Agreement.) Ms. Smith noted that, as discussed in the May board meeting and included in the budget, non-represented employees hired on or after July 1, 2010 will also receive \$150/month in their VEBA account funded by Central Lincoln beginning October 1, 2017. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mrs. Matheny seconded to adopt Resolution No. 928 authorizing the General Manager to sign all letters and agreements necessary and to direct staff to implement a VEBA plan with Arthur J. Gallagher & Co. for Central Lincoln employees. **Aye:** Tymchuk, Benfield, Kaliher, Matheny, Abbott.

**Letter of Agreement between Central Lincoln and I.B.E.W.  
Retirees' Coverage**

A Letter of Agreement between the I.B.E.W. and Central Lincoln was presented for review. The letter changes existing language in Article 13.1.1 and Article 13.1.2 of the union contract regarding retirees' coverage for represented employees. After discussion the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Tymchuk seconded to approve a Letter of Agreement between Central Lincoln PUD and I.B.E.W. Local Union No. 659 to change existing contract language closing the current Other Post Employment Benefit Plan for employees hired as represented on or after October 1, 2017, and replacing it with an HRA VEBA Account, in which employees shall receive a \$150/month contribution from Central Lincoln. Aye: Tymchuk, Benfield, Kaliher, Matheny, Abbott.

**Change in Board Meeting Schedule**

Due to conflicting schedules of many employees involved in "go-live" training for the MapWise component of Central Lincoln's software conversion, the Board decided to forgo the Employee Forum meeting planned at the Yachats Overleaf Lodge in August, and discussed moving the board meeting to Newport. After discussion, the following motion was made:

**Motion:** Mr. Kaliher moved and Mr. Benfield seconded to move the August 16, 2017 board meeting to the Newport Central Lincoln office starting at 10:00 a.m. Aye: Tymchuk, Benfield, Kaliher, Matheny, Abbott.

**August 16, 2017 Board Agenda – Newport Office**

Board Meeting - 10:00 a.m.

Governance: Staff Treatment, Realignment Proposal  
Resolution: Gallaher & Co. for VEBA  
Declaration of Surplus Property  
Executive Session (tentative): Substation 138 Land Acquisition  
Conservation - Energy Efficiencies Program Report  
Discussion of Rate Schedules 405 & Net Metering  
Prepaid Meter Program Discussion  
Consent Agenda - Minutes, Check Register, Uncollectibles,  
and Directors' Cash Report

**Manager's Report**

**August 21, 2017 Solar Eclipse**

The potential impacts of the upcoming solar eclipse on Central Lincoln were discussed. Central Lincoln's system is sized to serve the anticipated visitors and no outages are expected due to increased loads. Response time for normal system interruptions could be slowed due to eclipse-related traffic. Operation crews will maintain normal staffing and hours. The Newport parking lot will be closed to the public and the office will be closed to walk-in customers; but staff will be available by phone. It is anticipated the Florence and Reedsport offices will be open during normal business hours on the day of the eclipse.

## **Public Room Use**

Mr. Carey reported that organizations that have been using Central Lincoln's lunchroom area after hours and on weekends were given notice in March that, due to security reasons, this practice was being discontinued. Each group was asked to make other arrangements by July 1, 2017, although flexibility in timing was offered. As of July 7<sup>th</sup> all groups have made other arrangements, and will no longer be using the employee lunchroom, which now doubles as a training room.

## **Audit Engagement Letter**

A letter of understanding was received from Kenneth Kuhns & Co. for FY17 audit services in the amount of \$26,750; with an additional fee of \$4,125 for services related to Central Lincoln's pension plan. After discussion, the consensus of the Board provided authorization for appropriate Central Lincoln representatives to sign the letter.

## **SOC Bid Discussed**

The Sothern Operations Center and Customer Service Office (SOC) in Florence is in need of warehouse improvements and seismic upgrades. An Invitation to Bid was published in six newspapers as well as publicized on local radio; with a closing date of June 22, 2017. Only one contractor submitted a bid and it was \$400,000 higher than Central Lincoln's highest estimate. It was decided to cancel the remodel project for now, and go out to bid at a later date.

## **IGA with City of Newport for the NOC**

The City of Newport requires that roadwork be complete before it will issue a Certificate of Occupancy for the Northern Operations Center (NOC). The City has agreed to issue a Temporary Conditional Occupancy (TCO) certificate if it is accompanied by an IGA (Intergovernmental Agreement) that assures it that Central Lincoln's contractors will complete the roadwork.

**Motion:** Mrs. Matheny moved and Mr. Tymchuk seconded to authorize Curt Abbott, as Board President, to enter into an Intergovernmental Agreement with the City of Newport that guarantees completion of the Northern Operations Center road project by Central Lincoln as permitted by the City of Newport. **Aye:** Tymchuk, Benfield, Kaliher, Matheny, Abbott.

## **CryptoLock Cyber Incident**

On July 6<sup>th</sup>, a staff member noticed some odd pop-ups, followed by reports of locked files. This suspicious activity was reported to Central Lincoln's IT staff and the source was quickly determined and removed from the network. Containment was achieved with approximately 90,000 files found to have been encrypted. Following containment, the files were deleted and replaced from backup. All files were restored, the majority of which from a restoration point 45 minutes prior to the start of the incident. No data exfiltration was observed and loss of productivity was limited to the time it took to restore the files (approximately 3-4 hours.) The IT department did a thorough investigation, identified the vulnerability that was exploited and the vulnerability was patched on the remaining District machines that evening. Further measures have been taken to prevent execution of unknown programs from within user directories, reinforcing the stringent patching schedule that was instituted. No files related to or containing personally identifiable information of customers or employees were affected.

## **Directors' Discussion**

### **APPA National Meeting**

Mr. Kaliher reported that he and Ms. Smith attended the APPA National Meeting in Orlando, Florida during June. He said there were several good programs including:

- The Opioid Epidemic Creating Disabilities within the Workforce
- Fuel & Energy Independence
- Climate Change Affecting Weather Patterns and Production of Food
- The Importance of Immigration and Its Effect on the Median Age of the Workforce
- Cyber Security & Vulnerabilities
- Empowering Employees in the Workforce
- Social Media as a Good Communication Tool
- Pet Care During Emergencies for Employees
- Hydropower

### **Executive Session 4:40 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."

### **Regular Session 4:44 p.m.**

The regular session reconvened, and a short update was given regarding NISC software and connectivity issues.

There being no further business, the meeting adjourned at 4:47 p.m., noting the Customer Forum would begin at 5:15 p.m.

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Larkin Kaliher, Secretary

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Curt Abbott, President