

Minutes of Special Regular Board Meetings December 13, 2017

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at Waldport's City Hall Wednesday, December 13, 2017. President Abbott called the meeting to order at 9:00 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

Also present: Debra Smith, General Manager
Sunnetta Capovilla, Executive Assistant
Jill Lyon, Former Toledo City Councilor
Chris Chandler, Public Affairs Manager
Ken Murray, Information Technology Supervisor

9:00 a.m. Special Meeting for Board Candidate Interviews

President Abbott called a special meeting to order for the purpose of interviewing candidates for the soon-to-be-vacant board position for Central Lincoln's Subdivision 2. It was noted that only one individual, Jill Lyon, had applied for the position. Board members interviewed Ms. Lyon from a list of questions that had been prepared and approved at the November 2016 board meeting. Board members indicated they felt Ms. Lyon was well-qualified, and would be a good addition to the Central Lincoln Board of Directors. The vote will come to the Board in January 2018.

9:45 a.m. Executive Session

The regular meeting was then recessed into an 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." The following staff members joined the meeting:

Additional Staff: Brian Barth, Director of Shared Services
Mark Freeman, Director of Employee, Customer & Community Services
Randy Grove, Director of Engineering & Operations
Brandon Hignite, Finance & Resource Planner
Gail Malcolm, Project Manager
Bill Reinhart, Controller

10:23 a.m. Regular Session

The regular session reconvened, and President Abbott welcomed staff and visitors to the meeting.

Additional Attendees: Jon Flegel, IBEW representative
Dale Smith, Customer

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of November 15, 2017
- b) Accounts Payable Check Register for November 2017
- c) Uncollectable Accounts for November 2017
- d) Directors' Cash Report as of November 30, 2017
- e) Financial Statements with detailed analysis for October 2017

Resolution No. 941 **Board Compensation**

At the November Board Meeting, the Board agreed to adjust Board Member Compensation. Resolution 941 ratifies that decision. After discussion, the following motion was made.

Motion: Mr. Tymchuk moved and Mr. Benfield seconded to adopt Resolution No. 941 which modifies the Board's Governance Policy Manual Section III.H, and adjusts Board Member Compensation to \$770 per month effective January 1, 2018. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

Contract Award **55' Insulated Dual Bucket Truck**

Central Lincoln sent out a request for proposal (RFP) in November for one insulated dual bucket truck to replace a 2003 bucket truck, numbered 2662. Three vendors responded. Staff recommended that the bid be awarded to Altec Industries. Altec was the lowest bid that met all of Central Lincoln's specifications. After discussion, the following motion was made:

Motion: Mr. Kaliher moved and Mrs. Matheny seconded to approve a contract award for one insulated dual bucket truck to Altec Industries for an amount not to exceed \$263,576. Aye: Benfield, Kaliher, Matheny, Tymchuk, Abbott.

Contract Award (postponed) **Auditors for FY18**

Central Lincoln received two responses to its RFP for independent audit services; one from Kenneth Kuhns & Co., the current auditor, and one from Moss Adams LLP. Proposals were provided to the Board, and the decision of the selection committee was discussed. It was the consensus of the board to review the proposals, as well as the selection committee's scoring data, prior to making a final decision. The contract award will be considered at the January board meeting.

January 16, 2018 Board Agenda – Newport Office

9:00 a.m. Regular Meeting: Appointment of Board Position for Subdivision 2
 Election of 2018 Officers
 Set 2018 Meeting Dates & Locations
 Authorization for Directors to Attend Meetings & Workshops
 Ratify Board Appointed Consultants

Contract Award: Auditors for FY18
Resolution: Sale of South Beach Property
Review Governance Policies
Annual Insurance Review
Consent Agenda - Minutes, Check Register, Uncollectable
Accounts, and Directors' Cash Report
Strategic Planning

1:00 p.m. Workshop

Manager's Report

Electric Vehicle Strategy

Central Lincoln is focused on how changes influencing the electric utility industry will impact customers. Increased popularity of electric vehicles (EVs) is potentially one of those significant changes. Not only will customers look to Central Lincoln for information and support, but EVs also create an opportunity for load growth, benefitting all customers. Analysts have projected that by 2025, almost every sixth car sold in the world will be electric. Ms. Chandler gave a PowerPoint presentation outlining Central Lincoln's plan for implementing an EV strategy for 2018.

Strategic Planning

Central Lincoln last updated its Strategic Plan in the spring of 2016. Best practice calls for a refresh every two to three years. John Saven will be facilitating a workshop discussion at the January meeting to discuss the Board's strategic priorities. A subcommittee reviewed Central Lincoln's Mission, Vision and Values statements. Two suggestions were made for a revised mission statement. The Board chose the statement: "*To ensure our communities have access to reliable and affordable energy products and services.*" The updated vision statement suggested by the committee and agreed to by the Board was "*Connecting our communities to their energy future.*"

Last September, 52 employees participated in a SWOT (Strengths, Weaknesses, Opportunities & Threats) survey. A five-page summary of those responses and themes was presented to the Board. Ms. Smith noted that this information would be provided to John Saven, Facilitator, for use at the upcoming workshop.

Appreciation for Mailing Inserts

Central Lincoln received a note of appreciation from a nonprofit which raised \$4,325 to help feed hungry students during the school year in the Florence area thanks to an insert in Central Lincoln bills.

Leadership Team Appreciation

Ms. Smith noted the past year has been a challenging one for most employees during Central Lincoln's software conversion process, in addition to moving all of the South Beach Operations crews and equipment into the new Northern Operations Center (NOC). She expressed her appreciation and acknowledged specific accomplishments made by each of her leadership team members, noting the roles each has played.

Directors' Discussion

Selection of OPUDA Delegates

Each year, the Central Lincoln Board has an opportunity to appoint two board members to serve as voting members on the OPUDA (Oregon PUD Association) Board of Directors. For 2018, Judy Matheny was appointed to serve as Central Lincoln's primary voting delegate for both seats on the OPUDA Board, and Keith Tymchuk as Central Lincoln's alternate delegate.

Outage Affecting City of Toledo Water District.

It was noted that the City of Toledo's Water Department recently experienced some phasing issues, and expressed concern over the speed with which their call was returned. Although the after-hours call was handled appropriately; there was a suggestion that Central Lincoln's Key Accounts team discuss other options for customer communication during this type of situation.

Board Member Farewell

After 19 years of service on Central Lincoln's Board of Directors representing Subdivision 2, Larkin Kaliher said his good-byes to the Board and the Central Lincoln Leadership Team. He expressed his appreciation, noting how much he will miss everyone. Board members commented that they were sorry to see him leave. Mr. Kaliher is relocating to the Portland area.

There being no further business, the meeting adjourned at 12:35 p.m.

Secretary

President