Minutes of a Regular Board Meeting September 18, 2019

A regular meeting of the Board of Directors of the Central Lincoln People’s Utility District was held at the Yachats Overleaf Events Center on Wednesday, September 18, 2019. President Tymchuk called the meeting to order at 1:00 p.m. and asked that roll be called.

Directors Present: Keith Tymchuk - President
Curt Abbott – Vice President & Assistant Treasurer
Paul Davies - Secretary
Judy Matheny - Treasurer
Jim Chambers – Board Member

President Tymchuk welcomed staff and visitors to the meeting as follows:

Randy Grove, General Manager
Sunnetta Capovilla, Executive Assistant
Brandon Hignite, Director of Shared Services
Ty Hillebrand, Director of Engineering & Operations
Gail Malcolm, Project Manager
Ken Murray, IT Manager
Teri Turner, HR Manager
Pete Gintner, Central Lincoln’s Legal Counsel

Consent Agenda

The Board approved the following Consent Agenda items as presented:
 a) Minutes from August 21, 2019
 b) Accounts Payable Check Registers for August 2019

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
 a) Accounts Receivable Aging Analysis as of August 31, 2019
 b) Cash Report as of August 31, 2019
 c) Contribution Margin Analysis Fiscal YTD

Board Governance

Policy II.C Financial Condition

Central Lincoln has completed the fiscal year that ended June 30, 2019 and preliminary financial statements were presented showing that Central Lincoln did not expend more funds than were budgeted in the FY19 year of the rolling five-year plan. The Board also reviewed and discussed a 12-month budget-to-actual report with comments, a quarterly performance dashboard, and a key financial ratios report.

Resolution No. 969

Rate Schedules 405, 405T, NM1, NM2, NM3, NM4, UTP

New BPA rates will become effective October 1, 2019. The new rates require a change to Central Lincoln’s Rate Schedules 405, 405T and all Net Metering (NM) rates. In addition, staff has added Rate Schedule UTP to capture and bill for energy that is transferred at tie points to neighboring
utilities. The Board reviewed the proposed rate schedule changes and after discussion, the following motion was made:

**Motion**: Mr. Abbott moved and Mr. Davies seconded to adopt Resolution 968, approving rate schedules 405, 405T, NM1, NM2, NM3, NM4 and UTP, which will become effective on October 1, 2019. **Aye**: Chambers, Davies, Matheny, Abbott, Tymchuk

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**Intergovernmental Agreement**

**Multi-Jurisdictional Natural Hazards Mitigation Plan**

FEMA, the Federal Emergency Management Agency, requires jurisdictions participate in, and adopt a Natural Hazards Mitigation Plan in order to receive FEMA funding. In 2017, Central Lincoln’s board adopted the Lincoln County Multi-jurisdictional Natural Hazards Mitigation Plan (MNHMP). The stated mission of the Lincoln County MNHMP is to promote public policy and mitigation activities that will enhance safety to life and property from natural hazards. The current MNHMP will expire in September 2020, and the Oregon Department of Land Conservation and Development (DLCD) is tasked with assisting participating jurisdictions in updating the plan through an Intergovernmental Agreement (IGA). Management recommends the Board authorize the General Manager to sign an IGA with the DLCD to develop an updated Lincoln County MNHMP. After discussion, the following motion was made:

**Motion**: Mr. Abbott moved and Mrs. Matheny seconded to authorize the General Manager to sign an IGA with the State of Oregon Department of Land Conservation and Development to develop a Lincoln County Multi-jurisdictional Natural Hazards Mitigation Plan. **Aye**: Chambers, Davies, Matheny, Abbott, Tymchuk

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**Confirm Next Meeting Agenda**

**October 16, 2019 Board Agenda – Newport Office**

Board Meeting 10:00 a.m.  
Consent Agenda - Minutes, A/P Check Register  
A/R Analysis, Cash Report, Contribution Margin  
Governance Policies  
Contract Award: Power Line Tree Clearance Trucks  
FY19 Audit Report  
Customer & Community Connections Calendar Update

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**General Manager’s Report**

**Retirement Plans Update**

Central Lincoln received the annual actuarial valuation of the Pension Plan and Trust as of 7/1/19 from Silverstone Group. After years of increases to the required employer contribution for the coming year, the contribution has decreased for the fourth year in a row. This trend will likely continue. It has been over nine years since Central Lincoln closed its pension plan to new hires. There are currently 61 employees hired after the close of the pension plan receiving 401(k) retirement matching funds. The combined pension and 401(k) plan percentage cost of payroll is down approximately 3% to 31.03% for FY19. Over time, costs will continue to trend downward as new employees join Central Lincoln and participate in the 401(k) plan.
Headquarters Update
In March, April and May 2019, staff brought information to the Board regarding the seismic vulnerability of the headquarters building and remediation options. One option included a 30% design and cost estimate of $15.9 million for new construction, and the other a cost estimate of $9.9 million to complete a seismic retrofit and remodel of the existing building including removal of walls, ceilings, floor finishes, HVAC ductwork and the complete replacement of the aging HVAC system. Other building improvements were discussed as well as the impact to customers and employees. Management plans to bring a recommendation to the Board in November.

Next Generation Telecommunication Update
Mr. Grove reported phase one of equipment installation at the NOC, HQ, SS102, SS104, SS106 and SS108 has been completed. All associated components are operating as planned, and old equipment is being retired. Data access from a laptop at the substations is impressive. This phase came in under budget by $8,654. The fieldwork for phase two is planned to begin the 2nd week of October.

Directors' Discussion
Mrs. Matheny reported that during her attendance at PNUCC earlier this month, there was a presentation highlighting the new Denny Substation at Seattle City Light. One of that utility’s resiliency components was to install transformers using seismic base isolation.

Mr. Davies reported that he met with Central Lincoln’s financial auditors as planned for the fiscal year end audit process. He was also contacted by a customer wanting to talk about alternative energy and tax credit rate structures.

Mr. Abbott read a letter from a customer who thanked Central Lincoln for trimming a neighbor’s fig tree, freeing a power line connected to her roof, which was starting to lift under the strain. She expressed her appreciation for the caring and prompt response by our crew.

Mr. Tymchuk was contacted by an individual asking about the availability of fiber in the Gardiner area.

Executive Session 2:09 p.m.
The regular meeting was recessed into Executive Session in accordance with ORS 192.660(2)(f) “To consider information or records that are exempt by law from public inspection” and ORS 192.660(2)(e) “To conduct deliberations with persons designated by the governing body to negotiate real property transactions.”

Regular Session 3:04 p.m.
The regular session was reconvened, and the following motion was made:
Motion: Mr. Davies moved and Mrs. Matheny seconded to approve a new power sale agreement with Georgia Pacific effective 10/1/19 – 9/30/21. Aye: Chambers, Davies, Matheny, Abbott, Tymchuk.

There being no further business, the meeting adjourned at 3:06pm

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Paul Davies, Board Secretary      Keith Tymchuk, Board President