Minutes of Regular Board Meeting April 11, 2018

A regular meeting of the Board of Directors of the Central Lincoln People’s Utility District was held at the Newport Office on Wednesday, April 11, 2018. President Matheny called the meeting to order at 10:01 a.m. and asked that roll be called.

Directors present: Judy Matheny, President  
Keith Tymchuk, Vice President  
Jill Lyon, Secretary  
Ron Benfield, Treasurer  
Curt Abbott, Assistant Treasurer

Also present: Debra Smith, General Manager  
Brian Barth, Director of Shared Services  
Sunnetta Capovilla, Executive Assistant  
Mark Freeman, Director of Employee, Customer & Community Services

Executive Session 10:02 a.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 10:19 a.m.

The regular session reconvened, and President Matheny welcomed staff and visitors who joined the meeting.

Ron Beck, Network Engineer  
Chris Chandler, Public Affairs Manager  
Shamus Gamache, Electrical Engineering Supervisor  
Randy Grove, Director of Engineering & Operations  
Brandon Hignite, Finance & Resource Supervisor  
Ty Hillebrand, Civil & Distribution Engineering Supervisor  
Gail Malcolm, Project Manager  
Ken Murray, Information Technology Supervisor  
Bill Reinhart, Controller  
Teri Turner, HR Manager

Consent Agenda

The Board approved the following Consent Agenda items as presented:
   a) Minutes from March 21, 2018  
b) Accounts Payable Check Register for March 2018

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
   a) Accounts Receivable Aging Analysis for March 31, 2018  
b) Cash Report as of March 31, 2018  
c) Contribution Margin Analysis Fiscal YTD
Five-Year Capital Improvement Plan

The Board reviewed the Five-Year Capital Improvement Plan (CIP) which informs the annual budget process and feeds into the rolling Five-Year Financial Plan. A PowerPoint presentation illustrating the various areas driving the proposed capital expenditures was presented by Mr. Hillebrand, Mr. Gamache, Mr. Beck and Mr. Murray. It was noted that system integrity is best served by consistent investment in operational assets over time; and Central Lincoln’s goal is to develop a capital plan that is realistic with respect to funding needs, implementation timelines, and customer affordability. The CIP is not approved as a stand-alone item. A request for approval will come as part of the Five-Year Financial Plan and FY19 Budget in the upcoming May or June board meetings.

FY19 Work Plan

A work plan is developed each year based on Central Lincoln’s strategic plan which supports the organization in completing its goals. The Board reviewed the FY19 work plan detailing objectives, goals and targets that cascade down to employee goals and form the basis for Central Lincoln’s performance management system.

Annual Identity Theft Prevention Report

The Federal Trade Commission (FTC) enforces a “Red Flags Rule;” and because Central Lincoln provides service in advance of payment, this utility is considered a creditor under Red Flags definitions and is required to comply. The Red Flags Rule sets out a four-step process to combat identity theft and comply with the law. The steps are:

1. Identify relevant red flags
2. Detect red flags
3. Prevent and mitigate identity theft
4. Update the program. One update underway is Central Lincoln will now perform an identification check to see if a customer has put a hold or fraud notice on their social security number before the account is established.

The Board reviewed the annual report with Mr. Freeman, the compliance officer for this program, who noted there are no known instances of identity theft in Central Lincoln’s operations.

Resolution No. 944
Glasgow Land Sale

Central Lincoln received an offer on a piece of land in the Glasgow area near North Bend that was previously declared as surplus by the Board. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Mr. Benfield seconded to adopt Resolution 944 authorizing the General Manager to execute all documents necessary to sell the parcel of property located at 0 East Bay Rd., North Bend, Oregon with the Property Tax Account No. 186302 for the agreed price of thirty two thousand dollars ($32,000) to Eddie and Valerie Tompkins. Aye: Lyon, Tymchuk, Abbott, Benfield, Matheny.
Resolution No. 945
Tentative Agreement Establishing Union Wages

Central Lincoln management and representatives of I.B.E.W. Local 659 developed a Tentative Agreement consistent with the “Re-Opener” provision of the current Agreement which specifies wages and changes to benefits for the duration of the current Agreement. After discussion the following motion was made:

**Motion**: Ms. Lyon moved and Mr. Tymchuk seconded to adopt Resolution 945 authorizing and directing the General Manager to complete, execute, and deliver any documents consistent with the Tentative Agreement, and all other documents and instruments as may be necessary or appropriate. **Aye**: Lyon, Tymchuk, Abbott, Benfield, Matheny.

Contract Award
Substation 12.5kV Breakers

Central Lincoln’s engineering department solicited bids from manufacturers requesting guaranteed base pricing for 12.5kV circuit breakers over a three-year period for an estimated purchase quantity of up to 24. Three competitive bids were received, but only one was able to guarantee pricing without an escalation clause for components and metals. After discussion the following motion was made:

**Motion**: Mr. Abbott moved and Mr. Tymchuk seconded to approve the contract award to Siemens Industry for a three-year supply contract of 12.5kV circuit breakers for an estimated cost of $397,608.

May 16, 2018 Board Agenda – Depoe Bay City Hall

10:00 a.m. Regular Meeting: Consent Agenda – Minutes and Check Register
Monthly Financial Reports
Approval of Five-Year Financial Plan & FY19 Budget
Approval of 2018-2021 Strategic Plan
Contract Award: 30% design for Admin/Engineering Bldg.
Review Customer Satisfaction Survey Results
Governance Policies Pages 3 & 4

Manager’s Report

Email Security

Information Technology Supervisor Ken Murray discussed what Central Lincoln's IT department is doing to train staff about cyber security, including phishing email attempts, and how to handle such occurrences. Phishing is an attempt to obtain sensitive information such as usernames, passwords, and credit card details, often for malicious reasons, by masquerading as a trustworthy entity using email.

Bonneville Regional Cooperation Debt

The Board reviewed slides that described BPA’s Regional Cooperation Debt (RCD) strategy. Expanded use of the concept is under consideration as part of Bonneville’s 10-Year Financing Plan and Long-Term Access to Capital Strategy. Ms. Smith also noted that Central Lincoln’s share of the costs for court-ordered additional spill over Bonneville dams may be as much as $300,000, and will be paid for from Central Lincoln’s reserves.
An Incremental Approach to Resiliency

A resiliency report prepared by Project Manager Gail Malcolm was reviewed by the Board. Subject matter within the report focused on preparedness, mitigation, response and recovery, identifying key topics as follows:

- Personal Preparedness
- Facilities Plan
- Vulnerability and Risk Assessment
- Incident Command System
- Mutual Assistance
- Communications
- Leveraging Technology

The Board expressed appreciation for this information, and asked that it be shared at OPUDA (Oregon PUD Association).

Customer & Community Connections Calendar

The Board reviewed the Central Lincoln Customer & Community Connections Calendar prepared by Chris Chandler. Central Lincoln is celebrating its 75th Anniversary this year. Highlights of planned events and activities for customer outreach were outlined within the calendar.

Coastlines

Customers who receive their Central Lincoln statements by email will now receive Coastlines within the body of each monthly notification email. It was agreed that this will be an easier and more accessible way for Coastlines to reach customers who utilize electronic billing, also known as paperless billing.

EV Strategy

As part of our Electric Vehicle initiative, Central Lincoln had planned to offer “The First Year’s on Us” – a credit on customers’ bills equivalent to annual electric vehicle charging costs during their first year of EV ownership. Concerns were expressed by Mr. Abbott, and discussion ensued. Central Lincoln staff will revisit the strategy and consider other potential options.

Directors' Discussion

Voting Delegates

The Board appointed Mr. Abbott to be the voting delegate for the June APPA National Meeting; and Mrs. Matheny to be the primary voting delegate and Mr. Abbott to be the alternate for the May NWPPA Annual Meeting.

There being no further business, the meeting adjourned at 2:14 p.m.

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Jill Lyon, Secretary       Judy Matheny, President