Minutes of Regular Board Meeting December 19, 2018

A regular meeting of the Board of Directors of the Central Lincoln People’s Utility District was held at the Florence Office on Wednesday, December 19, 2018. President Matheny called the meeting to order at 9:00 a.m. and asked that roll be called.

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

Directors Absent: Ron Benfield, Treasurer

Additional attendees were acknowledged as follows:

Lanie Mycoff with Mycoff, Fry & Prouse LLC (via video conference)
Sunnetta Capovilla, Executive Assistant
Jim Chambers, Central Lincoln Board Member-Elect
Paul Davies, Central Lincoln Board Member-Elect

Executive Session 9:01 a.m.

The meeting was recessed into Executive Session in accordance with ORS 192.660(2)(a) “to consider the employment of a public officer, employee, staff member or individual agent”

Regular Meeting reconvened at 10:15 a.m.

The regular session reconvened, and President Matheny welcomed additional staff and visitors to the meeting as follows:

Brian Barth, Interim General Manager
Chris Chandler, Public Affairs Manager
Amanda Downey, Financial Analyst
Mark Freeman, Director of Employee, Customer & Community Services
Randy Grove, Director of Engineering & Operations
Brandon Hignite, Finance & Resource Supervisor
Ty Hillebrand, Civil & Distribution Engineering Supervisor
Gail Malcolm, Project Manager
Bill Reinhart, Controller
Teri Turner, HR Manager
Sara Moehrke, Florence Community & Economic Development Assistant
Joshua Green, Chairman of the Public Arts Committee for Florence
Harlen Springer, Florence City Council President

Consent Agenda

The Board approved the following Consent Agenda items as presented:

a) Minutes from November 14, 2018
b) Accounts Payable Check Register for November 2018
Monthly Financial Reports

The Board reviewed and discussed the following financial reports:

a) Accounts Receivable Aging Analysis as of November 30, 2018
b) Cash Report as of November 30, 2018
c) Contribution Margin Analysis Fiscal YTD

Board Governance
Policy II.C Financial Condition

Central Lincoln has completed the first quarter of the current fiscal year and both revenue and expenditures were within expected ranges. A copy of the September 2018 Financial Statement, First Quarter’s Budget to Actual Comparison with comments, as well as the Performance Dashboard as of 9/30/18 were presented to the Board for review.

Acceptance of CLPUD Election Results

Every even-numbered year, Central Lincoln board seats are included on November General Election ballots. This year, the Board Member seats for Subdivisions 1, 2, and 5 were on the November 6, 2018 election ballot. Official election results from Coos County, Douglas County and Lincoln County clerks were presented for review. Paul Davies was elected to the Subdivision 1 seat, Jim Chambers was elected to the Subdivision 2 seat and Keith Tymchuk was elected to the Subdivision 5 seat. After discussion, the following motion was made:

Motion: Ms. Lyon moved and Mr. Abbott seconded to accept the election results as presented. Aye: Matheny, Abbott, Lyon, Tymchuk.

Ron Benfield, outgoing board member representing Subdivision 1, will be removed as a signer on Central Lincoln bank accounts effective 12/31/18.

Sole Source: SEL Relays

As part of two substation SCADA (Supervisory Control and Data Acquisition) automation upgrade projects, six substation rebuild projects, and construction of a new substation; Central Lincoln Engineering & Operations staff recommends the purchase of 28 Schweitzer Engineering Laboratories (SEL) relays. SEL relays are considered an industry leader in protective relays meeting high reliability standards for electric power systems. The bid price for this equipment came in at $220,600 over three fiscal years (FY19, FY20, FY21); and after discussion, the following motion was made:

Motion: Mr. Abbott moved and Mr. Tymchuk seconded to approve the Sole Source Acquisition Request to purchase 28 SEL relay devices over three fiscal years (FY19, FY20, FY21) for a purchase price of $220,600. Aye: Matheny, Abbott, Lyon, Tymchuk.
Resolution 958
Board Compensation

ORS 261.305(10) empowers People’s Utility Districts to set compensation for Members of the Board of Directors while engaged in the performance of their duties as Directors. It was proposed that beginning January 1, 2019 the Board of Directors’ compensation be changed from $9,240 to $9,448 annually. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Mr. Tymchuk seconded to adopt Resolution 958 setting Board Member compensation, while engaged in performance of their duties as Director, at the rate of $9,448 annually effective January 1, 2019. Aye: Matheny, Abbott, Lyon, Tymchuk.

Resolution 959
IGA for Mural at Southern Operations Center

In early 2017, the Florence Public Art Committee approached Central Lincoln, identifying a desire to display a mural on the exterior walls of Central Lincoln’s Southern Operations storage building located at the intersection of Quince Street and Highway 126. Central Lincoln staff has worked with the City of Florence to develop an IGA (Intergovernmental Agreement) to accommodate a mural on District-owned property, since that time. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Ms. Lyon seconded to adopt Resolution 959 which authorizes execution of an IGA between the City of Florence and Central Lincoln granting a ten-year easement to the City of Florence for the purpose of installing, maintaining and exhibiting a mural at the Southern Operation Center. Aye: Matheny, Abbott, Lyon, Tymchuk.

Mural Presentation. Three members of the Florence Public Arts Committee were present to show the Board proposed mural renderings and discuss the selection process. The committee welcomed feedback from the Board and discussed changes yet to come from the artist chosen as the finalist which will incorporate more of a focus on Florence’s Rhododendron Festival held in May of each year.

January 15 & 16, 2019 Board Agenda – Newport Office

Executive Session Only: January 15, 2019 8:00am-5:00pm ORS 192.660(2)(a)

Executive Session Only: January 16, 2019 8:00am-12:00pm ORS 192.660(2)(a)
Regular Board Meeting: January 16, 2019 2:00pm
Governance Policies
Swearing-In of Elected Members
Election of 2019 Officers and Authorized Bank Signers
Approval of Board Meeting Dates/Locations
Authorization for Directors to Attend Meetings/Workshops
Appoint Pension Trustees and Deferred Comp Committee
Annual Insurance Review
Report from Lobbyist Tom Barrows
Manager's Report

ICS Exercises Used
Mr. Barth, Mr. Grove and Ms. Malcolm reported that due to a recent prediction of an incoming high-wind storm, Central Lincoln staff had the opportunity to activate ICS (Incident Command System). Various ICS positions were assigned to key personnel and others were asked to stand by for ICS activation when necessary. Real time outage maps were monitored and fortunately, the storm was not as intense as had been predicted and mutual aid assistance was not required. However, staff found the ICS activation and assignments to be a good way to provide structured support to Operations and serve as a refresher and training tool.

Staff Training
Mr. Barth reported that 23 employees (most hired during the last three years) attended a two-day Crucial Conversations workshop in November. This training gives staff the necessary tools to resolve conflict in a productive manner. In January, Central Lincoln will provide Respectful Workplace training for all employees throughout the District.

DEQ Compliance Credits for Electric Vehicles (EVs)
Mr. Barth and Mr. Hignite reported that Central Lincoln receives carbon-offset credits from the DEQ (Department of Environmental Quality) for each EV and gas-electric hybrid vehicle in its District. There is a market value for these credits when various entities are in need of carbon tax credits for compliance. Currently the value is about $100/credit, and Central Lincoln has 421 credits. The leadership team recommended, and the Board agreed, that it would be appropriate to sell 50% of the credits at this time, and see where the market goes for the remaining credits. The credits do not expire, and additional credits are issued every year based on EVs registered in the District.

ODOE Approval of Community Solar Project
Mr. Barth and Mr. Freeman updated the Board about this project. The Oregon Department of Energy (ODOE) has approved Central Lincoln’s application for its proposed community solar project which will be installed on the rooftop of the SOC (Southern Operations Center) in Florence. Materials procurement for the project should be completed by February or March 2019. ODOE grant monies and Central Lincoln funds will be used to build the system initially; and once completed, interested customers will be able to purchase shares in the program to offset their personal electricity use.

Franchise Agreement with City of Newport
Mr. Barth reported that negotiations with the City of Newport are proceeding well in renewing the franchise agreement which expires at the end of December.

SCADA and NISC Servers Move to the NOC
The IT Department is in the process of moving both the SCADA and NISC (software system) servers to the NOC (Northern Operation Center); into a special room designed to withstand substantial earthquakes, allowing Central Lincoln to preserve the integrity of its hardware and data. During the final move, which is planned for January 5, 2019, customers will not be able to electronically access their accounts or make payments through SmartHub. Disconnects will not occur the week prior to the move so customers will not be inconvenienced during the January 5th weekend.
**Disconnects During Storms and Holidays**
As in past practice, during severe storms and holidays, and as a courtesy to customers, disconnections due to overdue bills will not occur. The collection process will resume directly after these events.

**Directors' Discussion**

**Last Meeting for Ron Benfield & Jill Lyon**
Ms. Lyon stated that she was sorry Mr. Benfield could not be in attendance for their last meeting, and thanked everyone for a wonderful year during her service on the Board. She was then presented with a plaque and gift of appreciation by President Matheny.

In recognition of Ron Benfield’s 24 years of dedicated service as a member of the Board, Mr. Abbott suggested that Central Lincoln name a substation after Mr. Benfield. After discussion, the following motion was made:

**Motion**: Mr. Abbott moved and Mrs. Matheny seconded that Substation 101 on 7th Street in Newport be named after Ron Benfield with appropriate signage. A dedication ceremony will be held at a later date. **Aye**: Matheny, Abbott, Lyon, Tymchuk.

There being no further business, the meeting adjourned at 11:11 a.m.

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Board Secretary                               Board President