Minutes of Regular Board Meeting January 15, 2020

A regular meeting of the Board of Directors of the Central Lincoln People’s Utility District was held at the Newport Office on Wednesday, January 15, 2020. President Tymchuk called the meeting to order at 10:00 a.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:

Ty Hillebrand, Acting General Manager
Ron Beck, Network Engineer
Sunnetta Capovilla, Executive Assistant
Chris Chandler, Public Affairs Manager
Mark Freeman, Director of Employee, Customer & Community Services
Brandon Hignite, Director of Shared Services
Gail Malcolm, Senior Project Manager
Ken Murray, Information Technology Manager
Teri Turner, Human Resources Manager

Election of Officers

President Tymchuk noted that since this was the first meeting of 2020, it was customary to elect new officers for the coming year. The following slate of officers were nominated by Mr. Tymchuk:

- Curt Abbott as President and Assistant Treasurer
- Paul Davies as Vice-President
- Judy Matheny as Treasurer
- Jim Chambers as Secretary
- Keith Tymchuk as Board Member

Motion: Mrs. Matheny moved and Mr. Abbott seconded that nominations be closed and the above slate of officers be approved for 2020; giving Mrs. Matheny and Mr. Abbott signing authority over all Central Lincoln bank accounts. Aye: Davies, Matheny, Abbott, Chambers, Tymchuk.

The meeting continued with Mr. Abbott serving as President.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

a) Minutes from December 18, 2019
b) Accounts Payable Check Register for December 2019
Monthly Financial Reports

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

Board Governance
Board-GM Relationship

These Governance Policies identified as “General Manager Role,” “Delegation to the General Manager,” and “General Manager Job Description” were reviewed by the Board with no changes requested.

Board Governance
Emergency Executive Succession

This Governance Policy, which is reviewed every January or as needed, states “In order to protect the Board from sudden loss of General Manager services, the Board will appoint an acting general manager, to be responsible for duties of the General Manager in his or her absences.” In March 2019, upon recommendation of the General Manager, the Board adopted Resolution 961 designating Ty Hillebrand, Engineering and Operations Director, as the Acting General Manager. The Board acknowledged the timing of this policy review was routine with no changes needed.

Resolution 971
Deferred Compensation Committee Charter

The Deferred Compensation Committee engaged Hyas Group as a consultant for review of the 401(k) and 457 Retirement Plans (collectively referred to as the Deferred Compensation Plan). Hyas Group has recommended the Board adopt a Committee Charter. The Board has exclusive authority over employee benefits however, the Board has delegated the responsibility to oversee the Deferred Compensation Plan to the Committee. The Committee Charter formalizes this delegation of authority, establishes the Committee, and identifies its role and responsibilities. After discussion, the following motion was made:

Motion: Mrs. Matheny moved and Mr. Chambers seconded to approve Resolution 971, which adopts a Deferred Compensation Committee Charter and identifies the role and responsibilities of the Committee and delegates the Board’s authority to oversee the Deferred Compensation Plan to the Committee. Aye: Davies, Matheny, Abbott, Chambers, Tymchuk.

Contract Approval Request
Substation 134-Olalla Low-Side Rebuild Project

Four bids were received to perform earthwork to raise the elevation on the low-side of SS 134-Olalla, construct new low-side foundations, and install new secondary containment for the transformer. After completion of this project, SS 134-Olalla will have Central Lincoln’s standard layout for low-side equipment, will be located outside the tsunami inundation zone, and the substation yard elevation will be uniform. The contract review committee recommended awarding the contract to low bidder Runions Construction for $274,274.61. After discussion, the following motion was made:
**Motion:** Mr. Tymchuk moved and Mr. Davies seconded to approve an agreement with Runions Construction for a low-side rebuild of SS 134-Olalla in the amount of $272,274.61. **Aye:** Davies, Matheny, Abbott, Chambers, Tymchuk.

**2020 Board Meeting Dates and Locations**

Board meeting dates and locations for 2020 were presented for consideration. After discussion, the following motion was made:

**Motion:** Mr. Tymchuk moved and Mr. Chambers seconded that the schedule of Board meeting dates and locations as shown below be approved as discussed. **Aye:** Davies, Matheny, Abbott, Chambers, Tymchuk.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>January 15th</td>
<td>Newport Office</td>
<td>10am</td>
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<tr>
<td>February 19th</td>
<td>Toledo City Hall</td>
<td>10am</td>
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<tr>
<td>March 18th</td>
<td>Newport Office</td>
<td>10am</td>
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<tr>
<td>April 15th</td>
<td>Florence Office</td>
<td>10am</td>
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<td>May 13th</td>
<td>Newport Office</td>
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<td>June 17th</td>
<td>Reedsport Office</td>
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<td>July 15th</td>
<td>Newport Office</td>
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<td>August 19th</td>
<td>Yachats Overleaf</td>
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<td>September 17th</td>
<td>Newport Office</td>
<td>10am</td>
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<td>October 21st</td>
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<td>10am</td>
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<tr>
<td>November 18th</td>
<td>Newport Office</td>
<td>10am</td>
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<tr>
<td>December 16th</td>
<td>Waldport City Hall</td>
<td>10am</td>
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**Confirm Next Board Meeting Agenda**

**February 19, 2020– Toledo City Hall**

Board Meeting 10:00 a.m.  Consent Agenda – Minutes, A/P Check Register  
A/R Analysis, Cash Report, Contribution Margin  
Various Governance Policies  
Contract Award: HQ Telecommunication Building Project  
Contract Award: Township 13 Underground Rebuild (tentative)  
Quarterly Conservation Update  
Annual Property & Liability Insurance Review  
Executive Session: General Manager Review (ORS 192.660(2)(i)

**Acting General Manager’s Report**

**Alternate Fiber Route between Newport and Florence**

Redundant communications connections between Central Lincoln’s business centers is key to providing uninterrupted service during equipment failures as well as during routine maintenance work. There is currently no redundant fiber path between Newport and Florence, and the Vulnerability Risk Assessment has identified this route as a critical vulnerability. Mr. Beck reported that last month, Central Lincoln entered into a three-year contract with LS Networks to provide an alternative fiber optic route, which is part of a loop that extends into the Willamette Valley. The annual cost of the contract is $16,200.
Draft Legislative Bill-1% Revenue Tax for EV (Electric Vehicle) Infrastructure
Representative McKeown is having legislation drafted to tax all Oregon electric utilities 1% of gross receipts to pay for “Transportation Electrification.” This tax would translate to $1 million for Central Lincoln and potentially two additional FTEs (full time employees) for design and administration for Central Lincoln, increasing customers’ rates by an estimated 2.2%. Central Lincoln strongly opposes having the majority of customers subsidizing a small subset, such as EV drivers, but does support the portion of the bill that requires clean fuel credit revenues to be used for EV infrastructure.

4-10s Coming to Central Lincoln Permanently
Operations employees will go to a Monday-Thursday 7am-5:30pm (4-10s) schedule beginning March 2, 2020. The remainder of Central Lincoln’s employees will transition to this schedule beginning March 30, 2020. The new schedule will continue throughout the year. Messaging to customers regarding the extended hours Mondays-Thursdays with closures on Fridays will begin the end of January.

Joint Use Update
509 new attachments to Central Lincoln poles occurred in 2019, bringing with them $39,125 in application fees. 5G attachments are still on hold while the City of Newport negotiates this process. Sanctions are now being imposed on companies that have attachments to Central Lincoln poles without properly executed agreements. Charter Communications has paid a $3,000 fine, and is getting their paperwork and attachments in order. CenturyLink has been fined fees and interest of over $10,000, and is asking for a reduction. Since this has been an ongoing issue for with CenturyLink for ten years, Central Lincoln is not inclined to reduce the fine at this time.

Concept 3 Relay Upgrades
Concept 3 relay upgrades allow Central Lincoln to pinpoint the source of outages by immediately providing distance and magnitude of a fault. Relay upgrades to the SS 333-Hauser substation were completed last week, and Substation 134’s upgrade will be completed during the low-side rebuild this spring. That will complete all substations, except for the one at the GP mill, which is planned for FY21.

Large Outage on January 8, 2020
6,500 customers between South Beach and Yachats were without power due to a landslide near the Port of Toledo. With the assistance of Concept 3 relay information, power was restored in 11 minutes.

Change in Practice for Decorative Lights on Poles
Cities often request that Christmas and other lighted decorations (“lights”) be hung from Central Lincoln power poles. Historically, there has been no fee to install, maintain or provide power to these lights. In an effort to compromise, and partner on responsibilities, Central Lincoln is drafting new procedures to address those requests as follows:
- Central Lincoln will run a lead for new outlets at either no cost or perhaps a one-time fee.
- Cities will be required to sign a banner agreement for attaching lights to the poles.
- Cities will be responsible for purchasing and installation of outlets to poles according to Central Lincoln specifications.
- Central Lincoln will provide power to such outlets for no charge.
- Cities are responsible for maintenance and replacements of the outlets.
- Cities will be responsible for hanging and removal of decorative lights.
**Summer Flagger Services**
Management is drafting an LOA (letter of agreement) with Local Union No. 659 I.B.E.W to allow Central Lincoln to hire part-time (most likely students) for summer help to provide flagging services. These part-time employees will be properly trained and certified prior to beginning work.

**Recording Customer Calls**
Mr. Freeman reported that after appropriate communication with all employees, Central Lincoln will soon be recording incoming and outgoing calls from customers. These recordings can be used for training purposes, and serve as a tool that can be used to document issues when escalation occurs in a customer conversation.

**Directors' Discussion**
Mr. Tymchuk shared with the Board he is considering running for the state representative seat currently held by Rep. Caddy McKeown. The seat includes much of Central Lincoln’s District, from Yachats to North Bend. He said his decision would be made within the next month.

There being no further business, the meeting adjourned at 11:44 a.m.

Jim Chambers, Board Secretary

Curt Abbott, Board President