Minutes of Regular Board Meeting June 13, 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, June 13, 2018. President Matheny called the meeting to order at 10:00 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  
Sunnetta Capovilla, Executive Assistant  
Paul Davies, Customer

Executive Session 10:01 a.m.

The regular meeting was recessed into Executive Session in accordance with ORS 192.660(2)(i) “To review and evaluate the job performance of a chief executive officer” specifically, the General Manager. Ms. Smith, Ms. Capovilla and Mr. Davies left the room at that time. Ms. Smith was asked to rejoin the Board in executive session at 10:25 a.m.

Regular Session 10:44 a.m.

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

Brian Barth, Director of Shared Services  
Wade Carey, Energy Services Manager  
Chris Chandler, Public Affairs Manager  
Mark Freeman, Director of Employee, Customer & Community Services  
Brandon Hignite, Finance & Resource Supervisor  
Ty Hillebrand, Civil & Distribution Engineering Supervisor  
Gail Malcolm, Project Manager  
Joseph Monsanto, Senior Engineer – Electrical  
Ken Murray, Information Technology Supervisor  
Teri Turner, HR Manager  
CJ Drake, Public Affairs Manager, Georgia-Pacific, Toledo

Consent Agenda

The Board approved the following Consent Agenda items as presented:
 a) Minutes from May 16, 2018
 b) Accounts Payable Check Register for May 2018

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
 a) Accounts Receivable Aging Analysis for May 31, 2018
 b) Cash Report as of May 31, 2018
 c) Contribution Margin Analysis Fiscal YTD
Georgia Pacific Briefing
Juno Project

C.J. Drake, Public Affairs Manager for Georgia-Pacific, Toledo, joined the meeting to discuss a new pilot recycling program for turning the “unrecyclable into the reclaimed, directing millions of pounds of waste away from landfills to new paper and packaging products.” This technology is called Juno, and it’s designed to strip away coatings and food waste to capture fiber. Georgia Pacific believes that Juno will position Toledo and Lincoln County on the leading edge of sustainability innovation. GP hopes to launch Juno at the Toledo mill by 2020. It is unknown at this time how much additional power GP will require for Juno, or if the project will create new jobs in Toledo.

Governance Policies

IV.C General Manager Compensation and Benefits
This policy states in part “The Board will pay its General Manager fair market value for services within the context of fiscal responsibility to the organization.” Ms. Smith’s annual performance evaluation was conducted in executive session at the beginning of the meeting.

IV.D Monitoring Organizational Performance
This policy outlines the Board-GM relationship with respect to monitoring organizational performance. No change or action was needed.

Resolution 947
Setting General Manager’s Compensation

The Board discussed General Manager Debra Smith’s compensation package; and the following motion was made: **Motion**: Mr. Abbott moved and Mr. Benfield seconded that effective 7/1/18 Resolution No. 947 be adopted as follows: Ms. Smith will receive an amount equal to a 5% general wage adjustment; continuation of her monthly allowances of health insurance for $750 and vehicle stipend of $500, as well as a merit bonus of $15,000. **Aye**: Abbott, Benfield, Lyon, Tymchuk, Matheny.

Contract Award:
Three-Year Tree Trimming Contract

In May, Central Lincoln went out to bid for tree trimming services; requesting pricing for labor and equipment for three journeyman tree trimmers to work in both the northern and southern areas of the District. Five proposals were received, and staff recommended awarding the contract to Trees LLC. The requirements bid (based on budgeted funds) allows for an annual cost escalation that ties to any wage increases received by Central Lincoln’s journeyman tree-trimming employees. Including project escalation, the three-year value of this contract at the current activity levels is $3,000,000. After discussion, the following motion was made:

**Motion**: Ms. Lyon moved and Mr. Abbott seconded to award the three-year tree trimming contract to Trees LLC under the terms and conditions noted above. **Aye**: Abbott, Benfield, Lyon, Tymchuk, Matheny.
Changes to Future Board Meeting Dates and Times

Due to the early timing of July’s meeting, and the fact there are very few agenda items planned, it was decided to hold the meeting telephonically, based out of the Newport Office Board Room, for decisions that are required. All other financial information and reports will be discussed and approved at the August meeting. It was also noted that the meeting scheduled for September 19th, conflicts with the OPUDA annual meeting. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Ms. Lyon seconded to move the September meeting from September 19th to September 18th. Aye: Abbott, Benfield, Lyon, Tymchuk, Matheny.

July 11, 2018 Board Agenda – Telephonic Meeting

Board Meeting 10:00 a.m. Contract Awards:
- Little Whale Cove Bore Project
- Three-Year Requirements Contract for VFIs

Manager’s Report

FY18 Accomplishments
Ms. Smith, whose five-year anniversary as General Manager is July 1st, spoke about taking stock of all Central Lincoln has accomplished during those five years; commenting on her initial three-to-five year plan about people, planning, process and projects. FY18 has been a challenging but rewarding year; and with a new strategic plan in place, Central Lincoln has a clear direction for the future. The Board reviewed a multi-page document identifying accomplishments over the past year organized by business strategy.

Conservation Program Update
Mr. Carey reviewed the current Central Lincoln/BPA FY18-19 Conservation Program, which included all program activity from October 2017 through May 2018. The residential installation program has been fully booked with 3,000 customers signing up for the program, and contractors have already begun installations of light bulbs, shower heads and power strips (depending on the customers’ needs). This program is expected to achieve an estimated 3.9 million in kWh savings while accounting for almost $1 million in Central Lincoln’s energy efficiency incentive funds. Response to a new smart thermostat program has been slow but consistent. During the upcoming months Central Lincoln will reach out to cannabis growers to encourage program participation using FY19 self-funded monies.

Mr. Davies and Mr. Drake left the meeting at this time.

Customer Satisfaction Survey
Mr. Freeman and Ms. Chandler reviewed the results of Central Lincoln’s most recent customer satisfaction survey which is performed every three years. Customers to be surveyed were randomly chosen by ActiDyne (a company hired by Central Lincoln) to participate in the survey. Results showed customers at an overall 94% satisfaction rating, indicating they are “somewhat to very satisfied.” The Board reviewed additional questions and customer answers about energy efficiency program awareness, communication preferences, customer service experiences, and demographics.
Joint Use Application and Sanction Fees
Contracts are in place with communication companies that attach cables to Central Lincoln’s power poles. The Board reviewed a memo regarding Central Lincoln’s intent to begin charging application and sanction fees in addition to annual rental fees per the contract provisions beginning July 1, 2018. In April, a letter was sent to applicable counterparties, notifying them of Central Lincoln’s intent to begin assessing allowable application and sanction fees. The fee structure is currently being evaluated and a recommendation will come to the Board in October for any suggested fee schedule revisions, which would become effective January 1, 2019.

South Beach Property Sale Update
Mr. Freeman reported that the surveyor submitted additional information to the County last week for the former South Beach Operations Center. The County has 30 days to review and approve. The majority of the buyer’s questions have been answered or addressed, and a closing date is scheduled to occur by July 31, 2018.

Directors’ Discussion

Trail Right-of-Way
Mr. Abbott has been approached by a group wondering about the possibility of forming a trail along Central Lincoln’s transmission line between Waldport and Yachats, noting there is apparently state funding for trail systems. Mr. Hillebrand reported that our right-of-way crosses three land owners’ property as well as Siuslaw National Forest land. Mr. Hillebrand will get Mr. Abbott information about the four owners, so these can be provided to the group.

OPUDA Bylaws Committee
Due to scheduling conflicts, only two Central Lincoln board members will be able to attend the OPUDA meeting on June 22nd. Mr. Abbott expressed his concern about some OPUDA Bylaw changes being proposed, and asked the members attending to be mindful of the potential impacts these changes might have. As chair of the Bylaws subcommittee, Mr. Abbott has scheduled a special committee meeting prior to the regular OPUDA board meeting in August to address these issues.

NWPPA Annual Meeting
Members agreed that the annual meeting, which was held May 20-23, 2018, had a number of interesting speakers who were very good. The points addressed relating directly to legislative resolutions were very helpful.

There being no further business, the meeting adjourned at 2:04 p.m.

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Jill Lyon, Secretary                          Judy Matheny, President