Minutes of Regular Board Meeting March 18, 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, March 18, 2020. President Abbott called the meeting to order at 10:00 a.m. and asked that roll be called.

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

President Abbott welcomed staff to the meeting:

Randy Grove, General Manager  
Sunnetta Capovilla, Executive Assistant  
Mark Freeman, Director of Employee, Customer & Community Services  
Brandon Hignite, Director of Shared Services  
Ty Hillebrand, Director of Engineering & Operations

Mr. Grove stated that although there were no visitors in attendance at this meeting, he wanted to follow up on the request made by the customers representing the Playa Del Mar residential dwelling complex. They attended the February 19, 2020 board meeting, and requested utility poles and electrical lines be relocated underground. Upon investigation, it was determined that the distance of the wires from the building are 15’ feet from the building, which is more than the 10’ minimum distance required by the NESC (National Electric Safety Code). Mr. Hillebrand has communicated this information to the customers, and will connect them with the appropriate staff at the City of Newport if they wish to seek assistance with this project.

Mr. Grove also noted staff in attendance was reduced to provide “social distancing” as recommended by the federal Centers for Disease Control due to concerns about the COVID-19 (coronavirus) outbreak.

Consent Agenda

The Board approved the following Consent Agenda items as presented:
  a) Minutes from February 19, 2020  
  b) Accounts Payable Check Register for February 2020

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
  a) Accounts Receivable Aging Analysis as of February 29, 2020  
  b) Cash Report as of February 29, 2020  
  c) Contribution Margin Analysis Fiscal YTD

Changes Made Due to COVID-19 Concerns

- Customer-facing offices were closed to the public beginning March 16, 2020.  
- During the office closure, there will be no power disconnects or charging of late fees.  
- Website and social media sites are being updated with our COVID-19 business changes.
• Early return of deposits will be credited to customers whose accounts have been in good standing, with on-time payments, for at least the past nine months.

• By consensus, the Board authorized the utility to allocate $50,000 in job-loss assistance to residential customers in need by providing a one-month credit to their electric bill up to $200. Criteria for eligibility was discussed, and will be developed by management. An update will be provided to the Board at the April meeting.

**Board Governance**

**Governance Processes**

Governance Policies describing the Board’s governance process are reviewed every March. Board members noted the following policies were straightforward and no changes were suggested except as those noted in the following resolution:

1. General Governance Commitment
2. Governing Style
3. Board Job Description
4. Chairperson’s Role
5. Board Committee Principles
6. Committee Structure
7. Annual Board Planning Cycle
8. Board Member Code of Conduct
9. Board Member Compensation
10. Memorializing Board Actions

**Resolution No. 973**

**Board Governance Policy Modification – Board Job Description**

It was the desire of the Board to remove references to resolutions that are outdated, rescinded or superseded in board governance documents. After discussion, the following motion was made:

**Motion**: Mrs. Matheny moved and Mr. Tymchuk seconded to approve modifications to the Board Governance Policy Section III.B. Board Job Description as shown in an attached redline document. **Aye**: Tymchuk, Chambers, Davies, Matheny, Abbott.

**Change to Future Board Meetings**

Board members discussed measures that may need to be taken to limit exposure by employees and board members to COVID-19 for future meetings. After discussion, the following motion was made:

**Motion**: Mr. Davies moved and Mr. Tymchuk seconded to plan, if possible, for a virtual board meeting in April, as allowed by public meeting law; and to change the date of the May board meeting from May 13 to May 27. **Aye**: Tymchuk, Chambers, Davies, Matheny, Abbott.

**Confirm Next Board Meeting Agenda**

**April 15, 2020 – Potential Virtual Meeting**

Board Meeting 10:00 a.m.  Consent Agenda – Minutes, A/P Check Register
A/R Analysis, Cash Report, Contribution Margin
Resolution: Prevailing Wage Exemption
High Level FY21 Budget Assumptions
In order to build the next fiscal year’s budget and five-year financial plan, staff uses current revenue and cost information to develop budget assumptions regarding:

- Revenue
- Power and transmission costs
- Labor and benefits
- Other non-power, non-labor expense items
- Minimum cash reserve requirements
- Capital Improvement Plan (CIP) and budget
- Lead time for large items i.e. trucks and substation transformers

After reviewing the budget assumptions, the Board indicated consensus for staff to proceed and build the FY21 budget. At the April board meeting, staff will bring the Five-Year CIP for FY21-25 as well as the FY21 organizational work plan.

Insurance Deductibles Evaluation
In light of recent increases in automobile and property insurance premiums, staff evaluated raising deductibles. The decision was made to raise the auto deductible from $1,000 per occurrence to $5,000; and raise the property deductible from $10,000 to $25,000 per occurrence. It is estimated that this will save Central Lincoln approximately $18,000 in premiums per year.

Combining Rate Schedules 100 and 190
Residential Rate Schedule 100 and Small Commercial Rate Schedule 190 are very similar in rate characteristics and structure. Staff gave an update on progress toward combining them into a single rate schedule called Small General Service. Staff will bring these as well as other rate schedules changes to the Board at its June meeting with an effective date of July 1, 2020.

Prevailing Wage Exemptions
Contractor costs associated with excavation, building and boring have escalated significantly over the past several years. Many projects have exceeded the $100,000 threshold for paying prevailing wages. This threshold was set by Central Lincoln’s Board in 2006. Staff identified projects that have exceeded $100,000 since 2017 and analyzed the impact on costs if the threshold were raised to $150,000 or $200,000. After discussion, the Board was in consensus that the threshold should be raised to $200,000. Staff will bring a resolution to the Board at its April 15 meeting to formalize this decision.

Executive Session 12:18 p.m.
The 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”.

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Regular Meeting reconvened at 12:46pm

There being no further business, the meeting adjourned at 12:46 p.m.

Jim Chambers, Board Secretary

Curt Abbott, Board President