Minutes of Regular Board Meeting May 16, 2018

A regular meeting of the Board of Directors of the Central Lincoln People’s Utility District was held at the Depoe Bay City Hall on Wednesday, May 16, 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
Brent Barth, Technology Support Specialist
Brian Barth, Director of Shared Services
Donna Beckham, Utility Assets Coordinator
Sunnetta Capovilla, Executive Assistant
Chris Chandler, Public Affairs Manager
Mark Freeman, Director of Employee, Customer & Community Services
Randy Grove, Director of Engineering & Operations
Brandon Hignite, Finance & Resource Supervisor
Gail Malcolm, Project Manager
Bill Reinhart, Controller
Teri Turner, HR Manager
Paul Davies, Customer

President Matheny welcomed staff and visitors to the meeting.

Consent Agenda

The Board approved the following Consent Agenda items as presented:
  a) Minutes from April 11, 2018
  b) Accounts Payable Check Register for April 2018

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
  a) Accounts Receivable Aging Analysis for April 30, 2018
  b) Cash Report as of April 30, 2018
  c) Contribution Margin Analysis Fiscal YTD

Governance Policies

II.C Financial Condition
This board policy states the General Manager may not expend more funds than have been budgeted in the current fiscal year of the rolling five-year plan. Financial reporting for the first nine months of the fiscal year is now complete and revenues and expenditures are both within expected ranges. A copy of the March 31, 2018 budget to actual report was presented with comments. The Performance Dashboard for the same period was also reviewed. Ms. Smith
noted the mild winter was reflected in the reliability indices, and miles driven are down. Central Lincoln’s total meter count is now above 39,000.

II.B Budgeting/Forecasting
This board policy requires that the General Manager create and maintain a rolling five-year plan and budget in a way that reasonably projects revenues and expenses; separates capital and operational items, and discloses appropriate planning assumptions. A copy of the Five-Year Financial Plan was provided.

Resolution No. 946
Five-Year Financial Plan and FY19 Budget

Each year the Board approves a budget for the coming fiscal year and a Five-Year Financial Plan that is used to manage long-term rate impacts. Planning documents include high-level budget assumptions, a Capital Improvement Plan (CIP) and a Work Plan that implements the Board’s Strategic Plan. Ms. Smith presented the Board with the FY19 Budget, noting that it was developed with a 0% rate increase for customers. Budget details were provided to the Board via a PowerPoint presentation. Management recommended the adoption of the Five-Year Financial Plan and FY19 Budget through proposed Resolution No. 946.

After discussion, the following motion was made: **Motion**: Mr. Abbott moved that the Five-Year Financial Plan be approved with a modification correcting the minimum cash balance per board policy in year five of the plan. Ms. Lyon seconded to adopt Resolution 946 to approve the Five-Year Financial Plan which includes the corresponding FY19 Budget as presented. **Aye**: Benfield, Lyon, Tymchuk, Abbott, Matheny.

2018-2023 Strategic Plan

Strategic plans are developed to set priorities and guide operations for Central Lincoln. The plan and business strategies are customer-focused and responsive to the challenges identified by the Board during a recent SWOT (Strengths, Weaknesses, Opportunities & Threats) survey. The 2018-2023 Strategic Plan was reviewed by the Board in April.

After discussion, the following motion was made: **Motion**: Mr. Tymchuk moved and Mr. Abbott seconded to approve the Strategic Plan as presented. **Aye**: Benfield, Lyon, Tymchuk, Abbott, Matheny.

Contract Award
30% Design Headquarters Building

The Board was presented with a request to hire gLAS Architects, LLC for architectural and engineering services to develop a 30% design for a new headquarters building that would be co-located with the Northern Operations Center. The 30% design will include a preliminary design, program development, schematic design, a construction cost estimate and any needed co-location design elements.

After discussion, the following motion was made: **Motion**: Mr. Tymchuk moved and Mr. Benfield seconded to approve the agreement with gLAS Architects, LLC for architectural and engineering services to develop a 30% Design for a new headquarters building for an amount not to exceed $137,500. **Aye**: Benfield, Lyon, Tymchuk, Abbott, Matheny.
Contract Award
Highway 20 Bore Project

Staff requested that the agenda be amended to include consideration of a contract award for the East Highway 20 Bore Project.

After discussion, the following motion was made: Motion: Ms. Lyon moved and Mr. Tymchuk seconded to amend the agenda by adding the East Highway 20 Bore Project. Aye: Benfield, Lyon, Tymchuk, Abbott, Matheny.

The Board was presented with a request to hire Magnum Power, LLC for the East Highway 20 Bore Project. This project will convert an overhead distribution feeder line to underground between the east junction of Business Highway 20 and the Pioneer Mountain intersection.

After discussion, the following motion was made: Motion: Mr. Tymchuk moved and Ms. Lyon seconded to approve and award the bid to Magnum Power, LLC for the East Highway 20 Bore Project for an amount not to exceed $123,500. Aye: Benfield, Lyon, Tymchuk, Abbott, Matheny.

June 13, 2018 Board Agenda – Newport Office

10:00 a.m. Executive Session: GM Performance Evaluation
Followed by Regular Meeting: Consent Agenda – Minutes and Check Register
Monthly Financial Reports
Setting GM Compensation
Conservation Quarterly Update
Communication System Upgrade
Three-Year Tree Trimming Contract
Review Customer Satisfaction Survey Results
Governance Polices Pages 26 & 27
NWPPA Annual Meeting Review

Manager’s Report

Mr. Freeman, Director of Employee, Customer & Community Services, reported a mix-up within the US Postal Service that caused a two-week delay in delivery of monthly billings for 270 Central Lincoln customers. All late fees for the affected customers were waived.

Ms. Chandler, Public Affairs Manager, reported on upcoming community events as follows:
- June 2\textsuperscript{nd}, 75\textsuperscript{th} Anniversary celebration will be held in Reedsport at the Defeat River Brewery.
- June 19\textsuperscript{th}, Central Lincoln will sponsor two showings of “Revenge of the Electric Car” Movie (free) at the Florence Cinemas. Electric car drive or rides will be available to attendees.

The home install energy-efficiency program reservations are full as of May 4\textsuperscript{th} with 3,000 customers. Home install visits to 3,000 customers will be quite time consuming and our contractor anticipates this work may take until October to complete.
Directors' Discussion

The Board discussed proposed revisions to the OPUDA by-laws. A subcommittee, led by Mr. Abbott has been reviewing the by-laws and a draft was circulated with a number of proposed changes. The revisions will be considered by the full OPUDA Board on Friday, May 18th and Mr. Abbott described the changes and answered questions from other Central Lincoln Board Members.

Ms. Lyon announced that she will be moving out of state by the end of the year and thus will not be running for the Board in the next election. She complimented the Board and staff on their professionalism.

There being no further business, the meeting adjourned at 11:52 p.m.

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Jill Lyon, Secretary       Judy Matheny, President