Minutes of Regular Board Meeting May 27, 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, May 27, 2020. Due to COVID-19 pandemic-related social distancing ordered by Governor Kate Brown, the majority of attendees participated via WebEx. President Abbott called the meeting to order at 10:00 a.m. and asked that roll be called.

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

No visitors were present. The following staff attended in person:
- Randy Grove, General Manager
- Sunnetta Capovilla, Executive Assistant
- Brandon Hignite, Director of Shared Services
- Ty Hillebrand, Director of Engineering & Operations
- Gail Malcolm, Senior Project Manager
- Bill Reinhart, Controller
- Teri Turner, Human Resources Manager

Staff Attending via WebEx:
- Wade Carey, Energy Services Manager
- Chris Chandler, Public Affairs Manager
- Mark Freeman, Director of Employee, Customer & Community Services
- McKenzie Kramer, Customer Service Representative
- Courtney Little, Customer Service Representative
- Ken Murray, IT Manager

Consent Agenda

The Board approved the following Consent Agenda items as presented:
- a) Minutes from April 15, 2020 Board Meeting
- b) Minutes from April 23, 2020 Executive Session
- c) Accounts Payable Check Register for April 2020

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
- a) Accounts Receivable Aging Analysis as of April 30, 2020
- b) Cash Report as of April 30, 2020
- c) Contribution Margin Analysis Fiscal YTD
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 and on target. A copy of the March 31, 2020 budget to actual report was presented with comments. A Performance Dashboard for the same period was also reviewed.

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 975
FY21 Budget and Five-Year Financial Plan
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. Mr. Grove presented the Board with the FY21 Budget and Five-Year Financial Plan, noting that it was developed using a 0% rate increase for customers. Mr. Hignite provided budget details to the Board via PowerPoint. Management recommended approval of the FY21 Budget and Five-Year Financial Plan as presented by adopting Resolution 975. After discussion, the following motion was made:

Motion: Mr. Tymchuk moved and Mrs. Matheny seconded to adopt Resolution 975 to approve the Five-Year Financial Plan, which includes the corresponding FY21 Budget as presented. Aye: Matheny, Tymchuk, Chambers, Davies, Abbott.

Contract Approval Request
Power Transformer for SS 108 – Agate Beach, Newport
Two transformers at Substation 108-Agate Beach, are 62 years old and nearing the end of their useful life. To continue to serve expected loads and provide redundancy for other Newport substations, replacement with a larger transformer is required. Thirteen proposals were received in response to a Request for Proposals. After discussion, the following motion was made:

Motion: Tymchuk moved and Mr. Davies seconded to approve a contract for a 69kV/12.5kV, 25MVA Power Transformer to Sanil Electric for the purchase price of $595,569 to be delivered and paid for in FY22. Aye: Matheny, Tymchuk, Chambers, Davies, Abbott.

Sole Source Procurement Request
2016 Altec 70’ Tree-Trimming Elevator Bucket Truck
At the April 15, 2020 board meeting, staff discussed plans to move forward with hiring two additional in-house tree trimming crews. The five-year fleet plan also included purchasing a tree-trimming bucket truck in FY23 for $320,000. Central Lincoln’s Fleet Manager recently became
aware of a used 2016 Altec 70-foot tree trimming elevator bucket truck for sale by Blachly Lane Electric Coop, and was able to negotiate a purchase price of $130,000. After discussion, the following motion was made:

**Motion**: Mr. Davies moved and Mr. Chambers seconded to authorize a sole source purchase of a 2016 Altec 70' tree trimming elevator bucket truck with all-wheel drive from Blachly Lane Electric for $130,000. **Aye**: Matheny, Tymchuk, Chambers, Davies, Abbott.

**Declaration of Surplus Fiber**
**Florence to BPA's Wendson Substation**

CenturyLink Communications, LLC has requested to renew a 10-year lease of one fiber pair from the Florence Office to the BPA Wendson Substation totaling 30,783 feet. Staff has determined that one fiber pair is surplus to what Central Lincoln will need in the next ten years. The previous declaration of excess for this fiber pair expired May 1, 2020. After discussion, the following motion was made:

**Motion**: Mr. Tymchuk moved and Mr. Davies seconded to declare one fiber pair from the Florence Office to the BPA Wendson Substation surplus property for the purpose of leasing for no more than ten years, and authorized the General Manager to negotiate a lease with CenturyLink Communications for that surplus property. **Aye**: Tymchuk, Chambers, Davies, Matheny, Abbott.

**Confirm Next Board Meeting Agenda**
**June 24, 2020—By WebEx in Newport**

Board Meeting 10:00 a.m.  Consent Agenda – Minutes, A/P Check Register
A/R Analysis, Cash Report, Contribution Margin
FY20 Accomplishments
FY21 EV Strategy
APPA Meeting Review
Tentative Executive Session: ORS 192.660(2)(e)

**General Manager's Report**

**Conservation Quarterly**
Mr. Carey provided a quarterly conservation program update, covering the first six month of BPA's two-year rate period, which began October 1, 2019. Currently, program participation is within the normal range. He noted that it is too early to tell how COVID-19 impacts will affect the investments customers will choose to make to their homes. Next quarter's energy efficiency report will provide more data in that regard.

**Phase I “Return to Work”**
Mr. Grove discussed various steps Central Lincoln is taking to keep its employees and customers safe while identifying return to work and reopening steps. He reported that when counties the District serves entered Phase I, Central Lincoln followed suit with most of its employees returning to the workplace, although several are still teleworking. He noted all employees are currently working. The next step is to reopen customer-facing lobbies, most likely to occur, when Central Lincoln counties move into Phase II of the State's reopening plan.
The Plan to Resume Disconnects and Late Fees
Mr. Freeman reported that 30 days after Central Lincoln enters Phase II and opens its lobby doors, late fees and disconnects will begin (which may change based upon legislation). Customer Service Representatives (CSRs) will spend that initial 30-day period contacting customers with past due balances. This will provide customers an opportunity to set up payment arrangements and meet face to face with the CSRs if they choose to do so. CSRs will be empowered to set up payment plans based on criteria as discussed with the Board.

Job Loss Assistance
Mr. Freeman reported that 302 customers, who have gone on unemployment due to COVID-19, have taken advantage of Central Lincoln’s Job Loss Assistance program, for a total of $41,700 in credits provided to electric bills. During collection calls, the CSRs will continue to promote this program and offer assistance for those meeting the criteria, who have not yet received this credit. The Board authorized Job Loss Assistance to continue past May, up to the $100,000 previously authorized, as long as there is a need.

Deposit Policy Update
Due to COVID-19, at its April board meeting, it was decided to provide further assistance to customers with accounts in good standing, by refunding their deposits after nine months instead of the usual 12. Mr. Freeman reported that $113,000 in deposits have been refunded for the months of April and May. Once late fees, disconnects and collection work begins again, the deposit policy will revert to the original 12-month rule.

Directors’ Discussion
It was noted that Boardlines (instead of Coastlines) will be sent to customers in August, and Board members have until July 6, 2020 to submit their articles to Ms. Chandler for publication.

Executive Session 11:39 a.m.
President Abbott recessed the meeting 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”.

Regular Meeting Reconvened 11:46 a.m.
The regular meeting reconvened, and as there was no further business, President Abbott adjourned the meeting at 11:46 a.m.