Minutes of Regular Board Meeting October 17, 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, October 17, 2018. President Matheny called the meeting to order at 9:00 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: Sunnetta Capovilla, Executive Assistant
             Lanie Mycoff with Mycoff, Fry & Prouse LLC (via video conference)

Public Hearing

President Matheny opened the meeting to hear public comment on standards, criteria and policy directives for hiring a new general manager. As no public comments were made or received, President Matheny closed the public hearing.

A WebEx meeting was then held with Lanie Mycoff, representing Mycoff, Fry & Prouse; a recruiting firm based in Colorado. This same firm was used to recruit former General Manager Debra Smith. Ms. Mycoff reviewed a list of potential hiring criteria with the Board asking for input on each item. Compensation was discussed as well as a timeline going forward. It is anticipated that the Board will review resumes in December, conduct interviews mid-January, with a potential hire date by March 1, 2019.

President Matheny welcomed additional staff and visitors to the meeting:

Brian Barth, Interim General Manager
Chris Chandler, Public Affairs Manager
Amanda Downey, Financial Analyst
Mark Freeman, Director of Employee, Customer & Community Services
Brandon Hignite, Finance & Resource Supervisor
Joe Hiner, Operations Supervisor II
Ty Hillebrand, Civil & Distribution Engineering Supervisor
Gail Malcolm, Project Manager
Ken Murray, Information Technology Supervisor
Karl Olsen, Journeyman Meterman
Bill Reinhart, Controller
Teri Turner, HR Manager
Jim Chambers, Customer
Paul Davies, Customer

Consent Agenda

The Board approved the following Consent Agenda items as presented:
  a) Minutes from September 18, 2018
  b) Accounts Payable Check Register for September 2018
Monthly Financial Reports

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

Board Governance Policies

Policy I Aims/Ends-Organizational Purpose

The Board’s policy statement regarding Central Lincoln’s “Organizational Purpose” identifies areas most important to the Board such as providing safe and reliable electricity at the least (actual) cost and at reasonable risk. Mr. Barth provided a list of staff activities in keeping with this policy (see attached), including:

- A cost of service analysis (COSA) was completed in March 2016 and all changes were incorporated into Central Lincoln’s rate the following year. The next COSA is planned for 2019.
- Staff provides safety and reliability information through a quarterly dashboard report showing current year and historical data. In April of this year, Central Lincoln was designated an RP3 utility by the American Public Power Association, scoring 92.2%, earning Platinum status.
- Central Lincoln provided respectful workplace training to all employees in 2016 and is using a video version of that training as part of the onboarding process for all new employees.
- Central Lincoln is active in the communities it serves, and the Board is presented with a Customer & Community Connections Calendar twice per year, in April and in October.

II.A Staff Treatment

This Board policy states that “dealings with staff will not be inhumane, unfair, unprofessional, undignified or disrespectful.” A report was submitted to the Board (see attached) outlining areas where Central Lincoln:

- Operates with personnel procedures that are in compliance with current law. The Employee Manual is updated regularly and available to employees through a password-protected site. Managers and supervisors receive regular training on personnel law, reasonable suspicion and leadership skills.
- Acquaints staff with their rights under this policy with written acknowledgements anytime the Employee Manual is updated or policies have been changed or created that might have potential disciplinary consequences.
- Provides for effective handling of grievances through employee policies 530 “Complaint Resolution Procedure,” 431 “Non-Discrimination/Non-Harassment Policy,” and 435 “Whistleblower Policy.”
- Protects against wrongful conditions through the implementation of a Wellness Program, Near-Miss Program, and a standing Safety Committee.
- Provides an environment promoting a high level of employee morale by conducting third-party employee engagement surveys, establishing an Employee Advisory Committee and Labor Management Committee.
• Reports to the Directors, in a timely manner, any labor issues that may have deleterious financial impacts to the Central Lincoln. Also, the Labor Management Committee and Interest-Based Bargaining have shown to be effective tools in reducing potential conflict.

II.G Communication & Counsel to the Board

This Board policy states “With respect to providing information and counsel to the Board, the General Manager may not permit the Board to be uninformed.” Mr. Barth discussed ways in which this is being accomplished: (see attached)

• All Board Policy monitoring reports have been submitted to the Board in the month required.
• The Board is made aware of changes and influences on policy by scheduling discussion items on the board agenda and attending or receiving reports on the activities of PPC (Public Power Council), NRU (Northwest Requirements Utilities), and OPUSA (Oregon PUD Association). In addition management provides real-time communication about important emerging issues.
• The Board is kept informed about issues concerning Board policy and compliance as required.
• Staff provides consistently formatted memoranda for Board communication clearly indicating whether action is required or requested.
• An inventory of current resolutions is provided on a biannual basis. An updated inventory of resolutions was provided to the Board with this report.
• Management periodically discusses with the Board economic development opportunities which could significantly impact loads or generate substantial community interest.

Economic Development Report

Ms. Chandler discussed with the Board a brief economic development update within Central Lincoln’s service area, including:

• Newport’s Samaritan Pacific Communities Hospital is scheduled to be completed by 2020 at an investment of $57 million.
• The new OSU/Hatfield Marine Science Center Marine Studies Initiative (MSI) Building is anticipated to cost $63 million and will also be used as an evacuation building. Evacuees will walk up an exterior ramp to the roof of the reinforced building in the event of a tsunami warning. Many component, design and structural decisions for the building were based on information gleaned from the 2011 Japanese tsunami.
• The grid-connected wave energy test bed, known as the Pacific Marine Energy Center is now been called PacWave. It will cost $40 million to construct, and will be located between Waldport’s Sandpiper neighborhood, and Seal Rock.
• Five artists are competing to create a mural for the City of Florence on Central Lincoln’s Southern Operations Center (SOC) building.
• A new micro-brewery is in the works in Florence.
• A business new to Reedsport, Grayguns, is hiring 8-15 employees.
• Defeat River Brewery in Reedsport is doing very well.
• Three new businesses have been added to Reedsport’s traditional downtown area: a restaurant, a flooring store, and an antiques shop.
Resolution No. 954  
**Rate Schedules 700 and 900**

A draft of Rate Schedule 700 was presented to the Board in September for its consideration. Joint Use Rate Schedule fees and sanctions were also discussed in September. After discussion, the following motion was made:

**Motion:** Ms. Lyon moved and Mr. Abbott seconded to adopt Resolution No. 954 which approves an updated Rate Schedule 700 “Miscellaneous Fees, Charges & Deposits” which will become effective November 1, 2018; and Rate Schedule 900 “Joint Use Fees” which will become effective January 1, 2019. **Aye:** Tymchuk, Abbott, Benfield, Lyon, Matheny.

Resolution No. 955  
**Appointment of Director to NRU Board**

Following the resignation of Debra Smith, the Board chose to appoint Ty Hillebrand as a Director on the NRU Board. Mr. Hillebrand has consented to act as an NRU Director on behalf of Central Lincoln. After discussion, the following motion was made:

**Motion:** Mr. Tymchuk moved and Mr. Abbott seconded to adopt Resolution No. 955 appointing Ty Hillebrand as its Director serving on the NRU Board of Directors. **Aye:** Tymchuk, Abbott, Benfield, Lyon, Matheny.

Resolution No. 956  
**Customer Service Policies Modification**

At the September Board meeting management discussed the topic of relaxing Central Lincoln’s deposit policy for new residential and selected commercial customers. Currently, all new residential customers are required to pay a deposit unless they provide a letter of credit from a previous utility or consent to a credit check. An extensive analysis was completed to determine the impact on write-offs by eliminating the deposit requirement (except for those customers with a poor payment or disconnect history with Central Lincoln), increasing the late fee from $3 to $5 and increasing deposits from two times the average bill to two times the highest bill after the first disconnect instead of the second. The bottom line appears financially favorable, and would build goodwill with future customers of Central Lincoln. Mr. Abbott requested a follow-up report in six months. After discussion, the following motion was made:

**Motion:** Mr. Abbott moved and Ms. Lyon seconded to adopt Resolution No. 956 which authorizes a modification to up-front deposit requirements in section C of the Customer Service Policies. **Aye:** Tymchuk, Abbott, Benfield, Lyon, Matheny.

November 14, 2018 Board Agenda – NOC

- Board Meeting 10:00 a.m.
- Public Hearing for GM Hiring Criteria
- Approval of GM Hiring Criteria
- Three-Year Contract Award for Insurance
- Contract Award for Two Service Trucks
- FY18 Audit Report

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Manager’s Report

SDIS Best Practices Program and Board Practices Assessment
Central Lincoln carries workers compensation, property insurance and liability insurance through Special Districts Insurance Services (SDIS). SDIS encourages employees and Board members to implement best practices, and offers discounts for participation in five areas. This year, Central Lincoln received the maximum 10% credit of $19,434.50 for participating. In addition, the Board held a Board Practices Assessment workshop in August with a representative from SDIS who reviewed the Board’s performance and its risk management experience. The report received from SDIS rated Central Lincoln as “good” in all categories and offered no comment except to “stay the course with what obviously is working well.” Central Lincoln will receive an additional 4% discount for participation in the self-assessment exercise.

Customer Outage Reporting Update
In September, the Board requested an update on the integration of the customer outage reporting system with NISC software. Information Technology Supervisor Ken Murray was present to explain the complicated process and timeline of converting Central Lincoln’s outage management system to one that could provide better information when a customer calls in to report an outage. Currently available to customers is a real-time outage map located on the clpub.org website as well as postings on Twitter and Facebook. For planned outages, customers are notified via Call Capture. Future plans include more specific outbound messaging to affected customers using text messages, email or SmartHub.

Record Retention Update
Since the Record Retention Policy was updated in November 2016, Central Lincoln has continued to take steps toward streamlining the handling, organization and care of records, both paper and electronic. Staff has worked closely with the State Archives Division to develop procedures and implement best practices for records management. Central Lincoln staff was also instrumental in forming the NWPPA Oregon Records Group which includes employees from nine Oregon utilities. Also, an Oregon Public Records Advocate is assisting staff in developing a policy for locating records in such a way as to allow for timely responses when public record requests are made. The IT department will assist in developing electronic management strategies to address electronic records management.

High Level Rate Design Discussion
Mr. Hignite gave a presentation that discussed potential rate structure options for Board consideration going forward with respect to cost of service and fair and equitable cost recovery. Service availability charges, residential demand, time of use rates, and changing Residential and Commercial Rate Schedules to Large and Small General Service Rate Schedules were discussed. Shifting of peak loads and educating customers will be key components in successfully reducing energy charges from Bonneville, and in turn reduce customers’ costs.
Central Lincoln Cookbook
As part of its 75th Anniversary Celebration, Central Lincoln employees will be submitting recipes to be published in a cookbook. Each employee will receive one cookbook, and extras will be sold for $10 each, with proceeds donated to Project Care.

NWPPA Award
Central Lincoln was presented with a 1st place award from NWPPA for Excellence in Communication for its monthly newsletter, Coastlines.

NWPPA Roundtable
Central Lincoln recently hosted an Engineering Roundtable for NWPPA members in Oregon. Topics included resiliency, use of drones for line inspection for places which cannot be reached by bucket truck, and how large new loads due to indoor agriculture and server use for bitcoin mining are affecting utilities.

Career Fair
On October 24th the Lincoln County School District will be holding a career fair for all juniors and senior high school student. Central Lincoln will bring a bucket truck to display, and will have two linemen who recently graduated from Lincoln County schools on hand to talk to the students regarding a career in the trades.

Food Drive
As it does every year, Central Lincoln is participating in a food drive during October. Containers are located in the Newport and Florence offices. Items collected will be donated to Lincoln County Food Share and Florence Food Share. Customers who donate food items will receive a choice of an LED night light or a light bulb.

Key Account Forum
A customer forum for Key Accounts will be held in Newport on October 23rd. This provides an opportunity for Central Lincoln staff to visit with representatives of large customers about energy-related budgeting and strategic planning; it is also an opportunity for customers to provide feedback regarding Central Lincoln’s services.

Directors’ Discussion

OPUDA Annual Meeting
Board members reported on the OPUDA Annual Meeting held in Eugene in September. There were venue glitches and many members were abruptly moved to other hotels, as well as poor service received during the meetings. However, it was noted the content of the meeting was worthwhile.

There being no further business, the meeting adjourned at 1:47 p.m.

Jill Lyon, Secretary                        Judy Matheny, President

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