Minutes of Regular Board Meeting April 15, 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, April 15, 2020. Due to COVID-19 pandemic-related, physical 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
Bill Reinhart, Controller

Staff Attending via WebEx:
Wade Carey, Energy Services Manager
Chris Chandler, Public Affairs Manager
Mark Freeman, Director of Employee, Customer & Community Services
Becky Johnson, Accounting Supervisor
Gail Malcolm, Project Manager
Ken Murray, IT Manager
Teri Turner, Human Resources Manager

Consent Agenda

The Board approved the following Consent Agenda items as presented:
   a) Minutes from March 18, 2020 Board Meeting
   b) Accounts Payable Check Register for March 2020

Monthly Financial Reports

The Board reviewed and discussed the following financial reports:
   a) Accounts Receivable Aging Analysis as of March 31, 2020
   b) Cash Report as of March 31, 2020
   c) Contribution Margin Analysis Fiscal YTD

FY21 Work Plan

In order to execute the business strategies adopted by the Board in 2018, an annual Work Plan is developed to guide Central Lincoln’s activities and allocation of resources for the upcoming fiscal year. The Board reviews the Work Plan, which includes objectives and targets that cascade down to employee goals, and form the basis for employee performance reviews each year. Projects
and initiatives identified in the FY21 Work Plan are included in the FY21 Capital Improvement Plan.

**Five-Year Capital Improvement Plan (CIP)**

Each year, management prepares a Five-Year Capital Improvement Plan (CIP), as required by Board policy. The CIP informs the annual budget process and feeds into the rolling Five-Year Financial Plan. The proposed CIP reflects a change from contractors to in-house tree crews, as well as improvements to distribution and transmission lines, substation rebuilds and expansions, communication resiliency and maintenance, and replacements of fleet vehicles.

Due to the COVID-19 pandemic, spring projects have been pushed into summer and therefore into the next fiscal year. Mr. Grove noted that the Five-Year Financial Plan approved in May 2019 assumed a 3% rate increase for FY21. Staff has reevaluated its revenue requirements, and it now appears there will be no need for a rate increase in FY21. The Five-Year Financial Plan and the FY21 Budget will be presented for the Board’s approval at the upcoming May board meeting.

**Annual Identify Theft Program Report**

Regulations for the handling of credit and debit cards, including the Red Flags Rule require many businesses and organizations to implement a written Identity Theft Prevention Program designed to detect warning signs or “red flags” of identity theft. Under Federal Trade Commission rules, Central Lincoln is required to comply, because the utility’s service to customers is provided in advance of payment. A report must be given to the Board of Directors annually identifying the effectiveness of Central Lincoln’s program. Mr. Freeman, as Compliance Officer, reported there have been no issues or incidents of identity theft.

**Resolution No. 974**

**Procurement Policy Modification: Prevailing Wage**

Central Lincoln’s Board of Directors is the utility’s designated Local Contract Review Board and has the authority to adopt rules necessary to carry out provisions of Public Contracting Code. The Board reached consensus at its March 18, 2020 meeting that the prevailing wage threshold in Central Lincoln’s Procurement Policy should be raised to $200,000. Resolution No. 974, which makes this modification, was presented for review. After discussion, the following motion was made:

**Motion**: Mr. Davies moved and Mr. Tymchuk seconded to adopt Resolution 974, which modifies the Procurement Policy by increasing the prevailing wage exemption to $200,000. **Aye**: Tymchuk, Chambers, Davies, Matheny, Abbott.

**Change to Future Board Meeting Dates**

Board members discussed adjusting June and July’s board meeting dates due to conflicting schedules. After discussion, the following motion was made:

**Motion**: Mr. Tymchuk moved and Mr. Davies seconded to change the date of the June meeting to June 24, and to cancel the July board meeting. **Aye**: Tymchuk, Chambers, Davies, Matheny, Abbott.
Confirm Next Board Meeting Agenda  
May 27, 2020– Likely to be Held By WebEx

Board Meeting 10:00 a.m.  Consent Agenda – Minutes, A/P Check Register  
A/R Analysis, Cash Report, Contribution Margin  
Various Governance Policies  
Resolution: Five-Year Financial Plan and FY21 Budget  
Contract Award: New Transformer for Substation 108  
Quarterly Conservation Update Report

General Manager's Report

In-House Vegetation and Tree Trimming  
As discussed during the CIP presentation, Central Lincoln’s current tree-trimming contract with Trees LLC is up for renewal, and they are asking for a 12% increase above the expiring contracted rate. An analysis of the cost to hire six new employees (two full crews), additional equipment and fleet requirements was performed, and compared to outsourcing the work. The analysis showed that by doing the work in-house, Central Lincoln would see a return on investment in five years. Additionally, it was estimated that Central Lincoln would save more than $4 million in the 15 years to follow.

Zero Rate Increase and Rate Schedule Postponement  
At the March 18, 2020 board meeting, staff discussed a plan to combine rate schedules 100 and 190 into a single rate schedule, and bring a resolution to the board to adopt a new rate schedule for “Small General Service.”. Given the plan for no rate increase this July, the combined rate schedule will be delayed one year.

Health Care Changes  
Central Lincoln has worked with its current insurance administrator to update medical coverage for all employees regarding COVID-19 testing and treatment. All deductibles and co-insurance for COVID-19 testing and labs will now be waived, and any out-of-network COVID-19 treatment will be covered as in-network.

Job Loss Assistance  
At the March 18 meeting, the Board authorized $50,000 be allocated to assist customers who lost their jobs or were laid off due to the COVID-19 shelter-in-place declaration by Governor Brown by providing a one-month electricity credit and making a temporary change in the deposit policy.

Criteria for assistance:
- Customer to provide proof of an active unemployment claim within two weeks of requesting assistance.
- Customers will receive a one-time credit to pay for one months’ electric bill up to $200.
- Deposits will be refunded to customers after nine months of keeping current on payments, (instead of the 12 months normally required.)

Mr. Freeman reported that $60,000 in deposits were returned to qualifying customers in April, and so far, 124 customers have qualified to receive a one-month electricity credit for a total of $16,520. At an average credit of $133/customer, approximately 375 customers will be able to receive a credit. It was the consensus of the Board to authorize an additional amount of $50,000 to the job loss program for those affected by COVID-19 if the current funding runs out prior to the end of May 2020. Staff will provide an update at the May board meeting.
**Customer and Community Connections Calendar**
The Board reviewed an outreach and engagement calendar produced by staff outlining community events and publications Central Lincoln uses to stay connected with its customers. This year, due to COVID-19 restrictions, many of the parades Central Lincoln participates in have been cancelled. The Reedsport Memorial Weekend Committee sent a letter to Ms. Chandler canceling their May 25 parade, refunding the entry fee, and thanking Central Lincoln for being such great community supporters. Staff will continue to look for others ways to reach out to and communicate with customers.

**Updated Organizational Chart**
Staff provided the Board with an organizational chart of all Central Lincoln employees. This is done annually.

**Executive Session Requested**
An executive session was set for Thursday, April 23, 2020 to update the Board on the status of the headquarters building, as allowed by ORS 192.660(2)(e) “To conduct deliberations with persons designated by the governing body to negotiate real property transactions”

**Directors' Discussion**
It was noted that the NWPPA annual meeting, originally scheduled for the third week in May, was tentatively postponed until the second week in September. The Board will elect voting delegates in August.

Currently the APPPA National Conference is still scheduled to be held in Long Beach, California the week of June 5-10, 2020. Curt Abbott was appointed as the voting delegate for this meeting.

It was noted that OPUDA plans to hold its monthly meeting virtually on Friday April 17 by inviting members to participate using the Zoom online meeting platform.

There being no further business, the meeting adjourned at 11:33 a.m.

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Jim Chambers, Board Secretary

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Curt Abbott, Board President