

**CANBY UTILITY**  
**REGULAR BOARD MEETING**  
**JANUARY 12, 2021**  
**7:00 P.M.**

**AGENDA**

*Due to COVID-19 Pandemic, the Board of Directors and staff will be attending the meeting virtually. The public is invited to attend the meeting virtually or in person at Canby Utility's office, with measures in place to comply with the Governor's Executive Order regarding social distancing.*

- I. CALL TO ORDER
- II. AGENDA
  - Additions, Deletions, or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
  - Approval of Agenda
  - Approval of Regular Board Meeting Minutes of December 8, 2020 (pp. 1-3)
  - Approval of Write-Offs
  - Approval of Payment of Water and Electric Bills
- IV. NOMINATIONS FOR 2021 BOARD CHAIRPERSON
- V. CITIZEN INPUT ON NON-AGENDA ITEMS
- VI. RECOMMENDATION Green Power Donation for City Parks and Transit Mall – Dee Anne Wunder, Customer Service Supervisor (pg. 4)
- VII. BOARD REPORT
  - Chairman Comments
  - Board Member Comments
- VIII. STAFF REPORTS

Operations Manager:

  - Quarterly Reliability Report (pp. 5-6)

Customer Service Supervisor:

  - COVID-19 Utility Billing Comparison (pp. 7-8)

General Manager Updates
- IX. ADJOURN

# **CANBY UTILITY**

## **REGULAR BOARD MEETING MINUTES**

### **DECEMBER 8, 2020**

*Due to COVID-19 Pandemic, the Board of Directors and staff attended the meeting virtually. The public was invited to attend the meeting in person at Canby Utility's office, with measures in place to comply with the Governor's Executive Order regarding social distancing.*

**Board Present:** Chairman Hill; Members Brito, Wagner, Horrax, and Thompson

**Staff Present:** Daniel P. Murphy, General Manager; Barbara Benson, Board Secretary; Carol Sullivan, Finance Manager; Sue Arthur, Purchasing Agent; and Doug Erkson, Operations Manager

**Others Present:** Tim Dale, City Council Liaison; Keith Simovic of Moss Adams LLP; and Jennifer Joly of Oregon Municipal Electric Utilities (7:22 p.m.)

Chairman Hill called the Regular Board Meeting to order at 7:01 p.m.

Chairman Hill presented the meeting agenda for consideration. He asked for any additions, deletions, or corrections to the meeting agenda. Board Secretary Barb Benson noted a page numbering correction.

Chairman Hill presented the consent agenda for approval. Member Brito made the \*MOTION to approve the consent agenda, consisting of the meeting agenda, regular and executive session meeting minutes of November 10, 2020, write-offs in the amount of \$2,078.59, payment of the electric and water department bills in the amount of \$1,189,993.36. Member Thompson seconded, and the motion passed unanimously.

Chairman Hill asked for citizen input on non-agenda items. City Councilor Liaison Tim Dale announced that this was his last meeting since his term on the Canby City Council ends this year. Board members and staff expressed their appreciation for Dale's service to Canby Utility and the City of Canby.

Finance Manager Carol Sullivan introduced Moss Adams' Senior Manager Keith Simovic. Sullivan stated that Moss Adams completed Canby Utility's audit for the fiscal year 2020 virtually.

Keith Simovic presented the 2020 fiscal year financial audit, noting it was a challenging year due to COVID-19. This year their auditing processes changed to being entirely remote for the first time. Simovic reviewed the nature of the services provided, including: Independent Auditor's Report on the individual and combined financial statements; assistance with, and technical review of, the financial statements for compliance with GAAP; disclosures and independent auditors' comments required by the Minimum Standards for Auditors of Oregon Municipal Corporations; and the Communications to Those Charged with Governance. The significant audit

areas of focus this year were in work orders, customer billing, pension and OPEB liabilities, internal controls in a remote work environment, and compliance with federal laws and regulations and Oregon Minimum Standards. Simovic explained their audit process in response to COVID-19.

Canby Utility received an unmodified (clean) opinion that was free of material weaknesses, and had no reportable findings for the Oregon Minimum Standards.

Simovic reviewed the required communications and highlighted that there were no material audit adjustments and no material weaknesses in the internal controls. Moss Adams made two best practices recommendations. These recommendations included reviewing IT user access and maintaining documentation for public procurements. All prior year recommendations were resolved.

Simovic also discussed a new accounting standard change that will go into effect in 2022 that could impact Canby Utility in the future. This new standard is the GASB 87 that applies to operating leases.

Simovic thanked the staff for making the audit a priority and for their excellent facilitation of the audit process. Member Thompson asked about uncorrected misstatements and segregation of duties related to IT, then a brief discussion ensued. Simovic departed the meeting at 7:42 p.m.

Human Resources Manager Barbara Benson presented a recommendation to revise Procedure 414, Canby Utility's HRA/VEBA policy. Benson said that the Board approved changing the represented employee's contribution amounts due to prescription drug coverage and Willamette Dental plan copays when they approved the new IBEW collective bargaining agreements. The non-represented employees will also be impacted by the plan changes and are requesting they be granted the same change in contribution amounts to their HRA/VEBA. This change would increase contributions by \$25 per month beginning in January 2021 and another \$25 per month the following year. Member Brito made the \*MOTION to revise Procedure 414, updating Canby Utility's HRA/VEBA policy. Member Wagner seconded, and the motion passed unanimously.

Benson also presented a recommendation to revised Procedure 413, the Management Vacation Schedule. The proposed changes in the vacation schedule include adding a vacation tier with a lump sum amount of forty hours when the new employee completes their probation, removing complicated borrowing process language, changing the vacation carry-over language to establish a specified maximum amount of 400 hours upon the employee's anniversary date, allowing more flexibility in cashing-out of some vacation into the employee's deferred compensation plan, and updating position titles. These changes are consistent with the changes approved by the Board for the represented employees. These changes, if approved, would also be reflected in the employee handbook. Member Thompson clarified that employees are not also receiving compensatory time off. Member Brito made the \*MOTION to revise Procedure 413, updating Canby Utility's Management Vacation Schedule. Member Horrax seconded, and the motion passed unanimously.

General Manager Dan Murphy reported on Clackamas County's South Ivy Street road widening and sidewalk improvement project scheduled for completion in mid-to-late 2022. Canby Utility's overhead electric lines and water lines will need to be relocated to accommodate the project's design. Under Oregon law, Canby Utility is obligated to move the infrastructure at our expense. Murphy stated that the estimated cost to move the overhead powerlines is just over \$200,000. The city has expressed its desire for the overhead power lines to be re-constructed underground. Murphy noted that the cost estimate to build the new underground line is being completed, but is expected to be approximately \$600,000. Murphy met with Mayor Hodson and Counselor Dale to discuss having the city cover the difference in cost between the overhead service relocation and the costs for underground construction. Murphy said that the city is studying the situation to see if they can pay for the cost difference. Murphy reviewed Canby Utility's line extension policy requirements related to payment for cost overruns and noted that he has not yet provided the city with any cost estimates. Murphy assured the Board that Canby Utility would be transparent in showing our costs when our work on the project is complete. Murphy said that Canby Utility must be able to fully recover the costs for the project. Council Liaison Tim Dale noted that City Administrator Scott Archer is researching funding options in order to cover the cost difference. A brief discussion ensued regarding policy provisions and cost overruns.

Murphy also reported that the office will be closed on December 24 and 25 to recognize the Christmas Eve and Christmas Day holidays.

Member Brito made the \*MOTION to adjourn the meeting. Member Horrax seconded, and the motion passed unanimously.

There being no further business, the meeting adjourned at 8:02 p.m.

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Robert Hill, Chairman

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David Horrax, Member

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Jack Brito, Member

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Melody Thompson, Member

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Todd Wagner, Member

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Barbara Benson, Board Secretary



## **MEMORANDUM**

December 29, 2020

TO: Chairman Hill, Member Brito, Member Horrax, Member Wagner and  
Member Thompson

FROM: Dee Anne Wunder, Customer Service Supervisor

SUBJECT: Continue Green Power Donation for City Parks and Transit Mall

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Recommendation: Continue to make a monthly donation of Green Power on behalf of the city parks and transit mall.

Background: Canby Utility has made a monthly donation of Green Power since January 2008 to the City of Canby. We donate 45 blocks (1 block = 100 kWh) of environmentally preferred power (EPP) to “green-up” the parks and transit mall each month. The cost is \$0.92 per block or a monthly cost of \$41.40. The Board has authorized donations through December 31, 2020. Staff is requesting approval to extend the donation an additional year.

Canby Utility used the donation to the city parks and transit mall as a way to promote Green Power. In December we had 206 customers purchase \$1,087.44 for 1,182 blocks of green power. The number of customers that purchase green power remains fairly consistent over the course of the year.

I will be available at the meeting to answer any questions the Board may have.

OUTAGE AVERAGES Jan 2020 THROUGH Dec 2020

MONTH	YEAR	NUMBER OF OUTAGES	NUMBER OF CUSTOMERS AFFECTED	TOTAL CUSTOMER MINUTES OFF	MONTHLY NUMBER OF CUSTOMERS IN THE SYSTEM	NUMBER OF MOMENTARY INTERRUPTIONS
Jan	2020	0	0	0	7600	0
Feb	2020	1	12	972	7620	1
March	2020	0	0	0	7630	0
April	2020	0	0	0	7635	0
May	2020	0	0	0	7660	1
June	2020	3	229	5965	7663	3
July	2020	0	0	0	7678	1
Aug	2020	3	166	14283	7684	4
Sep	2020	3	79	7478	7692	4
Oct	2020	1	548	80296	7715	2
Nov	2020	0	0	0	7740	0
Dec	2020	0	0	0	7768	0
12 MONTH TOTALS		11	1,034	108,994	92,085	16
12 MONTH AVERAGE		0.92	86	9,083	7,674	1.3

			C.U.	Industry Typical Value
SAIDI =	$\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}}$	$= \frac{108,994}{7,674}$	$= 14.2035$	$87.0$
SAIFI =	$\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}}$	$= \frac{1034}{7,674}$	$= 0.13$	$0.93$
MAIFI=	$\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}}$	$= \frac{16}{7,674}$	$= 0.002$	$0.96$
CAIDI =	$\frac{\text{Total interruption minutes for 12 months}}{\text{Total number of interruptions}}$	$= \frac{105}{11}$	$= 10$	$107.25$

## **System Average Interruption Duration Index (SAIDI)**

SAIDI indicates the total sustained interruption duration for the average customer during a predefined period of time. It is commonly measured in minutes or hours of interruption.

## **System Average Interruption Frequency Index (SAIFI)**

SAIFI indicates how often the average customer experiences a sustained interruption during a predefined period of time.

## **Momentary Average Interruption Frequency Index (MAIFI)**

MAIFI is a reliability indicator used by electric power utilities. MAIFI is the average number of momentary interruptions that a customer would experience during a given period (typically a year).

## **Customer Average Interruption Duration Index (CAIDI)**

CAIDI gives the average outage duration that any given customer would experience. CAIDI can also be viewed as the average restoration time.



**MEMORANDUM**

December 29, 2020

**TO:** Chairman Hill, Member Brito, Member Wagner, Member Horrax, and Member Thompson

**FROM:** Dee Anne Wunder, Customer Service Supervisor

**SUBJECT: COVID-19 Utility Billing Comparison**

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The attached report compares activity of payments and delinquencies for the months of September, October, and November 2019 to the same months in 2020. I will update the comparisons monthly to monitor impacts from the COVID-19 pandemic.

I will be available to answer questions during the Board Meeting.



**Canby Utility**  
**COVID Utility Billing Comparison 2019 & 2020**  
**December 3, 2020**

	Sept. 2019	Sept. 2020	Oct. 2019	Oct. 2020	Nov. 2019	Nov. 2020
<b>Statements Mailed</b>	7,998	8,162	8,024	8,188	8,000	8,227
<b>Delinquent Notices</b>	1,157	1,373	1,651	1,334	1,643	1,212
<b>Delinquent Accounts</b>	\$ 230,059	\$ 301,548	\$ 175,988	\$ 278,539	\$ 178,639	\$ 308,377
<b>Average Delinquent Amount</b>	\$ 199	\$ 220	\$ 107	\$ 209	\$ 109	\$ 254
<b>Percentage of Delinquencies From Prior Month Billing</b>	15%	17%	21%	16%	20%	15%
<b>Bank Deposits, SDC's, and Misc Payments</b>	\$ 1,482,377	\$ 1,994,567	\$ 1,569,907	\$ 1,528,592	\$ 1,162,250	\$ 1,625,048
<b>Number of Payments</b>	6,996	7,955	8,120	6,814	5,765	7,856