

**CANBY UTILITY**  
**REGULAR BOARD MEETING**  
**MAY 12, 2020**  
**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 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 April 14, 2020 (pp. 1-4)
- Approval of Payment of Water and Electric Bills

IV. CITIZEN INPUT ON NON-AGENDA ITEMS

V. BOARD REPORT

- Chairman Comments
- Board Member Comments

VI. STAFF REPORTS

Operations Manager

Finance Manager:

- Second Quarter Financial Reports (pp. 5-8)

Finance Manager:

- COVID-19 Utility Billing Comparison (pp. 9-12)

General Manager Updates

VII. ADJOURN

# **CANBY UTILITY**

## **REGULAR BOARD MEETING MINUTES**

### **APRIL 14, 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; Dee Anne Wunder, Customer Service Supervisor; and Jim Stuart, Operations Manager

**Others Present:** Tim Dale, City Council Liaison

Chairman Hill called the Regular Board Meeting to order at 7:05 p.m.

Chairman Hill presented the meeting agenda for consideration. He asked for any additions, deletions, or corrections to the meeting agenda, and there were none.

Chairman Hill presented the consent agenda for approval. Member Brito made the \*MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of March 10, 2020, write-offs in the amount of \$550.48, and payment of the electric and water department bills in the amount of \$1,219,585.12. Member Wagner seconded, and the motion passed unanimously.

Chairman Hill asked for citizen input on non-agenda items and there was none.

Chairman Hill stated that during the March 10, 2020, regular board meeting, the Board agreed to have General Manager Dan Murphy work with Board Attorney David Doughman to prepare an amendment to Murphy's existing Employment Agreement that would extend the expiration date by five years. All other terms and conditions remain the same. Hill said that he had talked with Doughman, who shared with him that the process to draft the extension agreement was good. There was no additional discussion. Member Brito made the \*MOTION that the Proposed five-year term extension to the current General Manager Employment Agreement be approved and that the Chairman be directed to sign the extension agreement on behalf of the Board of Directors. Member Horrax seconded the motion, and the roll call ballot was as follows: Member Brito, aye; Member Wagner, aye; Member Horrax aye; Member Thompson, aye; and Chairman Hill, aye. The motion passed 5 to 0.

Chairman Hill introduced Melody Thompson, Canby Utility's newly appointed board member. Hill briefly commented on Thompson's wide-ranging experience in local governments and police agencies. Hill expressed his appreciation for her willingness to serve Canby Utility. Thompson stated that she had always admired Canby Utility for its professionalism when she was the Mayor and that she is looking forward to serving.

Chairman Hill reported that he had a conversation with General Manager Dan Murphy and Finance Manager Carol Sullivan regarding his concerns for the utility's finances with the current economy and many people being out of work due to the COVID-19. He shared that Murphy was optimistic about the outlook on the utility's financial position. Hill stated that staff would be providing the Board with updated information on the utility's revenues and overall financial health next month. Hill said that he expects there will be some impact on revenues, but that it is unknown to what extent the impact is at this time.

Hill also commented on the Board receiving the financial reports for October. He said that staff would be working on getting the financial reports caught up to a more current month. Hill said that the utility financial reporting has a longer lag time compared to a retailer due to the timing of utility bill payments. The financial information that staff will report on next month will give the Board a better understanding of how the pandemic has impacted revenues. Murphy added that providing meaningful data on the COVID-19 pandemic impacts on the financials may take longer than a month due to the timing of the billing cycles and receiving payments. Staff will make financial comparisons after one complete month has passed to see if there are any variances.

Murphy reported that nearly three weeks ago, Oregon Municipal Electric Utilities Association's Executive Director Jennifer Joly was working on our behalf to avoid a new state mandate. Governor Brown was considering an Executive Order to require utility providers not to disconnect services nor assess penalties and fees under a governor's mandate during the pandemic. Joly, along with representatives from other types of utilities, assured Governor Brown that an Executive Order was not necessary. Utilities already have voluntarily ceased non-payment disconnections and assessing penalties during the COVID-19 crisis. Murphy said that he is not anticipating any devastating effects from this crisis. He anticipates there will be customers that staff will need to work with on payment arrangements. Discussion ensued regarding increased electric demand during the stay-at-home orders.

Operations Manager Jim Stuart reported on the quarterly electric system reliability for April 2019 through March 2020. There were no outages in March, one outage in February, and no outages in January. Due to the outage history, the SAIFI, SAIDI, MAIFI, and CAIDI indices, used to measure distribution system reliability, have improved. The average number of power outages is one per month. Stuart stated that Canby's numbers are outstanding and are trending downwards. Stuart complimented the crew's efforts to maintain the electrical distribution system.

Finance Manager Carol Sullivan presented the first-quarter Executive Financial Summary. Sullivan reviewed the profit resulting from operations and capital contributions year-to-date three months ending September 30, 2019. The electric operating profit was \$11,647, plus the capital contributions of \$450,393, total a net income of \$462,040. The water operating profit was \$438,569, plus the capital contributions of \$603,493, total a net income of \$1,042,062.

Sullivan then compared the operations with capital contributions to the budget. The electric fund was over budget \$198,713. The year-to-date operating revenue is largely on budget. The

operating expenses are overall largely on budget. The capital contributions are over budget 239.85% due to more line extensions being built than budgeted. The change in net assets is 75.46% over budget, mainly due to the line extension fees.

The water fund was over budget \$105,205. The year-to-date operating revenue is over budget 5.81% due to higher water consumption than budgeted. The total operating expenses are under budget 8.68%, mainly due to more labor being capitalized. The capital contributions are largely on budget. The change in net assets is 11.23% over budget due to increased sales and decreased expenditures. Chairman Hill asked if there was a reason for the higher water consumption. Sullivan replied that when she creates the budget, she uses a conservative approach using a low consumption year.

Sullivan then reviewed the cash reserves summary. Sullivan stated that when she creates the budget, she has a reserve target. The electric reserves are below the year-end target by \$247,468. The water reserves are over the year-end target by \$716,641. The board had no questions.

Sullivan also gave an update on the fiscal year 2021 operating and capital budget process timeline. The board will receive the proposed Operating and Capital budgets for review on June 5 in their board packet. The proposed budgets will be presented for approval on June 9 during the regular board meeting. Chairman Hill asked if Sullivan anticipated any budget delays due to the pandemic. Sullivan stated that she felt that the budget could proceed as scheduled.

General Manager Dan Murphy reported on the COVID-19 pandemic impacts to Canby Utility operations since it began on March 13, 2020. Murphy was attending an NWPPA meeting when the COVID-19 pandemic national state of emergency declaration was issued. Murphy learned that the City of Canby was working on plans to potentially close their public offices out of an abundance of caution due to the pandemic. Murphy decided to coordinate efforts with the city and closed our public access points beginning March 16th. Murphy noted that coordinating efforts with the city is especially important, since we share the shop complex facility with the city. Since that time, the staff has been doing all they can to slow the spread of the virus and protect the public and our employees. The management team worked together to establish criteria for determining what constitutes an emergency and what work is essential. Murphy reviewed the activities that have continued since closing the offices to the public. Murphy stated that he is trying to mirror the city's precautions and preventative measures. Murphy explained that the after-hours call center is answering all incoming calls, the electric crew is responding to issues such as outages, the water crew is responding to significant waterline leaks, and normal workday tasks are being limited to those that are essential in order to enable employees to stay at home to stop the spread of the virus. Murphy said that there is a balance between providing essential services and keeping everyone safe. Murphy talked briefly about the employees who are all pulling together and working through the period of unrest.

Customer Service Supervisor Dee Anne Wunder reported on the customer service staff activities during the closure. The office staff is coming into the office daily to return customer messages, sort mail, and post payments. There are protocols in place for handling mail to reduce the risk of exposure to the virus, as well as having disinfectants, sanitizers, gloves, and masks available for

staff. Wunder stated that they are not disconnecting customer's utility services for non-payment. She knows that they will need to work with customers in the future on payment arrangements. Wunder noted that her staff feels very safe in their work environment, given the protective measures that have been put in place.

Murphy reviewed the Infections Disease Control Plan Related to COVID-19 that was implemented. Murphy noted that Human Resources Manager Barbara Benson prepared the plan. The COVID-19 mitigation plan gives employees guidance and serves as reminders in the workplace. Murphy noted that the plan is subject to change. Chairman Hill complemented Murphy and the management team for taking the initiative and early action in response to the pandemic. Murphy then acknowledged the city for their collaboration. Member Thompson asked about any specific guidance for employees who have exposure to COVID-19. Murphy stated that our plan stresses employees do a self-assessment and if they feel sick, do not report to work. Any employee who exhibits any COVID-19 symptoms at work will be sent home and required to obtain a physician's release before returning to the workplace. Benson added that they have the Department of Labor's guidance on leave related to COVID-19 posted.

Operations Manager Jim Stuart reported that the operations department had been only performing the necessary tasks to meet our customer needs while mitigating the risk of the virus for our employees. Stuart shared that they are also tracking who comes and goes from the shop facility. Individuals are required to sign in and out, which would help to identify any persons who could have a potential exposure in the event someone gets the virus. Stuart stated that, at most, only four employees are working on any given day. The crews are also minimizing their exposure to the virus by only having only one person occupy a vehicle. The city's public works employees have moved to a different location at the shops to avoid sharing any of the same facilities. A brief discussion ensued regarding all of the employee's willingness to respond and cooperate with the safety measures in place.

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

There being no further business, the meeting was adjourned at 7:46 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**

May 5, 2020

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

**From:** Carol Sullivan, Finance Manager

**Subject:** Quarterly Financial Update as of December 31, 2019 Fiscal Year 2020

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Please find attached the Executive Financial Summary through December 31, 2019, the Utility's first six months of fiscal year 2020. The report is cumulative to date and gives a quick overview of profit and loss resulting from operations and capital contributions, a comparison to budget with notes, and cash reserves compared to the budget target and minimum. For monthly information refer to the financial packet sent via e-mail.

I will present these at the next board meeting and will be available for comments or to answer any questions.

**Canby Utility Executive Financial Summary**  
**Profit (Loss) Resulting From Operations and Capital Contributions\*\*\***  
**Year To Date (YTD) Six Months Ending December 31, 2019**

Legend	
	= Electric
	=Water

<b>Electric</b>
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**Profit (Loss) From Operations**

Revenue	Expense	Operating Profit (Loss)
\$ 6,694,681	\$ 6,535,942	\$ 158,739

**Operations And Capital Contributions\*\*\***

Operating Profit (Loss)	Capital Contributions	Net Income (Loss)
\$ 158,739	\$ 578,906	\$ 737,645

<b>Water</b>
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**Profit (Loss) From Operations**

Revenue	Expense	Operating Profit (Loss)
\$ 2,063,494	\$ 1,726,448	\$ 337,046

**Operations And Capital Contributions \*\*\***

Operating Profit (Loss)	Capital Contributions	Net Income (Loss)
\$ 337,046	\$ 911,192	\$ 1,248,238

\*\*\***Capital Contributions** are contributions of capital, in the form of money or assets/infrastructure to Canby Utility from a customer or a vendor.

**Canby Utility Executive Financial Summary**  
**Profit (Loss) Resulting From Operations With Capital Contributions Compared To Budget**  
**Year To Date (YTD) Six Months Ending December 31, 2019**

**Electric**

Net Income (Loss)		Budget		Over (Under) Budget	
\$	737,645	\$	464,216	\$	273,429

**Notes :** YTD operating revenue is largely on budget.

YTD operating expenses are overall largely on budget.

YTD Capital contributions are over budget 118.41% mainly due to more hook-up fees and line extensions being built than budgeted for.

YTD Change in Net Assets is 58.90% over budget mainly due to capital contributions.

**Water**

Net Income (Loss)		Budget		Over (Under) Budget	
\$	1,248,238	\$	975,043	\$	273,195

**Notes :** YTD operating revenue is largely on budget.

YTD Operating expenses are under budget 5.86% mainly due to more labor being capitalized.

YTD Capital contributions are 19.00% over budget mainly due to system development charge fees.

YTD Change in Net Assets is 28.02% over budget due to capital contributions and decreased expenditures.



**Canby Utility Executive Financial Summary**  
**Cash Reserves**  
**Year To Date (YTD) Six Months Ending December 31, 2019**

**Electric**

<u>Budget Target 6/30/20</u>	<b>Current Cash Reserves</b>		<b>FYE 2020 Target</b>		<b>Over (Under) Target</b>
	\$ 9,699,465	\$	10,238,041	\$	(538,576)

<u>MINIMUM</u>	<b>Current Cash Reserves</b>		<b>Minimum</b>		<b>Over (Under) Minimum</b>
	\$ 9,699,465	\$	4,000,000	\$	5,699,465

**Water**

<u>Budget Target 6/30/20</u>	<b>Current Cash Reserves</b>		<b>FYE 2020 Target</b>		<b>Over (Under) Target</b>
	\$ 5,352,874	\$	4,795,916	\$	556,958

<u>MINIMUM</u>	<b>Current Cash Reserves</b>		<b>Minimum</b>		<b>Over (Under) Minimum</b>
	\$ 5,352,874	\$	2,000,000	\$	3,352,874



## **MEMORANDUM**

May 5, 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 February, March, and April 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**  
**May 5, 2020**

	<b>Feb-19</b>		<b>Feb-20</b>		<b>Mar-19</b>		<b>Mar-20</b>		<b>Apr-19</b>		<b>Apr-20</b>	
<b>Statements Mailed</b>		7,915		8,050		7,904		8,040		7,944		8,037
<b>Delinquent Notices</b>		1,492		1,138		1,614		947		1,148		996
								Not mailed				Not mailed
<b>Delinquent accounts</b>	\$	239,044	\$	204,467	\$	195,561	\$	165,913	\$	183,893	\$	164,069
<b>Average delinquent amount</b>	\$	160	\$	180	\$	121	\$	175	\$	160	\$	165
<b>Percentage of Delinquencies</b>		18.85%		14.14%		20.42%		11.78%		14.45%		12.39%
<b>Bank Deposits, SDC's and misc payments</b>	\$	1,510,884	\$	1,659,189	\$	1,351,450	\$	1,454,588	\$	1,642,036	\$	1,335,800
<b>Number of payments</b>		7,532		7,660		6,803		7,494		8,071		7,246

## Canby Utility Offices Closed But Working During This Pandemic

A Message from General Manager Dan Murphy

Like all of you, Canby Utility has been adjusting to a drastically different environment since March 16 while continuing to fulfill its mission of providing electric service and drinking water for our community. Since this started, the utility has been closed for walk-in business to limit exposure to the COVID-19 virus. As of the date of this mailing of The Reporter, our offices remain closed for in-person customer interactions and only limited services are being provided during this time. Both customers and utility personnel are anxiously wondering—when will everything return to normal? It looks like it is going to be a while longer before Canby Utility can reopen its offices. The following is a review of what we have done so far and an update on where your utility stands today:

The President of the United States declared the COVID-19 outbreak a national emergency on March 13, 2020. Oregon Governor Kate Brown followed with formal executive order No. 20-12, which designated certain businesses and government agencies as “essential” to Oregonians. Those businesses providing “essential services” were allowed to continue limited operations. Businesses and agencies that were deemed “non-essential” were ordered to close and “stay home, stay safe.”

Canby Utility is considered “essential” for providing electric and drinking water services. Still, under the Governor’s executive order it was necessary beginning March 16 to close Canby Utility’s offices to walk-in customers and to discontinue non-essential services that require utility personnel to interact with customers in close physical proximity. In compliance, Canby Utility began operating around-the-clock on an emergency basis, dispatching utility personnel only for a short list of “essential services.” Essential services have been limited to electrical outages, water main ruptures, major water leaks, unsafe conditions requiring service disconnection, and for a short-list of internal administrative tasks including utility billing, reviewing and answering phone messages, personnel timesheet processing, and payroll.

Sending out utility bills has continued during this closure following the regular billing schedule. Utility bills are still due and payable upon receipt. Alternatives to paying bills in-person have been available for Canby Utility customers for many years. Customers make payments for utility bills utilizing Canby Utility’s night drop at the combined service center located at 1265 SE Third Avenue, at the Cutsforth’s Thriftway payment drop site, through the mail, through bank bill-pay systems, and through the Canby Utility website

**“Essential services have been limited to electrical outages, water main ruptures, major water leaks, unsafe conditions requiring service disconnection...”**

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## Thank you, Walt Daniels!

We wish to express our appreciation to Walt Daniels for six years of dedicated service with the Canby Utility Board of Directors. Walt was appointed to the board in March of 2014. His term expired on February 29, 2020.



Walt Daniels

Thank you, Walt, for your dedication and for your contributions you have made to Canby Utility and our community!



## Backflow Reminder!

Have you had your backflow devices tested this year? Backflow

devices need to be tested annually to ensure that your water systems continue to function properly. More information as well as a list of testing companies can be found at <https://tinyurl.com/snhca9r>

## Temporary Operating Hours

Canby Utility’s Office remains closed to walk-in customers. We are taking and returning customer phone calls related to electric and water utilities. Customers should continue to make payments through electronic means, at our on-site payment drop box, or at the Cutsforth Thriftway payment drop box.



503.266.1156  
[www.canbyutility.org](http://www.canbyutility.org)



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canbyutility.org. However, beginning March 16, Canby Utility also temporarily suspended delinquency and bill-payment-related disconnections due to the COVID-19 crisis. Additionally, Canby Utility does not assess fees for late payments. Canby Utility realizes the worry, stress, and financial hardships many of us are enduring as a direct result of this pandemic and the related shut-downs. It is very difficult to live under these unusual circumstances; it is anything but "normal."

Before this pandemic struck us, Canby Utility helped customers who had temporary difficulties paying a monthly utility bill. And now during this pandemic, we will continue to work with our customers who become delinquent in paying utility bills. Customer service representatives stand ready to work out reasonable bill payment arrangements if needed. Bill payment arrangements are often granted based on circumstances. Canby Utility maintains a record of all previous bill payment arrangement terms and payment experience; this is the first criteria used in determining future bill payment arrangements. The point is, Canby Utility works with our customers who are in temporary financial difficulties and need additional time.

We deeply appreciate the cooperation and understanding our customers and our utility personnel have demonstrated during this first-time-ever global pandemic. This event has stretched comfort zones for all of us. Together we will get through this event and in all likelihood come out of it stronger and more united as a community!

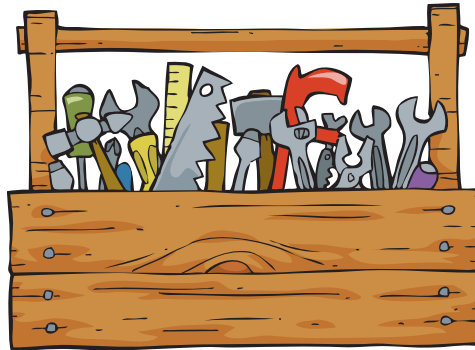
—General Manager Dan Murphy

## Energy Efficiency Rebates Available

Are you thinking about adding new windows, insulation, heat pump, or installing a smart thermostat in your home? Canby Utility offers rebates that can help. Call our office to learn about any requirements that may apply to qualify. Here are a few of the rebates available:

- Attic and/or Floor Insulation
- Smart Thermostats
- Residential HVAC's
- Heat Pump Water Heaters (any size)
- **New rebates for windows—now \$6/Sq.Ft.**

For details, requirements and how to apply, visit [www.canbyutility.org](http://www.canbyutility.org).



## Wearing a Cloth Face Covering?

The CDC recommends wearing cloth face coverings in public settings where other social distancing measures are difficult to maintain.

Learn how to make your own face covering—including no-sew T-shirt and bandana styles— at the CDC website. <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/diy-cloth-face-coverings.html>

## Around Town

CANBY LOCAL EVENTS



### Friends of Canby Public Library— WANTS YOU!!!

It's time to renew your annual membership with Friends of the Library (FOL). If you are not yet a member, please consider joining. FOL funds over \$22,000 annually for all adult programs and many of the children's programs the library offers that are not funded by the city or county.

### Holiday Office Closures

May 25 Memorial Day  
July 3-4 Independence Day

**Share the Warmth Update** Canby Utility would like to say "Thank you" to all the customers who donated to the Share the Warmth Program. Canby Utility received \$3,065.80 in donations to the program last year. Those generous donations, along with the Board's donation, allowed us to assist 237 customers to help pay their electric bills. Now with many experiencing job insecurity, we encourage those who are able to contribute to continue to do so. Your contributions are tax-deductible and tremendously appreciated! Learn more about the program at: <https://tinyurl.com/yxy2brmu>



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Daniel P. Murphy, General Manager

