

***CANBY UTILITY
REGULAR BOARD MEETING
DECEMBER 14, 2021
7:00 P.M.***

AGENDA

I. CALL TO ORDER

II. AGENDA

- Additions, Deletions or Corrections to the Meeting Agenda

III. CONSENT AGENDA

- Approval of Agenda
- Approval of Special Meeting and Executive Session Minutes of November 1, 2021, and Regular Board Meeting Minutes of November 9, 2021 (pp. 1-5)
- Approval of Write-Offs
- Approval of Payment of Water and Electric Bills

IV. CITIZEN INPUT ON NON-AGENDA ITEMS

V. AUDIT REPORT for Fiscal Year Ended June 30, 2021 – Introduction by Carol Sullivan, Interim General Manager. Presentation and Review by Keith Simovic, Moss Adams, LLC (pg. 6 plus Separate Item)

VI. BOARD REPORT

- Chair Comments
- Board Member Comments

VII. STAFF REPORTS

Board Secretary – Clerk

- Critical Event Communication Plan

General Manager Updates

VIII. ADJOURN

***CANBY UTILITY
SPECIAL BOARD MEETING MINUTES
NOVEMBER 1, 2021***

Board Present: Chair Thompson; Members Hill, Horrax, and Gustafson

Absent: Member Wagner

Others Present: Ashley Driscoll and Heather Martin, Board Attorney

Chair Thompson called the meeting to order at 5:32 p.m. Due to COVID-19 Pandemic, the meeting was held virtually.

Member Hill made the *MOTION to go into Executive Session according to ORS 192.660(2)(b) to consider the dismissal or disciplining of a public officer, employee, staff member, or individual agent, or to hear complaints or charges brought against such a person, if that person does not request an open hearing. Member Gustafson seconded, and the motion passed 4-0. Chair Thompson read the Executive Session statement.

The regular meeting was recessed at 5:35 p.m.

The public meeting was reconvened at 6:09 p.m. Driscoll had departed the meeting.

Member Gustafson made the *MOTION to authorize the Board Chair to negotiate, as discussed, a separation agreement with General Manager Dan Murphy. Member Horrax seconded, and the motion passed 4-0.

Member Hill made the *MOTION to adjourn the meeting. Member Gustafson seconded, and the motion passed 4-0.

There being no further business, the meeting was adjourned at 6:11 p.m.

Melody Thompson, Chair

David Horrax, Member

Tim Gustafson, Member

Robert Hill, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

CANBY UTILITY EXECUTIVE SESSION MINUTES NOVEMBER 1, 2021

Due to the COVID-19 Pandemic, the Board of Directors and attorneys attended the meeting virtually.

Board Present: Chair Thompson; Members Hill, Horrax, and Gustafson

Absent: Member Wagner

Others Present: Ashley Driscoll and Heather Martin, Board Attorneys

The Executive Session was opened at 5:35 p.m. by Chair Thompson pursuant to ORS 192.660(2)(b) purpose of considering the dismissal or disciplining of a public officer, employee, staff member, or individual agent, or hear complaints or charges brought against such a person, if that person does not request an open hearing.

Driscoll departed the meeting at approximately 6:00 p.m.

Member Hill made the *MOTION to adjourn the executive session. Member Gustafson seconded, and the motion passed 4-0.

The Executive Session was adjourned at 6:09 p.m.

Melody Thompson, Chair

David Horrax, Member

Tim Gustafson, Member

Robert Hill, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

CANBY UTILITY REGULAR BOARD MEETING MINUTES NOVEMBER 9, 2021

Due to COVID-19 Pandemic, the Board of Directors and some 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: Chair Thompson; Members Hill, Wagner, Horrax, and Gustafson

Staff Present: Carol Sullivan, Interim General Manager; Barbara Benson, Board Secretary; Jason Berning, Operations Manager; Sue Arthur, Purchasing Agent; Cindy Dittmar, Customer Service Supervisor; and Jason Peterson, Operations Field Supervisor

Others Present: Jennifer Joly, Oregon Municipal Electric Utilities

Chair Thompson called the Regular Board Meeting to order at 7:03 p.m.

Chair Thompson presented the meeting agenda for consideration. She asked for additions, deletions, or corrections to the meeting agenda. Interim General Manager Carol Sullivan added a recommendation to update the Columbia River Bank signature authority and update the Local Government Investment Pool and a general manager's staff report.

Chair Thompson presented the consent agenda for approval. Member Gustafson made the *MOTION to approve the consent agenda, consisting of the amended meeting agenda, regular meeting minutes of October 12, 2021, special and executive session of October 13, 2021, and special and executive session minutes of November 1, 2021, write-offs in the amount of \$422.98, and payment of the electric and water department bills in the amount of \$1,329,429.50. Member Hill seconded, and the motion passed 5-0.

Chair Thompson asked for citizen input on non-agenda items and there was none.

Interim General Manager Carol Sullivan stated that she, being new in her interim role, reached out to City Administrator Scott Archer regarding the S. Ivy Street road widening project. Sullivan and Operations Manager Jason Berning will meet with Archer and Public Works Director Jerry Nelzen next Tuesday to discuss another approach to the project than what the original Intergovernmental Agreement (IGA) presented. Sullivan and Berning would like to see Canby Utility's crew complete the electrical system work instead of contracting out the work. Sullivan said it would give CU more control over the project, cost less due to not having the expense of the contractor's overhead, and enable us to partner with the city on the project. Sullivan shared that Archer expressed willingness to go back to the City Council since the Council had already approved the Intergovernmental Agreement. A brief discussion ensued regarding the project timeline and work that Canby Utility will perform. Berning also noted that the waterline portion of the project had not been discussed yet. Board members expressed

support for the new direction. Sullivan will update the Board on the meeting with the city at the December board meeting.

Chair Thompson stated that the Board needed to ratify the official appointment of Carol Sullivan to the Interim General Manager position. The Board gave consensus to ratify the appointment. Thompson said that she had informally discussed the appointment with Sullivan before this meeting on the Board's behalf and wanted the official appointment to be reflected in the record.

Chair Thompson presented a discussion for options for the General Manager recruitment. She asked Human Resources/Administration Manager Barb Benson to give the Board an overview of recruitment options and share her experience with the previous manager recruitment. Benson gave an overview of the 2015 recruitment costs and process after former General Manager Matt Michael resigned. The Board hired Waldron for their executive recruitment services. She also shared concerns from the staff's perspective about that previous recruitment process and potential improvements in the upcoming recruitment. Benson also talked about the recruitment process options to consider that included an all-in-house, a hybrid model using partial in-house and outsourced services, or fully-outsourced recruitment. Benson gave examples of some firms she was familiar with that specialize in recruiting for the utility industry and municipalities. The Board asked about staff's preference on the three options, and Benson and Sullivan shared that they preferred a hybrid model outsourced process. Benson also spoke to Laurie Grenya of HR Answers. She recommended delaying the recruitment process into the new year due to the holidays, COVID-19 mandate uncertainty, and the current state of the economy, all of which impact recruiting. Discussion ensued about not rushing the recruitment process and gathering information on the costs and services provided by executive search firms.

Sullivan stated that former General Manager Dan Murphy needs to be removed from the signature authority on the Columbia Bank account. The authorized account signers will be Carol Sullivan, Barbara Benson, Cindy Dittmar, and Susan Arthur. Sullivan also noted that she is in the process of having Murphy removed from the Local Government Investment Pool (LGIP) and has added Board Secretary Barbara Benson. Canby Utility only grants authorization to two staff members for the LGIP account, with Sullivan being primary.

Chair Thompson asked if Sullivan had resolved the access issues for the key card system. The former General Manager exclusively operated this system, with no backup to make changes. Sullivan stated that the vendor was on site today, but they will return on Friday due to some internet issues and that Benson will be the backup on the system. Sullivan agreed that there needs to be two people who have access to the system.

Member Hill announced that he would not be attending the December board meeting.

Board Secretary Barbara Benson reported on the upcoming employee recognition event, scheduled for December 10 at the Willamette Valley Country Club. Benson reviewed the planned activities for the evening. She will be sending out the RSVPs next week.

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Sullivan reported that she talked to former General Manager Dan Murphy. He said that Sullivan could contact him if she needed assistance.

Sullivan reported on the progress of the Combined Service Center Phase 2 construction project. Some proposed change orders are pending, but the Temporary Certificate of Occupancy was issued. Once the flue in Building C is installed, we will be eligible for the Certificate of Occupancy. Essex is asking for a Certificate of Substantial Completion that will start the warranty period. Sullivan is working with Mackenzie Architects and Essex to resolving any remaining issues so the Certificate of Substantial Completion can be signed. Sullivan has received a lot of support from both companies.

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

There being no further business, the meeting adjourned at 7:50 p.m.

Melody Thompson, Chair

David Horrax, Member

Tim Gustafson, Member

Robert Hill, Member

Todd Wagner, Member

Barbara Benson, Board Secretary



MEMORANDUM

December 10, 2021

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

FROM: Carol Sullivan, Finance Manager

SUBJECT: Audit Report Fiscal Year End June 30, 2021

Our auditors, Moss Adams LLP Certified Public Accountants and Business Consultants, have completed Canby Utility's annual audit for the fiscal year ended June 30, 2020. Moss Adams has been performing our audit since 2015. This year we continued our positive working relationship and completed the audit virtually with limited on sites visits. Canby Utility received an unmodified or clean opinion, the highest form of assurance. Included with the audit is the Communications with Those Charged with Governance.

Keith Simovic from Moss Adams will present the audit at the board meeting. Please ask him any questions you may have.