

***CANBY UTILITY  
REGULAR BOARD MEETING  
MAY 9, 2023  
7:00 P.M.***

**AGENDA**

- I. CALL TO ORDER
- II. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(d) to discuss labor negotiations. Upon completion of the executive session the Board will return to its regular meeting.
- III. AGENDA
  - Additions, Deletions or Corrections to the Meeting Agenda
- IV. CONSENT AGENDA
  - Approval of Agenda
  - Approval of Regular Board Meeting and Executive Session Minutes of April 11, 2023 (pp. 1-5)
  - Approval of Write-Offs
  - Approval of Payment of Water and Electric Bills
- V. CITIZEN INPUT ON NON-AGENDA ITEMS *Citizen's wanting to speak virtually, please email or call the Board Secretary-Clerk by 4:30 p.m. on May 9, 2023 with your name, the topic you would like to speak on, and contact information: [bbenson@canbyutility.org](mailto:bbenson@canbyutility.org) or 503-263-4312.*
- VI. DISCUSSION Draft Conference Room Policy – Barbara Benson, Human Resources/Administration Manager (pp. 6-10)
- VII. BOARD REPORT
  - Chair Comments
  - Board Member Comments
- VIII. STAFF REPORTS

Operations Manager:

  - Public Utility Commission Audit

Finance Manager:

  - Second Quarter Financials (pp. 11-14)

General Manager Updates
- IX. ADJOURN

# ***CANBY UTILITY REGULAR BOARD MEETING MINUTES APRIL 11, 2023***

**Board Present:** Chair Thompson; Members Hill, Horrax, Molamphy, and Pendleton

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

**Others Present:** Jason Padden, City Council Liaison; and Joe Brennan

Chair Thompson called the Regular Board Meeting to order at 7:00 p.m.

Chair Thompson presented the meeting agenda for consideration. She asked for any additions, deletions, or corrections to the meeting agenda. Board Secretary Barb Benson said that the agenda needed to be amended to reflect that the Operations Field Supervisor will present the Operations Manager reports.

Chair Thompson presented the consent agenda for approval. Member Horrax made the \*MOTION to approve the consent agenda, consisting of the amended meeting agenda, regular and executive session meeting minutes of March 14, and special meeting minutes of March 21, 2023, write-offs in the amount of \$197.30 payment of the electric and water department bills in the amount of \$949,322.76. Member Molamphy seconded, and the motion passed 5-0.

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

Chair Thompson reported receiving an email from City Council Liaison Jason Padden regarding the American Rescue Plan Act (ARPA) stimulus funding that the City of Canby received and the potential for Canby Utility to access some of the remaining funds. Thompson noted that utilizing ARPA funds involves meeting specific criteria and deadlines. Councilor Padden wants to schedule a meeting with General Manager Carol Sullivan to discuss potential funding ideas so that he can present Canby Utility's needs to the City Council. Councilor Padden noted that other entities are also requesting to use the city's remaining ARPA funds and wanted to offer Canby Utility the opportunity to submit a request for funds for their projects.

Operations Field Supervisor Jason Peterson presented the quarterly reliability report. Canby Utility only experienced one significant outage during the quarter caused by a faulty fuse in an underground transformer. Compared to last year, Canby Utility's outages equated to approximately 1,000 fewer customer minutes. Peterson said they are bringing all tree trimming activities back in-house instead of contracting it out. He also noted that efforts to move overhead

services underground when possible had contributed to Canby Utility's positive reporting. A brief discussion ensued regarding in-house tree trimming work.

Member Molamphy said he had received a notification a few months back regarding construction related to the bridge over the Molalla River on Knights Bridge Road. He had not heard anything further on the project. He suggested staff look into the possibility of adding infrastructure to the bridge when the work begins, if there was interest, and if it was even possible. Operations Field Supervisor Jason Peterson replied that Canby Utility had submitted comments on the project, expressing interest in having a conduit for utility infrastructure attached to the bridge. Discussion ensued regarding the status of the project and the planned scope of work.

Peterson reported that the substation maintenance project was awarded to Specialty Engineering. They were the lowest responsive and responsible bidder, and our consulting engineers gave them a good recommendation. The maintenance work is scheduled to begin in June. The Knights Bridge substation will require three days to complete the maintenance, and the Westcott substation will require an entire week. The bid came in significantly under budget.

Finance Manager Mike Schelske reviewed the fiscal year 2024 budget timeline. The proposed budgets will be distributed to board members on June 8 and presented for approval during the June 13 regular board meeting.

Schelske then presented the first-quarter Executive Financial Summary. Schelske reviewed the profit and loss resulting from operations and capital contributions year-to-date for three months ending September 30, 2022. The electric operating profit for the quarter was \$337,460, plus capital contributions of \$452,876, for a total net income of \$790,336. The water operating profit for the quarter was \$606,083, plus the capital contributions of \$722,605, for a total net income of \$1,328,688.

Schelske then reviewed the profit and loss resulting from operations with capital contributions compared to the budget. The electric fund's net income exceeds the budget by \$98,667. The water fund's net income exceeds the budget by \$382,240. The electric fund's year-to-date operating revenues are \$104,664 under budget, mainly due to lower commercial and industrial sales. The operating expenses are \$45,359 under budget, mainly due to open positions, offset somewhat by higher purchased power. The capital contributions are \$132,645 over budget due to hook-up fees and infrastructure contributions by others. The change in net assets is \$98,667 over budget, mainly due to higher capital contributions by others.

The water fund's year-to-date operating revenues are \$179,323 over budget, mainly due to higher residential sales. The operating expenses are \$53,301 under budget, mainly due to open positions. The capital contributions are \$151,444 over budget, mainly due to higher infrastructure contributions from others. The change in net assets is \$382,240 over budget, mainly due to higher sales, higher contributed capital, and lower expenses.

Member Pendleton said that he noticed in his review of the last three months of financial statements that the electric operating revenues are under budget, and the power costs are over budget. He asked if that is a continuing trend that the Board needs to be aware of. Schelske explained that the operating revenues are due to the staff's budgeting approach. The purchased power budget cost is based on a forecast provided by the Bonneville Power Administration. Schelske will look into the potential of a trend, and a discussion ensued.

Chair Thompson asked about the open positions, and Schelske reported that those positions, which included water utility workers, a journeyman lineman, and the finance manager positions, have now been filled. She also talked about the time needed for staff to bring the financial reports current and what was a reasonable lag time for financial reporting. General Manager Carol Sullivan stated that financial reports would have a one-month lag once reporting is caught up. Schelske said he is working on December's financials now and anticipates being caught up in approximately two months.

Schelske then reviewed the cash reserves summary. The electric reserves are at \$9,067,184 for the quarter, which is \$220,601 lower than the budget target for September 30, 2023. The reserves are \$5,067,184 above our minimum reserve target. The water reserves are \$6,811,640 for the quarter, which is \$132,980 above our budget target for September 30, 2023. The water reserves are \$4,811,640 above our minimum reserve target. Schelske explained that the below target amount for electric is related to the timing of capital expenditures.

Board Secretary Barb Benson requested a moment to explain the process for approving the board minutes when the board considers the consent agenda. Chair Thompson added that the consent agenda groups routine meeting discussion points into a single agenda item to be approved in one action. Board members may request for an item in the consent agenda to be pulled out separately for discussion or corrections.

General Manager Carol Sullivan reported that she and Operations Manager Jason Berning met with Consor Engineers to discuss the next steps for the new water treatment plant. Consor said that the Eugene Water and Electric Board (EWEB) is currently in the planning process to build a new treatment plant. Consor provided Sullivan a sample Request for Proposal that can be used to solicit the services for an Owner's Representative that would serve as Canby Utility's advocate throughout the entire project and assist in researching and applying for financing opportunities. Sullivan and Berning then had a virtual meeting with EWEB to discuss their experience with the process, and they recommended we start with the land use and permitting process. This step may take more than three years to complete. They suggested we contact David Evans and Associates, Inc. Canby Utility already contracts with this firm for its consulting electrical engineering services. Berning contacted David Evans, and a meeting is planned for April 26.

Sullivan reported that the Source Water Protection grant had been submitted to the Oregon Health Authority. Sullivan thanked the board for granting a special meeting to authorize the grant submission and said that no decision had been announced yet.

Member Hill asked about the funding timeline for the grant if awarded. Sullivan said the funds would be available beginning in the fall, but the testing would likely start next summer. Hill also asked if OHA would allow the grant funds to be carried over to a subsequent year if we needed to wait for a dryer summer to do the testing. Human Resources/Administration Manager Barb Benson said that the state had authorized an extension in time for a source water protection grant in the past and that the grant guidance likely has an extension provision, but we would need to confirm it.

Chair Thompson talked about the change staff made to the board table configuration. The new layout offers more space for each board member, provides a better sense of belonging, offers greater visibility to colleagues, and improves communications. The Board agreed that the new arrangement was an improvement. Benson noted that the room would need another HDMI plug installed for the technology and new extended cords for the powered tables.

Chair Thompson asked about the status of recommended edits to the existing board room use policy they discussed in March. Benson said she hopes to bring a recommendation for policy revisions to the Board next month.

Member Pendleton made the \*MOTION to go into Executive Session according to ORS 192.660(2)(i) to discuss the performance of a public employee. Member Molamphy seconded, and the motion passed 5-0.

The regular meeting recessed at 7:36 p.m.

The regular meeting reconvened at 8:11 p.m.

Member Molamphy made the \*MOTION to adjourn the meeting. Member Horrax seconded, and the motion passed 5-0.

The meeting adjourned at 8:12 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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Robert Hill, Member

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John Molamphy, Member

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Jack Pendleton, Member

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Barbara Benson, Board Secretary

***CANBY UTILITY  
EXECUTIVE SESSION MINUTES  
APRIL 11, 2023***

**Board Present:** Chair Thompson; Members Hill, Horrax, Molamphy, and Pendleton

**Staff Present:** Carol Sullivan

The Executive Session was opened at 7:36 p.m. by Chair Thompson, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2)(i) for the purpose of discussing the performance of a public employee. All staff, except for General Manager Carol Sullivan, was excused for the executive session. Sullivan departed the meeting at 8:08 p.m.

The Executive Session adjourned at 8:11 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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Robert Hill, Member

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John Molamphy, Member

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Jack Pendleton, Member

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Barbara Benson, Board Secretary



## **MEMORANDUM**

May 4, 2023

TO: Chair Thompson; Members Hill, Horrax, Molamphy, and Pendleton

FROM: Barbara Benson, Human Resources/Administration Manager

SUBJECT: Draft Conference Room Policy

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Canby Utility offers the use of its conference room (boardroom) to the public for non-profit use at no charge, and has established House Rules for the use of the room that provides some policy guidance.

Recently, we were approached about the possibility of the room to be used for a church service. Since the request was uncommon, staff brought it to the board for discussion. The organizations that use the conference room on a regular basis are quilting groups, homeowner associations, Kiwanis, and Canby Junior Basketball. On occasion, the Oregon Association of Water Utilities and Oregon Municipal Electric Utilities have used the room for organizational functions. The Board directed me to consider policy changes and provide recommendations on a new conference room policy.

I reached out to some special districts, the City of Canby, and other utilities to review their policies and developed the attached draft policy for discussion.

I have also talked to the groups currently using the room and informed them of the possible change in room availability after normal hours of operation so that they can start considering alternative locations if they are unable to meet during the day.

I look forward to our discussion.

## CONFERENCE ROOM PUBLIC USE POLICY

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### PURPOSE:

The Canby Utility Board (“CU”) establishes this policy to provide rules and regulations for the use of the public meeting space (“Conference Room”) within CU’s facility. CU will not make the conference room available for activities that conflict with CU’s daily operations, governing rules, and policies. Use of the conference room does not constitute CU’s endorsement or support of any organization using the conference room under this policy.

### POLICY:

- A. **CU Priority.** CU has the first priority to use the conference room, also called the boardroom, over any outside activities at all times. CU will advise users as soon as practical if there is a scheduling conflict so that they can make alternative arrangements. CU will try to maintain a reservation already created and approved. CU shall not be responsible and have no liability for any damages to users resulting from the cancellation of scheduled events.
- B. **Availability.** The conference room is only available during regular business hours: Monday through Thursday, 7:00 a.m. to 5:30 p.m. CU may make an exception for a special event so long as a staff member can provide access to the building. The second and fourth Tuesday afternoons are reserved for CU board business only.
- C. **Application.** Any person at least 18 years old, on their behalf or representing any group or agency, may apply to reserve the Conference Room. Paper applications are available in the office at 1265 SE Third Avenue or on our website at [www.canbyutility.org/about-us/your-canby-utility/conference-room-reservations](http://www.canbyutility.org/about-us/your-canby-utility/conference-room-reservations).

The application must include all the requested information, including the user representative’s name, telephone number, address, and alternate contact person’s phone number in case CU needs to contact them. The organization or group shall update the contact information if representative changes occur.

Applicants must acknowledge that they understand and will ensure compliance with all Conference Room policies. The Board Secretary, or designee, will review and approve or deny all applications based on the provisions of this policy. The application will be referred to the General Manager for consultation when in doubt. Any applicant denied using the conference room may appeal to the General Manager in writing. The General Manager will review the application and respond to the applicant.



D. **Allowable Use.** The conference room is generally available for meetings, training, work sessions, and special events. It is free of charge to the following users:

- a. Governmental agencies – federal, state, county, local, and special districts
- b. Councils and association organizations that CU is a member
- c. City of Canby civic groups and non-profit organizations
- d. Any exceptions to the allowable use are on a case-by-case basis.

E. **Prohibited Uses.** The Conference Room is not available for:

- a. Meetings at which admission is charged or money is raised or exchanged
- b. Sales Presentations
- c. Fundraising events
- d. Commercial events
- e. Private social events
- f. Events for personal financial gain
- g. Organizations that meet for political or religious purposes
- h. Events by groups or organizations that discriminate against any legally protected class

F. **Reservations.** Use of the conference room is based on the order applications are received. A group may reserve the use of the conference room up to one (1) time per month. Advance scheduling is limited to three months out from the date of the application.

G. **Conditions and Rules of Use:**

- a. Users may not exceed the Conference Room's maximum capacity. In addition, the CU Board tables are interconnected with power cords and will not be disconnected. These tables are to remain in their present configuration and may not be moved by anyone except CU staff, substantially minimizing the room's actual usable capacity.
- b. Non-powered tables and chairs in the room may be moved about the room to meet the user's needs. They are to be returned to their original placement upon the conclusion of the user's meeting.

- c. Users are responsible for ensuring the room is clean after use. Cleanup includes wiping table surfaces, removing debris, and placing garbage in appropriate containers.
- d. The Conference Room is not designed for cooking, preparing food, or catering. Light refreshments may be served. Open flames and candles are prohibited. A coffee pot is available in the room; however, coffee is not supplied.
- e. Music or other audio must be limited in volume not to disturb anyone in the building. Any music must be contained to within the room and not able to be heard by anyone entering or leaving the customer service lobby.
- f. No alcoholic beverages, illegal drugs, smoking, vaping, tobacco use, e-cigarettes, or cannabis are permitted anywhere on the property.
- g. Firearms are not permitted anywhere on the property unless authorized by law. Further, leaving or not securing dangerous weapons or other hazards (jeopardizing the safety of patrons or employees) will result in an immediate request to leave the facility and property and could involve law enforcement.
- h. Users are encouraged to carpool as parking is limited. Users shall leave the first three parking spaces closest to the front doors open for CU customer parking. Exceptions are allowed for those who need handicapped access when the designated handicapped spaces are occupied. Street parking is permitted on S. Pine Street.
- i. Users publishing a notice for a meeting in the Conference Room must clearly identify the sponsoring group's name. Groups may not imply CU sponsorship of their program or organization in their publicity. Any printed or electronic publicity or marketing materials that include the CU's name and address must include the disclaimer stating, "Canby Utility does not sponsor this event," and shall be reviewed by CU staff.
- j. Security cameras monitor CU's Conference Room, hallway, and parking lot. There is no expectation of personal privacy in these areas.
- k. At least one adult age 18 or older must be present when youth groups use the room.
- l. Animals are not permitted in the Conference Room except for service animals or part of a pre-approved program.
- m. Computer and related accessories, microphone, speaker system, office equipment, AV equipment, coffee, paper plates, plastic utensils, and office supplies are not provided. CU may make special arrangements for using the overhead projector and white screen with prior approval and the staff's availability to set up the equipment.

- n. CU is not responsible for theft or damage to property brought into the Conference Room.
- o. The conference room user is responsible for any damage to the building or building equipment caused by or related to his/her/their use of the facilities and agrees to report damages to CU in writing as soon as practical. The user will also be responsible for any costs associated with additional cleaning required due to the meeting.
- p. Exceptions to these policies may be made at the Board Secretary's or designated staff's discretion.

H. **Denial of Future Use.** Any damage to the premises or equipment, removal or unauthorized use of equipment or supplies, leaving rooms in a littered condition, failure to ensure doors are fully closed and locked upon departure, and disregarding the use and conditions set forth within this policy shall be considered sufficient reason to deny future use to the applicant and organization responsible.

I. **Indemnity Agreement.** The user agrees to indemnify and hold harmless CU, its Employees, and Agents from:

- a. All liability, damage, loss, cost, or expense, including but not limited to attorney's fees, that the indemnities may sustain or incur on account of any damage to or destruction of any property that CU may own or have responsibility for.
- b. All liability, damage, loss, cost, or expense, including but not limited to attorney's fees, on account of any damage to or destruction of any property belonging to any person, firm, or corporation.
- c. All liability, damage, loss, cost, or expense, including but not limited to attorney's fees, on account of any damage resulting from injury to or death of any person or persons resulting from or in any way connected with the use by the user or their invitees of the CU facilities or property.
- d. It is further understood that the user shall, at the option of CU, defend with appropriate legal counsel and bear all costs and expenses, including expenses of counsel, in defense of any suit arising hereunder.

CU requires users with general liability insurance coverage to provide CU with a copy of their Certificate of Coverage, listing CU as an additional insured.

Attached: Application to Request Use of the Conference Room.

Policy adopted by the Board of Directors on \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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Board Secretary Signature



## **Memorandum**

May 2, 2023

**To:** Chair Thompson, Member Hill, Member Horrax, Member Molamphy,  
and Member Pendleton

**From:** Mike Schelske, Finance Manager

**Subject:** Quarterly Financial Update as of December 31, 2022 Fiscal Year 2023

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Please find attached the Executive Financial Summary through December 31, 2022, the Utility's first six months of fiscal year 2023. 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) Through Quarter Ending December 31, 2022**

Legend	
	= Electric
	= Water

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

Revenue		Expense		Operating Profit (Loss)	
\$	7,349,127	\$	6,412,400	\$	936,727

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

Operating Profit (Loss)		Capital Contributions		Net Income (Loss)	
\$	936,727	\$	520,803	\$	1,457,530

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

Revenue		Expense		Operating Profit (Loss)	
\$	2,538,158	\$	1,819,243	\$	718,915

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

Operating Profit (Loss)		Capital Contributions		Net Income (Loss)	
\$	718,915	\$	1,270,503	\$	1,989,418

**\*\*\*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) Through Quarter Ending December 31, 2022**

**Electric**

Net Income (Loss)		Budget		Over (Under) Budget	
\$	1,457,530	\$	1,254,280	\$	203,251

**Notes :** YTD total operating revenue is \$217,919 under budget mainly due to lower commercial and industrial sales.

YTD operating expenses are \$351,860 under budget mainly due to open positions, lower purchased power, and lower distribution expenses.

YTD Capital contributions are \$119,659 under budget due to lower line extension fees.

YTD Change in Net Assets is \$203,252 higher than budget mainly due to lower expenses and higher non-operating revenues (timing of the reimbursement for 2021 ice storm).

**Water**

Net Income (Loss)		Budget		Over (Under) Budget	
\$	1,989,418	\$	1,431,561	\$	557,857

**Notes :** YTD operating revenue is \$311,002 over budget mainly due to higher residential sales.

YTD Operating expenses are \$91,926 under budget mainly due to open positions.

YTD Capital contributions are \$128,174 over budget mainly due to higher infrastructure contributions from others.

YTD Change in Net Assets is \$557,856 over budget mainly due to higher sales, higher contributed capital, and lower expenses.

**Canby Utility Executive Financial Summary**  
**Cash Reserves**  
**Year To Date (YTD) Through Quarter Ending December 31, 2022**

**Electric**

<u>Budget Target 12/31/2022</u>	<b>Current Cash Reserves</b>	<b>December 2022 Target</b>	<b>Over (Under) Target</b>
	\$ 9,698,596	\$ 9,816,084	\$ (117,487)

<u>MINIMUM</u>	<b>Current Cash Reserves</b>	<b>Minimum</b>	<b>Over (Under) Minimum</b>
	\$ 9,698,596	\$ 4,000,000	\$ 5,698,596

**Water**

<u>Budget Target 12/31/2022</u>	<b>Current Cash Reserves</b>	<b>December 2022 Target</b>	<b>Over (Under) Target</b>
	\$ 7,040,597	\$ 6,299,470	\$ 741,127

<u>MINIMUM</u>	<b>Current Cash Reserves</b>	<b>Minimum</b>	<b>Over (Under) Minimum</b>
	\$ 7,040,597	\$ 2,000,000	\$ 5,040,597