

***CANBY UTILITY
REGULAR BOARD MEETING
JANUARY 9, 2024
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 Regular Board Meeting Minutes of December 12, 2023 (pp. 1-5)
 - Approval of Write-Offs
 - Approval of Payment of Water and Electric Bills
- IV. NOMINATIONS FOR 2024 BOARD CHAIRPERSON
- V. CITIZEN INPUT ON NON-AGENDA ITEMS
- VI. RESOLUTION NO. 318 Revising Canby Utility's Water System Development Charges – Mike Schelske, Finance Manager (pp. 6-37)
- VII. RECOMMENDATION Approve Green Power Donation for City Parks and Transit Mall – Cindy Dittmar, Customer Service Supervisor (pg. 38)
- VIII. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- IX. STAFF REPORTS
 - Operations Manager:
 - Quarterly Reliability Report (pp. 39-40)
 - Operations Field Supervisor:
 - Fire Hydrant Replacement Project
 - Finance Manager:
 - First Quarter Financial Report (pp. 41-70)
 - Customer Service Supervisor:
 - Share the Warmth Program (pg. 71)
 - General Manager Updates
- X. ADJOURN

CANBY UTILITY REGULAR BOARD MEETING MINUTES DECEMBER 12, 2023

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

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

Others Present: Brian Hutchins, Veolia Water North America; Joe Brennan; and Corianne Burnett

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 reported the agenda was amended to reflect that the Finance Manager would be making introductions for the audit presentation, and a revised memorandum was distributed, replacing pages 16 and 17 in the board packet.

Chair Thompson presented the consent agenda for approval. Member Hill made the *MOTION to approve the consent agenda, consisting of the amended meeting agenda, regular meeting minutes of November 14, 2023, write-offs in the amount of \$1,381.12, payment of the electric and water department bills in the amount of \$517,080.84. Member Molamphy seconded, and the motion passed 5-0.

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

Finance Manager Mike Schelske reported that the Fiscal Year 2023 audit is complete. He then introduced Moss Adams' Audit Partner, Julie Desimone, who was presenting the audit findings.

Desimone began the presentation with a review of the audit team and the services provided by her firm, including the 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 were work orders, customer billing, adoption of new GASB Standard No. 96 and No. 94, and compliance with federal laws and regulations.

Canby Utility received an unmodified (clean) opinion on the financial statements. They looked at compliance requirements under the Oregon Minimum Standards and had no reportable findings.

A report will be submitted to the State of Oregon within the next 30 days to report those findings. Desimone reviewed the required communications and highlighted there was no impact from the adopted GASB 96 standards. There was an audit adjustment to reclassify BPA's power dividend to offset power costs instead of being classified as other income, which had no impact on the balance sheet. Desimone shared two best practices recommendations related to timely preparation and review of reconciliations and periodic review of user access rights with documentation of when reviews occur.

Desimone discussed two new accounting pronouncements – GASB 100, related to accounting changes and error corrections that will go into effect for the fiscal year ending June 30, 2024, and GASB 101, related to compensated absences for the fiscal year ending June 30, 2025.

Desimone thanked the staff for their excellent facilitation of the audit process.

Member Pendleton asked about the value of the contributed plant and how it is determined. Desimone explained that the plant value can be determined based on fair market value or inventory cost. She added it can vary depending on the type of plant and how much information we receive from developers. Cash may also be contributed from others for items such as line extensions. These are valued based on the cash amount.

Member Pendleton also asked how depreciation rates are determined. Desimone explained that depreciation could be determined using a national study to identify the industry standard or Canby Utility can set its depreciation rates through its own study. Since the depreciation rates estimate the useful life, the auditors look at depreciation rates, look for any management biases, and ensure that the rates are within industry standards. A trend of significant renewals and replacements would indicate to them that Canby Utility should change the depreciation rate.

Member Pendleton asked about the current status with Oregon PERS, noting the changes that occurred a few years ago. Desimone noted that PERS returns have improved but that changes are constantly occurring. There will be ongoing fluctuation in pension liability, primarily due to investment returns, discount rates, and mortality tables. She added that there was a significant effort to get PERS to a more stable funding level plan to improve investments and cash flows.

The Board thanked Desimone for the presentation and congratulated the staff on a clean audit. Desimone departed the meeting at 7:22 p.m.

Finance Manager Mike Schelske recommended revising Canby Utility's water system development charge requirements and standards. Schelske said that at the November board meeting, staff mentioned that our current resolution includes language stating that Water System Development Charges (SDC) are due and paid upon a request for connection or increased usage of the water system capital improvements. That language is vague, and he had suggested amending the resolution to be more specific and better align with the City of Canby or Clackamas County's building permitting process. The proposed changes would keep this language but also add that a connection request must include either a copy of the Site Plan

Review approval issued by the City of Canby or a Clackamas County-issued building permit. Schelske said that there is also a section for other water connection requests or connection changes requiring General Manager review and determination of charges. Member Hill made the *MOTION to adopt Resolution No. 318, revising Canby Utility's Water System Development Charge Requirements and Standards, and repealing Resolution No. 237. Member Molamphy seconded, and the motion passed 5-0.

Finance Manager Mike Schelske said that Steve Donovan of Donovan Enterprises, Inc. presented the SDC study results to the Board last month. At that time, the Board agreed to have staff move forward with notifying interested parties and prepare a resolution for adoption at the January board meeting to adjust the SDC rates based on Donovan's recommendation. Schelske explained that after that meeting, staff revisited the analysis and determined that changes needed to be made.

The updated analysis utilized the calculation method used by prior consultants since 2004. This method uses actual annual average consumption by meter size to calculate the consumption factor for each meter size, then calculates the dwelling unit equivalent based on the consumption factor. For the calculation in the previous report, Donovan used a more standard approach based on meter flow rates according to AWWA standards. Schelske said that either calculation method is acceptable for determining SDCs and is not specified by our methodology. However, management felt using the prior approach was preferable to maintain consistency in the calculations. It would also help avoid any confusion or objections to the calculations of the new SDC fees.

Based on the updated calculation method, the SDC fee for a residential 5/8" x 3/4" meter is now \$10,979, lower than the prior calculation of \$12,885. The SDC fees for other meter sizes also changed with increases for most of the meter sizes. Schelske explained the rate changes based on the initial and the updated calculations. Discussion ensued regarding the calculations for each class, the differences between the classes, the legally sound approach to setting the charges, and future growth. The Board had no objection to the new calculations. Schelske noted that staff would likely recalculate the SDC rates in the fall since we should have updated costs on the new water treatment plant and will review the methodology again.

General Manager Carol Sullivan presented a recommendation to award a service contract with GSI Water Solutions, Inc., to analyze Canby Utility's source water supply. The water rights consultant will review our estimated reliable water supply for the future Willamette River source water supply project. The analysis will look at Canby Utility's permitted surface water rights, current and future, for the Molalla and Willamette Rivers. Sullivan said that this analysis is essential to ensuring we manage Canby's future water supply needs and proactively address any permit restrictions as we develop a new water source. Sullivan shared the results of the request for proposals. GSI Water Solutions, Inc.'s proposal was the lowest at \$10,900. In addition to having the lowest proposal, they are very familiar with Canby Utility's water supply, having performed studies for the utility in the past. Member Molamphy made the *MOTION to authorize the General Manager to enter into a consulting services contract with GSI Water

Solutions, Inc., to perform an analysis of Canby Utility's source water supply. Member Horrax seconded, and the motion passed 5-0.

During board member comments, Member Molamphy revisited the audit report presentation. He said that the auditor's report defined deficiencies in internal controls, and he asked staff what controls management had in place to ensure they addressed any deficiencies within the accounting function. Schelske replied, explaining what internal controls Canby Utility has established to prevent deficiencies. Molamphy also commented on the auditor's recommendation that account reconciliations be closer to 30-60 days after the close of the month. Schelske replied that the recommendation resulted from the vacant finance manager position and that he is actively working to be more current on the reconciliations. Lastly, Molamphy said that the auditors recommended PCS software account access reviews, and he asked what safeguards are in place with PCS to protect our employee's personal data. Discussion ensued. Schelske will contact PCS to discuss their safeguards to protect our employee's data in the payroll system.

Operations Manager Jason Berning reported that staff included in the fiscal year 2024 funds to purchase a new bucket truck. A vendor recently contacted Canby Utility regarding their inventory of new trucks, one of which will meet our needs. Staff is doing their due diligence to purchase the bucket truck.

General Manager Carol Sullivan reported that she worked with legal counsel to opt out of the PFAS litigation against Dupont and 3M. She originally planned for a special board meeting to make the decision; however, our board attorney determined that the general manager had the authority to decide without additional board action. Sullivan added that Canby Utility's costs related to PFAS testing are minimal presently; therefore, opting out of the litigation protects the future rights to take legal action if necessary.

Sullivan also reported that new officers were elected during the December Oregon Municipal Electric Utilities "OMEU" meeting. Sullivan was serving as the Secretary/Treasurer and was elected to serve as President for 2024.

Sullivan reported that staff added a new bill payment option for our customers. The new system allows customers to pay their utility bills by phone using an automated system. Customers will be notified of the new payment option through an article in the upcoming Reporter newsletter, on our website, a note on the utility statements, and our recorded voicemail message.

Sullivan shared that Canby Utility entered the 2023 Snowman contest. The staff named their snowman entry "Frosty McKWatt," and it is located at the street corner by Wells Fargo Bank.

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

The meeting adjourned at 8:10 p.m.

Canby Utility
Regular Board Meeting Minutes
December 12, 2023
Page 5 of 5

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary



MEMORANDUM

December 27, 2023

TO: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill

FROM: Mike Schelske, Finance Manager

SUBJECT: Water System Development Charge Proposed Adjustment

Suggested Motion: Adopt Resolution No. 318, adjusting Canby Utility's Water System Development Charges (SDCs) based on the study conducted by Donovan Enterprises, Inc., repealing Resolution No. 313.

Background: The Water SDCs were last updated in 2004 and only inflationary index adjustments have been made since then.

The proposed SDCs are based on the 2023 Water Master Plan (WMP) prepared by Consor and adopted by the Board in September of 2023. The WMP includes a Capital Improvements Plan (CIP) for all recommended water system improvements over the 20-year planning horizon of the WMP.

The Water System Development Charge study was presented to the Board on November 14, 2023. Revised proposed rates were presented on December 12, 2023.

The new SDCs account for the impact of future improvements and replacements for water system infrastructure needs. The amount of a SDC paid corresponds to the size of meter requested, based on annual average water consumption computed for a single dwelling unit equivalent (DUE).

Notice of the SDC adjustments has been provided to interested parties.

Staff will be available to answer questions.

RESOLUTION NO. 318

A RESOLUTION OF THE CANBY UTILITY BOARD ADOPTING REVISED WATER SYSTEM DEVELOPMENT CHARGES, REPEALING RESOLUTION NO. 313.

The CANBY UTILITY BOARD resolves as follows:

Section 1. In September the Board adopted the 2023 Water Master Plan prepared by Corsor which provided a schedule of recommended water system improvements (CIP). Canby Utility's 2004 Water System Development Charge methodology contains a method of calculating Water System Development Charges (SDCs) based on planned CIP.

Section 2. Donovan Enterprises, Inc., was engaged to provide a Water SDC study and calculate new Water SDC charges based on the recommended CIP from Corsor and current financial data of the Utility. The Donovan study is attached hereto as Exhibit B and hereto and incorporated herein by reference.

Section 3. The SDC will increase by \$6,225 to \$10,979 for a 1.0 Dwelling Unit Equivalent and by a factor of that amount for all customer classes and meter sizes based on the Donovan study. The revised Water System Development Charges are set forth in Exhibit A attached hereto and incorporated by reference.

Section 4. Resolution No. 313 is hereby repealed.

Section 5. Effective date. This Resolution shall become effective on the 1st day of February 2024.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS 9th DAY OF JANUARY 2024.

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary

RESOLUTION NO. 318

Exhibit A

**Water System Development Charges
Proposed Adjustment Summary**

Class / Meter Size	DUEs	Current SDC	Proposed SDC	Change	% Change
Residential					
5/8 x 3/4 Inch	1.0	\$ 4,754	\$ 10,979	\$ 6,225	130.94%
1 Inch	1.5	7,606	16,515	8,909	117.13%
Non Residential					
5/8 x 3/4 Inch	0.9	\$ 5,229	\$ 9,462	\$ 4,233	80.95%
1 Inch	3.1	10,934	34,211	23,277	212.89%
1.5 Inch	5.6	18,541	61,535	42,994	231.89%
2 Inch	9.7	44,688	106,876	62,188	139.16%
3 Inch	9.3	66,081	102,108	36,027	54.52%
4 Inch	28.5	96,982	313,219	216,237	222.97%
Irrigation					
5/8 x 3/4 Inch	1.9	\$ 7,606	\$ 20,488	\$ 12,882	169.37%
1 Inch	5.1	26,622	55,729	29,107	109.33%
1.5 Inch	5.6	25,196	60,922	35,726	141.79%
2 Inch	8.2	38,983	90,028	51,045	130.94%
3 Inch	13.9	66,081	152,608	86,527	130.94%
Multi Family (SDC Per DUE)	0.7	\$ 3,328	\$ 7,685	83	2.49%
Qualifying Small-lot Planned Unit Development (SDC Per DUE)	0.7	\$ 3,328	\$ 7,685	\$ 4,357	130.92%

Note:

The Water System Development Charge will increase by \$6,225 for a 1.0 Dwelling Unit Equivalent (DUE) and by a factor of that amount for all customer classes and meter sizes based upon results of the Donovan Enterprises, Inc. consultant study.

EXHIBIT B

Water System Development Charge Update Final Report

(report follows this cover page)

Presented by:



November

2023

Water System Development Charge Update

Final
Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671



2023 Water SDC Update



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Introduction

Canby Utility (the Utility), a component unit of the City of Canby conducts periodic updates to its public facilities plans to provide orderly and sustainable growth of water supply, treatment, storage, transmission, and distribution systems. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a non-numeric overview of the calculations presented in subsequent sections of this report.

The Utility's current schedule of SDCs for water were last reviewed in September of 2010 via Resolution No. 237. Upon completion of that review, the Utility Board adopted its current water SDC methodology. On September 26, 2023, the Board adopted its Waster System Master Plan via Resolution No. 314. That plan contains the Utility's current twenty-year water system capital improvement plan (CIP). With the preparation/adoption of the new water CIP, the Utility commissioned this update of its water SDCs to get the rates current. With this review and update, the Utility has stated a number of objectives:

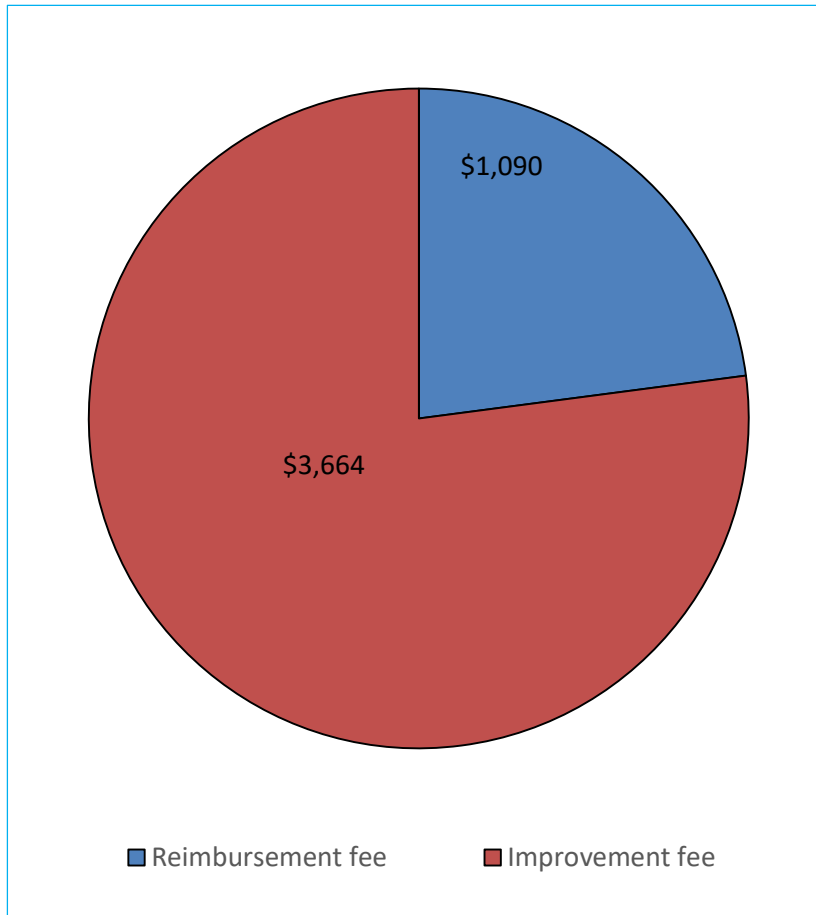
- Review the basis for water charges to ensure a consistent approach;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing Water SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions and results, so that City staff can, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with Utility staff and available facilities planning documents. The water SDC update complies with the Utility's adopted water SDC methodology as codified in Resolution No. 237.

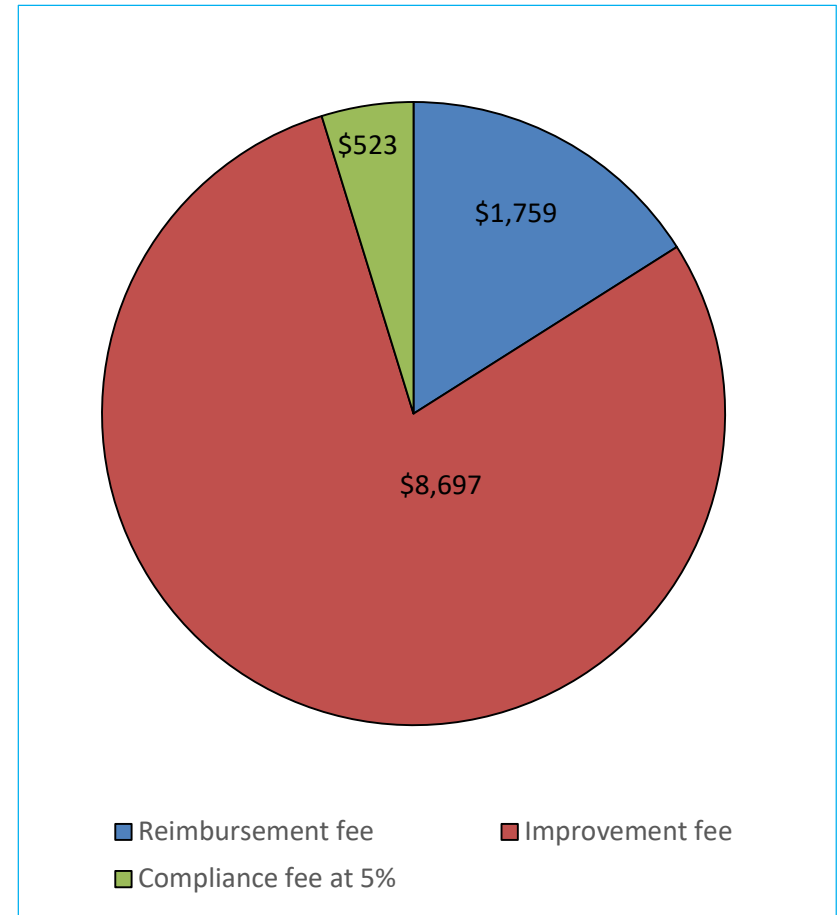
Figure 1 gives a component breakdown for the current and proposed residential equivalent SDCs for water. Appendix A to this report shows the detailed calculations that were used to arrive at the proposed SDCs for water supply, treatment, storage, transmission, and distribution services.

Figure 1 - Component Breakdown of the Proposed Residential Equivalent Water SDC

Current SDC for a 3/4" meter is \$4,754



Proposed SDC for a 3/4" meter is \$10,979



The framework for SDC calculation is established by Oregon Revised Statute (ORS) 223.297-314 which is the basis for this review. Under ORS 223.299, SDC's are defined as one-time fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is future system users contribute no more than an equitable share of the cost of existing facilities. The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. An example is a facility which improves system capacity to better serve current customers and includes oversizing to serve growth. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of $\frac{5}{8}$ " x $\frac{3}{4}$ " water meter equivalents to be served by the Utility's facilities over the planning period. Such a fee represents the greatest potential for future SDC changes.

The administration fee recovers costs incurred by the Utility for complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies, and providing an annual accounting of system development charge expenditures. The Utility's current water SDC does not have an administration fee component.

SDC Legal Authorization

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development and assessed at the time of development approval or increased usage of the system. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The calculations used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. The improvement fee must also provide a credit for construction of a qualified public improvement.

Finally, two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs.

- *Fund Balance* - To the extent that SDC revenue is currently available in fund balance, that revenue should be deducted from its corresponding cost basis. For example, if the Utility has Water improvement fees that it has collected but not spent, then those unspent improvement fees should be deducted from the Water system's improvement fee cost basis to prevent charging twice for the same capacity.
- *Compliance Costs* - ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDCs.

SDC Calculations

The essential ingredient in the development of an SDC for water services is valid sources of data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the adopted 2023 water CIP. We have supplemented these data sources with utility billing records, certified census data, and other documents that we deemed helpful, accurate, and relevant to this study. Table 1 contains a bibliography of the key documents/sources that we relied upon to facilitate our analysis and hence the resulting SDCs.

Table 1 - Data Sources for the Calculation of Water SDC

Master Plan Document and/or Corroborating Source Documentation
<ul style="list-style-type: none">• Water Master Plan; Consor Engineering; adopted by the Board on September 26, 2023 via Resolution No. 314.• Canby Utility Resolution No. 237 establishing water SDC requirements and standards; adopted by the Board on September 14, 2023.• Utility water system fixed asset schedule; June 30, 2023; Canby Utility records.• Utility billing system – active water meters in service report; September, 2023.• Portland State University, College of Urban Affairs, Population Research Center; Coordinated Population Forecast 2022 through 2072 for Clackamas County, Oregon; June 30, 2022• Canby Utility Annual Financial Reports; fiscal years ended June 30, 2021 and 2022.• American Water Works Association Manual of Practice M6; Water Meters – Selection, Installation, Testing, and Maintenance; Fifth Edition.

Reimbursement Fee

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth-related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the Utility’s customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including water infrastructure built by developers and dedicated to the Utility as a

condition of land use approval and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, and, capacity available to serve growth. This approach reflects the philosophy, consistent with the Utility's adopted Rules and Regulations, that facilities have been sized to meet the demands of the customer base within the established planning period.

Improvement Fee

There are three basic approaches used to develop improvement fee SDCs: "standards driven," "improvements-driven," and "combination/hybrid" approaches. The "standards-driven" approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where the level of service standards has been adopted but no specific list of projects is available. The "improvements-driven" approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available, and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the "improvements driven" and "standards-driven" approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

The Utility's current methodology utilizes the "improvements" approach for the calculation of water SDCs. This study is using the "improvements-driven" method and has relied on the capital improvement plans that are incorporated in the 2023 adopted CIP.

For this SDC update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the capital improvement plans established by the Utility in the master plans for water services. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a new water line to serve a developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a distribution reservoir that both expands water storage

capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the water system capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, Utility Staff and their engineering consultants were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 2 were developed to guide the Utility's evaluation:

Figure 2 - SDC Eligibility Criteria

Canby Utility	
Steps Toward Evaluating	
<u>Capital Improvement Lists for SDC Eligibility</u>	
<u>ORS 223</u>	
1.	Capital improvements mean the facilities or assets used for : <ul style="list-style-type: none">a. Source of water supplyb. Water treatmentc. Water transmissiond. Water storagee. Water pumping and distribution <p>This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;</p>
2.	The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;
3.	An increase in system capacity is established if a capital improvement increases the "level of performance or service" provided by existing facilities or provides new facilities.
<u>Under the Utility' approach, the following rules will be followed</u>	
1.	Repair costs are not to be included;
2.	Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
3.	New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
4.	Costs will not be included which bring deficient systems up to established design levels.

In developing the improvement fee, the project team in consultation with Utility staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the Utility. The improvement fee is calculated as a function of the estimated number of projected additional $\frac{5}{8}$ " x $\frac{3}{4}$ " meter equivalents to be served by the Utility's facilities over the planning horizon.

Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new $\frac{5}{8}$ " x $\frac{3}{4}$ " meter equivalents that will use the capacity derived from those investments (i.e., the denominator).

Process for the Granting of Credits, Exemptions, and Discounts

SDC Credits Policy

ORS 223.304 requires that credit be allowed for the construction of a "qualified public improvement" which is required as a condition of development approval, is identified in the Capital Improvement Plan, and either is not located on or contiguous to property that is the subject of development approval or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the Utility may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The Utility does have an adopted a policy for granting SDC credits and is codified in Resolution No. 237 Section 2, subsection L. That code language is shown below:

Resolution No. 237, Section 2, Subsection L:

Credits.

1. A water system development charge shall be imposed when a change of use of a parcel or structure occurs, but credit shall be given for the computed system development charge to the extent that prior structures existed and services were established on or after the effective date of this resolution. The credit so computed shall not exceed the calculated system development charge. No refund shall be made on account of such credit.
2. A credit may be given for the cost of a qualified public improvement associated with a development. If a qualified public improvement is located partially on and partially off the parcel that is the subject of a development approval, the credit may be given only for the cost of the portion of that improvement not located on or wholly contiguous to the property. The credit provided for by this subsection shall be only for the improvement fee charged for the type of improvement being constructed and shall not exceed the improvement fee even if the cost of the qualified public improvement exceeds the applicable improvement fee. A credit may be granted only for the cost of that portion of such improvement that exceeds Canby Utility Board's minimum standard facility size or capacity needed to serve the particular development project or property.

3. Credits shall not be transferable from one development to another except in compliance with standards adopted by the Board. However, excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project.
4. Credits shall not be transferable from one type of capital improvement to another.
5. Credits must be used not later than ten years from the date the credit is given.
6. The applicant shall have the burden of demonstrating that a particular improvement qualified for a credit. The Canby Utility Board may deny the credit application if the application does not meet the requirements for credits set forth in this resolution and in state law, or that the improvement for which credit is sought is not listed in the plan approved pursuant to Section (H) of this resolution.

Partial and Full SDC Exemptions Policy

The Utility may exempt certain types of development from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees and property taxes. As in the case of SDC credits, the Utility does have an articulated policy relative to partial and full SDC exemption. That exemption policy is codified in Resolution No. 237 Section 2, Subsection K and is articulated as follows:

Resolution No. 237, Section 2, Subsection K:

Exemptions.

1. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the State Uniform Building Code, are exempt from all portions of the system development charge unless the addition is accompanied by the installation of a required water meter.
2. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of the capital improvement is exempt.

SDC Discount Policy

The Utility, at its sole discretion, may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the updated water system master/facilities plans.

Conclusions and Recommendations

The 2023 Water SDC update was done in accordance with Utility adopted Rules and Regulations and with the benefit of the 2023 adopted twenty-year CIP for water services. We recommend the Utility update the SDC charge to reflect the current capital improvement program. This will provide additional revenues to help fund the utility's future capital needs. The components of this fee for the standard 5/8" x 3/4" meter are as follows in Table 2.

Table 2 - Proposed and Current Water SDCs for Standard 5/8" x 3/4" water meters

Water SDC Components	Proposed	Current	Difference
Reimbursement fee	1,759	1,090	669
Improvement fee	8,697	3,664	5,033
Compliance fee at 5%	523	-	523
Total water SDC	\$ 10,979	\$ 4,754	\$ 6,225

For meters larger than 5/8" x 3/4," our proposed schedule of water SDCs is shown below in Table 3.

Table 3 - Proposed Schedule of Water SDCs by Water Meter Size

Meter Size	Fiscal 2023 Observed Meters and Consumption				Proposed Schedule of Water SDCs			
	Meters in Service	Billed Consumption (Ccf)	Billed Consumption (Ccf) per Meter	Consumption Factor	Reimbursement	Improvement	Compliance	Total
<i>Residential:</i>								
5/8 - 3/4-inch	58,805	63,150,100	1,074	1.00	\$ 1,759	\$ 8,697	\$ 523	\$ 10,979
1 inch	606	978,900	1,615	1.50	2,646	13,082	787	16,515
<i>Non-Residential:</i>								
5/8 - 3/4-inch	2,216	2,051,000	926	0.86	1,516	7,496	451	9,462
1-inch	873	2,921,300	3,346	3.12	5,481	27,100	1,630	34,211
1.5-inch	772	4,646,600	6,019	5.60	9,859	48,745	2,931	61,535
2-inch	377	3,941,100	10,454	9.73	17,123	84,661	5,091	106,876
3-inch	48	479,400	9,988	9.30	16,359	80,885	4,864	102,108
4-inch	84	2,573,500	30,637	28.53	50,182	248,116	14,921	313,219
<i>Irrigation:</i>								
5/8 - 3/4-inch	303	607,180	2,004	1.87	3,282	16,230	976	20,488
1-inch	144	784,900	5,451	5.08	8,929	44,145	2,655	55,729
1.5-inch	100	595,900	5,959	5.55	9,761	48,260	2,902	60,922
2-inch				8.20	14,424	71,315	4,289	90,028
3-inch				13.90	24,450	120,888	7,270	152,608
Multifamily (per DUE)*				0.70	1,231	6,088	366	7,685
Qualifying Small-lot PUD (per DUE)*				0.70	1,231	6,088	366	7,685

* DUE - Dwelling Unit Equivalent

Note: Due to data inconsistency, the consumption factor for 2" and 3" irrigation meters are unchanged from the Resolution 203 factors.

Appendix A – SDC Calculations

Water SDC Calculations

Water Demand Analysis

Existing Water Demand and Population Growth

Current Utility water demands are based on historical customer billing records, and actual water meters in service for fiscal 2022-2023. Projected demands are estimated based on an approximate population growth rate of 1.40 percent per year within the established limits of the Utility's service area. This annual population growth factor is based on the population forecasts contained in the Utility's adopted 2023 Water Master Plan Amendment (Section 3.7 Population Forecasts).

Estimated Demand per Dwelling Unit Equivalent (DUE)

The Utility principally serves single-family and multi-family residential customers and to a lesser extent, small commercial and industrial customers. Single-family residential water services generally have a consistent daily pattern of water use whereas water demands for multifamily residences, commercial and industrial users may vary significantly from service to service depending on the number of multifamily units per service or the type of commercial enterprise. When projecting future water demands based on population change, the water needs of nonresidential and multi-family residential customers are represented by comparing the water use volume at these services to the average single-family residential water service. A method to estimate this relationship is to calculate "Dwelling Unit Equivalents (DUEs)." The number of DUEs is based on the number of meters by size and the associated consumption factor. The consumption factors are calculated based on the average daily use of a single-family residential account with a 5/8" or 3/4" water meter. This method of demand estimation has been in use by the Utility for over twenty years and was first codified in Resolution No. 203 (April, 2004). For this analysis, we have replicated this demand estimation methodology for consistency purposes. The process for calculating DUEs is shown below in Table 4.

Table 4 – Estimated Dwelling Unit Equivalents

Meter Size	Fiscal 2023 Observed Meters and Consumption Billed				Resolution No. 203 Method for Calculating DUEs				
	Annual Meters in Service	Annual Billed Consumption (Ccf)	Consumption (Ccf) per Meter	Consumption Factor	Units	Number of Meters	Number of Dwelling Units	Consumption Factor	DUEs
<i>Residential:</i>									
5/8 - 3/4-inch	58,805	63,150,100	1,074	1.00	Equivalent Meters	4,900	N/A	1.00	4,900
1 inch	606	978,900	1,615	1.50	Equivalent Meters	51	N/A	1.50	76
<i>Multifamily Residential:</i>									
All meters	28,908	20,774,900	719	0.67	Dwelling Units	N/A	2,409	0.67	1,612
<i>Non-Residential:</i>									
5/8 - 3/4-inch	2,216	2,051,000	926	0.86	Equivalent Meters	185	N/A	0.86	159
1-inch	873	2,921,300	3,346	3.12	Equivalent Meters	73	N/A	3.12	227
1.5-inch	772	4,646,600	6,019	5.60	Equivalent Meters	64	N/A	5.60	361
2-inch	377	3,941,100	10,454	9.73	Equivalent Meters	31	N/A	9.73	306
3-inch	48	479,400	9,988	9.30	Equivalent Meters	4	N/A	9.30	37
4-inch	84	2,573,500	30,637	28.53	Equivalent Meters	7	N/A	28.53	200
<i>Irrigation:</i>									
5/8 - 3/4-inch	303	607,180	2,004	1.87	Equivalent Meters	25	N/A	1.87	47
1-inch	144	784,900	5,451	5.08	Equivalent Meters	12	N/A	5.08	61
1.5-inch	100	595,900	5,959	5.55	Equivalent Meters	8	N/A	5.55	46
2-inch				8.20	Equivalent Meters	3	N/A	8.20	25
3-inch				13.90	Equivalent Meters	11	N/A	13.90	153
									8,209
Multifamily (per DUE)*				0.67					
Qualifying Small-lot PUD (per DUE)*				0.67					

* DUE - Dwelling Unit Equivalent

Note: Due to data inconsistency, the consumption factor for 2" and 3" irrigation meters are unchanged from the Resolution 203 factors.

Projected Demands

The planning horizon that was used for the Utility's 2023 adopted water facilities CIP is 20 years, through the year 2043. That is the forecast horizon that is used for the water SDC update. In the 2022-2023 capital planning effort, an estimated number of DUEs per acre for each land use type was established based on (then) current water demands by customer class and total developed land area by land use type. Land use type is analogous to customer class, which is to say the land use or zoning of a particular property reflects the type of water service, such as residential or commercial, provided to that property. The estimated number of potential DUEs per acre was applied to developable land within the existing water service area to estimate water demand.

For this SDC update, the project team did not use this strategy to forecast future water demand based on land use. With the benefit of actual meters in service, and a population growth forecast that is predicated on existing growth trends for the Utility a forecast of future DUEs was developed. Based upon these decision rules, the forecast of DUEs in use for this water SDC update are shown below in Table 5.

Table 5 – Forecast of Equivalent 5/8" x 3/4" Meters for the 2023 Water SDC Update Study

	2020	2022	20-year Planning Horizon		2045	Growth	CAGR ¹
			2023	2043			
Service Population Forecasts:							
2023 Canby Utility Water Master Plan ²	18,220	18,979	19,245	25,414	25,056	6,169	1.4000%
U.S. Bureau of the Census	18,173	18,074					N/A
Population Research Center - PSU	18,347				25,056		1.2544%
Total number of 5/8" or 3/4" meter equivalents (DUEs) ³			8,209	10,841		2,632	1.4000%

¹ Compound Annual Growth Rate

² Source: Canby Utility Water Master Plan; Consor Engineering; August, 2023; 2023 and 2043 population estimates interpolated from Table 3-5 Water Demand and Population Projection Summary

³ Source: Canby Utility Water utility billing system records; September, 2023

Water Reimbursement Fee Calculations

Derivation of the Water reimbursement fee is a six (6) step process. The methodological steps in its construction are restated here.

- Step 1: Calculate the original cost of water fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of Water fixed assets**.
- Step 2: Subtract from the adjusted original cost of water fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of Water fixed assets in service**.
- Step 3: Subtract from the modified book value of water assets in service any grant funding or contributed capital. This arrives at the **modified book value of Water fixed assets in service net of grants and contributed capital**.

- Step 4: Subtract from the modified book value of water fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This arrives a **gross water reimbursement fee basis**.
- Step 5: Subtract from the gross water reimbursement fee basis the fund balance held in the water Reimbursement SDC fund (if available). This arrives at the **net water reimbursement fee basis**.
- Step 6: Divide the net water reimbursement fee basis by the sum of existing and future DUEs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total Water reimbursement fee is shown below in Table 6.

Table 6 - Water Reimbursement Fee Calculations

Line Item Description	2023
Utility Plant-in-Service (original cost): ¹	
Land and land improvements	\$ 1,970,838
Buildings	7,145,442
Distribution plant	24,170,127
Water treatment plant	6,457,619
Vehicles and rolling stock ²	eliminated
Office furniture and equipment	445,492
Other equipment	970,321
Construction work in progress	118,592
Retirement work in progress	(732)
Total Utility Plant-in-Service	41,277,700
Accumulated depreciation ¹	
Land and land improvements	-
Buildings	-
Distribution plant	(7,482,382)
Water treatment plant	(6,362,014)
Vehicles and rolling stock ²	eliminated
Office furniture and equipment	(231,300)
Other equipment	-
Construction work in progress	-
Total accumulated depreciation	(14,075,696)
Book value of water utility plant-in-service @ June 30, 2023	27,202,004
Eliminating entries:	
Principal outstanding on bonds, notes, and loans payable ³	
2014 Water Revenue Refunding Bonds	368,321
2017 Water Revenue Refunding Bonds	1,048,679
Developer Contributions	6,713,455
Grants, net of amortization	-
Total eliminating entries	8,130,455
Net basis in utility plant-in-service available to serve future customers	\$ 19,071,549
Estimated existing and future 3/4" Meter Equivalents (MEs)	10,841
Calculated reimbursement fee - \$ per 5/8" or 3/4"ME	\$ 1,759

¹ Source: Canby Utility fixed assets schedule June 30, 2023.

² ORS 223.299 specifically states that a "capital improvement" does not include costs of the operation or routine maintenance of capital improvements. This means the assets on the balance sheet such as certain vehicles and equipment used for heavy repair and maintenance of infrastructure cannot be included in the basis of the reimbursement fee.

³ Source: Canby Utility Audit Report for the fiscal year ended June 30, 2022; Note 6 - Long Term Debt; page 34.

2023 Water Capital Improvement Plan

As discussed in the introduction of this report, the Utility Board adopted a new Utility-wide CIP on September 26, 2023. For this water SDC update, the water CIP was reviewed for accuracy with Staff and where appropriate, amended. This amendment process consisted of two steps. The first step was to eliminate master plan projects that Staff deemed unnecessary at the current time due to the very long lead times anticipated for their development. The second step in the CIP amendment process was to eliminate the cost of planned projects (or portions of projects) that have been funded and constructed since the adoption of the last water master plan. In this case, the planned future costs are deducted from the CIP. The actual costs spent on these projects were capitalized by the Utility, and now reside in the water system fixed asset inventory (i.e., balance sheet assets). These historical costs will be included in the reimbursement fee calculations.

The amended water system CIP now consists of future projects that remain a 20-year priority for the Utility, and only consists of projects yet to be completed. The resulting CIP that was used for this SDC update is shown in summary form in Table 7.

Table 7 - 2023 20-year Capital Improvement Plan

			Projected Funding Sources				
Project No.	Project Description	Total Project Cost	Projected Funding Sources				Total
			Rates	Outside of 20 Year Planning Window	Developer Contributions	System Development Charges	
Functional Cost Allocations:							
Source of Supply							
S-1	Secondary source and supply development	\$82,000,000	76%	0%	0%	24%	100%
Treatment Facilities							
TP-1	Pretreatment improvements	5,300,000	0%	100%	0%	0%	100%
Distribution System Improvements							
D-01	System looping improvements	\$5,800,000	76%	0%	24%	0%	100%
D-02	System looping improvements	5,200,000	76%	0%	24%	0%	100%
D-03	System looping improvements	3,600,000	76%	0%	24%	0%	100%
D-04	Transmission main upsizing	6,800,000	76%	0%	0%	24%	100%
D-05	Fireflow	240,000	100%	0%	0%	0%	100%
D-06	Fireflow	340,000	100%	0%	0%	0%	100%
D-07	Fireflow	1,240,000	100%	0%	0%	0%	100%
D-08	Annual pipeline rehabilitation	12,000,000	100%	0%	0%	0%	100%
	Subtotal distribution system	\$35,220,000					
Storage Facilities							
R-1	3.0 MG reservoir & pump station	\$9,500,000	76%	8%	0%	16%	100%
Pumping Facilities							
PC-1	Additional pumping capacity	250,000	0%	0%	0%	100%	100%
Planning							
PS-1	Water management and conservation plan update	\$100,000	76%	0%	0%	24%	100%
PS-2	Water rate & SDC study	200,000	76%	0%	0%	24%	100%
PS-3	Water system master plan update	230,000	76%	0%	0%	24%	100%
PS-4	Preliminary engineering study for improved storage use	100,000	0%	0%	0%	100%	100%
PS-5	AWIA update	80,000	100%	0%	0%	0%	100%
	Subtotal planning	\$710,000					
Operational							
O-1	Clearwell rehabilitation	\$0	100%	0%	0%	0%	100%
O-1	Tank 1A rehabilitation	700,000	100%	0%	0%	0%	100%
O-1	Backup power (MTS)	25,000	100%	0%	0%	0%	100%
	Subtotal operational	\$725,000					
Total master plan CIP cost		\$133,705,000					

Table 7 - 2023 20-year Capital Improvement Plan - Continued

		Projected Funding Sources					
		Total Project Cost	Outside of 20 Year Planning Window		Developer Contributions	System Development Charges	Total
Project No.	Project Description		Rates				
Dollar Cost Allocations:							
Source of Supply							
S-1	Secondary source and supply development	\$82,000,000	\$62,094,731	\$0	\$0	\$19,905,269	\$82,000,000
Treatment Facilities							
TP-1	Pretreatment improvements	5,300,000	-	5,300,000	-	-	5,300,000
Distribution System Improvements							
D-01	System looping improvements	\$5,800,000	4,392,066	-	1,407,934	-	5,800,000
D-02	System looping improvements	5,200,000	3,937,715	-	1,262,285	-	5,200,000
D-03	System looping improvements	3,600,000	2,726,110	-	873,890	-	3,600,000
D-04	Transmission main upsizing	6,800,000	5,149,319	-	-	1,650,681	6,800,000
D-05	Fireflow	240,000	240,000	-	-	-	240,000
D-06	Fireflow	340,000	340,000	-	-	-	340,000
D-07	Fireflow	1,240,000	1,240,000	-	-	-	1,240,000
D-08	Annual pipeline rehabilitation	12,000,000	12,000,000	-	-	-	12,000,000
Subtotal distribution system		\$35,220,000	\$30,025,210	\$0	\$3,544,109	\$1,650,681	\$35,220,000
Storage Facilities							
R-1	3.0 MG reservoir & pump station	\$9,500,000	7,220,000	760,000	-	1,520,000	9,500,000
Pumping Facilities							
PC-1	Additional pumping capacity	250,000	-	-	-	250,000	250,000
Planning							
PS-1	Water management and conservation plan update	\$100,000	75,725	-	-	24,275	100,000
PS-2	Water rate & SDC study	200,000	151,451	-	-	48,549	200,000
PS-3	Water system master plan update	230,000	174,168	-	-	55,832	230,000
PS-4	Preliminary engineering study for improved storage use	100,000	-	-	-	100,000	100,000
PS-5	AWIA update	80,000	80,000	-	-	-	80,000
Subtotal Planning		\$710,000	\$481,344	\$0	\$0	\$228,656	\$710,000
Operational							
O-1	Clearwell rehabilitation	\$0	-	-	-	-	-
O-1	Tank 1A rehabilitation	700,000	700,000	-	-	-	700,000
O-1	Backup power (MTS)	25,000	25,000	-	-	-	25,000
Subtotal operational		\$725,000	\$725,000	\$0	\$0	\$0	\$725,000
Total master plan CIP cost		\$133,705,000	\$100,546,286	\$6,060,000	\$3,544,109	\$23,554,605	\$133,705,000
Total master plan CIP Percentages			75%	5%	3%	18%	100%

Water Improvement Fee Calculations

The calculation of the water improvement fee also follows the logic discussed in the body of this report. As earlier stated, this study uses the improvements-driven method, and has relied on the capital improvement plans, and plan updates for the water infrastructure. Under this process, only three steps are required to arrive at the improvement fee. These steps are:

- Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.
- Step 2: Subtract from the gross improvement fee basis the fund balance held in the Water Improvement SDC Fund. This arrives at **the net water improvement fee basis**.
- Step 3: Divide the net water improvement fee basis by the forecasted number of growth DUEs over the planning period. This arrives at **the total water improvement fee**.

The actual data that was used to calculate the total Water improvement fee is shown below in Table 8.

Table 8 - Water Improvement Fee Calculations

Line Item Description	Total Cost	SDC Ineligible	SDC Eligible
<i>Source of Supply</i>			
Secondary source and supply development	\$82,000,000	\$62,094,731	\$19,905,269
<i>Treatment Facilities</i>			
Pretreatment improvements	\$5,300,000	\$5,300,000	\$0
<i>Distribution System Improvements</i>			
System looping improvements	\$ 5,800,000	\$ 5,800,000	\$ -
System looping improvements	5,200,000	5,200,000	-
System looping improvements	3,600,000	3,600,000	-
Transmission main upsizing	6,800,000	5,149,319	1,650,681
Fireflow	240,000	240,000	-
Fireflow	340,000	340,000	-
Fireflow	1,240,000	1,240,000	-
Annual pipeline rehabilitation	12,000,000	12,000,000	-
<i>Subtotal distribution system</i>	\$ 35,220,000	\$ 33,569,319	\$ 1,650,681
<i>Storage Facilities</i>			
3.0 MG reservoir & pump station	\$ 9,500,000	\$7,980,000	\$ 1,520,000
<i>Pumping Facilities</i>			
Additional pumping capacity	\$ 250,000	\$0	\$ 250,000
<i>Planning</i>			
Water management and conservation plan update	\$ 100,000	\$75,725	\$ 24,275
Water rate & SDC study	200,000	151,451	48,549
Water system master plan update	230,000	174,168	55,832
Preliminary engineering study for improved storage use	100,000	-	100,000
AWIA update	80,000	80,000	-
<i>Subtotal planning</i>	\$ 710,000	\$ 481,344	\$ 228,656
<i>Operational</i>			
Clearwell rehabilitation	\$ -	\$ -	\$ -
Tank 1A rehabilitation	700,000	700,000	-
Backup power (MTS)	25,000	25,000	-
<i>Subtotal operational</i>	\$ 725,000	\$ 725,000	\$ -
Capital Improvement Plan Total	\$133,705,000	\$110,150,395	\$ 23,554,605
	100%	82%	18%
Total Improvement Fee Eligible Costs for Future System Improvements			\$ 23,554,605
less: Water improvement SDC Fund balance as of June 30, 2023			667,860
Adjusted Improvement Fee Eligible Costs for Future System Improvements			\$22,886,745
Total Growth in 3/4" Meter Equivalents (20 year forecast)			2,632
Calculated Water Improvement Fee SDC per Meter Equivalent			<u>\$8,697</u>

Water SDC Model Summary

The 2023 Water SDC update was done in accordance with Utility adopted Rules and Regulations and with the benefit of the 2023 adopted twenty-year CIP for water services. We recommend the Utility update the SDC charge to reflect the current capital improvement program. This will provide additional revenues to help fund the utility's future capital needs. The components of this fee for the standard 5/8" x 3/4" meter are as follows:

Water SDC Components	Proposed	Current	Difference
Reimbursement fee	1,759	1,090	669
Improvement fee	8,697	3,664	5,033
Compliance fee at 5%	523	-	523
Total water SDC	\$ 10,979	\$ 4,754	\$ 6,225

For water meters larger than 5/8" x 3/4," the project team has developed a schedule of SDCs based on the fiscal 2022-2023 actual consumption patterns by customer class and meter size. The resulting schedule of water SDCs for the array of potential meter sizes is shown below in Table 9.

Table 9 - Water SDCs by Water Meter Size

Meter Size	Fiscal 2023 Observed Meters and Consumption				Proposed Schedule of Water SDCs			
	Meters in Service	Billed Consumption (Ccf)	Billed Consumption (Ccf) per Meter	Consumption Factor	Reimbursement	Improvement	Compliance	Total
<i>Residential:</i>								
5/8 - 3/4-inch	58,805	63,150,100	1,074	1.00	\$ 1,759	\$ 8,697	\$ 523	\$ 10,979
1 inch	606	978,900	1,615	1.50	2,646	13,082	787	16,515
<i>Non-Residential:</i>								
5/8 - 3/4-inch	2,216	2,051,000	926	0.86	1,516	7,496	451	9,462
1-inch	873	2,921,300	3,346	3.12	5,481	27,100	1,630	34,211
1.5-inch	772	4,646,600	6,019	5.60	9,859	48,745	2,931	61,535
2-inch	377	3,941,100	10,454	9.73	17,123	84,661	5,091	106,876
3-inch	48	479,400	9,988	9.30	16,359	80,885	4,864	102,108
4-inch	84	2,573,500	30,637	28.53	50,182	248,116	14,921	313,219
<i>Irrigation:</i>								
5/8 - 3/4-inch	303	607,180	2,004	1.87	3,282	16,230	976	20,488
1-inch	144	784,900	5,451	5.08	8,929	44,145	2,655	55,729
1.5-inch	100	595,900	5,959	5.55	9,761	48,260	2,902	60,922
2-inch				8.20	14,424	71,315	4,289	90,028
3-inch				13.90	24,450	120,888	7,270	152,608
Multifamily (per DUE)*				0.70	1,231	6,088	366	7,685
Qualifying Small-lot PUD (per DUE)*				0.70	1,231	6,088	366	7,685

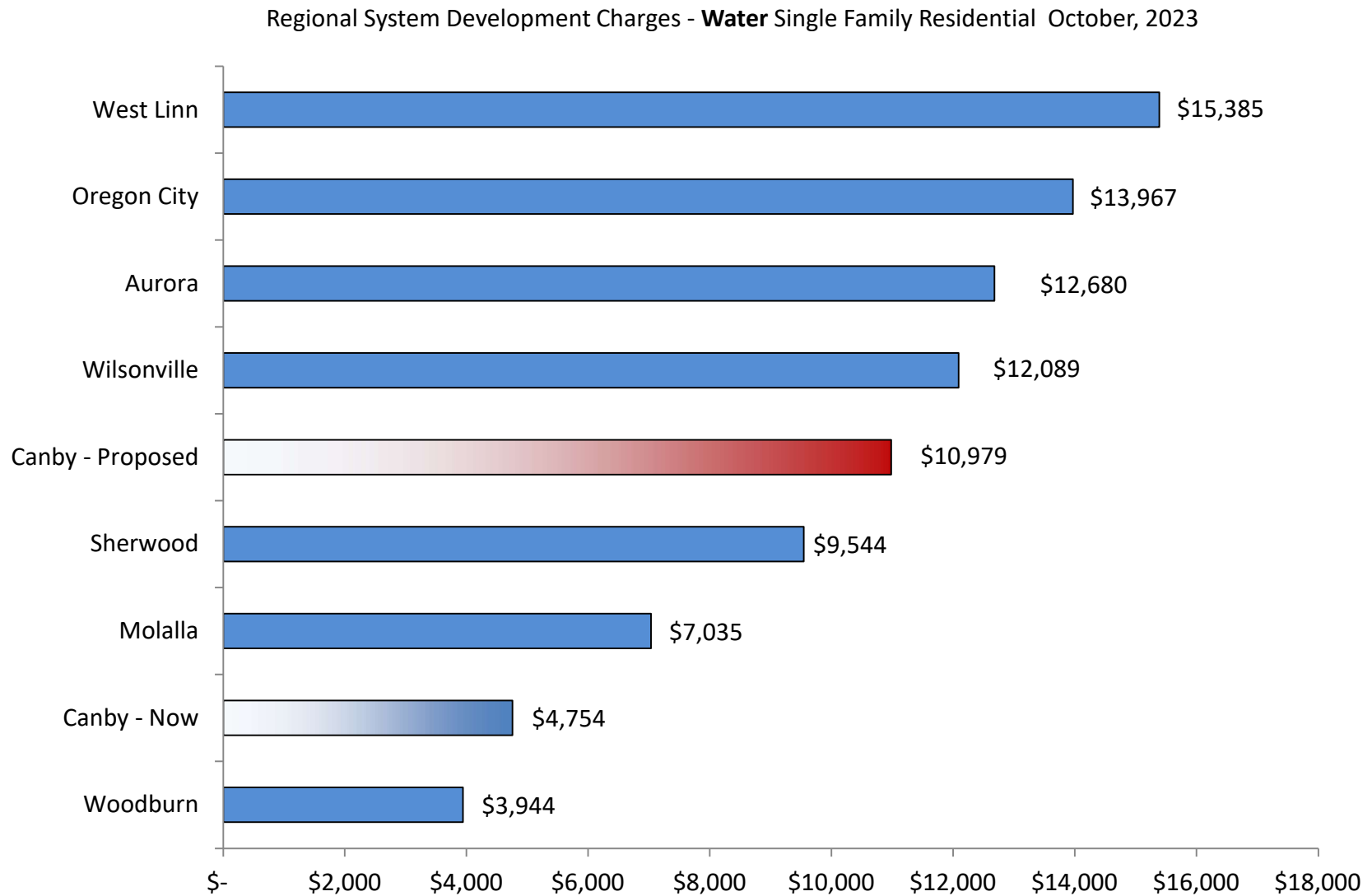
* DUE - Dwelling Unit Equivalent

Note: Due to data inconsistency, the consumption factor for 2" and 3" irrigation meters are unchanged from the Resolution 203 factors.

Water SDCs in Neighboring Communities

Shown below in Figures 3 is a chart that compares the current and proposed water SDC for a single-family customer in the Utility to the same charge in similar communities in nearby Clackamas and Marion Counties.

Figure 3 - Neighboring Communities' Water SDCs (Detached Single Family) October, 2023



Appendix B – Historical Price Movements in the Engineering News Record Construction Cost Index

HOW ENR BUILDS THE INDEX: 200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board ft of 2 x 4 lumber at the 20-city price.

ENR'S CONSTRUCTION COST INDEX HISTORY (1990-2020)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.	Annual Percent Change
2023	13175	13176	13176	13230	13288	13345	13425	13473	13486	13498				
2022	12556	12684	12791	12899	13004	13111	13167	13171	13173	13175	13175	13175	13007	7.07%
2021	11627	11698	11749	11849	11989	12112	12237	12463	12464	12464	12647	12482	12148	5.95%
2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11579	11626	11466	1.46%
2019	11206	11213	11228	11228	11230	11268	11293	11311	11539	11326	11381	11381	11300	2.16%
2018	10878	10889	10959	10971	11013	11069	11116	11124	11170	11183	11184	11186	11062	3.04%
2017	10531	10559	10667	10678	10692	10703	10789	10826	10823	10817	10870	10873	10736	3.84%
2016	10132	10181	10242	10279	10315	10337	10379	10385	10403	10434	10442	10530	10338	3.02%
2015	9972	9962	9972	9992	9975	10039	10037	10039	10065	10128	10092	10152	10035	2.33%
2014	9664	9681	9702	9750	9796	9800	9835	9846	9870	9886	9912	9936	9807	2.72%
2013	9437	9453	9456	9484	9516	9542	9552	9545	9552	9689	9666	9668	9547	2.56%
2012	9176	9198	9268	9273	9290	9291	9324	9351	9341	9376	9398	9412	9308	2.63%
2011	8938	8998	9011	9027	9035	9053	9080	9088	9116	9147	9173	9172	9070	3.08%
2010	8660	8672	8671	8677	8761	8805	8844	8837	8836	8921	8951	8952	8799	2.67%
2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570	3.13%
2008	8090	8094	8109	8112	8141	8185	8293	8362	8557	8623	8602	8551	8310	4.30%
2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7967	2.78%
2006	7660	7689	7692	7695	7691	7700	7721	7722	7763	7883	7911	7888	7751	4.10%
2005	7297	7298	7309	7355	7398	7415	7422	7479	7540	7563	7630	7647	7446	4.65%
2004	6825	6862	6957	7017	7065	7109	7126	7188	7298	7314	7312	7308	7115	6.28%
2003	6581	6640	6627	6635	6642	6694	6695	6733	6741	6771	6794	6782	6695	2.39%
2002	6462	6462	6502	6480	6512	6532	6605	6592	6589	6579	6578	6563	6538	3.09%
2001	6281	6272	6279	6286	6288	6318	6404	6389	6391	6397	6410	6390	6342	1.94%
2000	6130	6160	6202	6201	6233	6238	6225	6233	6224	6259	6266	6283	6221	2.67%
1999	6000	5992	5986	6008	6006	6039	6076	6091	6128	6134	6127	6127	6060	2.35%
1998	5852	5874	5875	5883	5881	5895	5921	5929	5963	5986	5995	5991	5920	1.64%
1997	5765	5769	5759	5799	5837	5860	5863	5854	5851	5848	5838	5858	5825	3.61%
1996	5523	5532	5537	5550	5572	5597	5617	5652	5683	5719	5740	5744	5622	2.76%
1995	5443	5444	5435	5432	5433	5432	5484	5506	5491	5511	5519	5524	5471	1.18%
1994	5336	5371	5381	5405	5405	5408	5409	5424	5437	5437	5439	5439	5408	3.78%
1993	5071	5070	5106	5167	5262	5260	5252	5230	5255	5264	5278	5310	5210	4.53%
1992	4888	4884	4927	4946	4965	4973	4992	5032	5042	5052	5058	5059	4985	3.10%
1991	4777	4773	4772	4766	4801	4818	4854	4892	4891	4892	4896	4889	4835	2.18%
1990	4680	4685	4691	4693	4707	4732	4734	4752	4774	4771	4787	4777	4732	



MEMORANDUM

January 3, 2024

TO: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill

FROM: Cindy Dittmar, Customer Service Supervisor

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

Recommended Motion: Motion to approve to 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, 2023. Staff is requesting approval to extend the donation an additional year.

Canby Utility uses the donation to the city parks and transit mall as a way to promote Green Power. In December, we had 192 customers purchase \$1,107.68 for 1,204 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 2023 THROUGH Dec 2023

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	2023	0	0	0	8102	2
Feb	2023	0	0	0	8111	3
March	2023	1	10	1100	8142	1
April	2023	0	0	0	8185	1
May	2023	1	104	25020	8183	2
June	2023	2	208	12584	8206	13
July	2023	2	105	15330	8217	3
Aug	2023	0	0	0	8231	1
Sep	2023	2	506	46395	8248	3
Oct	2023	1	5	600	8266	1
Nov	2023	1	70	7000	8274	1
Dec	2023	1	2	360	8273	1
12 MONTH TOTALS		11	1,010	108,389	98,438	32
12 MONTH AVERAGE		0.92	84	9,032	8,203	2.7

			C.U.	Industry Typical Value
SAIDI =	$\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}}$	$= \frac{108,389}{8,203}$	$= 13.2131$	87.0
SAIFI =	$\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}}$	$= \frac{1010}{8,203}$	$= 0.12$	0.93
MAIFI=	$\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}}$	$= \frac{32}{8,203}$	$= 0.004$	0.96
CAIDI =	$\frac{\text{Total interruption minutes for 12 months}}{\text{Total number of interruptions}}$	$= \frac{107}{6}$	$= 18$	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

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

From: Mike Schelske, Finance Manager

Date: December 19, 2023

Subject: Financial Reports Package for the Month and Quarter Ending September 30, 2023

Attached is the Financial Reports package for September 30, 2023, and Q1 of FY2024. In addition to the standard set of reports I have included two new reports:

- Financial Highlights (quarter ending 9/30/2023)
- Summary Income Statement

The Financial Highlights report provides key financial and operating metrics from operations. The Summary Income Statement provides a one-page income statement summary which shows monthly and quarterly totals for actual, budget and prior year. It also includes a breakdown of operating expenses.

Please refer to the Financial Highlights report for the following comments.

Summary of Q1 Operating Results

In general, revenue and operational expenditures are tracking to budget. Revenues are at or above budget and operating expenses are lower (excluding a budgetary difference for purchased power). The main variance is contributed capital which is significantly lower than budget.

Key Highlights for 2024-Q1 Electrical Operations

- Operating revenue for Q1 is on target; only 0.7% under budget.
- Net income of \$702,493 is 45.5% under budget mainly due to the budgeted amount for purchased power.
- Purchased power is 28.8% or \$479,907 over budget. \$64,416 of this amount is due to increased kWh's and \$415,491 is due to a budgeting error.

In the FY2024 budget the estimated BPA power dividend for the first quarter was inadvertently included twice: once as a reduction to purchased power costs and again as miscellaneous income.

However, BPA has notified us there will be another dividend beginning in December. This will total approximately \$479,000 and will offset the total amount of the budgetary error.

- Operating expenses are 11.1% under budget mainly due to open positions and lower costs for supplies and contractors. The savings from open positions are permanent savings. The lower costs for supplies and contractors are a combination of lower costs and timing of expenditures.
- Contributed capital is under budget by \$264,954 or 90.7%. This is due to decreased development activity.

Looking ahead to the rest of the fiscal year, development activity may have the greatest impact on the operating results for Electric. A lower than estimated level of development activity will have a negative impact on both net income and cash reserves. Although we have no control over such projects, we will continue to monitor the potential impact to the Utility.

Key Highlights for 2024-Q1 Water Operations

- Operating revenue for Q1 is over budget by 18.8 %.
- Net income of \$749,646 is 3.2% under budget.
- Contributed capital is under budget by \$414,379 or 89.1%. This is due to a large decrease in development activity.
- Operating expenses are 9.8% under budget mainly due to open positions and lower costs for supplies and contractors. The savings from open positions are permanent savings. Lower costs for supplies and contractors are a combination of lower costs and the timing for certain expenditures.

As with Electric operations, development activity may have the greatest impact on the operating results for Water. A lower than estimated level of development activity will have a negative impact on both net income and cash reserves. Although we have no control over such projects, we will continue to monitor the potential impact to the Utility.

I plan to make a few other changes in future packages, so please let me know if you have any suggestions or comments.

The table below lists the reports included in this package.

Please feel free to contact me if you have any questions.



List of Reports Package

Report	Fund
Financial Highlights (new report)	Both
Summary Income Statement (new report)	Electric
Balance Sheet	Electric
Summary Income Statement (new report)	Water
Balance Sheet	Water
Charts (YTD revenue, net income, cash & reserves)	Electric
Financial Highlights - September	Electric
Overview Financials YTD September	Electric
Charts – Total Revenues	Electric
Charts – Total Expenses	Electric
Charts – Revenues, kWh, Expenses	Electric
Statement of Operations and Changes in Net Assets – Last Year	Electric
Statement of Operations and Changes in Net Assets – Budget	Electric
Charts (YTD revenue, net income, cash & reserves)	Water
Financial Highlights – September	Water
Overview Financials YTD September	Water
Charts – Total Revenues	Water
Charts – Total Expenses	Water
Charts – Revenues, kWh, Expenses	Water
Statement of Operations and Changes in Net Assets – Last Year	Water
Statement of Operations and Changes in Net Assets – Budget	Water

Canby Utility
Financial Highlights
Quarter Ending September 30, 2023

Electric Operations

	<u>Actual</u>	<u>Quarter-to-Date Budget</u>	<u>Prior Year</u>	<u>Over (Under) Budget</u>	<u>% Over (Under) Budget</u>	<u>Budget Status</u>	<u>Over (Under) Prior Year</u>
<u>Balance Sheet</u>							
Cash & Equivalents	\$ 12,505,569	\$ 12,559,542	\$ 9,067,184	\$ (53,973)	-0.4%	On Budget	\$ 3,438,385
<u>Income Statement</u>							
Operating Revenue	\$ 3,636,742	\$ 3,661,610	\$ 3,590,689	\$ (24,868)	-0.7%	On Budget	\$ 46,053
Purchased Power	2,143,798	1,663,891	2,057,218	479,907	28.8%	Over Budget	86,580
Operating Expenses	1,377,137	1,549,013	1,264,550	(171,876)	-11.1%	Under Budget	112,587
Operating Profit (Loss)	115,807	448,706	268,921	(332,899)	-74.2%		(153,114)
Operating Margin	3.2%	12.3%	7.5%				
Other Rev. (Exp.)	559,518	549,087	68,539	10,431	1.9%	On Budget	490,979
Capital Contributions	27,168	292,122	452,876	(264,954)	-90.7%	Under Budget	(425,708)
Net Income (Loss)	\$ 702,493	\$ 1,289,915	\$ 790,336	\$ (587,422)	-45.5%	Under Budget	\$ (87,843)
<u>Sales Data</u>							
kWh Purchased	50,313,838	47,830,000	49,245,231	2,483,838	5.2%		1,068,607
kWh Sold	48,833,792		48,201,300				632,492

Water Operations

	<u>Actual</u>	<u>Quarter-to-Date Budget</u>	<u>Prior Year</u>	<u>Over (Under) Budget</u>	<u>% Over (Under) Budget</u>	<u>Budget Status</u>	<u>Over (Under) Prior Year</u>
<u>Balance Sheet</u>							
Cash & Equivalents	\$ 8,751,912	\$ 7,188,618	\$ 6,811,640	\$ 1,563,294	21.7%	Over Budget	\$ 1,940,272
<u>Income Statement</u>							
Operating Revenue	\$ 1,577,076	\$ 1,328,000	\$ 1,498,323	\$ 249,076	18.8%	Over Budget	\$ 78,753
Operating Expenses	969,374	1,074,777	892,756	(105,403)	-9.8%	Under Budget	76,618
Operating Profit (Loss)	607,702	253,223	605,567	354,479	140.0%		2,135
Operating Margin	38.5%	19.1%	40.4%				
Other Rev. (Exp.)	91,194	56,318	516	34,876	61.9%	Over Budget	90,678
Capital Contributions	50,750	465,129	722,605	(414,379)	-89.1%	Under Budget	(671,855)
Net Income (Loss)	\$ 749,646	\$ 774,670	\$ 1,328,688	\$ (25,024)	-3.2%	Under Budget	\$ (579,042)
<u>Sales Data</u>							
Cu. Ft. Sold	45,312,429		42,751,974				2,560,455

Canby Utility
Summary Income Statement
Profit (Loss) from Operations, Capital Contributions, and Net Income
Month & Quarter Ending September 30, 2023

Electric

	Month			Quarter-to-Date		
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Operating Revenue	\$ 1,258,661	\$ 1,276,870	\$ 1,258,749	\$ 3,636,742	\$ 3,661,610	\$ 3,590,689
Less: Purchased Power	(629,847)	(551,920)	(664,583)	(2,143,798)	(1,663,891)	(2,057,218)
Margin on Sales	628,814	724,950	594,166	1,492,944	1,997,719	1,533,471
	50.0%	56.8%	47.2%	41.1%	54.6%	42.7%
Operating Expenses						
Operations & Maintenance	276,960	359,924	274,554	883,098	1,057,451	784,236
Depreciation	105,365	104,815	102,371	316,095	313,304	306,704
Taxes	62,454	62,236	60,635	177,944	178,258	173,610
Total Operating Expenses	444,779	526,975	437,560	1,377,137	1,549,013	1,264,550
Operating Profit (Loss)	184,035	197,975	156,606	115,807	448,706	268,921
	14.6%	15.5%	12.4%	3.2%	12.3%	7.5%
Other Revenue (Expense)						
Interest Income	44,710	37,448	12,582	125,957	107,211	31,971
Interest Expense	(1,268)	(109)	(418)	(4,016)	(327)	(975)
Other (Net)	139,096	138,670	21,977	437,577	442,203	37,543
Total Other Revenue (Expense)	182,538	176,009	34,141	559,518	549,087	68,539
Change in Net Position Before Capital Contributions	366,573	373,984	190,747	675,325	997,793	337,460
Capital Contributions						
Hook-up Fees	1,600	19,857	85,136	18,803	59,571	127,200
Contributed by Others	-	-	56,400	8,365	-	56,400
Line Extension Fees	-	77,517	242,302	0	232,551	269,276
Total Capital Contributions	1,600	97,374	383,838	27,168	292,122	452,876
Net Income (Loss)	\$ 368,173	\$ 471,358	\$ 574,585	\$ 702,493	\$ 1,289,915	\$ 790,336

Summary of Purchased Power and Operating Expenses

	Month			Quarter-to-Date		
	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)
Purchased Power	629,847	551,920	77,927	2,143,798	1,663,891	479,907
Operating Expenses						
Payroll & Employer Paid Expenses	\$ 196,857	\$ 237,669	\$ (40,812)	\$ 626,203	\$ 713,007	\$ (86,804)
Depreciation	105,365	104,815	550	316,094	313,304	2,790
Taxes	62,454	62,236	218	177,944	178,258	(314)
Other Costs	80,103	122,255	(42,152)	256,896	344,444	(87,548)
Total Operating Expenses	444,779	526,975	(82,196)	1,377,137	1,549,013	(171,876)
Total Purchased Power & Operating Expenses	\$ 1,074,626	\$ 1,078,895	\$ (4,269)	\$ 3,520,935	\$ 3,212,904	\$ 308,031

Balance Sheet - Electric

September 30, 2023

	<u>This Year YTD</u>	<u>Last Year YTD</u>	<u>Variance Dollar</u>	<u>Variance Percent</u>
Assets				
Current Assets				
<i>Cash</i>	712,043.99	742,728.70	(30,684.71)	-4.13%
<i>Allocate Cash to Reserves</i>	(12,827,618.53)	(10,478,740.22)	(2,348,878.31)	22.42%
<i>Local Government Investment Pool</i>	11,793,525.47	8,324,455.07	3,469,070.40	41.67%
<i>Current Accounts Receivable</i>	1,501,081.68	1,609,013.18	(107,931.50)	-6.71%
<i>Plant Materials & Operating Supplies</i>	1,917,547.40	1,768,104.99	149,442.41	8.45%
<i>Prepayments</i>	88,594.19	78,083.08	10,511.11	13.46%
Total Current Assets	3,185,174.20	2,043,644.80	1,141,529.40	55.86%
Noncurrent Assets				
<i>Other Deferred Charges</i>	1,270,409.67	1,479,722.30	(209,312.63)	-14.15%
Total Noncurrent Assets	1,270,409.67	1,479,722.30	(209,312.63)	-14.15%
Property Plant and Equipment				
<i>Property Plant & Equipment in Service</i>	49,173,196.21	47,921,111.37	1,252,084.84	2.61%
<i>Accumulated Depreciation</i>	(17,417,002.55)	(16,118,159.38)	(1,298,843.17)	8.06%
<i>Construction Work in Progress</i>	264,959.67	240,334.68	24,624.99	10.25%
Total Property Plant and Equipment	32,021,153.33	32,043,286.67	(22,133.34)	-0.07%
Cash Designated for Future Use				
<i>Reserve-Emergency</i>	0.00	0.00	0.00	na
<i>Reserve-Capital Improvement</i>	0.00	0.00	0.00	na
<i>Reserve-Capital Replacement</i>	0.00	0.00	0.00	na
<i>Rate Stabilization</i>	0.00	0.00	0.00	na
<i>Future Improvement/Replacement</i>	12,827,618.53	10,478,740.22	2,348,878.31	22.42%
Total Cash Designated for Future Use	12,827,618.53	10,478,740.22	2,348,878.31	22.42%
<u>Total Assets</u>	<u>49,304,355.73</u>	<u>46,045,393.99</u>	<u>3,258,961.74</u>	<u>7.08%</u>
Liabilities and Net Assets				
Current Liabilities				
<i>Accounts Payable</i>	859,516.90	1,029,524.88	(170,007.98)	-16.51%
<i>Customer Deposits</i>	403,006.23	313,745.13	89,261.10	28.45%
<i>Accrued Payroll Taxes Payable</i>	(22,131.57)	(21,311.56)	(820.01)	3.85%
<i>Accrued Payroll</i>	76,926.86	75,922.35	1,004.51	1.32%
<i>Accrued Employee Leave</i>	132,547.13	95,188.96	37,358.17	39.25%
<i>Other Current & Accrued Liabilities</i>	5,470.58	380.80	5,089.78	1,336.60%
Total Current Liabilities	1,455,336.13	1,493,450.56	(38,114.43)	-2.55%
Noncurrent Liabilities				
<i>Noncurrent Liabilities</i>	3,423,219.88	3,512,948.77	(89,728.89)	-2.55%
Total Noncurrent Liabilities	3,423,219.88	3,512,948.77	(89,728.89)	-2.55%
Total Liabilities	4,878,556.01	5,006,399.33	(127,843.32)	-2.55%
Net Assets - Unrestricted				
<i>Reserves</i>	0.00	0.00	0.00	na

Balance Sheet - Electric

September 30, 2023

	<u>This Year YTD</u>	<u>Last Year YTD</u>	<u>Variance Dollar</u>	<u>Variance Percent</u>
Liabilities and Net Assets				
<i>Unappropriated Retained Earnings</i>	45,204,862.20	41,730,213.25	3,474,648.95	8.33%
<i>YTD Net Income(Loss)</i>	675,324.48	337,459.78	337,864.70	100.12%
<i>Capital Contributions</i>	27,168.04	452,876.63	(425,708.59)	-94.00%
<i>Other Equities</i>	(1,481,555.00)	(1,481,555.00)	0.00	0.00%
Less PP&E, Net	(32,021,153.33)	(32,043,286.67)	(22,133.34)	-0.07%
Total Net Assets - Unrestricted	<u>12,404,646.39</u>	<u>8,995,707.99</u>	<u>3,408,938.40</u>	<u>37.90%</u>
Investment in Capital Assets	<u>32,021,153.33</u>	<u>32,043,286.67</u>	<u>(22,133.34)</u>	<u>-0.07%</u>
Total Net Assets	<u>44,425,799.72</u>	<u>41,038,994.66</u>	<u>3,386,805.06</u>	<u>8.25%</u>
 <u>Total Liabilities and Net Assets</u>	 <u><u>49,304,355.73</u></u>	 <u><u>46,045,393.99</u></u>	 <u><u>3,258,961.74</u></u>	 <u><u>7.08%</u></u>

Canby Utility
Summary Income Statement
Profit (Loss) from Operations, Capital Contributions, and Net Income
Month & Quarter Ending September 30, 2023

Water

	Month			Quarter-to-Date		
	Actual	Budget	Prior Year	Actual	Budget	Prior Year
Operating Revenue	\$ 546,020	\$ 487,000	\$ 571,618	\$ 1,577,076	\$ 1,328,000	\$ 1,498,323
Operating Expenses						
Operations & Maintenance	222,217	265,670	205,602	675,696	788,818	612,840
Depreciation	71,608	73,382	68,836	214,824	219,559	205,000
Taxes	27,301	24,350	28,581	78,854	66,400	74,916
Total Operating Expenses	321,126	363,402	303,019	969,374	1,074,777	892,756
Operating Profit (Loss)	224,894	123,598	268,599	607,702	253,223	605,567
	41.2%	25.4%	47.0%	38.5%	19.1%	40.4%
Other Revenue (Expense)						
Interest Income	31,445	21,285	9,565	88,560	62,877	23,752
Interest Expense	(2,544)	(2,544)	(3,302)	(7,630)	(7,630)	(9,906)
Other (Net)	6,920	357	(19,605)	10,264	1,071	(13,330)
Total Other Revenue (Expense)	35,821	19,098	(13,342)	91,194	56,318	516
Change in Net Position Before Capital Contributions	260,715	142,696	255,257	698,896	309,541	606,083
Capital Contributions						
Hook-up Fees	440	4,845	10,875	4,400	14,535	20,250
Contributed by Others	-	75,108	430,122	0	225,324	466,461
SDC Fees	4,635	75,090	123,482	46,350	225,270	235,894
Total Capital Contributions	5,075	155,043	564,479	50,750	465,129	722,605
Net Income (Loss)	\$ 265,790	\$ 297,739	\$ 819,736	\$ 749,646	\$ 774,670	\$ 1,328,688

Summary of Operating Expenses

	Month			Quarter-to-Date		
	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)
Operating Expenses						
Payroll & Employer Paid Expenses	\$ 75,223	\$ 99,779	\$ (24,556)	\$ 239,065	\$ 299,337	\$ (60,273)
Depreciation	71,609	73,382	(1,773)	214,826	219,559	(4,733)
Taxes	27,301	24,350	2,951	78,854	66,400	12,454
Other Costs	146,994	165,891	(18,897)	436,630	489,481	(52,851)
Total Operating Expenses	\$ 321,126	\$ 363,402	\$ (42,276)	\$ 969,374	\$ 1,074,777	\$ (105,403)

Balance Sheet - Water

September 30, 2023

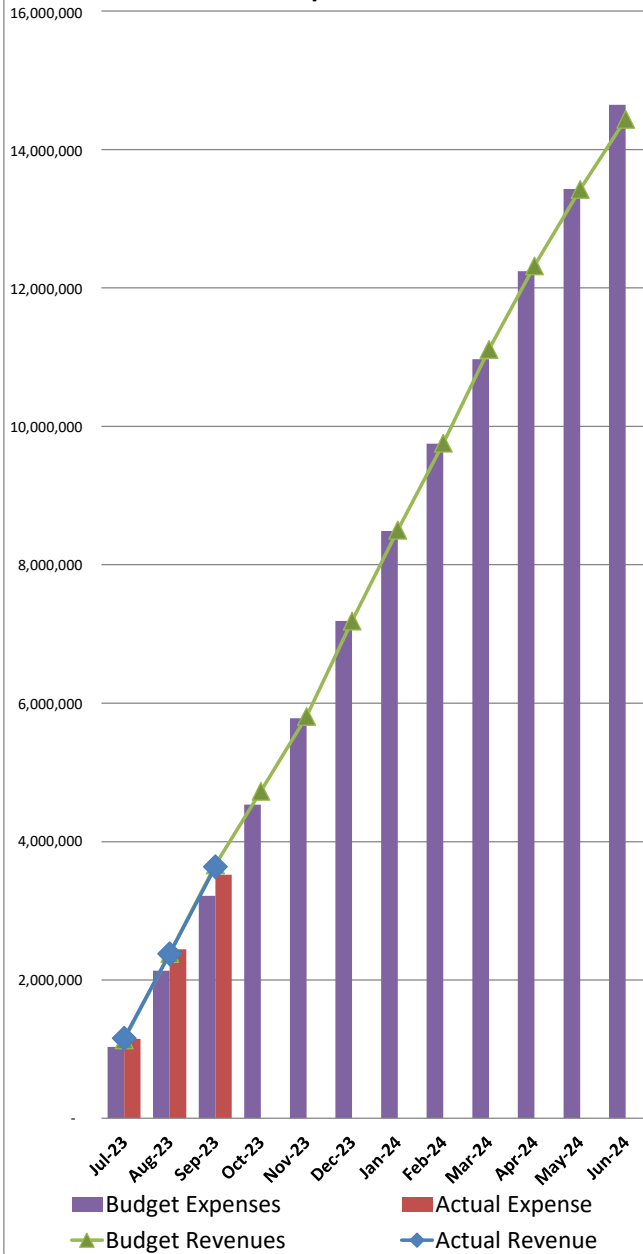
	<u>This Year YTD</u>	<u>Last Year YTD</u>	<u>Variance Dollar</u>	<u>Variance Percent</u>
Assets				
Current Assets				
<i>Cash</i>	457,381.96	482,865.16	(25,483.20)	-5.28%
<i>Allocate Cash to Reserves</i>	(5,255,750.28)	(6,741,617.49)	1,485,867.21	-22.04%
<i>Local Government Investment Pool</i>	8,294,530.27	6,328,775.26	1,965,755.01	31.06%
<i>Current Accounts Receivable</i>	735,998.51	730,462.47	5,536.04	0.76%
<i>Plant Materials & Operating Supplies</i>	346,094.11	314,061.28	32,032.83	10.20%
<i>Prepayments</i>	54,333.38	48,185.33	6,148.05	12.76%
Total Current Assets	4,632,587.95	1,162,732.01	3,469,855.94	298.42%
Noncurrent Assets				
<i>Other Deferred Charges</i>	491,235.76	721,946.56	(230,710.80)	-31.96%
Total Noncurrent Assets	491,235.76	721,946.56	(230,710.80)	-31.96%
Property Plant and Equipment				
<i>Property Plant & Equipment in Service</i>	41,778,929.32	40,388,597.76	1,390,331.56	3.44%
<i>Accumulated Depreciation</i>	(14,535,324.80)	(13,673,649.23)	(861,675.57)	6.30%
<i>Construction Work in Progress</i>	191,094.73	224,526.45	(33,431.72)	-14.89%
Total Property Plant and Equipment	27,434,699.25	26,939,474.98	495,224.27	1.84%
Cash Designated for Future Use				
<i>Bond Reserve Requirement</i>	0.00	0.00	0.00	na
<i>Reserve-SDC</i>	46,712.78	236,467.82	(189,755.04)	-80.25%
<i>Reserve-Capital Improvement</i>	0.00	0.00	0.00	na
<i>Reserve-Capital Replacement</i>	0.00	0.00	0.00	na
<i>Future Improvement/Replacement</i>	5,209,037.50	6,505,149.67	(1,296,112.17)	-19.92%
Total Cash Designated for Future Use	5,255,750.28	6,741,617.49	(1,485,867.21)	-22.04%
<u>Total Assets</u>	<u>37,814,273.24</u>	<u>35,565,771.04</u>	<u>2,248,502.20</u>	<u>6.32%</u>
Liabilities and Net Assets				
Current Liabilities				
<i>Accounts Payable</i>	199,639.22	80,503.49	119,135.73	147.99%
<i>Sewer Collections Payable</i>	0.00	0.00	0.00	na
<i>Accrued Interest</i>	15,260.86	19,812.33	(4,551.47)	-22.97%
<i>Accrued Payroll Taxes Payable</i>	(3,286.99)	(2,297.51)	(989.48)	43.07%
<i>Accrued Payroll</i>	26,120.02	21,750.15	4,369.87	20.09%
<i>Accrued Employee Leave</i>	8,622.14	5,896.35	2,725.79	46.23%
<i>Other Current & Accrued Liabilities</i>	(5,376.08)	(3,800.29)	(1,575.79)	41.46%
Total Current Liabilities	240,979.17	121,864.52	119,114.65	97.74%
Noncurrent Liabilities				
<i>Noncurrent Liabilities</i>	42,738.94	33,025.66	9,713.28	29.41%
Total Noncurrent Liabilities	42,738.94	33,025.66	9,713.28	29.41%
Noncurrent Liabilities				
<i>Noncurrent Liabilities</i>	2,726,710.90	3,524,400.80	(797,689.90)	-22.63%

Balance Sheet - Water

September 30, 2023

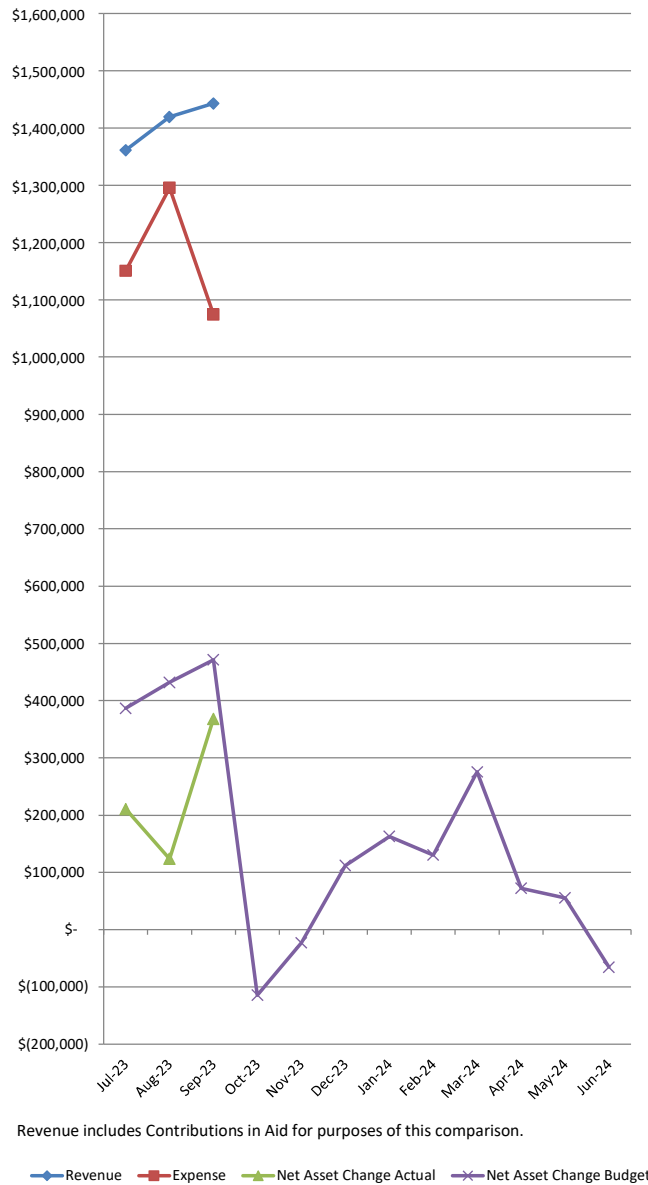
	<u>This Year YTD</u>	<u>Last Year YTD</u>	<u>Variance Dollar</u>	<u>Variance Percent</u>
Liabilities and Net Assets				
Total Noncurrent Liabilities	<u>2,726,710.90</u>	<u>3,524,400.80</u>	<u>(797,689.90)</u>	<u>-22.63%</u>
Total Liabilities	<u>3,010,429.01</u>	<u>3,679,290.98</u>	<u>(668,861.97)</u>	<u>-18.18%</u>
Net Assets - Unrestricted				
<i>Reserves</i>	46,340.02	30,373.27	15,966.75	52.57%
<i>Unappropriated Retained Earnings</i>	32,568,625.29	29,072,218.93	3,496,406.36	12.03%
<i>YTD Net Income(Loss)</i>	698,895.87	606,083.34	92,812.53	15.31%
<i>Capital Contributions</i>	50,750.00	722,604.72	(671,854.72)	-92.98%
<i>Other Equities</i>	1,439,233.05	1,455,199.80	(15,966.75)	-1.10%
Less PP&E, Net	(27,434,699.25)	(26,939,474.98)	495,224.27	1.84%
Total Net Assets - Unrestricted	<u>7,369,144.98</u>	<u>4,947,005.08</u>	<u>2,422,139.90</u>	<u>48.96%</u>
Investment in Capital Assets	<u>27,434,699.25</u>	<u>26,939,474.98</u>	<u>495,224.27</u>	<u>1.84%</u>
Total Net Assets	<u>34,803,844.23</u>	<u>31,886,480.06</u>	<u>2,917,364.17</u>	<u>9.15%</u>
 <u>Total Liabilities and Net Assets</u>	 <u><u>37,814,273.24</u></u>	 <u><u>35,565,771.04</u></u>	 <u><u>2,248,502.20</u></u>	 <u><u>6.32%</u></u>

Overview - Electric FY24 Cumulative YTD, by Month, Revenue & Expense

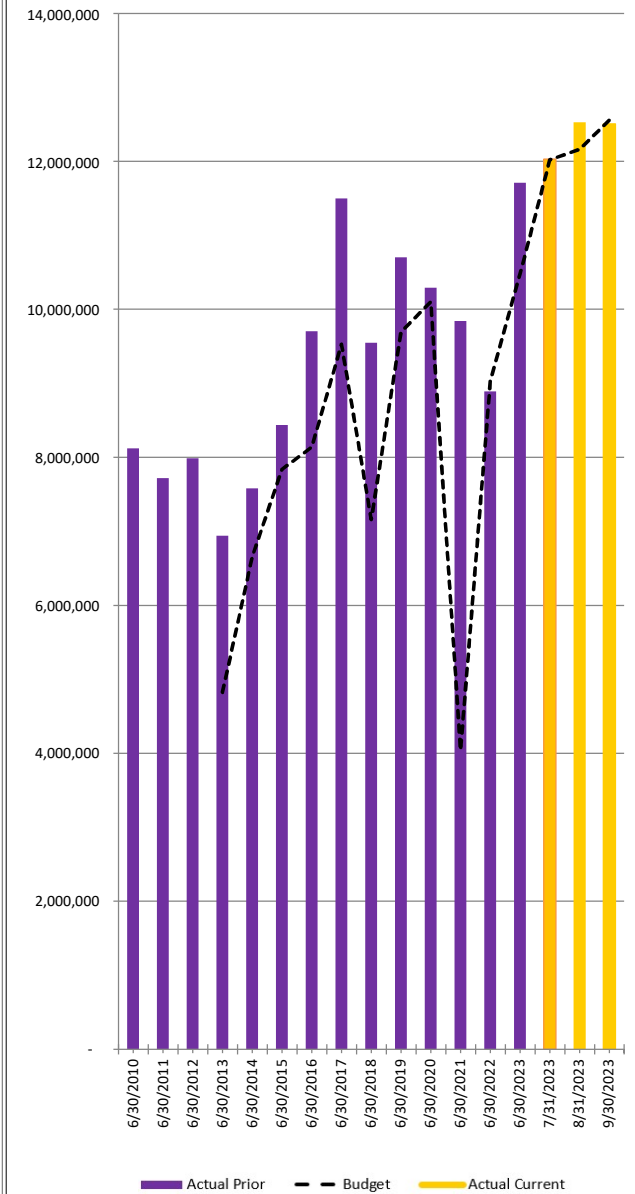


Electric YTD Financials - September

Electric Financials, YTD By Month FY24



Electric Cash Balances & Cash Reserve Target



Electric Financial HIGHLIGHTS

Month of September

Financial highlights for the month of September include:

1. Total operating revenue for the month is \$18,209 under budget mainly due to lower residential sales and lower BPA conservation credits.
2. Total operating revenue fiscal YTD is \$24,868 under budget mainly due to lower residential sales.
3. Interest income for the month is \$7,262 over budget due to higher balance and interest yield than budgeted. Interest rate for the month is 4.63%.

The amount of electric funds in cash and investments is \$12,505,569.

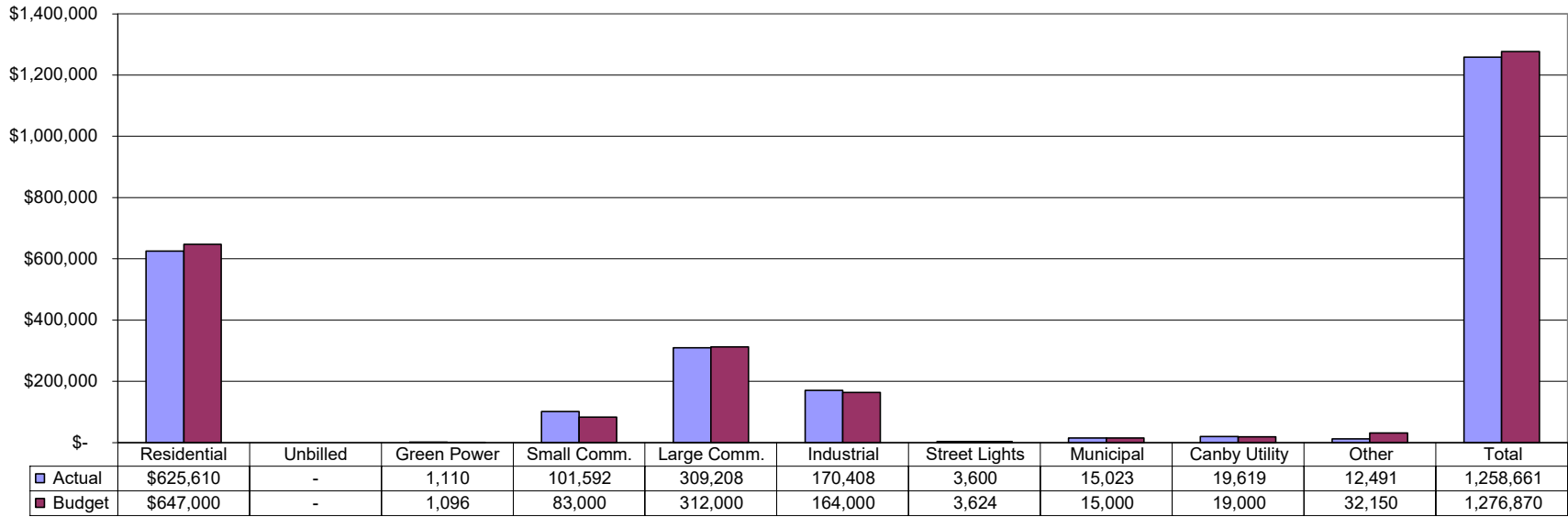
The September 2023 month-end cash reserves are budgeted to be \$12,559,542.
4. Capital Contributions - Under budget \$95,774 due to lower line extension and electric hook-up fees.
5. Purchased Power & Transmission - Total cost of \$629,847 for the month was \$77,927 over budget.
6. Board of Directors - Under budget \$543 mainly due to lower transportation & training expenses.
7. Executive - Under budget \$179 mainly due to timing of dues.
8. Administrative - Under budget \$10,058 mainly due to one open position and lower expenses for multiple items.
9. Customer Service - Under budget \$22,502 mainly due to lower BPA conservation and postage expense partly offset by higher printing & stationery costs.
10. Finance - Over budget \$74,798 mainly due to higher purchased power and timing of audit costs.
11. Operations - Under budget \$3,248 mainly due to lower payroll and engineering expenses.
12. Distribution - Under budget \$42,315 mainly due to lower payroll expenses due to two open positions and lower expenses for

tree trimming, safety, and training.
13. Risk Management - Under budget \$224 due to lower insurance premiums than budgeted.

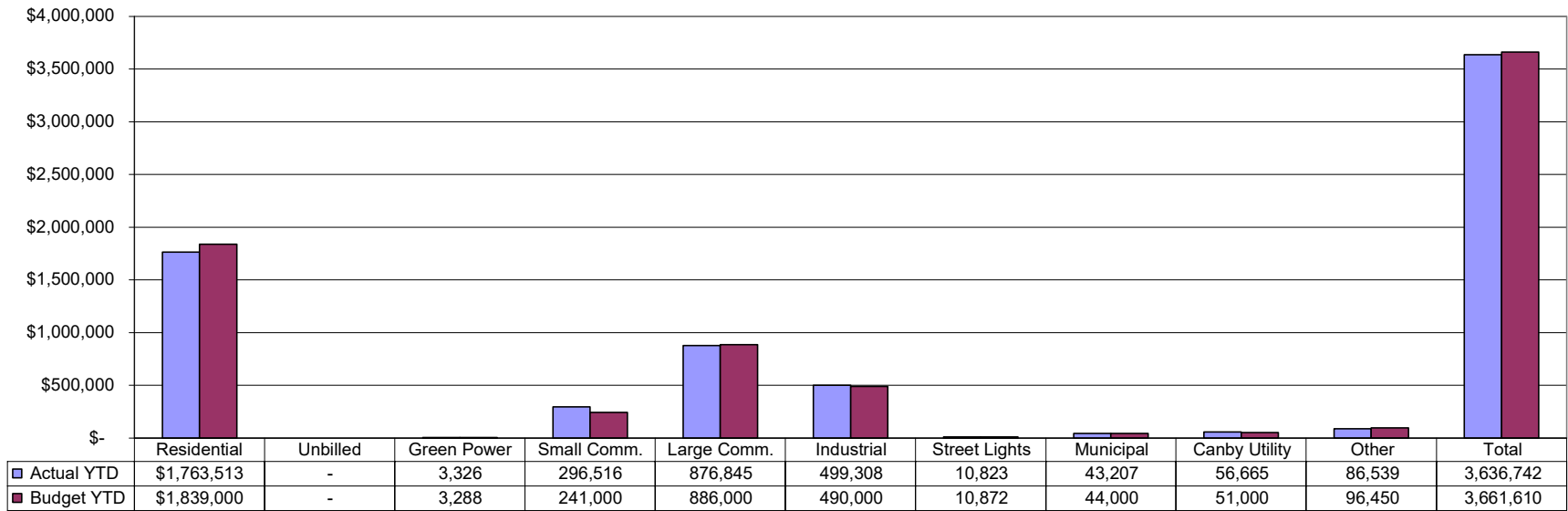
OVERVIEW - Electric Financials YTD September FY24														
Actual Results	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total	YTD Budget
Revenues:														
Electric Revenues	\$ 1,118,007	\$ 1,186,026	\$ 1,246,170										\$ 3,550,203	\$ 3,565,160
Other Revenues	40,103	33,944	12,491										86,539	96,450
Total Electric Revenue	1,158,110	1,219,970	1,258,661	-	-	-	-	-	-	-	-	-	3,636,742	3,661,610
Expenses:														
Depreciation	105,365	105,365	105,365										316,095	313,304
Franchise Taxes	56,044	59,446	62,454										177,944	178,258
Purchased Power	694,535	819,416	629,847										2,143,798	1,663,891
Customer Service	66,291	63,781	41,813										171,885	173,438
Operations	49,225	56,165	42,762										148,152	138,030
Distribution	78,726	73,646	70,302										222,674	337,855
Admin. & General	100,518	117,786	122,083										340,387	408,128
Total Electric Expense	1,150,704	1,295,605	1,074,626	-	-	-	-	-	-	-	-	-	3,520,935	3,212,904
Operating Income	7,406	(75,635)	184,035	-	-	-	-	-	-	-	-	-	115,807	448,706
Non-Operating Revenue (Expenses)														
Interest Income	38,243	43,004	44,710										125,957	107,211
Interest Expense	(1,210)	(1,538)	(1,268)										(4,016)	(327)
Other Revenue (Expense) Net	151,771	146,710	139,096										437,577	442,203
Non-Operating Revenue (Expenses)	188,804	188,176	182,538	-	-	-	-	-	-	-	-	-	559,518	549,087
Change in Net Position Before Capital Contributions	196,210	112,541	366,573	-	-	-	-	-	-	-	-	-	675,325	997,793
Capital Contributions:														
Hook-up Fees	6,003	11,200	1,600										18,803	59,571
Contributed by Others	8,365	-	-										8,365	-
Line Extension Fees	-	-	-										0	232,551
Total Capital Contributions	14,368	11,200	1,600	-	-	-	-	-	-	-	-	-	27,168	292,122
Change in Net Assets:														
Actual	\$ 210,578	\$ 123,741	\$ 368,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,493	
Budget	\$ 386,670	\$ 431,887	\$ 471,358	\$ (114,250)	\$ (22,877)	\$ 112,087	\$ 162,956	\$ 130,319	\$ 275,776	\$ 72,329	\$ 55,812	\$ (65,327)	\$ 1,896,739	\$ 1,289,915
Energy Statistics:														
kWh Sold	14,753,924	16,563,839	17,516,029										48,833,792	
kWh Purchased - BPA	17,428,881	18,214,672	14,670,285										50,313,838	
Cost per MWh - BPA	\$ 39.85	\$ 44.99	\$ 42.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42.61	

Total Electric Revenue

September FY24

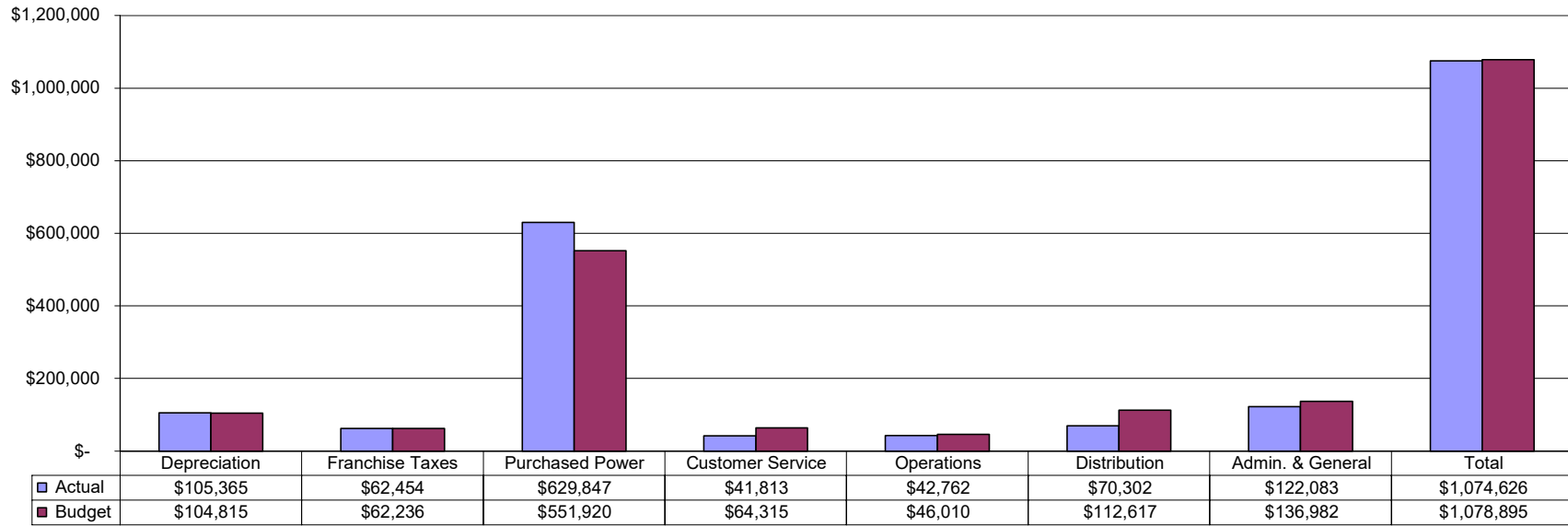


Year-to-Date, September FY24

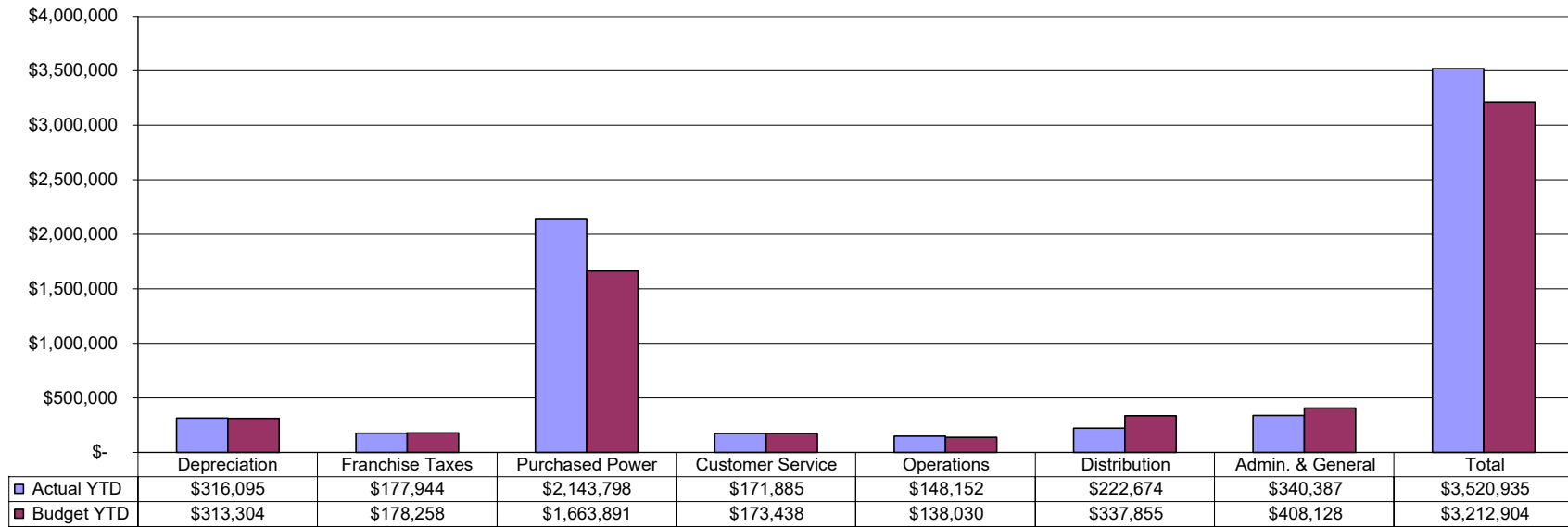


Total Electric Expenses

September FY24

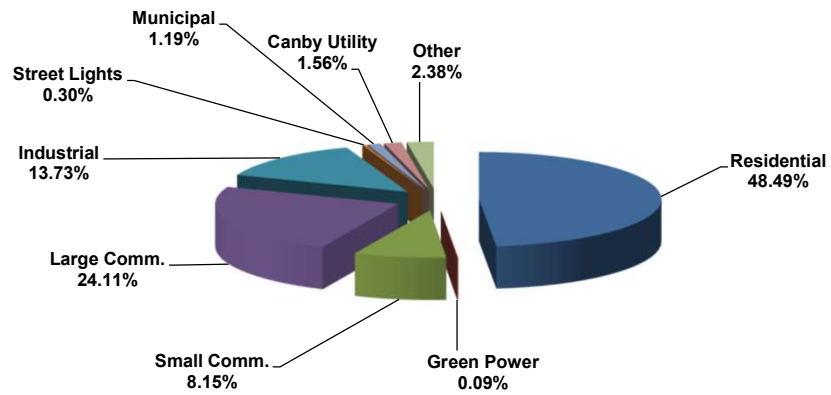


Year-to-Date, September FY24

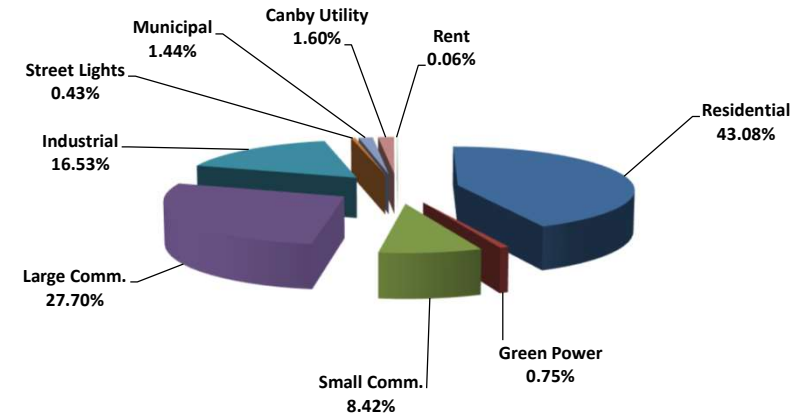


Electric Revenues, Kwh and Expenses YTD

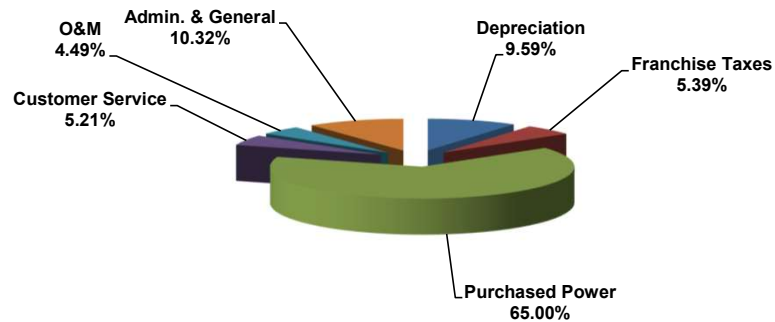
**Electric Revenues YTD, September FY24
As A Percentage Of Total Electric Energy Sales**



**Electric Kwh YTD, September FY24
As A Percentage Of Total Kwh Sold**



**Electric Expenses YTD, September FY24
As A Percentage Of Total Electric Expenses**



Statement of Operations and Changes in Net Assets - Electric

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Last Year September	Variance Dollar	Variance Percent	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<u>Operating Revenues</u>								
Residential Sales	625,609.51	628,401.33	(2,791.82)	-0.44%	1,763,512.60	1,785,866.11	(22,353.51)	-1.25%
Green Power Sales	1,109.52	1,110.44	(0.92)	-0.08%	3,325.80	3,383.76	(57.96)	-1.71%
Small Commercial	101,592.06	80,361.79	21,230.27	26.42%	296,516.37	233,205.93	63,310.44	27.15%
Large Commercial	309,208.37	302,889.82	6,318.55	2.09%	876,845.19	859,275.97	17,569.22	2.04%
Industrial	170,407.87	159,318.59	11,089.28	6.96%	499,307.74	476,532.44	22,775.30	4.78%
City Street Lighting	3,600.25	3,668.08	(67.83)	-1.85%	10,822.76	11,025.45	(202.69)	-1.84%
Municipal	15,022.54	15,043.03	(20.49)	-0.14%	43,207.26	43,611.71	(404.45)	-0.93%
Canby Utility	19,619.46	19,078.65	540.81	2.83%	56,665.09	50,802.37	5,862.72	11.54%
Total Electric Energy Sales	1,246,169.58	1,209,871.73	36,297.85	3.00%	3,550,202.81	3,463,703.74	86,499.07	2.50%
NSF Check Fees	66.00	66.00	0.00	0.00%	429.00	297.00	132.00	44.44%
Reconnect Fees	1,250.00	1,050.00	200.00	19.05%	3,325.00	3,280.00	45.00	1.37%
Account Set-up Fee	2,750.00	3,200.00	(450.00)	-14.06%	7,175.00	8,850.00	(1,675.00)	-18.93%
Failed Payment Arrangement Fee	0.00	25.00	(25.00)	-100.00%	100.00	150.00	(50.00)	-33.33%
Disconnect Notice	6,225.00	5,425.00	800.00	14.75%	16,075.00	15,250.00	825.00	5.41%
Other Electric Revenues	2,200.37	39,111.57	(36,911.20)	-94.37%	59,434.91	99,157.94	(39,723.03)	-40.06%
Total Other Electric Energy Revenues	12,491.37	48,877.57	(36,386.20)	-74.44%	86,538.91	126,984.94	(40,446.03)	-31.85%
Total Operating Revenues	1,258,660.95	1,258,749.30	(88.35)	-0.01%	3,636,741.72	3,590,688.68	46,053.04	1.28%
<u>Operating Expenses</u>								
Board Of Directors	282.42	958.71	(676.29)	-70.54%	2,473.53	2,805.03	(331.50)	-11.82%
Executive	19,648.45	19,524.82	123.63	0.63%	65,842.66	63,203.82	2,638.84	4.18%
Administrative	22,259.13	18,795.98	3,463.15	18.42%	69,045.08	68,573.51	471.57	0.69%
Customer Service	41,812.99	67,134.47	(25,321.48)	-37.72%	171,885.01	160,735.49	11,149.52	6.94%
Finance	872,929.32	872,532.69	396.63	0.05%	2,827,269.34	2,682,695.88	144,573.46	5.39%
Operations	42,762.42	38,614.28	4,148.14	10.74%	148,152.64	115,076.56	33,076.08	28.74%
Distribution	70,301.94	80,397.98	(10,096.04)	-12.56%	222,674.17	216,178.70	6,495.47	3.00%
Risk Management	4,629.05	4,184.27	444.78	10.63%	13,592.30	12,499.09	1,093.21	8.75%
Total Operating Expenses	1,074,625.72	1,102,143.20	(27,517.48)	-2.50%	3,520,934.73	3,321,768.08	199,166.65	6.00%
Operating Income/(Loss)	184,035.23	156,606.10	27,429.13	17.51%	115,806.99	268,920.60	(153,113.61)	-56.94%
Operating Margin	14.62%	12.44%			3.18%	7.49%		

Statement of Operations and Changes in Net Assets - Electric

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Last Year September	Variance Dollar	Variance Percent	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<u>Non-Operating Revenues & Expenses</u>								
Rental Lights	2,904.48	2,835.18	69.30	2.44%	8,678.79	8,505.86	172.93	2.03%
St. Light Maint. Sales	1,406.46	704.67	701.79	99.59%	6,595.24	5,523.61	1,071.63	19.40%
Material Sales	0.00	0.00	0.00	na	84.88	0.00	84.88	na
Billed For Dig In's	0.00	2,945.59	(2,945.59)	-100.00%	0.00	2,945.59	(2,945.59)	-100.00%
Public St. Lights Sold	0.00	31,573.46	(31,573.46)	-100.00%	0.00	31,573.46	(31,573.46)	-100.00%
Misc. Other Sales & Income	138,271.24	13,297.36	124,973.88	939.84%	434,483.32	23,915.29	410,568.03	1,716.76%
St. Light Maint. Costs	(1,406.46)	(34,524.31)	33,117.85	-95.93%	(6,595.24)	(39,343.25)	32,748.01	-83.24%
Misc. Other Costs & Expenses	(0.18)	0.00	(0.18)	na	(0.18)	(438.40)	438.22	-99.96%
Temporary Service	(2,079.65)	5,145.63	(7,225.28)	-140.42%	(5,669.45)	4,860.69	(10,530.14)	-216.64%
Interest Income	44,709.79	12,581.64	32,128.15	255.36%	125,956.58	31,971.07	93,985.51	293.97%
Other Interest Expense	(1,268.01)	(418.33)	(849.68)	203.11%	(4,016.45)	(974.74)	(3,041.71)	312.05%
Total Non-Operating Revenues & Expenses	182,537.67	34,140.89	148,396.78	434.66%	559,517.49	68,539.18	490,978.31	716.35%
Net Income/(Loss) before Capital Contributions	366,572.90	190,746.99	175,825.91	92.18%	675,324.48	337,459.78	337,864.70	100.12%
<u>Capital Contributions</u>								
Electric Hook-up Fees	1,600.00	85,136.19	(83,536.19)	-98.12%	18,803.04	127,200.17	(108,397.13)	-85.22%
Contributed by Others	0.00	56,400.00	(56,400.00)	-100.00%	8,365.00	56,400.00	(48,035.00)	-85.17%
Line Extension Fees	0.00	242,301.48	(242,301.48)	-100.00%	0.00	269,276.46	(269,276.46)	-100.00%
Total Capital Contributions	1,600.00	383,837.67	(382,237.67)	-99.58%	27,168.04	452,876.63	(425,708.59)	-94.00%
Change in Net Assets	368,172.90	574,584.66	(206,411.76)	-35.92%	702,492.52	790,336.41	(87,843.89)	-11.11%

Statement of Operations and Changes in Net Assets - Budget - Electric

September 30, 2023

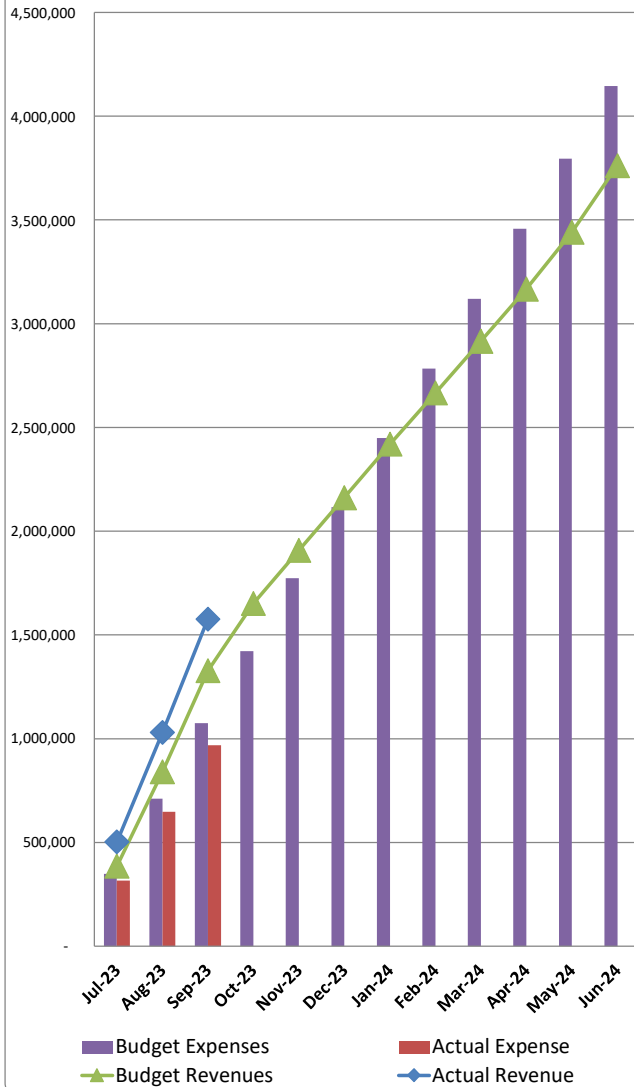
	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<u>Operating Revenues</u>								
Residential Sales	625,609.51	647,000.00	(21,390.49)	-3.31%	1,763,512.60	1,839,000.00	(75,487.40)	-4.10%
Green Power Sales	1,109.52	1,096.00	13.52	1.23%	3,325.80	3,288.00	37.80	1.15%
Small Commercial	101,592.06	83,000.00	18,592.06	22.40%	296,516.37	241,000.00	55,516.37	23.04%
Large Commercial	309,208.37	312,000.00	(2,791.63)	-0.89%	876,845.19	886,000.00	(9,154.81)	-1.03%
Industrial	170,407.87	164,000.00	6,407.87	3.91%	499,307.74	490,000.00	9,307.74	1.90%
City Street Lighting	3,600.25	3,624.00	(23.75)	-0.66%	10,822.76	10,872.00	(49.24)	-0.45%
Municipal	15,022.54	15,000.00	22.54	0.15%	43,207.26	44,000.00	(792.74)	-1.80%
Canby Utility	19,619.46	19,000.00	619.46	3.26%	56,665.09	51,000.00	5,665.09	11.11%
Total Electric Energy Sales	1,246,169.58	1,244,720.00	1,449.58	0.12%	3,550,202.81	3,565,160.00	(14,957.19)	-0.42%
NSF Check Fees	66.00	100.00	(34.00)	-34.00%	429.00	300.00	129.00	43.00%
Reconnect Fees	1,250.00	1,060.00	190.00	17.92%	3,325.00	3,180.00	145.00	4.56%
Account Set-up Fee	2,750.00	2,540.00	210.00	8.27%	7,175.00	7,620.00	(445.00)	-5.84%
Failed Payment Arrangement Fee	0.00	50.00	(50.00)	-100.00%	100.00	150.00	(50.00)	-33.33%
Disconnect Notice	6,225.00	5,600.00	625.00	11.16%	16,075.00	16,800.00	(725.00)	-4.32%
Other Electric Revenues	2,200.37	22,800.00	(20,599.63)	-90.35%	59,434.91	68,400.00	(8,965.09)	-13.11%
Total Other Electric Energy Revenues	12,491.37	32,150.00	(19,658.63)	-61.15%	86,538.91	96,450.00	(9,911.09)	-10.28%
Total Operating Revenues	1,258,660.95	1,276,870.00	(18,209.05)	-1.43%	3,636,741.72	3,661,610.00	(24,868.28)	-0.68%
<u>Operating Expenses</u>								
Board Of Directors	282.42	825.00	(542.58)	-65.77%	2,473.53	2,587.00	(113.47)	-4.39%
Executive	19,648.45	19,827.00	(178.55)	-0.90%	65,842.66	70,623.00	(4,780.34)	-6.77%
Administrative	22,259.13	32,317.00	(10,057.87)	-31.12%	69,045.08	107,574.00	(38,528.92)	-35.82%
Customer Service	41,812.99	64,315.00	(22,502.01)	-34.99%	171,885.01	173,438.00	(1,552.99)	-0.90%
Finance	872,929.32	798,131.00	74,798.32	9.37%	2,827,269.34	2,368,238.00	459,031.34	19.38%
Operations	42,762.42	46,010.00	(3,247.58)	-7.06%	148,152.64	138,030.00	10,122.64	7.33%
Distribution	70,301.94	112,617.00	(42,315.06)	-37.57%	222,674.17	337,855.00	(115,180.83)	-34.09%
Risk Management	4,629.05	4,853.00	(223.95)	-4.61%	13,592.30	14,559.00	(966.70)	-6.64%
Total Operating Expenses	1,074,625.72	1,078,895.00	(4,269.28)	-0.40%	3,520,934.73	3,212,904.00	308,030.73	9.59%
Operating Income/(Loss)	184,035.23	197,975.00	(13,939.77)	-7.04%	115,806.99	448,706.00	(332,899.01)	-74.19%
Operating Margin	14.62%	15.50%			3.18%	12.25%		

Statement of Operations and Changes in Net Assets - Budget - Electric

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<u>Non-Operating Revenues & Expenses</u>								
Rental Lights	2,904.48	2,842.00	62.48	2.20%	8,678.79	8,526.00	152.79	1.79%
St. Light Maint. Sales	1,406.46	2,000.00	(593.54)	-29.68%	6,595.24	6,000.00	595.24	9.92%
Material Sales	0.00	0.00	0.00	na	84.88	0.00	84.88	na
Billed For Dig In's	0.00	412.00	(412.00)	-100.00%	0.00	1,236.00	(1,236.00)	-100.00%
Public St. Lights Sold	0.00	2,664.00	(2,664.00)	-100.00%	0.00	7,992.00	(7,992.00)	-100.00%
Misc. Other Sales & Income	138,271.24	134,766.00	3,505.24	2.60%	434,483.32	430,491.00	3,992.32	0.93%
St. Light Maint. Costs	(1,406.46)	(4,664.00)	3,257.54	-69.84%	(6,595.24)	(13,992.00)	7,396.76	-52.86%
Misc. Other Costs & Expenses	(0.18)	0.00	(0.18)	na	(0.18)	0.00	(0.18)	na
Temporary Service	(2,079.65)	650.00	(2,729.65)	-419.95%	(5,669.45)	1,950.00	(7,619.45)	-390.74%
Interest Income	44,709.79	37,448.00	7,261.79	19.39%	125,956.58	107,211.00	18,745.58	17.48%
Other Interest Expense	(1,268.01)	(109.00)	(1,159.01)	1,063.31%	(4,016.45)	(327.00)	(3,689.45)	1,128.27%
Total Non-Operating Revenues & Expenses	182,537.67	176,009.00	6,528.67	3.71%	559,517.49	549,087.00	10,430.49	1.90%
Net Income/(Loss) before Capital Contributions	366,572.90	373,984.00	(7,411.10)	-1.98%	675,324.48	997,793.00	(322,468.52)	-32.32%
<u>Capital Contributions</u>								
Electric Hook-up Fees	1,600.00	19,857.00	(18,257.00)	-91.94%	18,803.04	59,571.00	(40,767.96)	-68.44%
Contributed by Others	0.00	0.00	0.00	na	8,365.00	0.00	8,365.00	na
Line Extension Fees	0.00	77,517.00	(77,517.00)	-100.00%	0.00	232,551.00	(232,551.00)	-100.00%
Total Capital Contributions	1,600.00	97,374.00	(95,774.00)	-98.36%	27,168.04	292,122.00	(264,953.96)	-90.70%
Change in Net Assets	368,172.90	471,358.00	(103,185.10)	-21.89%	702,492.52	1,289,915.00	(587,422.48)	-45.54%

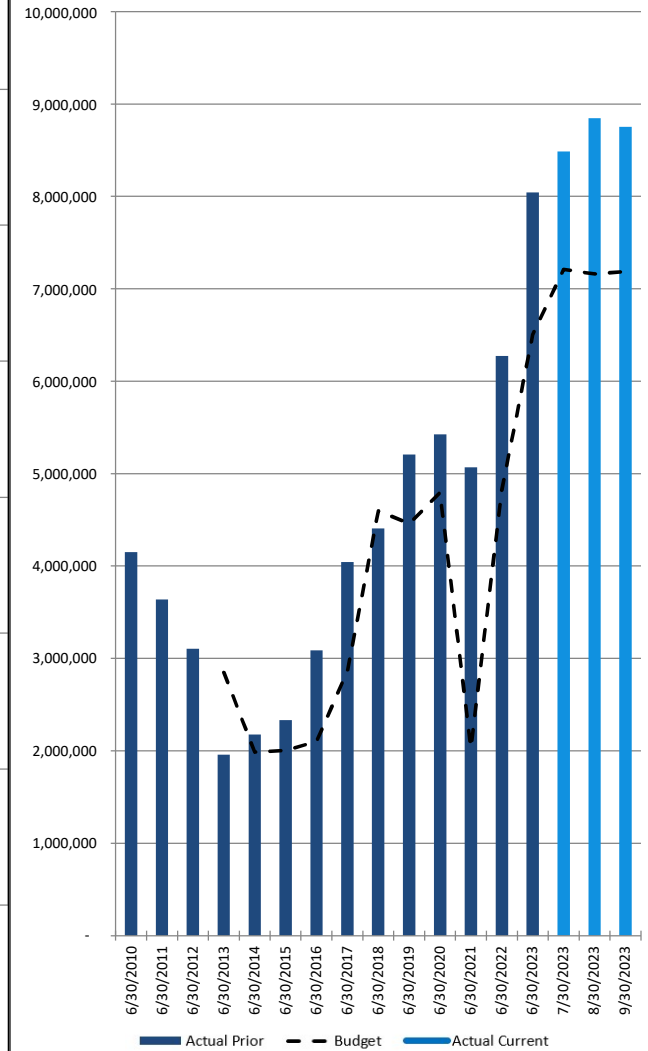
Overview - Water FY24 Cumulative YTD, by Month, Revenue & Expenses



Water Financials, YTD By Month FY24



Water Cash Balances & Cash Reserve Target



Water Financial HIGHLIGHTS
Month of September

Financial highlights for the month of September include:

1. Total operating revenue for the month is \$59,020 over budget mainly due to higher residential sales.
2. Total operating revenue fiscal YTD is \$249,076 over budget mainly due to higher residential sales.
3. Interest income for the month is \$10,160 over budget due to higher balance and interest yield than budgeted. Interest rate for the month is 4.63%.

The amount of water funds in cash and investments is \$8,751,912.

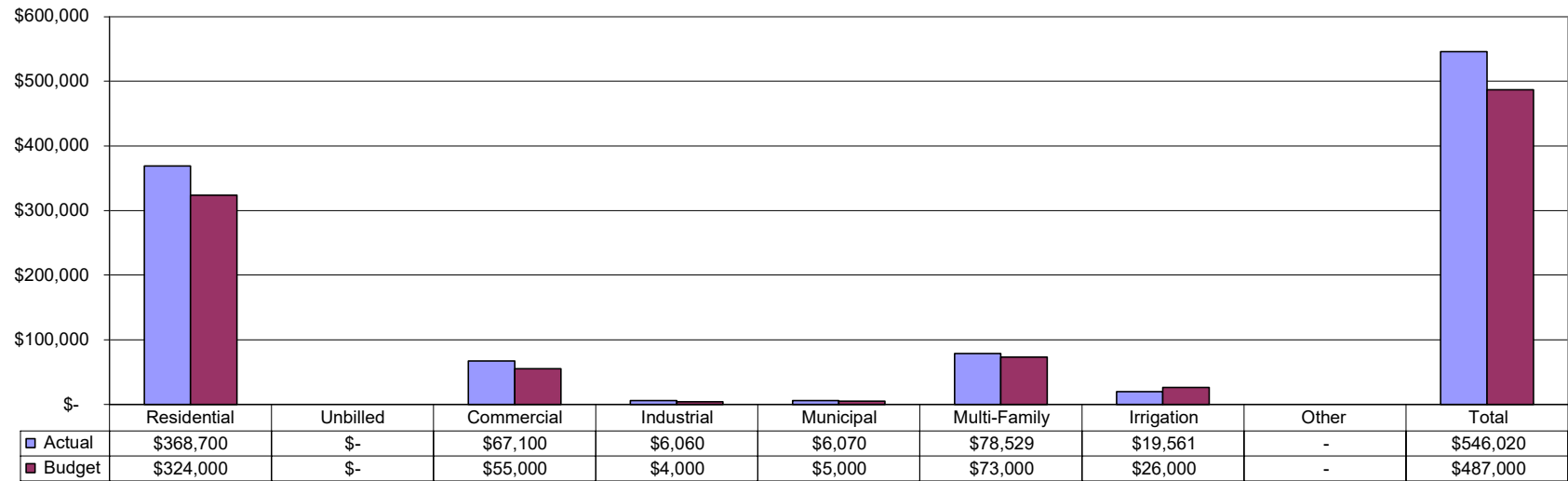
The September 2023 month-end cash reserves are budgeted to be \$7,188,618.

4. Interest Expense - On budget.
5. Capital Contributions - Under budget \$149,968 due to lower infrastructure contributed by others and lower SDC fees.
6. Board of Directors - Under budget \$175 due to lower training & transportation expenses.
7. Executive - Under budget \$364 mainly due to lower legal expense.
8. Administrative - Under budget \$4,140 mainly due to one open position and lower labor negotiation costs.
9. Customer Service - Under budget \$1,762 mainly due to lower postage costs.
10. Finance - Under budget \$2,728 due to timing of rate study costs.
11. Operations - Under budget \$1,424 mainly due to lower payroll expense.
12. Distribution - Under budget \$22,972 mainly due to lower payroll expenses due to two open positions.
13. Water Treatment Plant - Under budget \$8,975 due to timing of algae testing and grant sampling costs.
14. Risk Management - Over budget \$263 due to higher insurance premiums than budgeted.

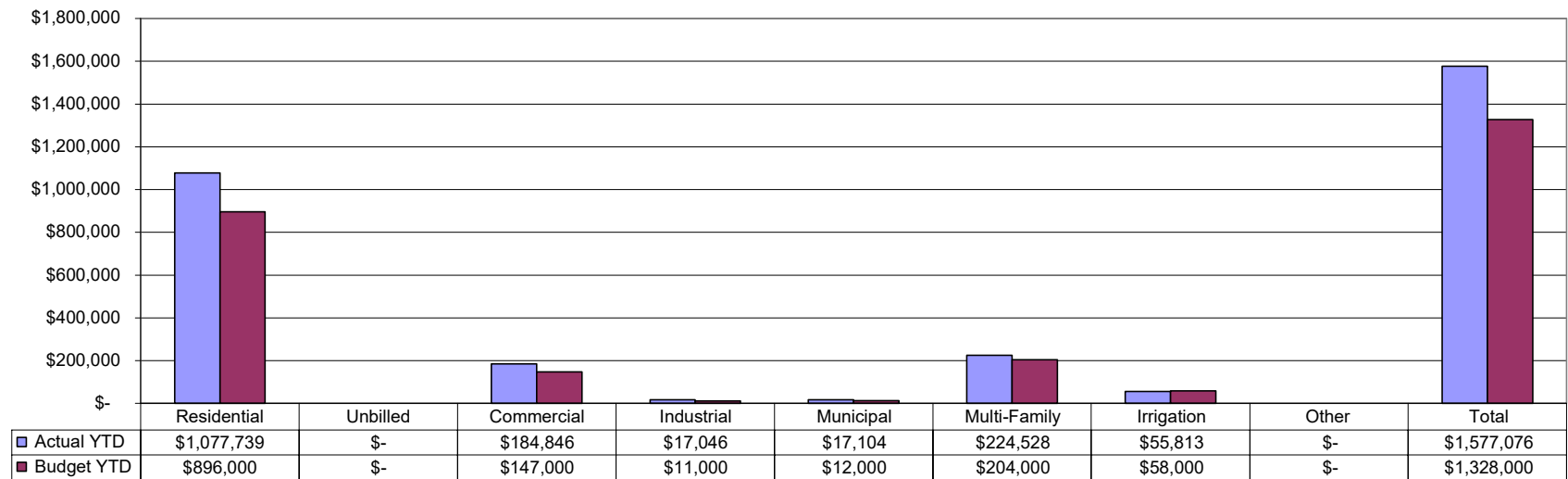
OVERVIEW - Water Financials YTD September FY24															
Actual Results	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total	YTD Budget	
Revenues:															
Water Revenues	\$ 504,041	\$ 527,014	\$ 546,020										\$ 1,577,076	\$ 1,328,000	
Other Revenues	-	-	-										-	-	
Total Water Revenue	504,041	527,014	546,020	-	-	-	-	-	-	-	-	-	1,577,076	1,328,000	
Expenses:															
Depreciation	71,608	71,608	71,608										214,824	219,559	
Franchise Taxes	25,248	26,305	27,301										78,854	66,400	
Customer Service	12,215	13,034	13,029										38,278	39,931	
Operations	16,472	18,612	14,148										49,232	46,716	
Distribution	34,595	44,836	37,052										116,483	180,072	
Water Treatment Plant	118,691	114,466	110,341										343,498	361,998	
Admin. & General	38,230	42,327	47,647										128,204	160,101	
Total Water Expense	317,059	331,188	321,126	-	-	-	-	-	-	-	-	-	969,374	1,074,777	
Operating Income	186,982	195,826	224,894	-	-	-	-	-	-	-	-	-	607,702	253,223	
Non-Operating Revenue (Expenses)															
Interest Income	26,870	30,245	31,445										88,560	62,877	
Interest Expense	(2,543)	(2,543)	(2,544)										(7,630)	(7,630)	
Other Revenue (Expense) Net	149	3,195	6,920										10,264	1,071	
Non-Operating Revenue (Expenses)	24,476	30,897	35,821	-	-	-	-	-	-	-	-	-	91,194	56,318	
Change in Net Position Before Capital Contributions	211,458	226,723	260,715	-	-	-	-	-	-	-	-	-	698,896	309,541	
Capital Contributions:															
Hook-up Fees	880	3,080	440										4,400		14,535
Contributed by Others	-	-	-										0		225,324
SDC Fees	9,270	32,445	4,635										46,350		225,270
Total Capital Contributions	10,150	35,525	5,075	-	-	-	-	-	-	-	-	-	50,750	465,129	
Change in Net Assets:														\$ 774,670	
Actual	\$ 221,608	\$ 262,248	\$ 265,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,646		
Budget	\$ 211,909	\$ 265,022	\$ 297,739	\$ 150,571	\$ 77,301	\$ 81,113	\$ 97,193	\$ 81,018	\$ 80,618	\$ 82,648	\$ 103,092	\$ 136,023			
Water Usage:															
Cubic Feet Sold	14,354,140	15,126,522	15,831,767	-	-	-	-	-	-	-	-	-	45,312,429		

Total Water Revenues

September FY24

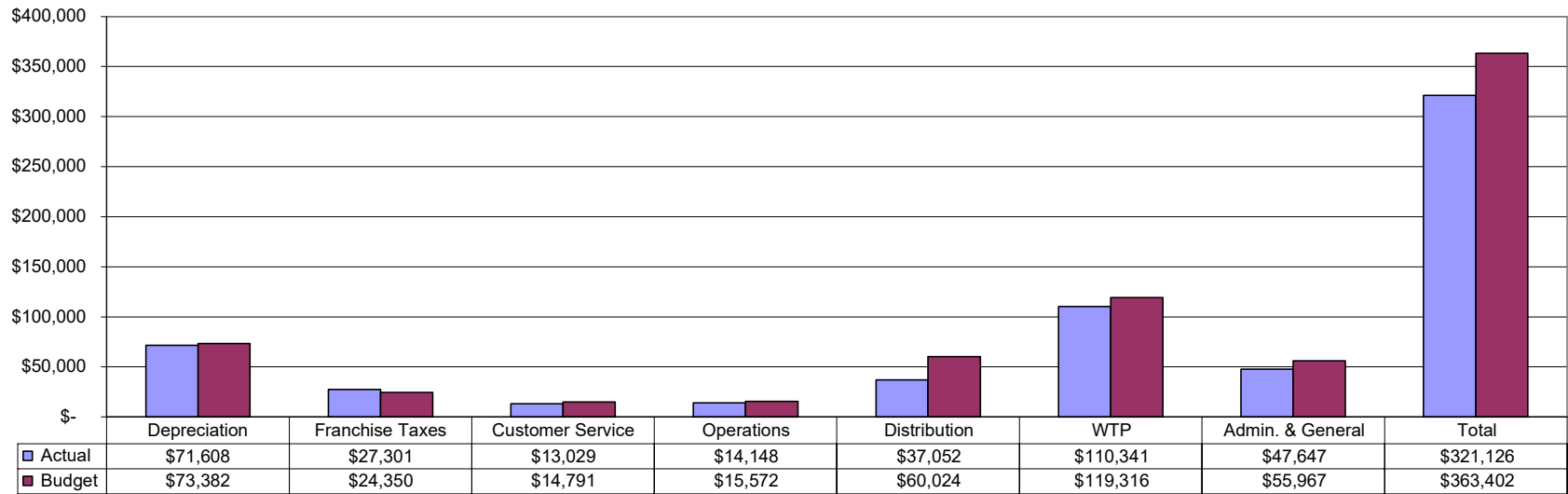


Year-To-Date, September FY24

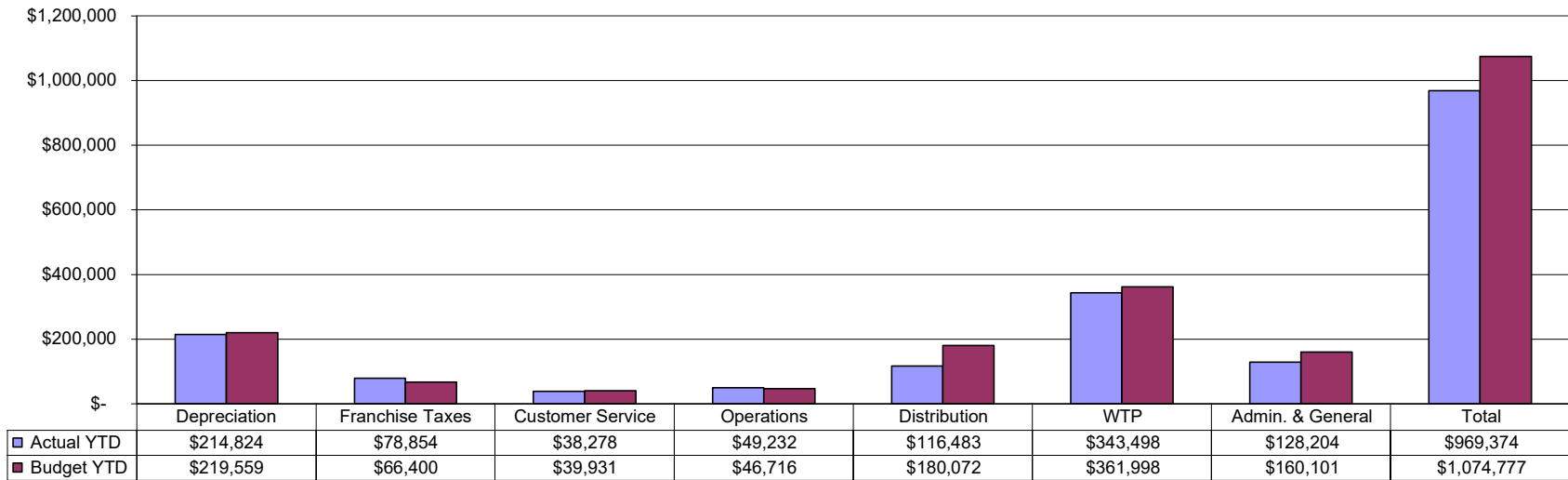


Total Water Expenses

September FY24

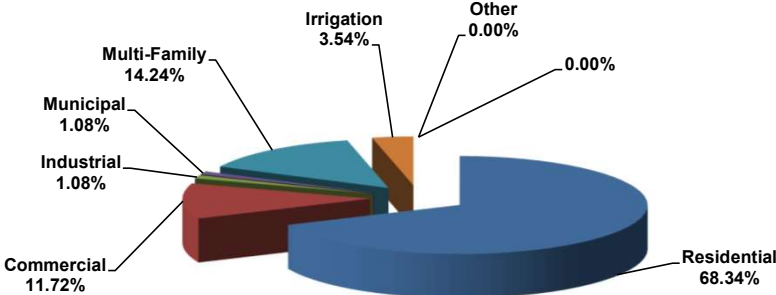


Year-To-Date, September FY24

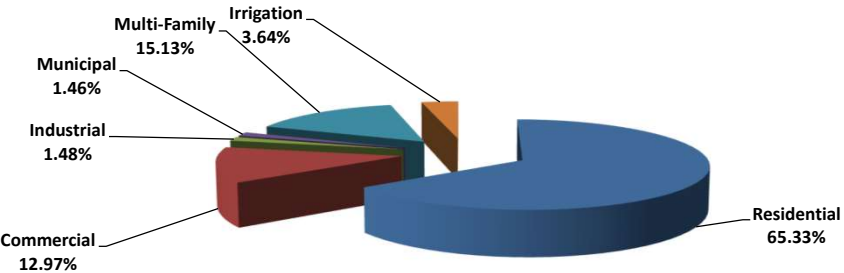


Water Revenues, Cubic Feet and Expenses YTD

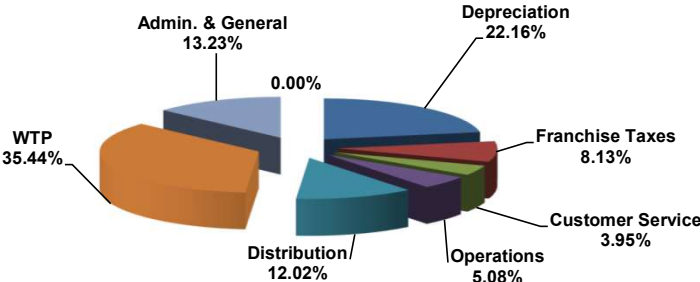
Water Revenues YTD, September FY24
As A Percentage Of Total Water Usage Sales



Water Cubic Feet YTD, September FY24
As A Percentage Of Total Cubic Feet Sold



Water Expenses YTD, September FY24
As A Percentage Of Total Water Expenses



Statement of Operations and Changes in Net Assets - Water

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Last Year September	Variance Dollar	Variance Percent	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<u>Operating Revenues</u>								
Residential	368,699.99	386,638.21	(17,938.22)	-4.64%	1,077,738.72	1,015,593.64	62,145.08	6.12%
Commercial	67,100.17	66,305.86	794.31	1.20%	184,845.62	171,260.57	13,585.05	7.93%
Industrial	6,059.65	4,795.48	1,264.17	26.36%	17,046.48	12,982.68	4,063.80	31.30%
Municipal	6,069.90	6,026.07	43.83	0.73%	17,103.66	16,001.32	1,102.34	6.89%
Multi-Family	78,529.42	80,903.72	(2,374.30)	-2.93%	224,527.76	218,959.94	5,567.82	2.54%
Irrigation/Hydrant	19,561.31	26,948.86	(7,387.55)	-27.41%	55,813.54	63,524.84	(7,711.30)	-12.14%
Total Water Usage Sales	546,020.44	571,618.20	(25,597.76)	-4.48%	1,577,075.78	1,498,322.99	78,752.79	5.26%
Total Other Water Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Operating Revenues	546,020.44	571,618.20	(25,597.76)	-4.48%	1,577,075.78	1,498,322.99	78,752.79	5.26%
<u>Operating Expenses</u>								
Board Of Directors	94.14	319.57	(225.43)	-70.54%	462.41	911.44	(449.03)	-49.27%
Executive	6,550.05	6,507.75	42.30	0.65%	18,283.96	17,462.49	821.47	4.70%
Administrative	13,520.22	12,637.44	882.78	6.99%	41,590.05	41,852.70	(262.65)	-0.63%
Customer Service	13,029.37	13,599.40	(570.03)	-4.19%	38,278.12	37,365.51	912.61	2.44%
Finance	122,565.59	114,026.23	8,539.36	7.49%	350,211.84	325,188.97	25,022.87	7.69%
Operations	14,148.43	18,791.71	(4,643.28)	-24.71%	49,232.40	56,646.31	(7,413.91)	-13.09%
Distribution	37,051.83	33,494.11	3,557.72	10.62%	116,483.53	93,641.14	22,842.39	24.39%
Water Treatment Plant	110,341.36	100,081.56	10,259.80	10.25%	343,499.08	309,019.68	34,479.40	11.16%
Risk Management	3,825.25	3,561.83	263.42	7.40%	11,332.25	10,667.59	664.66	6.23%
Total Operating Expenses	321,126.24	303,019.60	18,106.64	5.98%	969,373.64	892,755.83	76,617.81	8.58%
Operating Income/(Loss)	224,894.20	268,598.60	(43,704.40)	-16.27%	607,702.14	605,567.16	2,134.98	0.35%
Operating Margin	41.19%	46.99%			38.53%	40.42%		
<u>Non-Operating Revenues & Expenses</u>								
Billed For Dig In's	0.00	596.32	(596.32)	-100.00%	0.00	596.32	(596.32)	-100.00%
Misc. Other Sales & Income	46.10	0.00	46.10	na	2,986.76	185.26	2,801.50	1,512.20%
Inspection Fees	6,873.00	2,553.00	4,320.00	169.21%	9,899.88	8,643.20	1,256.68	14.54%
Misc. Other Costs & Expenses	0.00	0.00	0.00	na	(2,439.12)	0.00	(2,439.12)	na
Inspection Fees Cost	0.00	(22,754.63)	22,754.63	-100.00%	(183.51)	(22,754.63)	22,571.12	-99.19%
Interest Income	31,445.01	9,565.36	21,879.65	228.74%	88,560.17	23,752.17	64,808.00	272.85%

Statement of Operations and Changes in Net Assets - Water

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Last Year September	Variance Dollar	Variance Percent	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
Interest Expense	(2,543.51)	(3,302.02)	758.51	-22.97%	(7,630.45)	(9,906.14)	2,275.69	-22.97%
Total Non-Operating Revenues & Expenses	35,820.60	(13,341.97)	49,162.57	-368.48%	91,193.73	516.18	90,677.55	17,567.04%
Net Income/(Loss) before Capital Contributions	260,714.80	255,256.63	5,458.17	2.14%	698,895.87	606,083.34	92,812.53	15.31%
<u>Capital Contributions</u>								
Water Hook-up Fees	440.00	10,875.00	(10,435.00)	-95.95%	4,400.00	20,250.00	(15,850.00)	-78.27%
Contributed by Others	0.00	430,122.00	(430,122.00)	-100.00%	0.00	466,460.72	(466,460.72)	-100.00%
SDC Fees	4,635.00	123,482.00	(118,847.00)	-96.25%	46,350.00	235,894.00	(189,544.00)	-80.35%
Total Capital Contributions	5,075.00	564,479.00	(559,404.00)	-99.10%	50,750.00	722,604.72	(671,854.72)	-92.98%
Change in Net Assets	265,789.80	819,735.63	(553,945.83)	-67.58%	749,645.87	1,328,688.06	(579,042.19)	-43.58%

Statement of Operations and Changes in Net Assets - Budget - Water

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<u>Operating Revenues</u>								
Residential	368,699.99	324,000.00	44,699.99	13.80%	1,077,738.72	896,000.00	181,738.72	20.28%
Commercial	67,100.17	55,000.00	12,100.17	22.00%	184,845.62	147,000.00	37,845.62	25.75%
Industrial	6,059.65	4,000.00	2,059.65	51.49%	17,046.48	11,000.00	6,046.48	54.97%
Municipal	6,069.90	5,000.00	1,069.90	21.40%	17,103.66	12,000.00	5,103.66	42.53%
Multi-Family	78,529.42	73,000.00	5,529.42	7.57%	224,527.76	204,000.00	20,527.76	10.06%
Irrigation/Hydrant	19,561.31	26,000.00	(6,438.69)	-24.76%	55,813.54	58,000.00	(2,186.46)	-3.77%
Total Water Usage Sales	546,020.44	487,000.00	59,020.44	12.12%	1,577,075.78	1,328,000.00	249,075.78	18.76%
Total Other Water Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Operating Revenues	546,020.44	487,000.00	59,020.44	12.12%	1,577,075.78	1,328,000.00	249,075.78	18.76%
<u>Operating Expenses</u>								
Board Of Directors	94.14	269.00	(174.86)	-65.00%	462.41	807.00	(344.59)	-42.70%
Executive	6,550.05	6,914.00	(363.95)	-5.26%	18,283.96	20,497.00	(2,213.04)	-10.80%
Administrative	13,520.22	17,660.00	(4,139.78)	-23.44%	41,590.05	56,990.00	(15,399.95)	-27.02%
Customer Service	13,029.37	14,791.00	(1,761.63)	-11.91%	38,278.12	39,931.00	(1,652.88)	-4.14%
Finance	122,565.59	125,294.00	(2,728.41)	-2.18%	350,211.84	357,080.00	(6,868.16)	-1.92%
Operations	14,148.43	15,572.00	(1,423.57)	-9.14%	49,232.40	46,716.00	2,516.40	5.39%
Distribution	37,051.83	60,024.00	(22,972.17)	-38.27%	116,483.53	180,072.00	(63,588.47)	-35.31%
Water Treatment Plant	110,341.36	119,316.00	(8,974.64)	-7.52%	343,499.08	361,998.00	(18,498.92)	-5.11%
Risk Management	3,825.25	3,562.00	263.25	7.39%	11,332.25	10,686.00	646.25	6.05%
Total Operating Expenses	321,126.24	363,402.00	(42,275.76)	-11.63%	969,373.64	1,074,777.00	(105,403.36)	-9.81%
Operating Income/(Loss)	224,894.20	123,598.00	101,296.20	81.96%	607,702.14	253,223.00	354,479.14	139.99%
Operating Margin	41.19%	25.38%			38.53%	19.07%		
<u>Non-Operating Revenues & Expenses</u>								
Billed For Dig In's	0.00	357.00	(357.00)	-100.00%	0.00	1,071.00	(1,071.00)	-100.00%
Misc. Other Sales & Income	46.10	0.00	46.10	na	2,986.76	0.00	2,986.76	na
Inspection Fees	6,873.00	5,020.00	1,853.00	36.91%	9,899.88	15,060.00	(5,160.12)	-34.26%
Misc. Other Costs & Expenses	0.00	0.00	0.00	na	(2,439.12)	0.00	(2,439.12)	na
Inspection Fees Cost	0.00	(5,020.00)	5,020.00	-100.00%	(183.51)	(15,060.00)	14,876.49	-98.78%
Interest Income	31,445.01	21,285.00	10,160.01	47.73%	88,560.17	62,877.00	25,683.17	40.85%

Statement of Operations and Changes in Net Assets - Budget - Water

September 30, 2023

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Interest Expense	(2,543.51)	(2,544.00)	0.49	-0.02%	(7,630.45)	(7,630.00)	(0.45)	0.01%
Total Non-Operating Revenues & Expenses	35,820.60	19,098.00	16,722.60	87.56%	91,193.73	56,318.00	34,875.73	61.93%
Net Income/(Loss) before Capital Contributions	260,714.80	142,696.00	118,018.80	82.71%	698,895.87	309,541.00	389,354.87	125.78%
<u>Capital Contributions</u>								
Water Hook-up Fees	440.00	4,845.00	(4,405.00)	-90.92%	4,400.00	14,535.00	(10,135.00)	-69.73%
Contributed by Others	0.00	75,108.00	(75,108.00)	-100.00%	0.00	225,324.00	(225,324.00)	-100.00%
SDC Fees	4,635.00	75,090.00	(70,455.00)	-93.83%	46,350.00	225,270.00	(178,920.00)	-79.42%
Total Capital Contributions	5,075.00	155,043.00	(149,968.00)	-96.73%	50,750.00	465,129.00	(414,379.00)	-89.09%
Change in Net Assets	265,789.80	297,739.00	(31,949.20)	-10.73%	749,645.87	774,670.00	(25,024.13)	-3.23%



MEMORANDUM

January 3, 2024

TO: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill

FROM: Cindy Dittmar, Customer Service Supervisor

SUBJECT: Share the Warmth Update

The table below is a yearly accounting of funds disbursed, customers assisted, intake fees paid, customer donations, and the number of customer donations for calendar year 2020 through 2023. Please note that the program is based upon a calendar year while funding is for Canby Utility's fiscal year, July 1 through June 30. The Canby Adult Center (CAC) receives \$5 for each intake and is paid on a quarterly basis.

Year	Disbursed to Customer Accounts	Number of Customers Assisted/ Intakes	Intake Fees Paid to CAC	Total of Customer Donations	Number of Customer Donations
2020	\$42,154	211	\$1,055	\$10,502	134
2021	\$47,400	237	\$425	\$11,606	145
2022	\$49,646	249	\$2005	\$12,671	110
2023	\$48,275	224	\$1120	\$8,997	110

Donations are down for FY2023 from previous years. The donations made were from customers, local organizations, businesses, and some from outside our service area. The Board's annual donation of \$40,000 truly ensures the success of this program and allows us to assist many customers.