

***CANBY UTILITY  
REGULAR BOARD MEETING  
MARCH 11, 2025  
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 and Executive Session Minutes of February 11, 2025 (pp. 1-5)
  - Approval of Payment of Water and Electric Bills
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS *Citizen's wanting to speak virtually, please email or call the Board Secretary-Clerk by 4:30 p.m. on March 11, 2025 with your name, the topic you would like to speak on, and contact information: [bbenson@canbyutility.org](mailto:bbenson@canbyutility.org) or 503-263-4312.*
- V. RECOMMENDATION Authorize General Manager to Enter into Agreement with Special Districts Association of Oregon for Consulting Services for General Manager Recruitment Facilitation – Barbara Benson, Human Resources/ Administration Manager (pp. 6-10)
- VI. BOARD REPORT
  - Chair Comments
  - Board Member Comments
- VII. STAFF REPORTS

Finance Manager:

  - Professional Computer System UpdatesHuman Resources/ Administration Manager
  - Canby Drinking Water Supply System Project Update
- VIII. ADJOURN

***CANBY UTILITY  
REGULAR BOARD MEETING MINUTES  
FEBRUARY 11, 2025***

**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; Cindy Dittmar, Customer Service Supervisor; and Jason Peterson, Operations Field Supervisor

**Others Present:** Daniel Stearns, City Council Liaison; Bob Wescott; Brian Hutchins, Veolia Water North America; Corianne Burnett, Carollo; Joe Brennan; Kenny Miller; and Patty Travis

Chair Thompson called the Regular Board Meeting to order at 7:01 p.m.

Chair Thompson presented the meeting agenda for consideration. She asked for any additions, deletions, or corrections to the meeting agenda, and there were none.

Chair Thompson presented the consent agenda for approval. Member Hill made the \*MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of January 14, 2025, and payment of the electric and water department bills in the amount of \$355,834.02. Member Horrax seconded, and the motion passed 5-0.

Chair Thompson asked for citizen input on non-agenda items. Daniel Stearns addressed the Board to ask about the property with the water reservoir, located at the intersection of NW 4<sup>th</sup> Avenue and N. Fir Street. He understands the reservoir has been empty for about 9 years. He feels that the lot is a nice piece of property that could be utilized for another purpose rather than an empty water reservoir and wanted to encourage the Board to do something with property. Chair Thompson invited Brian Hutchins, Veolia Water and water treatment plant manager, to share the history. Hutchins talked about the history of that reservoir and the reason that it has been out of service. A brief discussion ensued.

Finance Manager Mike Schelske presented a management recommends that the Board schedule a public rate hearing on April 8, 2025, to gather input on the proposed 14.24% increase in water rates, affecting both base and volume charges across all customer classifications. This proposed rate increase is based on the rate analysis study conducted by Donovan Enterprises, Inc. in the fall of 2023. The proposed water rate increase follows a similar adjustment made in May 2024.

Schelske explained that these adjustments are necessary to cover the projected costs of constructing a new water treatment facility and its supporting infrastructure. This new facility is

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crucial for providing additional capacity to support the city's anticipated growth. The increased revenue from the rate increase will help finance a portion of the project costs and the anticipated debt service. Schelske noted that the proposed rates are shown in Exhibit A in the Board's packet. Under these rates the average monthly bill for a residential service will increase by \$6.69.

During the discussion, Member Horrax asked whether the rate increase would apply uniformly across all customer classifications, and Schelske said yes. Schelske also stated that rate consultant recommended a series of five rate increases between 14.2% and 14.3%, with this being the second adjustment in the series of rate increases. He noted that CU currently has approximately \$4 to \$5 million available for the project, and the remaining planned rate adjustments are expected to generate an additional \$5 million. This will bring CU's total investment from its own funds to nearly \$10 million, with the rest of the project's funding coming from external financing. By the end of the series of rate increases, CU will have sufficient cash flow to cover ongoing debt service. Member Molamphy made the \*MOTION to that the proposed water rate hearing for rates effective May 1, 2025, be scheduled for April 8, 2025, with a rate increase of 14.24% on the base and volume charge for all customer classifications. Member Hill seconded, and the motion passed 5-0.

General Manager Carol Sullivan announced her intention to retire this year, giving the Board ample notice to develop a recruitment plan. While Sullivan has not yet set a specific retirement date, her early announcement allows time for planning the transition.

Chair Thompson asked Human Resources/Administration Manager Barbara Benson to provide background on past practices for General Manager succession. Benson outlined the succession processes for former General Managers Dirk Borges, Matt Michel, and Dan Murphy. Anticipating Sullivan's announcement, Benson had contacted another utility that recently used an Executive Search Firm for their General Manager replacement. She provided an overview of the firm's services, noting that their recruitment process typically takes four to six months, depending on the agency's needs. The firm's fee is generally one-third of the annual salary, with an option to negotiate a flat fee. Additional costs, such as candidate travel expenses, are separate. Based on the entry-level wage for CU's position, the one-third fee would amount to just over \$70,000.

As an alternative, Benson presented a more cost-effective option through the Special District Association of Oregon (SDAO). SDAO's consultant, Mark Knudson, provided Benson with information that described their management recruitment facilitation services, which are offered at a not-to-exceed cost of \$6,000.

Following the discussion, the Board requested that Benson schedule a special meeting and invite Knudson to provide more details on SDAO's recruitment facilitation process.

Customer Service Supervisor Cindy Dittmar updated the Board on CU's Share the Warmth program. In 2024, the program assisted 224 families, distributing \$50,625 in energy assistance.

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Contributions from 108 generous customers amounted to \$12,017. Additionally, CU paid the Canby Adult Center \$1,120 for managing customer intake services.

Finance Manager Mike Schelske presented the financial results of the fiscal year 2025 second quarter (Q2), ending December 31, 2024. Overall, the Electric and Water revenues were higher than budget and operating expenses remain lower than budget. Capital contributions for both funds were significantly lower than budget. Schelske highlighted the electric fund.

Schelske reviewed the key highlights for the electric operations. The operating revenue of \$7.70 million exceeded the budget by 4.5%. The purchased power of \$5.07 million was 13.6% higher than budget due to higher sales and an error in the Q1 purchased power budget calculation. The operating expenses of \$7.97 million were 5.1% lower than budget, mainly due to one open position, lower BPA energy incentive payments, and lower costs for supplies and contractors. The operating loss of \$266,000 was 24.0% higher than budget. The net income of \$449,000 was 53.9% lower than budget due to lower contributed capital.

Schelske reviewed the key highlights for the water operations. The operating revenue of \$2.88 million was 3.9% higher than budget. The operating expenses of \$1.97 million were 13.4% lower than budget, mainly due to open positions and lower costs for supplies and contractors. The operating income of \$907,000 was \$412,000 higher than budget. The net income of \$1.83 million was 6.9% lower than budget due to lower contributed capital. Schelske then reviewed revenue and expenditure charts.

General Manager Carol Sullivan provided updates on several key projects and initiatives. She reported that Kirk Olsen, the Trammel Crow representative for the Canby South project, facilitated a virtual meeting with BPA and Canby Utility to review the progress of the ongoing feasibility study. The PGE feasibility study timeline has been extended from February to March 14th, with BPA conducting regular check-ins to ensure progress remains on track. Trammel Crow is seeking an unconditional letter of commitment for power service to the site; however, Sullivan emphasized that such a letter cannot be issued until the feasibility study confirms Canby Utility's ability to meet the project's load requirements.

Sullivan also informed the group that she has signed the National Energy & Utility Affordability Coalition's annual letter to Congress, advocating for the protection and expansion of the Low-Income Home Energy Assistance Program (LIHEAP). She highlighted the importance of LIHEAP in providing critical support to Canby Utility's customers.

Additionally, Sullivan reported that the kickoff meeting with Stantec for the Canby Drinking Water Supply System project took place earlier today, marking an important step forward in the project's development. Discussion ensued regarding the two breakout sessions that were held.

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

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The regular meeting was recessed at 7:46 p.m.

The regular meeting was reconvened at 8:14 p.m.

Chair Thompson said that the Board will finalize the evaluation documents and Member Molamphy will present the evaluation to the employee.

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

The meeting adjourned at 8:15 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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John Molamphy, Member

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Jack Pendleton, Member

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Jake Hill, Member

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Barbara Benson, Board Secretary

***CANBY UTILITY  
EXECUTIVE SESSION MINUTES  
FEBRUARY 11, 2025***

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

The Executive Session was opened at 7:46 p.m. by Chair Thompson, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2)(i) for the purpose of discussing the performance of a public employee.

There being no further business, the Executive Session adjourned at 8:14 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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John Molamphy, Member

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Jack Pendleton, Member

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Jake Hill, Member

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Barbara Benson, Board Secretary



**MEMORANDUM**

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

**From:** Barbara Benson, Human Resources/Administration Manager

**Date:** March 6, 2025

**Subject:** General Manager Recruitment Facilitation Services

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**Recommended Motion:**

Motion to authorize General Manager to enter into Professional Services Agreement with Special Districts Association of Oregon for General Manager Recruitment Facilitation Services.

**Background:**

On March 3, 2025, the Board of Directors received a presentation from Mark Knudson of the Special Districts Association of Oregon (SDAO) regarding their General Manager recruitment facilitation services. Following the presentation, the Board reached a consensus to proceed with SDAO's services and directed staff to prepare a contract with a Not to Exceed amount of \$10,000 for these services.

Attached to this memorandum is SDAO's Scope of Work for Consulting Services, which will be incorporated into the Professional Services Agreement. Upon approval by the Board, the Professional Services Agreement will be executed by both parties, and SDAO's recruitment facilitation services will commence.

**– Exhibit A –  
Scope of Work for Consulting Services**

**Project Title:** Recruitment Facilitation for Canby Utility General Manager

**Date:** March 5, 2025

**Agency:** Canby Utility

**SDAO Representative:** Mark Knudson, Senior Consultant, [mknudson@sdao.com](mailto:mknudson@sdao.com)

**Contract Term:** Nine (9) months from date of CU’s authorization to SDAO

At the request of Canby Utility Board (the Board), the Special District Association of Oregon (SDAO) Consulting Services Program has prepared the following proposed scope of work for recruitment facilitation for the Canby Utility (CU) General Manager position.

Recruitment facilitation services provided by SDAO will including coordination with the CU Board and staff as needed to complete the tasks outlined below.

1. Define Expectations and Process. SDAO will attend an in-person meeting with the Board to define the recruitment process including Board discussion and consideration of:
  - 1.1. Board preferences for Board and/or Committee roles throughout process
  - 1.2. Needs and expectations for the position
  - 1.3. Minimum qualifications and standards for position
  - 1.4. Existing position description and desired updates
  - 1.5. Compensation including salary and benefits
  - 1.6. Recruitment procedure and timeline
  - 1.7. Preliminary position announcement
  - 1.8. Advertising and outreach plan
  - 1.9. Application requirements, application process, and application form
  - 1.10. Candidate travel expense reimbursement policy
  - 1.11. Evaluation criteria and points for candidate screening process
  - 1.12. Evaluation criteria and points for finalist interviews
  
2. Approve Recruitment Process. SDAO will prepare supporting documents and attend an in-person Board meeting to facilitate the Board’s consideration of the following:
  - 2.1. A public comment opportunity on the proposal to fill the position and proposed hiring procedure, standards, criteria, and policy directives (per ORS 192.660(7)(d)(D))
  - 2.2. Updated position description, including minimum qualifications and standards
  - 2.3. Recruitment procedure and timeline
  - 2.4. Position announcement, including compensation package
  - 2.5. Advertising and outreach plan



## Exhibit A / Page 2 of 4

Scope of Work for Consulting Services – Recruitment Facilitation for CU General Manager  
March 5, 2025

- 2.6. Application form
  - 2.7. Candidate travel expense reimbursement policy
  - 2.8. Evaluation criteria and points for screening and finalist interviews
  - 2.9. Appointment of Committee members, if applicable
3. Recruit for the Position. Services by SDAO will include:
    - 3.1. Post announcement on SDAO website, with links to supporting documents (i.e., position description, announcement, application form)
    - 3.2. Place a one-time advertisement in one publication as identified in the approved advertising plan, with an advertising expense of up to \$250 to be paid by SDAO
    - 3.3. Coordinate with CU staff to identify additional advertisements, publications, and social media sites applicable for this position; the cost of this additional advertising will be paid by CU
    - 3.4. Respond to questions from prospective candidates, as needed
    - 3.5. Receive candidates' applications at SDAO Tigard office
  4. Screen Candidates. Services by SDAO will include:
    - 4.1. Receive, compile, and log all applications
    - 4.2. Prior to the application deadline, review all applications to verify completeness; notify candidates with incomplete applications (only complete applications received by the application deadline will be considered beyond this step)
    - 4.3. Following the application deadline, screen applicants against Board-approved minimum qualifications
    - 4.4. Notify applicants who did not meet minimum qualifications
    - 4.5. Apply Veteran Preference Points, as applicable
    - 4.6. Facilitate application screening, including:
      - 4.6.1. Distribute applications from candidates who meet minimum qualifications to the Committee or Board, as applicable
      - 4.6.2. Committee or Board to score applications based on board-approved screening criteria and submit scores to SDAO; SDAO to compile scores
      - 4.6.3. Conduct a virtual meeting with the Committee or Board to identify if screening interviews are needed and a list of candidates for screening interviews
    - 4.7. Facilitate screening interviews, as needed, including:
      - 4.7.1. Coordinate with Committee or Board members and screening candidates to establish screening interview schedule
      - 4.7.2. Coordinate with Committee or Board members to identify draft and final screening interview questions
      - 4.7.3. Conduct screening interviews; all screening interviews will be conducted virtually via Teams
      - 4.7.4. Committee or Board to score screening interviews based on board-approved criteria and submit scores to SDAO; SDAO to compile scores
      - 4.7.5. Conduct a virtual meeting of the Committee or Board to identify a list of candidates to be invited to finalist interviews
    - 4.8. Notify applicants who were not selected for finalist interviews

## Exhibit A / Page 3 of 4

Scope of Work for Consulting Services – Recruitment Facilitation for CU General Manager  
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5. Conduct Finalist Interviews. It is assumed all current Board members will participate in the finalist interviews. SDAO will facilitate finalist interviews, including:
  - 5.1. Coordinate with Board members and finalist candidates to establish interview schedule
  - 5.2. Coordinate with Board members to identify finalist interview questions and candidate presentation expectations, if requested
  - 5.3. Conduct finalist interviews; all finalist interviews will be conducted in person at the CU office
  - 5.4. Board members will score the finalist candidate interviews based on board-approved criteria and submit scores to SDAO; SDAO to compile scores
  - 5.5. Board members will meet to consider compiled scores, identify next steps and/or identify a recommended candidate to move forward in the hiring process
  - 5.6. SDAO will notify applicants who were not selected
6. Select Candidate and Complete Hiring Process.
  - 6.1. Following identification of a selected candidate, if requested by the Board Chair, SDAO will contact candidate-furnished personal references; SDAO will compile and provide the Board Chair with a summary of the feedback provided by the references
  - 6.2. If requested by the Board Chair, SDAO will prepare a draft contingent offer letter from the Board Chair to the selected candidate; this draft letter will be submitted to the Board Chair for further action including but not limited to CU legal review and approval, and subsequent delivery to the selected candidate
  - 6.3. Following CU's issuance of a contingent offer letter, CU will be responsible for all subsequent communications and coordination with the selected candidate including but not limited to conducting a background check, as desired, and negotiation of applicable employment terms and an employment agreement
  - 6.4. SDAO will be available to respond to questions, as needed
7. On-Board Selected Candidate. CU will coordinate with the selected candidate to establish and implement the schedule and process for on boarding the new General Manager.
  - 7.1. SDAO will be available to respond to questions, as needed
  - 7.2. If requested by the Board Chair, SDAO will be available to support the Board in preparing evaluation criteria and performance expectations for the new General Manager's probationary period

Services and support to be provided by CU will include:

- Legal services, as needed, throughout the recruitment procedure.
- CU Board and staff review of draft work products, including coordination of reviews by Board Members, staff, and legal counsel, as needed.
- Scheduling and logistics support for board meetings, including but not limited to special meetings and executive sessions as well as public notice for all public meetings conducted as part of the recruitment.
- Board approval of final recruitment documents, including procedure and timeline, announcement, position description including minimum requirements and standards, and evaluation criteria.
- Identify and approve members of a Screening Committee, if desired.

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Scope of Work for Consulting Services – Recruitment Facilitation for CU General Manager  
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- Post the position announcement and reference documents on the CU website.
- Coordinate with SDAO during the recruitment period, including implementation of CU responsibilities for advertising and outreach, interview scheduling, and interview question development.
- Distribute applications for finalist candidates to each Board Member prior to finalist interviews.
- Provide suitable meeting room(s), logistics, and technology support as needed for finalist interviews.
- Coordinate scheduling, public notice, and logistics associated with staff and public “meet and greet” sessions with candidates, if desired.
- Conduct a criminal background check or similar background investigation of the selected candidate, if desired.
- Negotiate and approve an employment agreement with the selected candidate, including legal review and Board approval of the employment agreement, as needed.

**Fee for Services, Billing & Billing Rates:**

The fee for services provided under this scope of work is not to exceed \$10,000.00 including expenses, without prior written approval.

SDAO will invoice CU monthly based on time spent and expenses incurred in the previous calendar month.

Labor for SDAO’s Senior Consultants will be billed at \$66.00 per hour. Expenses will be billed at actual cost.