

***CANBY UTILITY***  
***REGULAR BOARD MEETING***  
***March 14, 2023***  
***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 14, 2023 (pp. 1-4)
  - Approval of Write-Offs
  - 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 14, 2023 with your name, the topic you would like to speak on, and contact information: [bbenson@canbyutility.org](mailto:bbenson@canbyutility.org) or 503-263-4312.*
- V. RECOMMENDATION Request to Reallocate Capital Improvement Funds – Jason Peterson, Operations Field Supervisor (pg. 5)
- VI. BOARD REPORT
  - Chair Comments
  - Board Member Comments
- VII. STAFF REPORTS
  - General Manager Updates
- VIII. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(i) to discuss performance of public employee. Upon completion of the executive session the Board will return to its regular meeting.
- IX. ADJOURN

***CANBY UTILITY  
REGULAR BOARD MEETING MINUTES  
FEBRUARY 14, 2023***

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

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

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

Chair Thompson presented the amended meeting agenda for consideration. She asked for any additions, deletions, or corrections to the amended 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 amended meeting agenda, regular and executive session meeting minutes of January 10, 2023, write-offs in the amount of \$773.39, payment of the electric and water department bills in the amount of \$896,434.88. Member Molamphy corrected the year for the minutes in the consent agenda, noting the year should reflect 2023 and not 2022. Member Molamphy seconded, and the motion passed unanimously.

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

General Manager Carol Sullivan stated that in the board packet, she initially requested a motion to approve a Columbia Bank signature update. Columbia Bank, however, suggested that the Board adopt a formal resolution due to the timing of its upcoming merger with Umpqua Bank. The resolution authorizes Finance Manager Mike Schelske to be added to the general and payroll accounts. It will also remove Tim Gustafson as a board member and keep Member Hill on the certificate. Cindy Dittmar, Barbara Benson, Susan Arthur, and Carol Sullivan will remain signors on the existing accounts. This is the reason for the amended agenda so that a resolution can be approved and signed.

Sullivan also explained that a second banking approval is needed to add Schelske to the Local Government Investment Pool account and remove Barbara Benson. Sullivan noted that she has the authority to make this change but preferred formal Board action to show our auditors that they approved the change.

Member Molamphy made the \*MOTION to adopt Resolution number 312, a resolution authorizing updates to Canby Utility's banking services signature authority and related

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information by adding Finance Manager Michael Schelske and removing former board member Tim Gustafson. Member Hill seconded, and the motion passed unanimously.

Member Hill made the \*MOTION to add Finance Manager Michael Schelske to the Local Government Investment Pool account. Member Molamphy seconded, and the motion passed unanimously.

Board Secretary Barbara Benson reported that she had recently received a call from a member of the public asking about the use of our boardroom for a church group.

Benson explained that the board has no exclusions in its boardroom policy regarding its availability to outside groups other than noting it must be a non-profit organization. Benson discussed the request with the board attorney's office, who said that Canby Utility would not restrict the use of the room unless the board decided to update its policy. Member Molamphy asked about the room's capacity, and Benson replied that the policy reflects 107, which is the number that the architects had initially projected the room to hold; however, the maximum capacity is 80 people. Benson added that the U-shaped interconnected board tables would further reduce the room's capacity. Benson explains the historical use of the boardroom, which includes civic groups such as charity quilt clubs, homeowner associations, and Canby youth sports board meetings. Discussion ensued about cleaning, security, limiting the use to once a month, liability, insurance, and meetings being held during non-operating business hours. The Board gave some feedback on preferences, and Benson will research other agency policies and bring back a recommendation at a future meeting.

Chair Thompson engaged the Board in a discussion regarding annual performance evaluations for the General Manager and Board Secretary. She reviewed the history of the Board's approach from previous evaluations and wanted the Board's input on the evaluation process moving forward. Thompson noted that Board Secretary Barb Benson's evaluation was due in January, and General Manager Carol Sullivan's evaluation is due in March. Member Hill stated he preferred to meet in executive session to discuss the employee's performance and complete the evaluation form without the employee present. The Chair would then present the evaluation to the employee. Chair Thompson added that Sullivan had suggested to her that the board could have a 360 evaluation for her position. Member Horrax and Member Molamphy agreed with Member Hill on the approach to the evaluations. Member Molamphy noted that he did not support the 360 evaluation process and explained his reasons why. The Board will meet to discuss the Board Secretary's performance in March and the General Manager's performance in April. Chair Thompson asked about the status of the management salary study update. Sullivan replied that the management team needs to update their job descriptions. She then needs to contact HR Answers to re-engage them in the study.

Sullivan introduced the new Finance Manager, Mike Schelske, and then she introduced each board member.

Sullivan also reported that the grant application that was submitted under a drinking water provider partnership to assess risk from cyanobacteria in drinking water supplied by the Molalla River was not selected for federal funding. Canby Utility could submit a grant for funding from

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the source water protection program for this project; however, if the grant is approved, funds will be available in Fall 2023. This timeline affects the targeted testing during the summer months when the algae are present. The group will meet on February 21st to discuss their next steps.

Sullivan also reported that she attended the Special Districts Association of Oregon's annual conference with Benson and Member Molamphy. A brief discussion ensued regarding the valuable contacts and resources learned for researching funding opportunities for the future water treatment plant.

Chair Thompson also talked about the potential amendment to the City Charter that would allow Canby Utility to obtain loans. Councilor Padden shared that he added a review of the City Charter to the City Council's list of goals for the coming year. A brief discussion ensued about the limitations Canby Utility has for seeking loans under the existing City Charter language. Sullivan also stated that if Canby Utility were to go out for revenue bonds, it would need to undergo a complex process of getting a bond rating.

Member Molamphy made the \*MOTION to go into Executive Session according to ORS 192.660(2)(n) to discuss Canby Utility's security programs. Member Horrax seconded, and the motion passed unanimously.

The regular meeting recessed at 7:50 p.m.

The regular meeting reconvened at 8:08 p.m.

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

The meeting adjourned at 8:09 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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Robert Hill, Member

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John Molamphy, Member

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Vacant

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Barbara Benson, Board Secretary

***CANBY UTILITY  
EXECUTIVE SESSION MINUTES  
FEBRUARY 14, 2023***

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

**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

The Executive Session was opened at 7:48 p.m. by Chair Thompson, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2)(n) for the purpose of discussing Canby Utility’s security programs.

There being no further business, the Executive Session adjourned at 8:08 p.m.

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Melody Thompson, Chair

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David Horrax, Member

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Robert Hill, Member

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John Molamphy, Member

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Vacant

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Barbara Benson, Board Secretary



## MEMORANDUM

February 8, 2023

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

FROM: Jason Peterson, Operations Field Supervisor

SUBJECT: Request to Reallocate Capital Improvement Funds

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**Suggested Motion:** I move to authorize the reallocation of \$90,000 from the fiscal year 2023 mainline replacement capital budget to replace nine outdated hydrants.

**Background:** In fiscal year 2023, we budgeted \$394,000 for water main replacements. We have spent approximately \$101,103 on the S.W. 5th Street watermain replacement. There is \$292,896 remaining in the budget. We anticipated two commercial projects that have not developed making these funds available for other mainline projects.

We have identified nine outdated fire hydrants that date back to the 1950's. These hydrants are smaller in size, with having only two ports that have a 2 1/2" opening that will not accept a modern fire hose adapter. At this time, we have no additional mainline projects planned until the Water Master Plan is finished. As such, we have determined that utilizing remaining funds to replace the aging hydrants would be beneficial to the community.

Staff recommends reallocating \$90,000 of the remaining mainline replacement capital budget to this hydrant replacement project. If approved, there will be approximately \$202,896 remaining in fiscal year 2023 budget for mainline replacement needs that surface over the next few months.

The proposed replacement project will include nine three-port modern and reliable hydrants with two 2 1/2" opening and one 4 1/2" opening. The 4 1/2" opening has a Storz adaptor that is compatible with fire hoses for easier connection to make firefighter's jobs easier. These hydrants are rebuildable with parts readily and locally available.

I will be available to answer questions you may have.