

**CANBY UTILITY**  
**REGULAR BOARD MEETING**  
**SEPTEMBER 10, 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 August 13, 2024 (pp. 1-6)
  - 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 September 10, 2024 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. PRESENTATION Salary Study, Jennifer School and Laurie Grenya, HR Answers Inc. (pp. 7-13)
- VI. RECOMMENDATION Revise Exhibit A to Resolution No. 267, Related to the Master Fee Schedule – Mike Schelske, Finance Manager (pp. 14-16)
- VII. RESOLUTION NO. 327 Revising Canby Utility's Water System Development Charges – Mike Schelske, Finance Manager (pp. 17-20)
- VIII. BOARD REPORT
  - Chair Comments
  - Board Member Comments
- IX. STAFF REPORTS

Finance Manager:

  - Fourth Quarter Financial Report (pp. 21-31)General Manager Updates
- X. ADJOURN

***CANBY UTILITY  
REGULAR BOARD MEETING MINUTES  
AUGUST 13, 2024***

**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; and Jason Peterson, Operations Field Supervisor

**Others Present:** Jason Padden, Brian Hutchins, Patty Travis, Dick Talley, Kirk Olsen, Trammel Crow, Bob Westcott, and Joshua Steed

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 agenda. General Manager Carol Sullivan requested that a Finance Manager staff report be added to discuss financial reporting.

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 July 9, 2024, and payment of the electric and water department bills in the amount of \$2,027,613.16. Member Horrax 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 presented a recommendation to open new cash investment accounts at the Local Government Investment Pool (LGPI) and Umpqua Bank. Schelske explained that current cash investments are deposited with the LGIP and Umpqua Bank. The cash deposits of the Electric Fund and Water Fund are recorded in separate accounts on Canby Utility's books, but the monies are co-mingled in the investment accounts. Staff proposed establishing one new account with each entity that would allow monies from each of Canby Utility's funds to be held separately. This action would also reduce the accounting work needed to allocate interest earnings and reconcile the accounts balances between the funds. After a brief discussion, Member Molamphy made the \*MOTION to Adopt Resolution No. 326, authorizing Canby Utility's management to open two additional cash investment accounts, one with the LGIP and one with Umpqua Bank. Member Hill seconded, and the motion passed 5-0.

Chair Thompson introduced a discussion on the Canby Drinking Water Supply System (CDWSS) project manager resource that was brought to the Board by Member Hill. Member Hill declared that he has a potential conflict of interest. The nature of his potential conflict is that if a position was created, he may be qualified and may have an interest in applying for the position.

Member Hill added that his interest in presenting this information to the Board is purely as a Canby citizen rather than a board member. His interest is in protecting Canby Utility in a complicated and expensive project.

Member Hill then read a memorandum he presented to the Board. Hill met with General Manager Carol Sullivan and Chair Thompson to discuss his thoughts and concerns with the upcoming CDWSS project. Hill asked the question, does the complexity and cost risk of the CDWSS warrant a Canby Utility internal Project Manager to work in partnership with Owner's Representatives on behalf of Canby Utility to oversee the CDWSS? If the answer is yes, have a discussion of the next steps the Board needs to take.

Hill stated that Canby Utility approved its largest capital construction project to date: building a new \$82M+ water treatment plant, intake, transmission, and distribution mains, and adding a point of diversion to the Molalla River water rights on the Willamette River. The project is to be completed in the next five years to support the city's projected growth. Following the completion of the water treatment facility, an additional \$30M+ in infrastructure projects are recommended.

Hill stated that with regards to water treatment plant management resources, Canby Utility is currently developing an RFP for Contract Owner's Representatives initially for 1) conceptual engineering and project definition services and 2) Owner's Representative Services. He asked if the complexity and cost risk of the CDWSS warrant a Canby Utility internal Project Manager to oversee the CDWSS and the consultants and contractors. Considering the need and criticality of the CDWSS for the City of Canby and considering the complexity and risk associated with \$100M in construction expenses, he feels that Canby Utility should consider hiring an internal Project Manager so that Canby Utility does not rely solely on contract resources to manage project risk. Hill said that if the Board agrees, the Project Manager would report to the General Manager, work in partnership with the Owner's Representative Project Manager, and serve as internal risk control and continuity for the project. This resource would be an experienced construction management professional hired to manage the administrative work and risk mitigation associated with the CDWSS, enabling existing CU staff to focus on current operational responsibilities.

Chair Thompson talked about her discussion with Member Hill and that Sullivan had also reached out to SDAO's Mark Knudson, who is assisting in preparing the RFP for the Owner's Representative, for his thoughts on hiring an internal project manager. Chair Thompson reviewed some of Knudson's assessment of the need for internal project management resources, which stated that at some point in the project, Canby Utility would likely need that resource, perhaps only part-time. Chair Thompson said that there is an upcoming vacancy on the management team that Sullivan thought could be restructured to encompass the project management role and asked her to share some thoughts. Sullivan added that once the Owner's Representative is hired, we will have a clear definition of the project parameters before making decisions. Member Molamphy agreed with Knudson's assessment, adding that additional resources are available to staff through SDAO and Veolia. Member Pendleton was concerned about hiring an internal project manager because the person could leave the organization to work elsewhere. He likes having a consulting

company with in-depth staffing resources, whereas an internal project manager requires the utility to rely on only one person. Pendleton also noted that he agrees with Knudson that there will come a time when the project ramps up when Canby Utility will need internal support staff so that the work doesn't fall on the current staff. He feels we need to know more about the Owner's representative role first.

Member Hill talked about how a public project of this size could have thousands of Requests for Information, which may lead to hundreds of change orders totaling millions of dollars. The Owner's Representative likely will not have the authority to sign those change orders on Canby Utility's behalf; that will be the General Manager. In his experience, Canby Utility will want someone with experience in counseling, guiding, and authorizing change orders before the General Manager's approval and discussion ensued.

Thompson said the idea does not suggest adding work to existing staff but rather that since the project is so large, it may require a part-time person with a specific set of skills to be the internal conduit.

Member Hill stated that he is confident that there will be a point in the project when it is clear that an internal project manager is necessary, and he shared the reasons.

Member Horrax expressed that it may be a good idea to have an internal project manager and to allow time for the concept to come together.

Member Molamphy stated that we need to start thinking about it, but it's too soon to know how a project manager will look until an Owner's Representative has begun. He shared that the project will require full-time work, whether it be an on-site contractor or in-house staff. He talked about his experience managing projects. He said it would be too much work for the General Manager to handle and that a contractor should not sign change orders.

Chair Thompson talked about the Owner's Representative selection process, which Sullivan said would likely be awarded at the board meeting. Thompson said that once they have started, Sullivan can relay the Board's concerns to them, and after working through the concerns, Sullivan would then return to the Board to discuss the project management. Thompson stated that there is consensus that additional project management resources will be needed, although it is not yet known what that resource will look like.

Chair Thompson had asked Schelske about cash flow for an additional hire. Schelske stated that we have sufficient reserves for the Owner's Representative, the initial design phase, and reserves funds to hire a project manager. He anticipates the funds in reserves will carry us for one to two years, and then we will look to financing sources such as bonding and WIFIA. Hill noted that the project manager's role would also be to track and manage the dollars for future expenses.

Discussion ensued regarding proceeding with the project management resource after engaging the Owner's Representative. Thompson concluded that timing is an unknown factor but that there is consensus on pursuing an in-house project management resource.

Chair Thompson commented on the Board's planning calendar and how it will be helpful for the Board to see future topics. Member Pendleton noted that the calendar shows that the final review of the RFP for the Owner's Representative is scheduled for August and the RFP's issuance in September. He asked if that was still on schedule. Sullivan noted that it is on schedule. She will send out the final draft to the Board for review.

Chair Thompson revisited an old business item related to Member Hill's request to see a written report from operations, noting two verbal reports were being presented at this meeting. She wanted to know if board members wanted more information from operations and the importance of getting consensus and providing direction on their expectations for future staff reports. Thompson also noted that she had asked Sullivan about the discontinued monthly financial reports. Thompson said that Finance Manager Mike Schelske would discuss that in his staff report. There was no input from the Board.

Operations Manager Jason Berning reported on the power outage that occurred several weeks prior and impacted the Westcott substation. The crew determined that a crow had breached the avian protection on the breaker to feeder 4. Berning explained the chain of events that led to the large outage, which lasted 58 minutes.

Berning also reported on the feasibility studies that the Bonneville Power Administration (BPA) and Portland General Electric (PGE) now require to serve new large loads in our system. This new requirement is designed to help BPA and PGE's transmission group to better understand what transmission loads are on the horizon and how to plan for them. This requirement is not unique to Canby Utility but affects all public utility districts and municipalities that BPA and PGE's transmission serve. The lower power cost in our region is driving up the large electricity-intensive load growth in the Pacific Northwest. Berning gave an example of the potential new load growth for Canby Utility that totals approximately 20 megawatts from 2025 to 2026.

BPA anticipates that the feasibility studies will take at least six months. If they determine that new infrastructure is needed to have enough capacity to serve the new load growth, this timeframe would likely be extended before they grant new loads into the service area. Berning noted that if Canby were to lose a large load customer, that existing load would go back to the grid, and should that customer decide to return to Canby, BPA would require a new feasibility study. Berning talked about the impact the studies will have on new development. Berning has discussed this with the City of Canby's Planning Director, Don Hardy. Member Hill asked if there is a threshold that triggers a study, and Berning said there is not. He has learned that BPA has established a natural load growth for Canby, which he believes is 2.3%. Discussion about what may transpire should BPA and PGE find that they do not have the capacity to serve loads based on the results of the studies and the process to project future loads continue.

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Finance Manager Mike Schelske discussed the frequency of financial reporting to the Board. Schelske provided the Board with detailed monthly reports and presented financials to the Board quarterly. He said that he thought the reporting had changed to quarterly only. The Board agreed to have financial reports presented quarterly, and Schelske will prepare a one-page financial summary monthly.

Board Secretary Barbara Benson presented the board planning calendar for the new fiscal year. This calendar provides information such as board meeting dates, holidays, special events, and other items of interest that staff anticipates will come up over the year. Benson encouraged feedback from board members, noting that the dates are subject to change throughout the year.

General Manager Carol Sullivan reported that Kurt Carpenter, a Research Hydrologist, was on the Molalla River in early July and did not find any cyanobacteria. Given the low river flows and high temperatures, this surprised Carpenter, who noted that the river bottom was largely clear of algae. He also visited the river at Feyrer Park, Goods Bridge, Canby Community Park, and Knights Bridge Park. Carpenter plans to conduct another survey in late August. Sullivan also noted that the staff has not had complaints about the water's taste and odor.

Sullivan reported that letters regarding the backflow protection program and device testing non-compliance were mailed to customers. She wanted to bring this to the Board's attention should they receive feedback from the community. Canby Utility recently changed to a new software program, which delayed mailing the letters. There is also a new process for the backflow testers to enter their credentials into the system, which is verified online.

Sullivan reported that HR Answers, Inc.'s presentation on the non-represented salary study will be in September. Staff selected the comparable agencies from the Northwest Electric Utility Directory that the Board received.

Sullivan also reported that the procurement support of an Owner's Representative is about two weeks behind schedule and within budget. However, after looking at the dates with the RFP going through multiple review channels, Sullivan said it may end up being about a month behind schedule.

Member Pendleton brought up a customer complaint about water rates that was brought to the staff's attention. Pendleton said he had heard questions about why rates were not raised earlier when new subdivisions were being built. Pendleton feels that something needs to be prepared for the public to answer why Canby Utility did not raise system development charges and water rates much earlier. Sullivan stated that the Water Master Plan was completed in 2010 and that SDCs had been reviewed then. The latest Water Master Plan was completed in 2023, and again SDCs were reviewed. The SDCs did have annual inflationary adjustments based on the construction cost index. Discussion ensued regarding having an informational document prepared that explains the water rate history.

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Member Molamphy made the \*MOTION to adjourn the meeting at 8:27 p.m. Member Hill seconded, and the motion passed 5-0.

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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**

September 6, 2024

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

FROM: Carol Sullivan, General Manager

SUBJECT: Compensation Study – Exempt Management

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HR Answers, Inc., was hired by Canby Utility (CU) in 2021 to conduct a market study for the Exempt Management position salaries. The 2021 project was conducted under the previous manager using some targeted agencies the Board felt were not appropriate due to their large size and significant differences. The Board asked for better market comparisons but due to the managers departure from the utility, this wasn't completed.

HR Answers was reengaged to revisit the study on selected comparable electric utilities from the 2023-2024 Northwest Public Power Association's utility directory. This directory provides the utility's demographics on number of employees, number of customers, and their location. If the Board agrees that these entities selected are acceptable comparators for the study, HR Answers can finalize the wage comparisons and develop salary range recommendations per CU's adopted Procedure 405, and present them to the Board.

Jennifer Schoorl and Laurie Grenya from HR Answers will present the study methodology and be available to answer any questions the Board may have.





# CANBY UTILITY

## COMPENSATION STUDY-Exempt Management

Prepared by HR Answers, Inc.

September 2024



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## Survey Planning and Logistics

HR Answers, Inc. (HRA) was engaged by Canby Utility to conduct a Compensation Study for its exempt management positions. The work was intended to provide Canby Utility with guidance regarding market pay and generate and make recommendations on pay ranges based on market data. No benefits data was gathered during the study. The project involved conducting a survey among targeted agencies selected by Canby Utility. The last salary Compensation Study HRA conducted for Canby Utility was in 2021.

## Use of Surveys

### Using the Survey

All surveys produced by HR Answers, Inc. are most effectively used when employed as a guide for management, together with other data, to determine an organization's position. Survey users should not attempt to use survey results and summaries as absolute standards. Survey data should be used as an aid when determining re-adjustments of pay ranges, schedules, or policies. Additionally, a compensation philosophy that works well for one organization may be of little value, or possibly destructive, to another. Facts such as location, management style and value system, characteristics of the type of organization, and the availability of key personnel must be considered.

### Aging the Survey Data

Also called advancing or trending; the aging process is used to bring data to a consistent point in time. All survey data should be appropriately aged. Data collected for surveys is time-sensitive, reflecting a specific point or date in time. Therefore, to accurately reflect such data, all pay related numbers should be aged by the survey's user according to relevant adjustment rates.

## Participants

For the 2024 compensation study, the organization utilized the 2023-2024 Northwest Public Power Association (NWPPA) Utility listing to determine which comparators would be best utilized for the 2023-2024 compensation survey. Nine (9) of the fourteen (14) organizations contacted to participate submitted data towards the compensation study. This is a 64% participation level. The participating organizations in the 2024 compensation study included (sorted by sales):

Organization	2021 Participa	Employee Count	2022 KWH sales	2022 \$ sales	2022 Meter
Clatskanie Peoples Utility District in Clatskanie	N	36	968,810,889	\$58,268,958	4,730
Springfield Utility Board	N	43	755,471,000	\$54,219,200	32,132
McMinnville Water & Light	Y	49	730,602,827	\$44,150,784	15,227
Columbia River Peoples District in St Helens	Y	48	499,765,000	\$37,475,902	20,386
Salem Electric	Y	47	330,923,000	\$32,578,305	20,278
<b>Canby Utility Board</b>		<b>20</b>	<b>188,296,836</b>	<b>\$13,588,387</b>	<b>8,746</b>
Blachly-Lane Electric Co-op	Y	21	184,845,382	\$16,147,337	3,680
Ashland Municipal Electric Company	N	17	160,466,000	\$18,404,000	12,817
Douglas Electric Co-op	Y	37	158,031,313	\$18,352,241	11,058
West Oregon Electric Co-op	N	22	70,762,556	\$14,104,059	4,567

## Survey Design and Methodology

All survey participants were asked to review the Canby Utility job descriptions provided with the survey, and/or provide copies of job descriptions for their survey matches. These were reviewed (when provided) to ensure they closely matched the survey job summaries for Canby Utility's positions and were not simply title-to-title comparisons. Two organizations referred HR Answers to their website for wage details and job descriptions. HR Answers follows Compensation Best Practice, which is to look for a 70% or greater match between the duties and job requirements of the survey to ensure the pay data is relevant. Consultants followed up by phone or email with survey participants when there were questions about the survey matches.

Pay data collected from other organizations was compiled into individual reports, which was sorted by weighted average (highest to lowest). Each salary survey sheet contains the organization's position title, current incumbent pay (when provided), and pay ranges. Additional published wage data was utilized for one position, Purchasing Agent, where the ERI (Economic Research Institute) and CompAnalyst360 data was a valid match. This position did not have enough comparator data to validate pay wages.

# Data Explanations and Recommendations

## **Canby Utility – Current Pay Practices**

### Canby Utility (CU)

- CU strives to pay its employees a total compensation package that is competitive with those in the region and industry.
- *New employees will be hired at the minimum of the pay range unless education and experience warrant a higher pay step in the range.*
- The salary range for each position consists of a thirty percent (30%) spread from minimum to maximum.
- Salary ranges are adjusted annually based on CPI-U Western Region, rather than Portland which is no longer provided.
- Performance dependent, staff advance a step annually. The theory being that in year 5, the employee will have reached the maximum of their range.
- General salary adjustments may be given to all/or selected pay ranges when the local and/or regional economic factors indicate the pay ranges are falling below competitive marketplace salaries.

## **Compensation Best Practice**

Compensation Best Practice used in the survey methodology and recommendations:

- A minimum of 70% match to job content when selecting survey data to be used.
- Pay range development of 35% for low to mid-level positions transitioning up to a 55% range spread for senior level positions. Public entities have, in the past, used a 30-35% range spread across all positions, but many public entities have changed over time to better reflect best practice.
- Currently, the organization uses a 30% pay range spread, and the General Manager position has a range, but wage is determined under contract.

The following positions were included in the 2024 compensation study:

- Customer Service Supervisor
- Finance Manager
- General Manager
- Human Resource and Administrative Manager (Board Secretary)\*
- Operations Manager\*\*
- Operations Field Supervisor\*\*
- Purchasing Agent\*\*\*

\*The Human Resource job description was updated, and clarification of time spent within the various roles were defined by current General Manager. The duties are what is considered a “hybrid role” where there is more than one position with distinctive differences included in one position. In this case, the human resources functions occupy

55% of the core duties, Administrative functions are 35%, and the responsibilities for Board Secretary fall in the 10% of overall core duties.

\*\*The recommended range adjustment for both these positions need to be evaluated to offset pay compression with the Lead Foreman role.

\*\*\*The Purchasing Agent job description was updated for role clarity, accountability, and decision-making. Based upon General Manager feedback, this role was matched with more closely aligned positions.

### **Recommendations/Considerations**

- 1) Continue to maintain and uphold the current Procedure 405 Exempt Employee Compensation Plan.
- 2) In the future if any significant changes are made to current job descriptions, or new ones are created, we would recommend as a best practice to have the job descriptions reviewed for FLSA and wage alignment for the organization.
- 3) Moving forward, the company use a compensation standard practice of calculating wages based upon 2080 hours vs. 2088 hours. HRA understands past practice for the organization is to utilize 2088 hours to calculate “hourly/annual wage”, and this may have been attributed to account for a “leap year”. However, 2080 hours for annual calculations is standard compensation practices and aligns with best practice.



## MEMORANDUM

September 4, 2024

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

FROM: Mike Schelske, Finance Manager

SUBJECT: Master Fee Schedule Update

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**RECOMMENDATION:** Adopt Revised Exhibit A to Resolution No. 267, related to the Master Fee Schedule effective November 1, 2024.

**BACKGROUND:** On September 24, 2013, the Board adopted Resolution No. 267, establishing a master fee schedule for Canby Utility's water, electric, and customer services, and allowing for an annual review of and update to the exhibit of fees.

Staff proposes the following revisions to Exhibit A to reflect current cost calculations:

- Water line inspection fee increases to \$115 from \$93 per hour.
- Water line flushing fee increases to \$115 from \$93 per hour.
- Water pressure and fire flow tests fee increases to \$115 from \$93 per hour.
- Water hook-up main to meter service lateral services, including the meter, are updated as follows:
  - 5/8" – 1" Decrease to \$11,140 from \$11,210
  - 1-1/2" – 2" Increase to \$12,650 from \$12,350
- Water hook-up charge for meter installation only, updated as follows:
  - 5/8" – 3/4" Decrease to \$360 from \$480
  - 1" Decrease to \$670 from \$720
  - 1-1/2" Decrease to \$1,100 from \$1,230
  - 2" Increase to \$980 from \$970

Staff will be available to answer any questions the Board may have.

# CANBY UTILITY MASTER FEE SCHEDULE

## RESOLUTION 267 EXHIBIT A

OTHER SERVICES	FEE
JOB COST ESTIMATE	\$500 (Excess funds applied to the job or refunded)
WATER LINE INSPECTION	\$115 per hour plus estimated water use at Irrigation rate
WATER LINE FLUSHING	\$115 per hour plus estimated water use at Irrigation rate
WATER PRESSURE / FIRE FLOW TEST	\$115 per hour plus estimated water use at Irrigation rate
WATER THEFT CHARGE	\$250 (1 <sup>ST</sup> offense), \$500 (2 <sup>nd</sup> offense), \$1,000 (additional offenses) plus estimated water use at Irrigation rate
DOORHANGER FEE	\$25
DISCONNECT NOTICE FEE	\$25
FAILED PAYMENT ARRANGEMENT	\$25
NSF CHECK	\$33
PRE-DISCONNECTION	\$25
RECONNECTION	\$50
SAME DAY SERVICE FEE	\$50
AFTER-HOURS RECONNECTION	\$250
ACCOUNT SET UP FEE	\$25
PUBLIC RECORDS	Staff time and benefits, and material costs (first 30 minutes no charge).
PUBLIC RECORDS (Mailing Costs)	Actual cost plus \$1 handling
PUBLIC RECORDS (Faxing Costs)	\$0.50 per page
PHOTOCOPIES (Single/Double Sided)	\$0.25
PHOTOCOPIES (Color or Printouts)	\$0.75

WATER HOOK-UP MAIN TO METER SERVICE LATERAL INCLUDING METER	
METER SIZE	CHARGE
5/8" – 1"	\$11,140
1-1/2"- 2"	\$12,650
Above 2"	Job Cost Estimate

WATER HOOK-UP METER INSTALLATION ONLY	
METER SIZE	CHARGE
5/8" – 3/4"	\$360
1"	\$670
1-1/2"	\$1,100
2"	\$980
Above 2"	Job Cost Estimate



<b>DEPOSITS</b>	<b>FEE</b>
NEW ACCOUNT DEPOSIT	Minimum of \$150
HYDRANT DEPOSIT	\$2,500 (may be waived for current customers with favorable credit)

<b>ELECTRIC HOOK-UP METER INSTALLATION ONLY</b>	
METER HOOK-UP	\$1,600

<b>STREET LIGHTING FIXTURE RENTAL</b>	<b>MONTHLY FEE</b>
100 WATT	\$4.00
150 WATT	\$4.10
200 WATT	\$6.75
250 WATT	\$6.90
400 WATT	\$7.25

<b>STREET LIGHTING POLE RENTAL</b>	<b>MONTHLY FEE</b>
24' ALUMINUM POLE	\$3.00
30' WOOD POLE	\$1.50
35' WOOD POLE	\$1.75
40' WOOD POLE	\$2.75

**Source Documents:**

Customer Service Policies & Procedures:	Resolution No. 323
Electric Service Conditions:	Resolution No. 254
Water Service Policies and Procedures:	Resolution No. 259
Public Records Request Procedures:	Procedure 402
Temporary Water Service Agreement	Version September 2023



## MEMORANDUM

September 10, 2024

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

FROM: Mike Schelske, Finance Manager

SUBJECT: Water System Development Charge Annual Inflationary Adjustment

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**Suggested Motion:** Adopt Resolution No. 327, adjusting Canby Utility's Water System Development Charges by the prescribed inflationary amount effective October 1, 2024, and repeal Resolution No. 313.

**Background:** Each year, the Board is presented with a staff recommendation to adjust Canby Utility's Water System Development Charges (SDC) based on an inflationary index adjustment.

SDC's account for new development impacts on water infrastructure needs and planning. When a new water connection is made the SDC must be paid to buy into the existing infrastructure and the capital reserves planning for future water needs. Infrastructure costs, both existing and future, are calculated in our 2023 Water Master Plan.

The amount of a SDC paid corresponds to the size of meter requested, based on water consumption needs computed from a single dwelling unit equivalent (DUE). Canby Utility's SDC methodology allows for an annual inflation adjustment to the charges using the Engineering News Record's Construction Cost Index.

The fiscal year 2024 inflation factor increase is 2.29% for one DUE or \$251. The fiscal year 2023 inflation factor increase was 2.56% for one DUE or \$119. (Note the current adjustment is higher due to the increase in SDC fees effective February 1, 2024.) Please see the attached Resolution No. 327, Exhibit A for details on the current proposed increase.

Staff has notified a list of interested parties regarding the recommendation to adjust the SDC's. This notification gives them an opportunity to comment on the proposal and attend the September 10th board meeting.

Staff will be available to answer questions.

**RESOLUTION NO. 327**

**A RESOLUTION OF THE CANBY UTILITY BOARD ADOPTING REVISED WATER SYSTEM DEVELOPMENT CHARGES REFLECTING ANNUAL ADJUSTMENTS FOR INFLATION, REPEALING RESOLUTION NO. 313.**

The CANBY UTILITY BOARD resolves as follows:

Section 1. The 2004 Water System Development Charge methodology contains a method of annual adjustment of Water System Development Charges (SDCs) to account for inflation as determined by a known and recognized index, the Engineering News Record Construction Cost Index (CCI).

Section 2. The purpose of this Resolution is to apply this index to reflect changes in the index as a proxy for construction-related inflation between now and the Water Master Plan update in 2023.

Section 3. Applying the CCI index change to the current SDC schedule results in inflation-index adjusted Water SDCs as reflected in Exhibit A attached hereto and incorporated herein by reference. The adjusted Water SDCs are set forth in Exhibit B attached hereto and incorporated herein by reference.

Section 4. Resolution No. 313 is hereby repealed.

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

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS 10th DAY OF SEPTEMBER 2024.

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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

\_\_\_\_\_  
Barbara Benson, Board Secretary

**RESOLUTION NO. 327**  
**Exhibit A**

**System Development Charge - Proposed Adjustment Summary**

Class / Meter Size	DUEs	Current SDC	Proposed SDC	Change	% Change
<b>Residential</b>					
5/8 x 3/4 Inch	1.00	\$ 10,979	\$ 11,230	\$ 251	2.29%
1 Inch	1.50	16,515	16,892	377	2.28%
<b>Non Residential</b>					
5/8 x 3/4 Inch	0.86	\$ 9,462	\$ 9,678	\$ 216	2.28%
1 Inch	3.12	34,211	34,994	783	2.29%
1.5 Inch	5.60	61,535	62,941	1,406	2.28%
2 Inch	9.73	106,876	109,318	2,442	2.29%
3 Inch	9.30	102,108	104,442	2,334	2.29%
4 Inch	28.53	313,219	320,380	7,161	2.29%
<b>Irrigation</b>					
5/8 x 3/4 Inch	1.87	\$ 20,488	\$ 20,957	\$ 469	2.29%
1 Inch	5.08	55,729	57,004	1,275	2.29%
1.5 Inch	5.55	60,922	62,315	1,393	2.29%
2 Inch	8.20	90,028	92,086	2,058	2.29%
3 Inch	13.90	152,608	156,097	3,489	2.29%
<b>Multi Family (SDC Per DUE)</b>	0.70	\$ 7,685	\$ 7,861	176	2.29%
<b>Qualifying Small-lot Planned Unit Development (SDC Per DUE)</b>	0.70	\$ 7,685	\$ 7,861	\$ 176	2.29%
<b>Upsize Charge - Non-residential 1 inch from 5/8 x 3/4 inch</b>		\$ 24,748	\$ 25,315	\$ 567	2.29%

Note:

The Water System Development Charge will increase by \$251 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 consulting study by Donovan Enterprises, Inc.

**RESOLUTION NO. 327**  
**Exhibit B**

**System Development Charge - Recommended Adjustment Summary**

<b>Class</b>	<b>Meter Size</b>	<b>SDC</b>
<b>Residential</b>	5/8 x 3/4 Inch	\$ 11,230
	1 Inch	16,892
<b>Non Residential</b>	5/8 x 3/4 Inch	\$ 9,678
	1 Inch	34,994
	1.5 Inch	62,941
	2 Inch	109,318
	3 Inch	104,442
	4 Inch	320,380
<b>Irrigation</b>	5/8 x 3/4 Inch	\$ 20,957
	1 Inch	57,004
	1.5 Inch	62,315
	2 Inch	92,086
	3 Inch	156,097
<b>Multi-Family</b>	SDC per Dwelling Unit	\$ 7,861
<b>Qualifying Small-lot Planned Unit Development (SDC Per DUE)</b>	SDC per Dwelling Unit	\$ 7,861
<b>Upsize Charge - Non-residential 1 inch from 5/8 x 3/4 inch</b>	1 Inch from 5/8 x 3/4 Inch	\$ 25,315



## MEMORANDUM

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

**Copy to:** Carol Sullivan, Jason Berning, Jason Peterson, Cindy Dittmar, Sue Arthur

**From:** Mike Schelske, Finance Manager

**Date:** September 9, 2024

**Subject:** Financial Results for Year Ending June 30, 2024

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Please refer to the attached **Financial Highlights, Summary Income Statement, and Balance Sheet** for supporting details.

### Overall Summary of FY24 Operating Results

In general, higher revenues and lower operational expenditures resulted in higher net income than budgeted. The only significant negative budget variance was lower contributed capital for Water operations.

### Electric - Summary of Operating Results – FY24

Revenues were higher than budget with the largest increases in Small Commercial and Industrial accounts. These were partially offset by a decrease in Residential accounts.

Operating costs were lower than budget due to open positions throughout the year and lower expenditures for supplies and contractors. Lower operating costs (including the higher BPA power dividend) and higher revenue produced an operating margin of 45.0% higher than budget of 40.4%

Capital contributions were only slightly lower than budget.

Net income was \$1.62 million higher than budget.

### Water - Summary of Operating Results – FY24

Revenues were higher than budget (note the budget was based on a low consumption year).



As with Electric operations, Water operating costs were lower than budget due to open positions throughout the year and lower expenditures for supplies and contractors.

Due to reduced operating costs and increased revenue, the operating margin reached 11.8%, significantly higher than the budgeted negative margin of 10.2%.

Although capital contributions were significantly lower than budgeted, higher revenue and lower operating costs resulted in net income being \$323k above budget.

#### Electrical Highlights

- Operating revenue of \$14.78 million was \$345k higher than budget.
- Net purchased power was \$465k under budget due to higher purchased power cost of \$143k reduced by the BPA power dividend of \$608k.
- Operating expenses were \$654k under budget mainly due to savings from open positions and lower costs for supplies and contractors.
- Operating profit was \$1.46 million higher than budget due to higher revenues, lower purchased power costs, and lower operating expenses.
- Interest earned was \$217k higher than budget.
- Contributed capital was \$28k under budget.
- Net income YTD of \$3.51 million was \$1.62 million higher than budget.

#### Water Highlights

- Operating revenue of \$4.25 million was \$497k higher than budget.
- Operating expenses were \$388k under budget mainly due to savings from open positions and lower expenditures for supplies and contractors.
- Operating profit was \$885k higher than budget due to higher revenues and lower operating expenses.
- Interest earned was \$230k higher than budget.
- Contributed capital was under budget by \$820k.
- YTD net income of \$1.98 million was \$322k higher than budget due to higher revenue, lower operating expenses, and higher interest earned.

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

**Canby Utility  
Financial Highlights  
Quarter and YTD Ending  
June 30, 2024**

Electric Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
<u>Balance Sheet</u>						
Cash & Investments			\$ 13,810,789	\$ 12,827,619	\$ 983,171	Favorable
<u>Income Statement</u>						
Operating Revenue	\$ 3,548,166	\$ 3,325,610	\$ 14,783,789	\$ 14,438,440	\$ 345,349	Favorable
Purchased Power	1,548,438	2,196,129	8,134,341	8,600,180	(465,839)	Favorable
Operating Expenses	1,322,903	1,483,310	5,392,586	6,047,241	(654,655)	Favorable
Operating Profit (Loss)	676,825	(353,829)	1,256,862	(208,981)	1,465,843	
Operating Margin	19.1%	-10.6%	8.5%	-1.4%		
Other Rev. (Exp.)	(199,472)	124,524	1,122,974	937,235	185,739	Favorable
Capital Contributions	470,943	292,119	1,140,062	1,168,485	(28,423)	Unfavorable
Net Income (Loss)	\$ 948,296	\$ 62,814	\$ 3,519,898	\$ 1,896,739	\$ 1,623,159	Favorable
<u>Sales Data</u>						
kWh Sold	44,654,737		193,840,557			
kWh Purchased	45,198,091		198,230,833			

Water Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
<u>Balance Sheet</u>						
Cash & Investments			\$ 9,389,440	\$ 5,432,144	\$ 3,957,297	Favorable
<u>Income Statement</u>						
Operating Revenue	\$ 1,047,342	\$ 846,000	\$ 4,258,293	\$ 3,761,000	\$ 497,293	Favorable
Operating Expenses	969,817	1,025,131	3,756,098	4,144,633	(388,535)	Favorable
Operating Profit (Loss)	77,525	(179,131)	502,195	(383,633)	885,828	
Operating Margin	7.4%	-21.2%	11.8%	-10.2%		
Other Rev. (Exp.)	130,609	35,540	444,394	187,139	257,255	Favorable
Capital Contributions	699,799	\$ 465,354	1,040,369	1,860,741	(820,373)	Unfavorable
Net Income (Loss)	\$ 907,933	\$ 321,763	\$ 1,986,958	\$ 1,664,247	\$ 322,711	Favorable
<u>Sales Data</u>						
Cu. Ft. Sold	21,068,900		100,879,852			



**Canby Utility**  
**Summary Income Statement**  
**Profit (Loss) from Operations, Capital Contributions, and Net Income**  
**Month, Quarter & YTD Ending June 30, 2024**

<b>Electric</b>									
	Month			Quarter			Year-to-Date		
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Over (Under)
Operating Revenue	\$ 1,147,733	\$ 1,015,870	\$ 1,177,023	\$ 3,548,166	\$ 3,325,610	\$ 3,390,455	<b>\$ 14,783,789</b>	\$ 14,438,440	<b>\$ 345,349</b>
Less: Purchased Power	89,816	724,683	(304,658)	1,548,438	2,196,129	1,026,079	8,134,341	8,600,180	<b>(465,839)</b>
Margin on Sales	1,057,917	291,187	1,481,681	1,999,728	1,129,481	2,364,376	6,649,448	5,838,260	811,188
	92.2%	28.7%	125.9%	56.4%	34.0%	69.7%	<b>45.0%</b>	<b>40.4%</b>	
Operating Expenses									
Operations & Maintenance	302,866	337,773	300,046	825,841	999,538	800,954	3,385,964	4,073,087	(687,123)
Depreciation	107,876	107,684	104,191	323,177	322,314	311,777	1,277,170	1,271,522	5,648
Taxes	55,282	49,186	55,854	173,885	161,458	165,073	729,452	702,632	26,820
Total Operating Expenses	466,024	494,643	460,091	1,322,903	1,483,310	1,277,804	5,392,586	6,047,241	<b>(654,655)</b>
Operating Profit (Loss)	591,893	(203,456)	1,021,589	676,825	(353,829)	1,086,572	1,256,862	(208,981)	<b>1,465,843</b>
	51.6%	-20.0%	86.8%	19.1%	-10.6%	32.0%	8.5%	-1.4%	
Other Revenue (Expense)									
Interest Income	59,623	31,963	37,731	182,352	98,139	106,359	633,653	416,204	<b>217,449</b>
Interest Expense	(1,647)	(109)	(1,220)	(5,331)	(327)	(3,344)	(19,363)	(1,308)	(18,055)
Other (Net)	(523,607)	8,904	(849,710)	(376,494)	26,712	(591,738)	508,683	522,339	(13,656)
Total Other Revenue (Expense)	(465,630)	40,758	(813,199)	(199,472)	124,524	(488,723)	1,122,974	937,235	185,739
Change in Net Position Before Capital Contributions	126,263	(162,698)	208,390	477,353	(229,305)	597,848	2,379,836	728,254	1,651,582
Capital Contributions									
Hook-up Fees	53,871	19,851	125,894	86,953	59,565	207,211	344,314	238,278	106,036
Contributed by Others	-	-	-	-	-	34,607	63,159	-	63,159
Line Extension Fees	307,309	77,520	236,912	383,990	232,554	243,795	732,589	930,207	(197,618)
Total Capital Contributions	361,179	97,371	362,806	470,943	292,119	485,613	1,140,062	1,168,485	<b>(28,423)</b>
Net Income (Loss)	\$ 487,442	\$ (65,327)	\$ 571,196	\$ 948,296	\$ 62,814	\$ 1,083,461	<b>\$ 3,519,898</b>	\$ 1,896,739	<b>\$ 1,623,159</b>

**Canby Utility**  
**Summary Income Statement**  
*Profit (Loss) from Operations, Capital Contributions, and Net Income*  
**Month, Quarter & YTD Ending June 30, 2024**

**Summary of Purchased Power and Operating Expenses**

	Month			Quarter			Year-to-Date		
	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)
Purchased Power	\$ 89,816	\$ 724,683	\$ (304,658)	\$ 1,548,438	\$ 2,196,129	\$ (647,691)	\$ 8,134,341	\$ 8,600,180	\$ (465,839)
Operating Expenses									
Payroll & Employer Paid Expenses	207,406	237,669	(30,263)	587,653	713,007	(125,354)	2,439,515	2,852,028	(412,513)
Depreciation	107,876	107,684	192	323,177	322,314	863	1,277,170	1,271,522	5,648
Taxes	55,282	49,186	6,096	173,885	161,458	12,427	729,452	702,632	26,820
Other Costs	95,460	100,104	(4,644)	238,188	286,531	(48,343)	946,448	1,221,059	(274,611)
Total Operating Expenses	466,024	494,643	(28,619)	1,322,903	1,483,310	(160,407)	5,392,586	6,047,241	(654,655)
Total Purchased Power & Operating Expenses	\$ 555,840	\$ 1,219,326	\$ (333,277)	\$ 2,871,341	\$ 3,679,439	\$ (808,098)	\$ 13,526,927	\$ 14,647,421	\$ (1,120,494)

**Canby Utility**  
**Summary Income Statement**  
*Profit (Loss) from Operations, Captial Contributions, and Net Income*  
**Month, Quarter & YTD Ending June 30, 2024**

<b>Water</b>									
	Month			Quarter			Year-to-Date		
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Over (Under)
Operating Revenue	\$ 467,807	\$ 320,000	\$ 529,553	\$ 1,047,342	\$ 846,000	\$ 1,036,881	<b>\$ 4,258,293</b>	\$ 3,761,000	<b>\$ 497,293</b>
Operating Expenses									
Operations & Maintenance	244,857	259,177	226,903	698,974	757,900	651,813	2,674,055	3,066,569	(392,514)
Depreciation	72,850	75,131	71,681	218,476	224,931	213,600	869,129	890,014	(20,885)
Taxes	23,390	16,000	24,136	52,367	42,300	49,502	212,915	188,050	24,865
Total Operating Expenses	341,097	350,308	322,720	969,817	1,025,131	914,915	3,756,098	4,144,633	<b>(388,535)</b>
Operating Profit (Loss)	126,710	(30,308)	206,834	77,525	(179,131)	121,967	502,195	(383,633)	<b>885,828</b>
	27.1%	-9.5%	39.1%	7.4%	-21.2%	11.8%	<b>11.8%</b>	<b>-10.2%</b>	
Other Revenue (Expense)									
Interest Income	39,991	12,483	24,222	121,404	39,794	68,738	436,875	206,454	<b>230,421</b>
Interest Expense	(1,774)	(1,773)	(2,547)	(5,323)	(5,321)	(7,630)	(23,600)	(23,595)	(5)
Other (Net)	13,478	353	184,364	14,528	1,067	165,815	31,120	4,280	26,840
Total Other Revenue (Expense)	51,694	11,063	206,039	130,609	35,540	226,923	444,394	187,139	257,255
Change in Net Position Before Capital Contributions	178,405	(19,245)	412,873	208,134	(143,591)	348,890	946,589	(196,494)	1,143,083
Capital Contributions									
Hook-up Fees	5,070	4,850	14,589	11,070	14,540	31,579	26,030	58,145	(32,115)
Contributed by Others	428,055	75,108	8,358	428,055	225,324	614,176	565,377	901,296	(335,920)
SDC Fees	115,156	75,310	50,985	260,674	225,490	362,944	448,962	901,300	(452,338)
Total Capital Contributions	548,281	155,268	73,932	699,799	465,354	1,008,699	1,040,369	1,860,741	<b>(820,373)</b>
Net Income (Loss)	\$ 726,685	\$ 136,023	\$ 486,805	\$ 907,933	\$ 321,763	\$ 1,357,589	<b>\$ 1,986,958</b>	\$ 1,664,247	<b>\$ 322,711</b>

**Canby Utility**  
**Summary Income Statement**  
*Profit (Loss) from Operations, Capital Contributions, and Net Income*  
**Month, Quarter & YTD Ending June 30, 2024**

**Summary of Operating Expenses**

	Month			Quarter			Year-to-Date		
	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)
Operating Expenses									
Payroll & Employer Paid Expenses	\$ 76,541	\$ 99,779	\$ (23,238)	\$ 227,001	\$ 299,337	\$ (72,336)	\$ 893,023	\$ 1,197,348	\$ (304,325)
Depreciation	72,850	75,131	(2,282)	218,476	224,931	(6,455)	869,128	890,014	(20,886)
Taxes	23,390	16,000	7,390	52,367	42,300	10,067	212,915	188,050	24,865
Other Costs	168,317	159,398	8,919	471,973	458,563	13,410	1,781,032	1,869,221	(88,189)
<b>Total Operating Expenses</b>	<b>\$ 341,097</b>	<b>\$ 350,308</b>	<b>\$ (9,211)</b>	<b>\$ 969,817</b>	<b>\$ 1,025,131</b>	<b>\$ (55,314)</b>	<b>\$ 3,756,098</b>	<b>\$ 4,144,633</b>	<b>\$ (388,535)</b>

# Balance Sheet - Electric

June 30, 2024

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Assets</b>				
<b>Current Assets</b>				
<i>Cash</i>	197,567.62	742,496.85	(544,929.23)	-73.39%
<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>	13,613,221.84	10,967,568.89	2,645,652.95	24.12%
<i>Current Accounts Receivable</i>	1,454,897.70	1,568,115.94	(113,218.24)	-7.22%
<i>Plant Materials &amp; Operating Supplies</i>	2,529,165.65	1,706,421.82	822,743.83	48.21%
<i>Prepayments</i>	44,149.69	38,739.59	5,410.10	13.97%
<b>Total Current Assets</b>	<b>5,011,383.97</b>	<b>4,544,602.87</b>	<b>466,781.10</b>	<b>10.27%</b>
<b>Noncurrent Assets</b>				
<i>Other Deferred Charges</i>	1,264,343.71	1,264,343.71	0.00	0.00%
<b>Total Noncurrent Assets</b>	<b>1,264,343.71</b>	<b>1,264,343.71</b>	<b>0.00</b>	<b>0.00%</b>
<b>Property Plant and Equipment</b>				
<i>Property Plant &amp; Equipment in Service</i>	50,886,473.51	49,107,440.90	1,779,032.61	3.62%
<i>Accumulated Depreciation</i>	(18,409,539.56)	(17,088,930.17)	(1,320,609.39)	7.73%
<i>Construction Work in Progress</i>	516,389.80	282,116.96	234,272.84	83.04%
<b>Total Property Plant and Equipment</b>	<b>32,993,323.75</b>	<b>32,300,627.69</b>	<b>692,696.06</b>	<b>2.14%</b>
<b>Cash Designated for Future Use</b>				
<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%
<b>Total Cash Designated for Future Use</b>	<b>12,827,618.53</b>	<b>10,478,740.22</b>	<b>2,348,878.31</b>	<b>22.42%</b>
<b>Total Assets</b>	<b>52,096,669.96</b>	<b>48,588,314.49</b>	<b>3,508,355.47</b>	<b>7.22%</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
<i>Accounts Payable</i>	814,793.22	876,731.03	(61,937.81)	-7.06%
<i>Customer Deposits</i>	421,739.50	385,715.90	36,023.60	9.34%
<i>Accrued Payroll Taxes Payable</i>	(22,874.02)	(22,209.38)	(664.64)	2.99%
<i>Accrued Payroll</i>	82,582.68	78,419.73	4,162.95	5.31%
<i>Accrued Employee Leave</i>	135,124.91	132,500.23	2,624.68	1.98%
<i>Other Current &amp; Accrued Liabilities</i>	17,995.87	4,890.86	13,105.01	267.95%
<b>Total Current Liabilities</b>	<b>1,449,362.16</b>	<b>1,456,048.37</b>	<b>(6,686.21)</b>	<b>-0.46%</b>
<b>Noncurrent Liabilities</b>				
<i>Noncurrent Liabilities</i>	3,404,102.74	3,408,958.92	(4,856.18)	-0.14%
<b>Total Noncurrent Liabilities</b>	<b>3,404,102.74</b>	<b>3,408,958.92</b>	<b>(4,856.18)</b>	<b>-0.14%</b>
<b>Total Liabilities</b>	<b>4,853,464.90</b>	<b>4,865,007.29</b>	<b>(11,542.39)</b>	<b>-0.24%</b>
<b>Net Assets - Unrestricted</b>				
<i>Reserves</i>	0.00	0.00	0.00	na

## Balance Sheet - Electric

**June 30, 2024**

	<u>This Year YTD</u>	<u>Last Year YTD</u>	<u>Variance Dollar</u>	<u>Variance Percent</u>
<b>Liabilities and Net Assets</b>				
<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>	3,519,897.86	2,362,911.93	1,156,985.93	48.96%
<i>Other Equities</i>	(1,481,555.00)	(1,481,555.00)	0.00	0.00%
Less PP&E, Net	(32,993,323.75)	(32,300,627.69)	692,696.06	2.14%
<b>Total Net Assets - Unrestricted</b>	<b>14,249,881.31</b>	<b>10,310,942.49</b>	<b>3,938,938.82</b>	<b>38.20%</b>
<b>Investment in Capital Assets</b>	<b>32,993,323.75</b>	<b>32,300,627.69</b>	<b>692,696.06</b>	<b>2.14%</b>
<b>Total Net Assets</b>	<b>47,243,205.06</b>	<b>42,611,570.18</b>	<b>4,631,634.88</b>	<b>10.87%</b>
 <b><u>Total Liabilities and Net Assets</u></b>	<b>52,096,669.96</b>	<b>47,476,577.47</b>	<b>4,620,092.49</b>	<b>9.73%</b>

# Balance Sheet - Water

June 30, 2024

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Assets</b>				
<b>Current Assets</b>				
<i>Cash</i>	258,595.36	337,031.19	(78,435.83)	-23.27%
<i>Allocate Cash to Reserves</i>	(5,660,986.65)	(6,505,149.67)	844,163.02	-12.98%
<i>Local Government Investment Pool</i>	9,130,844.96	7,705,970.10	1,424,874.86	18.49%
<i>Current Accounts Receivable</i>	679,379.29	689,831.31	(10,452.02)	-1.52%
<i>Plant Materials &amp; Operating Supplies</i>	332,064.66	257,242.93	74,821.73	29.09%
<i>Prepayments</i>	23,682.56	13,791.83	9,890.73	71.71%
<b>Total Current Assets</b>	<b>4,763,580.18</b>	<b>2,498,717.69</b>	<b>2,264,862.49</b>	<b>90.64%</b>
<b>Noncurrent Assets</b>				
<i>Other Deferred Charges</i>	495,553.04	495,553.04	0.00	0.00%
<b>Total Noncurrent Assets</b>	<b>495,553.04</b>	<b>495,553.04</b>	<b>0.00</b>	<b>0.00%</b>
<b>Property Plant and Equipment</b>				
<i>Property Plant &amp; Equipment in Service</i>	42,599,558.82	41,726,652.67	872,906.15	2.09%
<i>Accumulated Depreciation</i>	(15,191,359.18)	(14,316,619.03)	(874,740.15)	6.11%
<i>Construction Work in Progress</i>	265,627.59	117,859.86	147,767.73	125.38%
<b>Total Property Plant and Equipment</b>	<b>27,673,827.23</b>	<b>27,527,893.50</b>	<b>145,933.73</b>	<b>0.53%</b>
<b>Cash Designated for Future Use</b>				
<i>Bond Reserve Requirement</i>	0.00	0.00	0.00	na
<i>Reserve-SDC</i>	456,799.65	0.00	456,799.65	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>Future Improvement/Replacement</i>	5,204,187.00	6,505,149.67	(1,300,962.67)	-20.00%
<b>Total Cash Designated for Future Use</b>	<b>5,660,986.65</b>	<b>6,505,149.67</b>	<b>(844,163.02)</b>	<b>-12.98%</b>
<b>Total Assets</b>	<b>38,593,947.10</b>	<b>37,027,313.90</b>	<b>1,566,633.20</b>	<b>4.23%</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
<i>Accounts Payable</i>	168,458.18	167,181.23	1,276.95	0.76%
<i>Sewer Collections Payable</i>	0.00	0.00	0.00	na
<i>Accrued Interest</i>	5,323.34	7,630.41	(2,307.07)	-30.24%
<i>Accrued Payroll Taxes Payable</i>	(2,839.66)	(2,858.84)	19.18	-0.67%
<i>Accrued Payroll</i>	23,656.20	25,322.09	(1,665.89)	-6.58%
<i>Accrued Employee Leave</i>	10,284.75	11,511.49	(1,226.74)	-10.66%
<i>Other Current &amp; Accrued Liabilities</i>	(5,541.63)	(5,120.68)	(420.95)	8.22%
<b>Total Current Liabilities</b>	<b>199,341.18</b>	<b>203,665.70</b>	<b>(4,324.52)</b>	<b>-2.12%</b>
<b>Noncurrent Liabilities</b>				
<i>Noncurrent Liabilities</i>	2,353,449.84	2,769,449.84	(416,000.00)	-15.02%
<b>Total Noncurrent Liabilities</b>	<b>2,353,449.84</b>	<b>2,769,449.84</b>	<b>(416,000.00)</b>	<b>-15.02%</b>
<b>Total Liabilities</b>	<b>2,552,791.02</b>	<b>2,973,115.54</b>	<b>(420,324.52)</b>	<b>-14.14%</b>

Net Assets - Unrestricted

# Balance Sheet - Water

**June 30, 2024**

	<b>This Year YTD</b>	<b>Last Year YTD</b>	<b>Variance Dollar</b>	<b>Variance Percent</b>
<b>Liabilities and Net Assets</b>				
<i>Reserves</i>	53,814.89	45,977.24	7,837.65	17.05%
<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>	1,986,957.72	1,031,668.94	955,288.78	92.60%
<i>Other Equities</i>	1,431,758.18	1,439,595.83	(7,837.65)	-0.54%
Less PP&E, Net	(27,673,827.23)	(27,527,893.50)	145,933.73	0.53%
<b>Total Net Assets - Unrestricted</b>	<b>8,367,328.85</b>	<b>4,061,567.44</b>	<b>4,305,761.41</b>	<b>106.01%</b>
<b>Investment in Capital Assets</b>	<b>27,673,827.23</b>	<b>27,527,893.50</b>	<b>145,933.73</b>	<b>0.53%</b>
<b>Total Net Assets</b>	<b>36,041,156.08</b>	<b>31,589,460.94</b>	<b>4,451,695.14</b>	<b>14.09%</b>
 <b>Total Liabilities and Net Assets</b>	<b>38,593,947.10</b>	<b>34,562,576.48</b>	<b>4,031,370.62</b>	<b>11.66%</b>