

***CANBY UTILITY
REGULAR BOARD MEETING
OCTOBER 8, 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 September 10, 2024 (pp. 1-4)
 - 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 October 8, 2024 with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. PRESENTATION Salary Study Results, Jennifer Schoorl and Laurie Grenya, HR Answers, Inc.
- VI. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- VII. STAFF REPORTS

Operations Manager:

 - Quarterly Reliability Report (pp. 5-6)General Manager Updates
- VIII. ADJOURN

***CANBY UTILITY
REGULAR BOARD MEETING MINUTES
SEPTEMBER 10, 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; Cindy Dittmar, Customer Service Supervisor; and Jason Peterson, Operations Field Supervisor

Others Present: Brian Hutchins, Veolia Water North America; Katy Asher; Dick Talley, Laurie Grenya and Jennifer Schoorl, HR Answers; Joe Brennan; and Patty Travis

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 Barbara Benson added a staff report from Operations Manager Jason Berning.

Chair Thompson presented the consent agenda for approval. Board Secretary Barbara Benson noted that she corrected the minutes due to a scrivener's error. The minutes erroneously listed an attending staff member who was absent. Member Hill made the *MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of August 13, 2024, as corrected, and payment of the electric and water department bills in the amount of \$509,501.03. Member Horrax seconded, and the motion passed 5-0.

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

General Manager Carol Sullivan introduced Laurie Grenya and Jennifer Schoorl from HR Answers. Canby Utility hired HR Answers to perform a market salary study for the exempt management positions in 2021. The 2021 project was conducted under the previous manager using some targeted agencies the Board felt were inappropriate due to their large size and significant differences. The Board had asked the manager for more comparable agencies for the study; however, this was not completed due to the manager's departure from the utility. Schoorl stated that nine of the fourteen local organizations contacted to participate in the new study submitted data. She wanted to confirm that these entities were acceptable to the Board so that they could proceed with finalizing the market data. Schoorl asked if there were questions, and Chair Thompson asked about the administrative duties of the Human Resources/ Administration Manager/Board Secretary's blended position. Board Secretary Barbara Benson responded and gave examples of her administrative responsibilities. Chair Thompson spoke about the Board's concerns with the market study in 2021 and asked if the Board had any concerns about the

comparators used in the new study. The Board discussed the comparator entities' demographics, including the number of employees, kilowatt sales, and customer count. Grenya explained that just because an agency had more employees or higher sales was not an absolute identifier. They look at the entities being comparable on a percentage basis. They also consider their governance structure and similarities in utility responsibilities. The comparators are within the region, doing similar work, and have parallel positions. Discussion ensued regarding weighting the geographical differentials between agencies and their recommendation to have a review of job descriptions for FLSA compliance when significant job changes occur. Thompson asked about next steps and Sullivan explained that if the Board approves the comparators used in the study, HR Answers will finalize the data and establish a recommended pay range for each position. The Board will then decide if they want to approve the new salary ranges and discussion ensued. The Board gave consensus that the comparators were acceptable.

Finance Manager Mike Schelske presented a recommendation to revise the master fee schedule. Resolution No. 267, that established the master fee schedule for Canby Utility's water, electric, and customer service, allows for an annual review of and update to the exhibit of fees. Schelske recommended changes to the water line inspection fee, water line flushing fee, water pressure and fire flow testing fee, and water hook-up main-to-meter lateral services, including the meter, for the 5/8" – 1" and the 1-1/2" – 2" meters, and the water hook-up charge for meter installation only for the 5/8" – 3/4", the 1", 1 1/2", and the 2" meters. Schelske reviewed the recommended increases and decreases in fees. Discussion ensued regarding the components of the cost calculations and the factors that drove the changes in costs, especially with several of the fees decreasing. Member Hill made the *MOTION to Adopt Revised Exhibit A to Resolution No. 267, related to the Master Fee Schedule effective November 1, 2024. Member Horrax seconded, and the motion passed 5-0.

Finance Manager Mike Schelske presented a recommendation to adjust Canby Utility's water system development charges (SDC) for inflation. Schelske explained staff presents the Board with a recommendation to adjust SDCs based on an inflationary index adjustment each year. The SDCs account for new development impacts on water infrastructure needs and planning. When a new water connection occurs, the developer must pay the SDC to buy into the existing infrastructure and the capital reserves planning for future water needs. Infrastructure costs are calculated in the 2023 Water Master Plan. Schelske said that the amount of an SDC paid corresponds to the size of the meter requested, based on water consumption, which is 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. Schelske said that 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. He noted that the current adjustment is higher due to the increase in SDC fees effective February 1, 2024. Schelske also noted that staff has notified a list of interested parties regarding the recommendation to adjust the SDC's. Chair Thompson asked about feedback from interested parties on the increases to date. Staff responded that there has not been any feedback. Member Horrax made the *MOTION to 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. Member Pendleton seconded, and the motion passed 5-0.

Finance Manager Mike Schelske presented the fourth quarter and year-to-day financials. Overall, it has been a good year for revenue, expenses, and net profit. Electric revenues are up 2.4% from the budget. Water revenues are up 13.2% from the budget, partly due to budgeting using a low consumption year. The FY 2025 budget uses an anticipated water consumption calculation. Expenses were down for the electric and water funds, with the significant factors being a reduction in personnel costs due to open positions, outside contractors, expenses, and a more significant than-budgeted BPA power dividend that reduced our purchase power costs. The interest income earned was much higher than budgeted, with electric interest being approximately \$217,000 over budgeted and water interest being approximately \$230,000. The capital contributions for electric were close to budget; however, for water, contributions were nearly \$820,000 under budget. Schelske said that the electric fund had an overall net income of \$1.6 million over budget, and the water fund had an overall net income of \$322,000 over budget. The electric fund has \$13.8 million in cash, and the water fund has \$9.4 million. Schelske noted that in the rate study by Donovan, it was projected that the water fund would have around \$8 million at this time, which we have exceeded. A brief discussion ensued regarding the interest income.

Operations Manager Jason Berning reported on the activities involving the electric and water crews. He shared that the contractors developing a subdivision on the south side of Canby installed approximately 99% of the new water lines and will still need to disinfect and pressurize the lines. The electric crew will be installing conduit for that subdivision in about two weeks, and will pull two weeks later.

Berning reported that the electric crew continues to work on tree trimming as time allows in their schedule.

Berning also reported on the Highway 99E project. Canby Utility's only remaining work is to replace four valve cans. ODOT expects the project to be complete by the end of October.

Berning reported on a 12" PVC water line rupture that occurred last month, flooding nearby businesses. The damaged water line is out of service, and a temporary jumper line serves the affected customers. Berning said that they may be able to have the new service lines bored into those businesses next week, and then they will abandon the damaged water line. Berning talked about the incident response. A lot of mud and debris entered the buildings.

General Manager Carol Sullivan reported that Kurt D. Carpenter, a Research Hydrologist at the U.S. Geological Survey Oregon Water Science Center, was in the Canby area last week to monitor the Molalla River for potential cyanobacteria. His team visited Wagon Wheel Park, Goods Bridge, and Canby Community Park. Sullivan distributed a map of locations and photographs of their findings that she wanted to share with the Board. Canby Utility has not received any complaints about the water's taste and odor this summer.

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Sullivan also reported on the procurement support of an owner’s representative. She stated that as of August, the RFP is approximately two weeks behind schedule and within budget. Sullivan distributed an updated Monthly Progress Report from our consultant, Mark Knudson. She also updated the Gantt chart to reflect additional line items and schedules. Sullivan said that the RFP will be advertised and available on our website on Thursday. A brief discussion ensued about the Willamette River water rights and water flow metering.

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

The meeting adjourned at 7:48 p.m.

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary

OUTAGE AVERAGES Oct 2023 THROUGH Sep 2024

MONTH	YEAR	NUMBER OF OUTAGES	NUMBER OF CUSTOMERS AFFECTED	TOTAL CUSTOMER MINUTES OFF	MONTHLY NUMBER OF CUSTOMERS IN THE SYSTEM	NUMBER OF MOMENTARY INTERRUPTIONS
Oct	2023	1	5	600	8266	1
Nov	2023	1	70	7000	8274	1
Dec	2023	1	2	360	8273	1
Jan	2024	1	6	600	8280	1
Feb	2024	1	107	10705	8264	1
March	2024	1	5,000	800000	8289	2
April	2024	0	0	0	8292	1
May	2024	0	0	0	8334	2
June	2024	1	4	320	8331	1
July	2024	2	2,504	250216	8351	2
Aug	2024	0	0	0	8364	2
Sep	2024	1	300	7200	8359	1
12 MONTH TOTALS		10	7,998	1,077,001	99,677	16
12 MONTH AVERAGE		0.83	667	89,750	8,306	1.3

			<u>C.U.</u>	<u>Industry Typical Value</u>
SAIDI =	$\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}}$	= $\frac{1,077,001}{8,306}$	= 129.6589	87.0
SAIFI =	$\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}}$	= $\frac{7998}{8,306}$	= 0.96	0.93
MAIFI =	$\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}}$	= $\frac{16}{8,306}$	= 0.002	0.96
CAIDI =	$\frac{\text{Total interruption minutes for 12 months}}{\text{Total number of interruptions}}$	= $\frac{135}{6}$	= 22	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.