

***CANBY UTILITY
REGULAR BOARD MEETING
JANUARY 14, 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 Minutes of December 10, 2024 (pp. 1-3)
 - 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 January 14, 2025 with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. NOMINATIONS FOR 2025 BOARD CHAIRPERSON
- VI. RECOMMENDATION Award Owner's Representative and Conceptual Engineering Services for Canby Drinking Water Supply System Project to Stantec Consulting Services, Inc. – Carol Sullivan, General Manager and Mark Knudson, Special Districts Association of Oregon (pp. 4-5)
- VII. BOARD TRAINING – Ashley Driscoll, Beery Elsner & Hammond
- VIII. RECOMMENDATION Approve Green Power Donation for City Parks and Transit Mall – Cindy Dittmar, Customer Service Supervisor (pg. 6)
- IX. RECOMMENDATION Approve Amended Salary Ranges – Barbara Benson, HR/Administration Manager (pp. 7-8)
- X. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- XI. STAFF REPORTS

Operations Manager:

 - Quarterly Reliability Report (pp. 9-10)

General Manager Updates
- XII. ADJOURN

***CANBY UTILITY
REGULAR BOARD MEETING MINUTES
DECEMBER 10, 2024***

- Board Present:** Chair Thompson; Members Horrax, Molamphy, and Hill
- Absent:** Member Pendleton and Carol Sullivan, General Manager
- Staff Present:** 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; Joe Brennan; Corianne Burnett; and Tracey O’Shaughnessy

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, and there were none.

Chair Thompson presented the consent agenda for approval. Member Molamphy made the *MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of November 12, 2024, and payment of the electric and water department bills in the amount of \$356,466.58 Member Hill seconded, and the motion passed 4-0.

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

Finance Manager Mike Schelske reported that the Fiscal Year 2024 audit is complete. He then introduced Moss Adams’ Manager, Ayde Alvarado, who was presenting the audit findings.

Alvarado began the presentation with a review of the audit team and the services provided by their firm, including the Independent Auditor's Report on the individual and combined financial statements; assistance with and technical review of the financial statements for compliance with GAAP; disclosures and independent auditors' comments required by the Minimum Standards for Auditors of Oregon Municipal Corporations; and the Communications to Those Charged with Governance. The significant audit areas of focus were work orders, customer billing, management override, compliance with state laws and regulations, and IT user access controls.

Canby Utility received an unmodified (clean) opinion on the financial statements. They looked at compliance requirements under the Oregon Minimum Standards and had no reportable findings. Alvarado reviewed the required communications. There was an audit adjustment to reclassify BPA’s power dividend to accurately reflect purchase power costs in the amount of \$285,725. This cost had been classified as miscellaneous other sales and income. They also proposed an

Canby Utility
Regular Board Meeting Minutes
December 10, 2024
Page 2 of 3

audit adjustment of \$72,823 that related to bank reconciliations. Outstanding cash deposits in June should have been an adjustment to cash for year-end reporting. Due to the amount of the adjustment, it was not considered material for the financial statement reporting. Management will ensure this is recorded at the end of each month in the future. Alvarado shared two best practices recommendations: 1) establish a formal process to periodically review open work orders to ensure that completed work orders are closed in a timely manner, and 2) periodically review accounting system user access rights. Alvarado noted management has a good policy for adding and deleting users, and their recommendation is focused on reviewing existing user access to the system should their roles change within the organization.

Alvarado discussed four new accounting pronouncements: GASB 101, related to compensated absences for the fiscal year 2025; GASB 102, related to certain risk disclosures for fiscal years beginning after June 15, 2024; GASB 103, related to financial reporting model improvements effective for fiscal years beginning after June 15, 2025; and GASB 104 regarding disclosure of certain capital assets effective for fiscal years beginning after June 15, 2025.

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

Human Resources/Administration Manager Barbara Benson presented a recommendation to amend Canby Utility's 401(k) profit-sharing plan recordkeeper. Benson said that Canby Utility's current recordkeeper is Empower. In October, the plan trustees met with our financial advisor, Matt Stutes of Cornerstone Wealth Management, to review the plan's assets and performance. At that time, the trustees voted to pursue transitioning from the plan's current recordkeeper to Voya. Considerations for the trustees making this transition were based on the cost savings for our participating employees and the added convenience they and payroll will have with a consolidated platform since Canby Utility's 457 plan is also on the Voya platform. Benson said the Oregon Public Employees Retirement System's Individual Account Program also utilizes Voya. The transition process requires a 30-day account restriction or "blackout" period, expected to begin on December 18th if approved by the Board. Member Hill made the *MOTION to Adopt Resolution No. 328, Amending the Canby Utility Board's 401(k) profit-sharing plan relating to the plan's recordkeeper. Member Molamphy seconded, and the motion passed 4-0.

Finance Manager Mike Schelske presented the first quarter financials. Overall, most categories were favorable to budget. The ones unfavorable to the budget were purchased power and capital contributions for the water and electric funds. Schelske reviewed the electric financial highlights. The operating revenue was 5.5% higher than the budget. The purchased power was 26.2% over budget due to higher units and component rate increases. The operating expenses were 5.4% under budget, mainly due to one open position, lower BPA energy incentive payments, and lower costs for supplies and contractors due to the timing of expenditures. The operating loss of \$338,000 was \$291,000 higher than the budget. The contributed capital of \$56,000 was \$241,000 lower than the budget. The net income of \$115,000 was \$532,000 under budget.

Schelske reviewed the water financial highlights. The operating revenue of \$1.83 million was 7.2% higher than the budget. The operating expenses were \$205,000 under budget, mainly due to

**Canby Utility
Regular Board Meeting Minutes
December 10, 2024
Page 3 of 3**

open positions and lower costs for supplies and contractors due to the timing of expenditures. The operating profit was \$327,000 higher than the budget due to higher revenues and lower operating expenses. The contributed capital of \$252,000 was under budget by \$376,000. The net income of \$1.4 million was 15.3% higher than the budget.

Schelske summarized the first quarter financial report, stating that the revenues were higher and expenses were lower than budget, with the exception of purchased power. Member Molamphy asked if the late billing from the Bonneville Power Administration impacts the financials. Schelske explained that the invoices were coming closer to the beginning of the month but are now arriving mid-month. Schelske added that it does not impact the financials as it is coded to the appropriate period.

Board Secretary Barbara Benson gave an update on the SDAO consultant's procurement support project activities for November. The notable activities included in-person interviews with consultants, a request for clarification and additional information from the recommended consultant, evaluation committee scoring and documentation of the committee member's concurrence, and issuing the notice of intent to award. The project required significantly greater effort on behalf of the consultant than originally anticipated. As a result of this additional work, an amendment to the SDAO fee agreement will be prepared, reflecting a fee increase of \$4,200 to complete the project.

Benson also reviewed the work planned for this month, noting that staff is currently in contract negotiations with the consultants and will recommend in January that the contract for the Conceptual Engineering and owner's Representative Services be awarded.

Member Molamphy made the *MOTION to adjourn the meeting at 7:37 p.m. Member Hill seconded, and the motion passed 4-0.

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary



MEMORANDUM

January 9, 2025

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

FROM: Carol Sullivan, General Manager

SUBJECT: Award Owner's Representative and Conceptual Engineering Services for Canby Drinking Water Supply System Project to Stantec Consulting Services, Inc.

Suggested Motion:

Motion to authorize General Manager to enter into a professional services agreement with Stantec Consulting Services, Inc., to provide professional engineering services to complete conceptual engineering and provide owner's representative services for the Canby Drinking Water Supply System.

Background:

Canby Utility (CU) hired Mark Knudson, a consultant with Special Districts Association of Oregon (SDAO) for procurement support for Owner's Representative Services and Conceptual Engineering for the Canby Drinking Water Supply System project in May 2024.

With the help of Mr. Knudson Stantec Consulting Services, Inc. (Stantec) was selected for this project through a comprehensive professional services procurement process, including:

- Preparation of a request for proposals (RFP), including board, staff and legal reviews of the draft RFP
- Issuance of the final RFP on September 12, 2024, including advertising in the Daily Journal of Commerce and direct notice sent to 18 engineering consulting firms
- A mandatory preproposal meeting on September 23, 2024, including attendance by 15 representatives of prospective proposers
- Receipt of responsive proposals from two firms, Stantec and Consor, on October 24, 2024

- Establishment of a seven-member Consultant Evaluation Committee, which included representatives of the CU Board of Directors, CU management staff, CU's water operations contractor, the City Administrator of Canby, and McMinnville Water & Light's General Manager
- Review and evaluation of the two proposals by the Consultant Evaluation Committee, including scoring of each proposal based on CU-established evaluation criteria identified in the RFP
- Interviews with the two proposers on November 5, 2024
- Consultation with CU's attorney to confirm the consultant evaluation, selection, and contract negotiation process
- A second meeting of the Consultant Evaluation Committee on November 27, 2024, to consider additional information submitted by Stantec

As a result of the Consultant Evaluation Committee's evaluations and scoring, six of the seven members of Committee identified Stantec as the highest-rated consultant and one member identified Consor as the highest-rated firm. Following further deliberations, the Committee recommended selection of Stantec and the notice of intent to award was issued on November 27, 2024; no protests were submitted.

CU entered into negotiations with Stantec to finalize the recommended scope of work, project schedule, and fee for the requested services. Staff also consulted with CU legal counsel to prepare the final professional services agreement for the project.

The recommended professional services agreement includes two major work elements: Conceptual Engineering for the new water supply system, and the first year of Owner's Representative services for ongoing implementation of the project. Near the end of the first year of the project, CU may negotiate with Stantec to establish a scope of work and fee for the second year of Owner's Representative services, with the resulting contract amendment presented to the CU Board of Directors for approval each year. This year-to-year update of the professional services agreement is anticipated to continue for the duration of the water supply project. It should be noted that CU is not obligated to continue with Stantec beyond the first year of services; however, if the agreement is not renewed, CU would need to conduct a new professional services procurement process to select a new consultant.

Mark Knudson and I will be available to answer any questions the Board may have.



MEMORANDUM

January 3, 2025

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

FROM: Cindy Dittmar, Customer Service Supervisor

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

Recommended Motion: Motion to approve to continue to make a monthly donation of Green Power on behalf of the city parks and transit mall.

Background: Canby Utility has made a monthly donation of Green Power since January 2008 to the City of Canby. We donate 45 blocks (1 block = 100 kWh) of environmentally preferred power (EPP) to “green-up” the parks and transit mall each month. The cost is \$0.92 per block or a monthly cost of \$41.40. The Board has authorized donations through December 31, 2024. Staff is requesting approval to extend the donation an additional year.

Canby Utility used the donation to the city parks and transit mall as a way to promote Green Power. In December we had 180 customers purchase \$1,068.12 for 1161 blocks of green power. The number of customers that purchase green power remains fairly consistent over the course of the year.

I will be available at the meeting to answer any questions the Board may have.



MEMORANDUM

To: Chair Thompson, Member Horrax, Member Molamphy, Member Pendleton, and Member Hill
From: Barbara Benson, Human Resources/Administration Manager
Date: January 8, 2025
Subject: Revised Exempt Employee Compensation Salary Ranges

Recommended Motion:

Motion to Adopt the Amended Salary Ranges for Resolution No. 325.

Background:

In November, the Board adopted Resolution No. 325, formally approving the results of HR Answers' 2024 exempt employee compensation study. Laurie Grenya of HR Answers presented the study in October, noting that the Finance Manager and Operations Manager roles are aligned with the market, within 5% of the median. Based on this assessment, no changes to these salary ranges were recommended.

However, the salary ranges for these two positions were adjusted in the table that was adopted with the resolution. Additionally, the steps within the salary ranges were not calculated consistently with the guidelines outlined in Procedure 405 that states, in part, that "salary steps are created by using an equal spread in dollars between steps."

These discrepancies have been corrected, and the updated salary range chart is now accurate and aligns with both the study's recommendations and established procedures. The revised chart is attached for your review.

**PROCEDURE 405
ATTACHMENT**

CANBY UTILITY MANAGEMENT TEAM SALARY RANGES					
Corrected: 1/14/25					
30% Spread					
POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
General Manager	Board determines compensation through employment contract. No steps within salary range. Current range: \$212,705 - \$278,189 Current Rate: \$214,379				
Operations Manager	\$ 145,254	\$ 156,109	\$ 166,962	\$ 177,814	\$ 188,669
Finance Manager	\$ 143,949	\$ 154,704	\$ 165,459	\$ 176,216	\$ 186,968
CS Supervisor	\$ 94,542	\$ 101,818	\$ 109,095	\$ 116,371	\$ 123,647
HR/Admin Manager Board Secretary	\$ 96,081	\$ 103,476	\$ 110,871	\$ 118,265	\$ 125,660
Purchasing Agent	\$ 65,337	\$ 70,366	\$ 75,395	\$ 80,423	\$ 85,452
Ops Field Supervisor	\$ 140,830	\$ 151,669	\$ 162,508	\$ 173,347	\$ 184,186

Note: Newly hired employees will be eligible for a 1/2 step increase upon successful completion of their probationary period. The employee will then be eligible for the next published step upon their anniversary.

OUTAGE AVERAGES Jan 2024 THROUGH Dec 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
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
Oct	2024	0	0	0	8372	1
Nov	2024	1	42	5082	8375	2
Dec	2024	1	6	1260	8393	3
12 MONTH TOTALS		9	7,969	1,075,383	100,004	19
12 MONTH AVERAGE		0.75	664	89,615	8,334	1.6

			<u>C.U.</u>	<u>Industry Typical Value</u>
SAIDI =	$\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}}$	= $\frac{1,075,383}{8,334}$	= 129.0408	87.0
SAIFI =	$\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}}$	= $\frac{7969}{8,334}$	= 0.96	0.93
MAIFI =	$\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}}$	= $\frac{19}{8,334}$	= 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.