

***CANBY UTILITY
REGULAR BOARD MEETING
MAY 12, 2015
7:00 P.M.***

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of May 12, 2015 Agenda
 - Approval of Regular Board Meeting & Executive Session Minutes of April 14, 2015 and Special Board Meeting & Executive Session Minutes of May 4, 2015
 - Approval of Write-Offs
 - Approval of Payment of Water and Electric Bills
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS
- V. PUBLIC HEARING: Water Rate Proposal (pp. 1-11)
- VI. RESOLUTION NO. 276 Revising Canby Utility's Water Rate Schedules – Carol Sullivan, Finance Manager (pp. 12-15)
- VII. RECOMMENDATION: Approve Revised Memorandum of Understandings for the International Brotherhood of Electrical Workers – Barbara Benson, Administration/HR Manager (pp. 16-20)
- VIII. DISCUSSION: General Manager Expectations – Chairman Cornelius
- IX. STAFF REPORTS

Operations Superintendent:

 - Quarterly Reliability Report (pg. 21)
 - Water Taste and Odor Mitigation Update
- X. SPECIAL PRESENTATION Chairman Cornelius
- XI. ADJOURN

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
APRIL 14, 2015

PRESENT: Chairman Cornelius; Members Wagner, Maxwell, Potter and Daniels; and Barbara Benson, Board Secretary

ALSO PRESENT: Carol Sullivan, Finance Manager; Sue Arthur, Purchasing Agent; Larry Hepler, Operations Superintendent; Dee Anne Wunder, Customer Service Supervisor; and David Doughman, Board Attorney

Chairman Cornelius called the Regular Board Meeting to order at 7:01 p.m.

Chairman Cornelius presented the meeting agenda for consideration. He asked for any additions, deletions or corrections to the meeting agenda. Barbara Benson, Board Secretary, stated that she planned to present a recommendation for the Board to sign revised Memorandum of Understandings between Canby Utility and the International Brotherhood of Electrical Workers; however, there were not enough employees present at the last union meeting to cast a vote. Therefore, Barbara asked to postpone the recommendation until the next meeting.

Chairman Cornelius presented the consent agenda for approval. Member Wagner made the *MOTION to Approve the Consent Agenda, Consisting of the Amended Meeting Agenda, Regular Meeting Minutes of March 24, 2015 and Executive Session Meeting Minutes of March 27 and April 3, 2015, Write-Offs in the Amount of \$666.08, Payment of the Electric and Water Department Bills in the Amount of \$847,290.82, with Carry-Ins in the Amount of \$29,882.16, for a Total of \$877,172.98. Member Potter seconded, and the motion passed unanimously.

Chairman Cornelius asked for citizen input on non-agenda items and there was none.

Larry Hepler, Operations Superintendent, stated that Canby Utility and Portland General Electric (PGE) have an agreement concerning the allocation of electric utility service territory between the two agencies. The agreement was approved by the Oregon Public Utility Commission (PUC) in 1968 and was later amended in 1998. When a property annexes into the City of Canby, Canby Utility and PGE collaborate to change the service territory. The annexed properties are then put through a process with the Oregon PUC to become part of Canby Utility's service area. In most cases, Canby Utility is not prepared to serve the newly annexed property due to the lack of infrastructure near their property and is hesitant to force customers to transfer. When this occurs, PGE continues to serve these customers until we are able to transfer the facilities. Larry stated that PGE met with staff last October to discuss concerns about this practice and felt that the territory allocation agreement needed to be modified to reflect the process in which we will handle transferring service. We also met again in March to discuss the proposed agreement revisions and noted that PGE is getting pressure from the PUC to amend the agreement. David Doughman, Board Attorney, stated that essentially the practice that is in place has now been put

**Canby Utility
Regular Board Meeting Minutes
April 14, 2015
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into writing. There were no issues between the two entities in drafting the revisions and the next step is to make a joint presentation to the PUC upon Board approval of the amendment. A brief discussion ensued regarding the drivers for making the change to the agreement and length of time it may take an annexed property to connect to Canby Utility's system. Member Daniels made the *MOTION to Authorize the Board Chairman to Sign Amendment No. 2 to the Territory Allocation Agreement. Member Maxwell seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Wagner, aye; Member Maxwell, aye; Member Daniels, aye; and Chairman Cornelius, aye. The motion passed 5 to 0.

Sue Arthur, Purchasing Agent, presented a recommendation to award the audit service contract to Moss-Adams LLP. She stated that staff solicited proposals from 10 qualified Certified Public Accountant firms; two bids were received and opened on March 25. Following staff's review of the proposals, Moss-Adams' proposal was found to be the most responsible and responsive. Member Wagner asked about the low number of proposals received and Carol Sullivan, Finance Manager, replied that the low response may be due to it being tax season. Carol has worked directly with Moss-Adams while employed in Coos Bay and shared her opinion of their knowledge after hearing them present at a conference. David Doughman, Board Attorney, noted that he has worked with them as well and had a great experience with them. Carol also shared that she received positive references from other agencies that use them and that the transition between audit firms was smooth for the firms that made a transition. Member Maxwell made the *MOTION to Award a Contract to Moss-Adams LLP for Three Sequential Years of Audit Services, Starting with Fiscal Year 2015. Member Daniels seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Wagner, aye; Member Maxwell, aye; Member Daniels, aye; and Chairman Cornelius, aye. The motion passed 5 to 0.

Carol Sullivan, Finance Manager, presented the second quarter executive financial summary year-to-date as of December 2014. The electric fund has an operating profit of \$340,994, including capital contributions; and the water fund has an operating profit of \$290,998 including capital contributions. Compared to budget, the electric fund was over budget by \$447,390 and the water fund was under budget by \$10,442. Carol explained reasons for the budget variance for each fund. The cash reserves for the electric fund are over the budgeted target by \$100,449 and the water fund was over the budgeted target by \$289,661. The Board had no questions.

Carol Sullivan, Finance Manager, presented the fiscal year 2016 operating and capital budgets timeline. She noted the Board will review the proposed budgets on June 9 and the recommended budgets on June 23.

Member Daniels made the *MOTION to go into Executive Session according to ORS 192.660(2)(a) to Discuss Employment of a Public Employee. Member Potter seconded, and the motion passed unanimously.

Staff, with the exception of Barbara Benson, Board Secretary, was excused for the evening.

The regular meeting was recessed at 7:22 p.m.

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Regular Board Meeting Minutes
April 14, 2015
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The regular meeting was reconvened at 7:56 p.m.

Member Daniels made the *MOTION to Adjourn the Meeting. Member Potter seconded, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 7:56 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

***CANBY UTILITY
EXECUTIVE SESSION MINUTES
APRIL 14, 2015***

PRESENT: Chairman Cornelius; Members Wagner, Maxwell, Potter and Daniels; and Barbara Benson, Board Secretary

ALSO PRESENT: David Doughman, Board Attorney

The Executive Session was opened at 7:22 p.m. by Chairman Cornelius, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2) (A) for the purpose of discussing employment of a public employee.

There being no further business, the Executive Session was adjourned at 7:56 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

CANBY UTILITY
SPECIAL BOARD MEETING MINUTES
MAY 4, 2015

PRESENT: Chairman Cornelius; Members Wagner, Maxwell, Potter and Daniels; and Barbara Benson, Board Secretary

ALSO PRESENT: David Doughman, Board Attorney; and Heather Gantz, Waldron

Chairman Cornelius called the Special Board Meeting to order at 4:07 p.m.

Member Potter made the *MOTION to go into Executive Session according to ORS 192.660(2)(a) to Discuss Employment of Public Employee. Member Maxwell seconded, and the motion passed unanimously.

The regular meeting was recessed at 4:08 p.m.

The regular meeting was reconvened at 5:37 p.m.

Member Daniels made the *MOTION to Authorize the Board Chair to Sign the Employment Agreement between Canby Utility and Dan Murphy with Changes Discussed. Member Potter seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Wagner, aye; Member Maxwell, aye; Member Daniels, aye; and Chairman Cornelius, aye. The motion passed 5 to 0. Chairman Cornelius asked Board members prepare a list of their expectations of the new General Manager for discussion at the next meeting.

Member Daniels made the *MOTION to Adjourn the Meeting. Member Potter seconded, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 5:42 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary

***CANBY UTILITY
EXECUTIVE SESSION MINUTES
May 4, 2015***

PRESENT: Chairman Cornelius; Members Wagner, Maxwell, Potter and Daniels; and Barbara Benson, Board Secretary

ALSO PRESENT: David Doughman, Board Attorney; and Heather Gantz, Waldron

The Executive Session was opened at 4:08 p.m. by Chairman Cornelius, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2) (a) for the purpose of discussing employment of a public employee.

There being no further business, the Executive Session was adjourned at 5:37 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary



MEMORANDUM

May 8, 2015

TO: Chairperson Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

FROM: Carol Sullivan, Finance Manager

SUBJECT: Water Rate Proposal for June 2015

The Canby Utility Board proposes to increase water revenue by 8% as of June 1st of this year. The reasons behind the increase are as follows:

- Succession planning: hire a certified water distribution employee to start learning the system.
- Aging infrastructure: Canby Utility needs to catch up on mainline replacement projects. In 2014 all mainline projects were postponed due to budget restrictions; this is \$300,000 of repairs that were delayed. Increasing the annual amount of capital improvements to \$350,000, with \$50,000 allocated from the rate increase, enable the utility to be on track by 2021.
- Future water supply: Canby Utility has one main source of water, should that fail where will Canby get its water? Water supply alternatives could include the Willamette River and/or groundwater wells. Reserves need to be built-up to fund some of the project and a revenue stream needs to be established to meet the debt service requirement ratio for bonding (net water revenues divided by the annual debt service).

Attached to this memo, to be part of the public record, is information the Board has used in previous public meetings to arrive at the proposed rates:

- A staff memo presented to the Board on March 10, 2015. This was a look at raising rate revenues 12.63% for an ideal funding scenario. The Board discussion ended with staff to return with an 8% rate revenue increase from base charges only.
- A water rate comparison chart for neighboring cities presented to the Board on March 10, 2015 and March 24, 2015. This has been updated to reflect the most current information and notes added to indicate upcoming increases.
- A Staff memo presented to the Board on March 24, 2015 with an 8% rate revenue increase to the base charges only.

- A “Proposed Water Meter Base Charges Increase Effective June 1” flyer that was mailed to all customers along with their utility bill.
- A chart of Canby Utility history of revenue, cash reserves, personnel, increases to plant assets, capital contributions, system development charges and future capital funds.

The Board will invite comments from the public on the proposal at Tuesday’s rate hearing. After closing the public testimony, the Board will deliberate on the information and input received.

Under separate cover, I have provided a draft resolution to aid the Board’s deliberation on the water rate proposal. The Board may accept, modify or reject the resolution for proposed water rates based on the discussion, information, and public testimony heard during the hearing. The Board may direct staff to modify the draft resolution and either adopt the resolution that same meeting, or if necessary, schedule a subsequent meeting to review staff’s work on those modifications.

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



MEMORANDUM

March 6, 2015

TO: Chairperson Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

FROM: Carol Sullivan, Finance Manager

SUBJECT: Water Rate Revenue Adjustment

RECOMMENDATION: Increase total water revenues 12.63% by increasing the base rate only, to be effective June 1, 2015.

For Canby Utility to meet ideal funding, we would need 16.46% more revenues than was budgeted in fiscal year 2015. The additional revenue generated would cover an increase to the operations and maintenance reserve (O&M), an additional laborer position, an increase to the main replacement program and fund the future water supply reserve.

I looked at two scenarios: increasing both the base rate and the tiered rates or just increasing the base rate. The new rates were derived from the previous 2013 rate study. In looking at these two scenarios, I applied the new rates to a high consumption year and a low consumption year to determine the best and worst possible outcomes. A low consumption year would not fund the ideal reserve allocation but this could be resolved by the O&M reserve having a minimum of 120 days. See exhibit A "Rates" and exhibit B "Funding" for the analysis.

You may recall the Board reduced O&M from 180 days to 120 days last August to cover the reserve for the water bond that was refunded. My recommendation is to increase just the base rate and to continue to have at least 120 days of O&M reserve. The intent of this rate adjustment is to cover a two year period. An increase to both the base and tiered rates does not guarantee revenues and appears to the customer as a double increase.

I will be available at the Board meeting to go through the exhibits, answer any questions and discuss other options you may want to explore.

Exhibit A Rates

Fixed Charge Comparison

Meter Size	Single Family		126.0%	Multi Family		130.0%	Commercial/Irrigation/General		126.0%	
	Current	Base & tier	Base only	Current	Base & tier	Base only	Current	Base & tier	Base only	
5/8" x 3/4"	\$ 16.93	\$ 19.47	\$ 21.33	\$ 6.97	\$8.04	\$ 9.06	\$ 17.81	\$ 20.78	\$ 22.44	
1"	24.40	28.06	30.74	8.23	9.49	10.70	31.43	36.68	39.60	
1 1/2"				9.50	10.95	12.35	49.23	57.45	62.03	
2"				12.98	14.97	16.87	109.56	127.86	138.05	
3"				38.64	44.55	50.23	179.79	209.81	226.54	
4"				48.14	55.51	62.58	256.03	298.79	322.60	
				Per Dwelling Unit						
				\$ 7.97	\$ 10.00	\$ 10.00				

Volume Rate Comparison

Class	Rates			Thresholds per DUE (CCF)		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Single Family						
Existing	\$ 1.36	\$ 1.71	\$ 2.39			
Base Only	1.36	1.71	2.39			
Base & Tier	1.56	1.98	2.39	7	12	Over 12
Multi-Family						
Existing	\$ 1.17	\$ 1.47	\$ 2.05			
Base Only	1.17	1.47	2.05			
Base & Tier	1.35	1.70	2.05	5	8	Over 8
Commercial						
Existing	\$ 1.20	\$ 1.50	\$ 2.11			
Base Only	1.20	1.50	2.11			
Base & Tier	1.40	3.46	2.11	6	13	Over 13
Irrigation						
Existing	\$ 2.16	Note :all consumption is billed at one rate.				
Base Only	2.16					
Base & Tier	2.48					
General						
Existing	\$ 1.33	Note :all consumption is billed at one rate.				
Base Only	1.33					
Base & Tier	1.53					

Exhibit B Funding

Funds needed for ideal funding of reserves				
Existing Revenue Budget FY15	\$	2,503,000		
120 to180 days O&M increase \$300k over two years		150,000		
Additional laborer position - annual		87,000		
Increase in main replacement - annual		50,000		
Future Water Supply - annual		125,000	\$	412,000
		2,915,000		
Overall Rate Increase		16.46%		
Revenues Expected From Different High Low Scenarios				
				Over / (Short) of Ideal funding
HIGH consumption BASE & TIER increase	19.92%	\$	3,001,500.50	\$ 86,500.50
LOW consumption BASE & TIER increase	14.35%	\$	2,862,062.14	\$ (52,937.86)
HIGH consumption BASE increase	17.86%	\$	2,950,058.66	\$ 35,058.66
LOW consumption BASE increase	12.63%	\$	2,819,025.41	\$ (95,974.59)

If ideal revenue stream is not met by rate increase keep 120 days O&M				
Existing Revenue Budget FY15	\$	2,503,000		
120 days O&M remains at 120 days		-		
Additional laborer position - annual		87,000		
Increase in main replacement - annual		50,000		
Future Water Supply - annual		125,000	\$	262,000
		2,765,000		
Overall Rate Increase		10.47%		
Revenues Expected From Different High Low Scenarios				
				Over / (Short) of funding
HIGH consumption BASE & TIER increase	19.92%	\$	3,001,500.50	\$ 236,500.50
LOW consumption BASE & TIER increase	14.35%	\$	2,862,062.14	\$ 97,062.14
HIGH consumption BASE increase	17.86%	\$	2,950,058.66	\$ 185,058.66
LOW consumption BASE increase	12.63%	\$	2,819,025.41	\$ 54,025.41

MONTHLY CHARGE COMPARISON FOR RESIDENTIAL 5/8" X 3/4" METER
AS OF MAY 7, 2015

<u>City</u>	<u>Meter Charge</u>	<u>Volume Rate Per 100 cubic feet (ccf)</u>	<u>Apples-to-Apples (Meter + 7 ccf)</u>
West Linn* Scheduled \$20.45 base & \$2.35 ccf effective January 2016.	\$19.48	\$2.24 (After First 7 CCF)	\$19.48
Woodburn Water rate study being scheduled in the next few months.	\$12.81	\$1.55 / \$2.00 / \$2.74	\$23.66
Canby	\$16.93	\$1.36 / \$1.71 / \$2.39	\$26.45
Molalla Last increase October 2009, no increase planned.	\$11.13	\$2.44	\$28.21
Canby - Proposed	\$19.81	\$1.36 / \$1.71 / \$2.39	\$29.33
Oregon City** 3% every January.	\$14.27 \$14.70	\$2.46	\$31.92
Wilsonville Scheduled every January through 2017.	\$19.56	\$3.23 / \$5.51 (After First 2CCF)	\$36.01
Sherwood Last increase January 2013, when the transmission line from the Wilsonville water plant was built. No other increases planned.	\$18.74	\$3.81 / \$5.91	\$45.41
Aurora In discussion stages, nothing brought to Council.	\$10.81	\$6.00	\$52.81

*West Linn has two increases a year; generally a 5% water increase in January and 5% other services such as sewer & street maintenance on July 1.

**Oregon City base services, including water base rate are \$90.00 a month, and does not include any water consumption.



MEMORANDUM

March 19, 2015

TO: Chairperson Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

FROM: Carol Sullivan, Finance Manager

SUBJECT: Water Rate Revenue Adjustment

RECOMMENDATION: Increase total water revenues 8% by increasing the base rate only, to be effective June 1, 2015.

After reviewing different scenarios of rate increases at the March 10 board meeting, it was decided to target an 8% overall revenue increase applied to the base charge only. This increase will give Canby Utility \$200,240 additional revenues, which will be used for the following:

Additional laborer position	\$ 87,000
Increase in the annual main replacement program	50,000
Future water supply reserve	<u>63,240</u>
Total additional revenues	\$200,240

The 8% would be a worst case scenario and is a conservative approach to ensure financial stability. The intent of this rate adjustment is to cover a one year period and be reviewed next year, where we will look at rates to cover a two year period.

Included is the detail of the rate increase on overall revenues, the fixed charge table and the volume rate table. I will be available at the Board meeting to answer any questions.

Canby Utility
Executive Summary
Water Rate Increase 6/1/2015

Over All Water Revenue Increase	8%
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Base charge changes	Meter Size	New Base	% Increase	\$ Increase
Single Family	5/8" x 3/4"	\$ 19.81	117.00%	\$ 2.88
Multi Family	5/8" x 3/4" Per Dwelling Unit	\$ 8.43	121.00%	\$ 1.46
		\$ 9.00		\$ 1.03
Commercial Irrigation General	5/8" x 3/4"	\$ 20.61	115.70%	\$ 2.80

Canby Utility
Increase to Base Rate for an Overall Revenue Increase of 8%
Effective June 1, 2015

8% Base Rate Increase on Overall Revenues - Keeping 120 days O&M			
Existing Revenue Budget FY15	\$	2,503,000	
120 days O&M remains at 120 days		-	
Additional laborer position - annual		87,000	
Increase in main replacement - annual		50,000	
Future Water Supply - annual		63,240	\$ 200,240
	\$	2,703,240	
Overall Rate Increase		8.00%	
Revenues Expected From Different High Low Scenarios			Over / (Short) of funding
HIGH consumption BASE increase	13.24%	\$ 2,834,297.14	\$ 131,057.14
LOW consumption BASE increase	8.00%	\$ 2,703,263.88	\$ 23.88

Fixed Charge						
Meter Size	Single Family		Multi Family		Commercial/Irrigation/General	
	Current	117.0% Base only	Current	121.0% Base only	Current	115.7% Base only
5/8" x 3/4"	\$ 16.93	\$ 19.81	\$ 6.97	\$ 8.43	\$ 17.81	\$ 20.61
1"	24.40	28.55	8.23	9.96	31.43	36.36
1 1/2"			9.50	11.50	49.23	56.96
2"			12.98	15.71	109.56	126.76
3"			38.64	46.75	179.79	208.02
4"			48.14	58.25	256.03	296.23
			Per Dwelling Unit			
			\$ 7.97	\$ 9.00		

Volume Rate						
Class	Rates			Thresholds per DUE (CCF)		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Single Family						
Existing	\$ 1.36	\$ 1.71	\$ 2.39			
Base Only	1.36	1.71	2.39	7	12	Over 12
Multi-Family						
Existing	\$ 1.17	\$ 1.47	\$ 2.05			
Base Only	1.17	1.47	2.05	5	8	Over 8
Commercial						
Existing	\$ 1.20	\$ 1.50	\$ 2.11			
Base Only	1.20	1.50	2.11	6	13	Over 13
Irrigation						
Existing	\$ 2.16	Note :all consumption is billed at one rate.				
Base Only	2.16					
General						
Existing	\$ 1.33	Note :all consumption is billed at one rate.				
Base Only	1.33					



Proposed Water Meter Base Charges Increase Effective June 1

The Canby Utility Board of Directors is proposing to increase water meter base charges effective June 1, 2015. The proposal will increase overall water revenues by 8%.

The increase will allow Canby Utility to restore some delayed capital construction projects such as water main line replacements and continue to dedicate an amount to reserves for future large capital projects. This helps preserve financial stability so clean, safe drinking water can be supplied in future years. A single family residence would see an increase of \$2.88 per month, or less than 10 cents per day under this proposal.

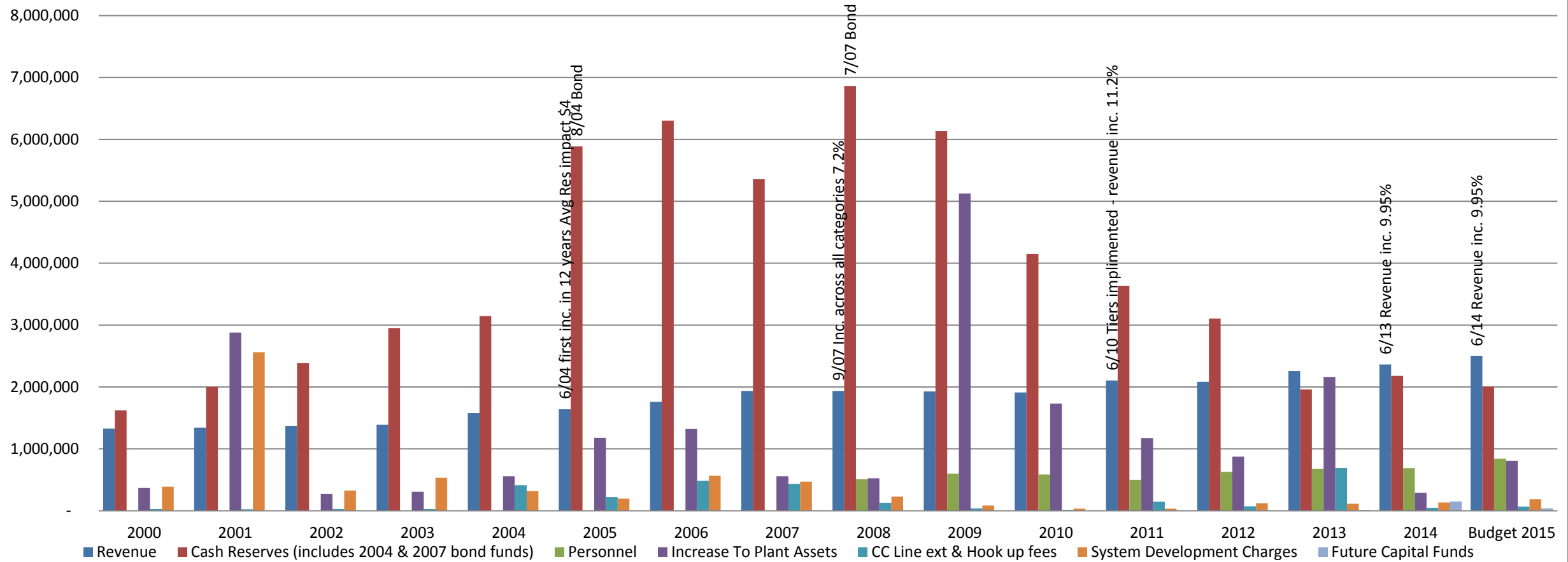
The Board invites interested persons to comment on the proposed new water meter base charges at a public hearing, scheduled for May 12, 2015 at 7:00 p.m., located at 154 N.W. 1st Avenue in Canby. Written testimony will be accepted until 3:00 p.m. the day of the hearing.

For more information, please contact Barbara Benson, Board Secretary, at 503-266-1156.

Meter Size	Single Family		Multi-Family		Commercial, General Service & Irrigation	
	Current	Proposed	Current	Proposed	Current	Proposed
5/8" x 3/4"	\$ 16.93	\$ 19.81	\$ 6.97	\$ 8.43	\$ 17.81	\$ 20.61
1"	24.40	28.55	8.23	9.96	31.43	36.36
1 1/2"			9.50	11.50	49.23	56.96
2"			12.98	15.71	109.56	126.76
3"			38.64	46.75	179.79	208.02
4"			48.14	58.25	256.03	296.23
Per Dwelling Unit (Multi-Family)			\$ 7.97	\$ 9.00		



Canby Utility Water Fund Working draft csullivan 3-24-15





MEMORANDUM

May 8, 2015

TO: Chairperson Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

FROM: Carol Sullivan, Finance Manager

SUBJECT: Draft Resolution Adopting Proposed Water Rates Schedule

Attached is a draft resolution to aid the Board's deliberation on the water rate proposal.

The Board may accept, modify or reject the resolution for proposed water rates based on the discussion, information, and public testimony heard during the hearing. The Board may direct staff to modify the draft resolution and either adopt the resolution that same meeting, or if necessary, schedule a subsequent meeting to review staff's work on those modifications.

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

RESOLUTION NO. 276

A RESOLUTION OF THE CANBY UTILITY BOARD RELATED TO WATER RATES.

WHEREAS, the City of Canby delegated by intergovernmental agreement to Canby Utility Board the authority to maintain the continuing operation and management of the water department which includes the responsibility to set rates sufficient to pay all costs of the utility; and

WHEREAS, the Board was presented with evidence demonstrating a need to increase revenues by 8.0 percent for fiscal year 2016 to help cover costs of delayed capital construction projects, meet workforce demands and dedicate an amount to reserves for future large capital projects that exceed the revenue generated by current rates.

NOW, THEREFORE, the Canby Utility Board Resolves as follows:

Section 1. Resolution No. 262 is repealed.

Section 2. Monthly Water Rates.

A. The applicable monthly water rates are attached to this resolution as Exhibit A, incorporated herein by reference.

B. The volumetric charge for all customer classifications remains unchanged.

Section 3. Hook-up fees apply at the rates established under Resolution No. 267 as the Board may amend.

Section 4. This Resolution is effective on June 1, 2015.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS ____ DAY OF May, 2015.

Bob Cornelius, Chairperson

Walt Daniels, Member

Todd Wagner, Member

Bob Maxwell, Member

Gary Potter, Member

Barbara Benson, Board Secretary

EXHIBIT A

Canby Utility Board Water Rates Schedule June 1, 2015

Residential

Applicable to single-family dwellings.

METER SIZE	BASE CHARGE	VOLUME CHARGE					
		PER 100 CUBIC FEET (CCF)					
		Tier 1	Tier 1	Tier 2	Tier 2	Tier 3	Tier 3
		Rate	Threshold	Rate	Threshold	Rate	Threshold
5/8" - 3/4"	\$ 19.81	\$ 1.36	Up to 7 CCF	\$ 1.71	7 to 12 CCF	\$ 2.39	Over 12 CCF
1"	\$ 28.55	\$ 1.36	Up to 11 CCF	\$ 1.71	11 to 19 CCF	\$ 2.39	Over 19 CCF

MULTI-FAMILY RESIDENTIAL

Applicable to duplexes, triples, apartment houses/complexes, small lot mobile home parks and PUDs meeting three requirements: 1) Single-family residential property in a approved PUD; 2) Zone R-2 High Density by the City of Canby (per Chapter 16.20 of the City of Canby Municipal Code); and 3) Property has a separate Irrigation meter for which an SDC was paid to the Utility.

METER SIZE	BASE CHARGE	DWELLING UNIT CHARGE	VOLUME CHARGE		
			PER 100 CUBIC FEET (CCF)		
			Tier 1	Tier 2	Tier 3
			Up to 5 CCF	5 to 8 CCF	Over 8 CCF
5/8" - 3/4"	\$ 8.43	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05
1"	\$ 9.96	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05
1-1/2"	\$ 11.50	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05
2"	\$ 15.71	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05
3"	\$ 46.75	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05
4"	\$ 58.25	\$ 9.00	\$ 1.17	\$ 1.47	\$ 2.05

Please note that the dwelling unit charge increased. Simply use the number of dwelling units times the Dwelling Unit Charge to calculate that increase. Then use the number of dwelling units times the Threshold CCF numbers in the table above to determine the CCF Thresholds. Thus, if there are two Multi-Family Residential Dwelling Units, the Dwelling Unit Charge will be \$18.00 (\$9.00 x 2). The Tier 1 CCF will become 10 CCF (5 CCF x 2), Tier 2 CCF will become 16 CCF (8 CCF x 2) and Tier 3 CCF will be all volume Over 16 CCF.

COMMERCIAL

Applicable to all service deemed not to be Residential, Multi-Family Residential, Industrial, Municipal or Irrigation.

METER SIZE	BASE CHARGE	VOLUME CHARGE					
		PER 100 CUBIC FEET (CCF)					
		Tier 1	Tier 1	Tier 2	Tier 2	Tier 3	Tier 3
		Rate	Threshold	Rate	Threshold	Rate	Threshold
5/8" - 3/4"	\$ 20.61	\$ 1.20	Up to 6 CCF	\$ 1.50	6 to 13 CCF	\$ 2.11	Over 13 CCF
1"	\$ 36.36	\$ 1.20	Up to 13 CCF	\$ 1.50	13 to 27 CCF	\$ 2.11	Over 27 CCF
1-1/2"	\$ 56.96	\$ 1.20	Up to 21 CCF	\$ 1.50	21 to 46 CCF	\$ 2.11	Over 46 CCF
2"	\$ 126.76	\$ 1.20	Up to 51 CCF	\$ 1.50	51 to 111 CCF	\$ 2.11	Over 111 CCF
3"	\$ 208.02	\$ 1.20	Up to 76 CCF	\$ 1.50	76 to 164 CCF	\$ 2.11	Over 164 CCF
4"	\$ 296.23	\$ 1.20	Up to 111 CCF	\$ 1.50	111 to 241 CCF	\$ 2.11	Over 241 CCF

EXHIBIT A

Canby Utility Board Water Rates Schedule June 1, 2015

GENERAL SERVICE

Applicable to all service deemed not to be Residential, Multi-Family Residential, Commercial or Irrigation.

METER SIZE	BASE CHARGE	VOLUME CHARGE PER 100 CUBIC FEET (CCF)
5/8" - 3/4"	\$ 20.61	\$1.33
1"	\$ 36.36	\$1.33
1-1/2"	\$ 56.96	\$1.33
2"	\$ 126.76	\$1.33
3"	\$ 208.02	\$1.33
4"	\$ 296.23	\$1.33

IRRIGATION

Applicable to service for Irrigation only.

METER SIZE	BASE CHARGE	VOLUME CHARGE PER 100 CUBIC FEET (CCF)
5/8" - 3/4"	\$ 20.61	\$2.16
1"	\$ 36.36	\$2.16
1-1/2"	\$ 56.96	\$2.16
2"	\$ 126.76	\$2.16
3"	\$ 208.02	\$2.16
4"	\$ 296.23	\$2.16



MEMORANDUM

May 8, 2015

TO: Chairman Cornelius, Member Wagner, Member Maxwell, Member Potter and Member Daniels

FROM: Barbara Benson, Administration/HR Manager

SUBJECT: Revised Collective Bargaining Agreement Memorandum of Understandings

Recommendation: Authorize Administration/HR Manager to sign revised Memorandum of Understandings relating to call out procedures for the International Brotherhood of Electrical Workers Collective Bargaining Agreements.

Background: At a previous meeting, the Board authorized me to sign two memorandum of understandings (MOU) related to the call-out rotation procedures for the electric and water crews. The new rotation will be based on the amount of overtime each employee has accrued in the previous quarter.

However when we were preparing for implementation, we discovered that the MOU did not address how to deal with two or more employees having equal amounts of overtime. In addition, we decided to clarify how employees are to be compensated in the event of a call-out error. The union has also requested the right to terminate the MOU should they decide that they no longer want the rotation to be based on overtime, so we included a provision for either party to terminate the MOU with a 30 day notice.

The employees have voted to approve the MOUs and we are now prepared for the Board to consider them for approval.

I will answer any questions the Board may have during the meeting.

MEMORANDUM OF UNDERSTANDING
BETWEEN
CANBY UTILITY BOARD AND IBEW LOCAL 125
ELECTRICAL WORKERS
(CALL-OUT ROTATION)

THIS MEMORANDUM OF UNDERSTANDING is entered into by and between the Canby Utility Board and IBEW Local 125.

Whereas, the parties hereto desire by this memorandum of understanding to memorialize in writing an amendment to Article VIII, Section 8.5 related to the Call-Out List.

Whereas, the parties negotiated a new collective bargaining agreement for 2014-2017 that was signed by Canby Utility Board on June 4, 2014.

Whereas, IBEW submitted a subsequent request to change the process of call-outs from a rotation based on top-to-bottom to being based on accumulated overtime.

NOW THEREFORE, IT IS HEREBY AGREED by and between the parties as follows:

A. Section 8.5 of Article VIII is deleted in its entirety and replaced with the following:

“ Call out list: The Canby Utility Board will rotate priority for call out on a quarterly basis.

1. The call-out shall be prioritized based on total accumulated overtime for each quarter. This calculation includes the last pay period of the previous quarter and excludes the last pay period of current quarter. (Example: December 16-31 pay period through March 1-15 pay period will be used to calculate accumulated overtime for the April 1 rotation schedule).
2. Overtime calculations for call-out rotation will be provided by the Operations Clerk and verified by the Accounting Clerk. The Operations Superintendent will notify employees within five (5) calendar days of the new rotation taking effect and an updated Procedure 100A will be distributed shortly thereafter.
3. The employee with the least amount of accumulated overtime will be first on the call-out list and then in order of increasing amount of accumulated overtime and pertains to journeyman line card holders only. In the event equal amounts of overtime have accrued for two or more employees, seniority shall prevail.
4. Should an employee be notified of an after-hours event by way of message and returns the call but is then notified that another employee responded, this time will be considered de minimis and not eligible for overtime pay.
5. In the event Canby Utility makes an error in the order of the rotation schedule causing an employee, who was available to respond, to be bypassed, the following compensation

shall apply: One (1) hour of overtime pay when the response was addressed without causing an employee to return to the work location (i.e. telephone response); Two (2) hours of overtime pay when the response required the contacted employee to respond to a work location. There shall be no compensation for notification of less than five (5) days for new rotation.”

B. This MOU fully and completely states the modification of Article VII, Section 8.5 of the Collective Bargaining Agreement signed by the parties on or about June 4, 2014 and supersedes it. All other terms and conditions of the collective bargaining agreement shall remain in full force and effect.

C. The terms of this agreement are effective April 1, 2015 and shall expire on the same date as the CBA that it modifies: June 30, 2017 unless either party terminates this MOU with 30 days written notice at which time the call-out system used prior would be re-implemented.

FOR IBEW LOCAL 125:

FOR CANBY UTILITY BOARD:

Tim Titus
Business Representative

Barbara Benson
Administration/HR Manager

DATE: _____

DATE: _____

MEMORANDUM OF UNDERSTANDING
BETWEEN
CANBY UTILITY BOARD AND IBEW LOCAL 125
WATER WORKERS
(CALL-OUT ROTATION)

THIS MEMORANDUM OF UNDERSTANDING is entered into by and between the Canby Utility Board and IBEW Local 125.

Whereas, the parties hereto desire by this memorandum of understanding to memorialize in writing an amendment to Article VIII, Section 8.4 related to the Call-Out List.

Whereas, the parties negotiated a new collective bargaining agreement for 2014-2017 that was signed by Canby Utility Board on October 5, 2014.

Whereas, IBEW submitted a subsequent request to change the process of call-outs from a rotation based on top-to-bottom to being based on accumulated overtime.

NOW THEREFORE, IT IS HEREBY AGREED by and between the parties as follows:

A. Section 8.4 of Article VIII is deleted in its entirety and replaced with the following:
“Call-Out List: The Canby Utility Board will rotate priority for call out on a quarterly basis.

1. The call-out shall be prioritized based on total accumulated overtime for each quarter. This calculation includes the last pay period of the previous quarter and excludes the last pay period of current quarter. (Example: December 16-31 pay period through March 1-15 pay period will be used to calculate accumulated overtime for the April 1 rotation schedule).
2. Overtime calculations for call-out rotation will be provided by the Operations Clerk and verified by the Accounting Clerk. The Operations Superintendent will notify employees within five (5) calendar days of the new rotation taking effect and an updated Procedure 100A will be distributed shortly thereafter.
3. The employee with the least amount of accumulated overtime will be first on the call-out list and then in order of increasing amount of accumulated overtime and will only pertain to employees subject to rotation (water department employees). In the event equal amounts of overtime have accrued for two or more employees, seniority shall prevail.
4. Should an employee be notified of an after-hours event by way of message and returns the call but is then notified that another employee responded, this time will be considered de minimis and not eligible for overtime pay.
5. In the event Canby Utility makes an error in the order of the rotation schedule causing an employee, who was available to respond, to be bypassed, the following compensation

shall apply: One (1) hour of overtime pay when the response was addressed without causing an employee to return to a work location (i.e. telephone response); Two (2) hours of overtime pay when the response required the contacted employee to respond to a work location. There shall be no compensation for notification of less than five (5) days for new rotation.”

B. This MOU fully and completely states the modification of Article VIII, Section 8.4 of the Collective Bargaining Agreement signed by the parties on or about October 5, 2014 and supersedes it. All other terms and conditions of the collective bargaining agreement shall remain in full force and effect.

C. The terms of this agreement are effective April 1, 2015 and shall expire on the same date as the CBA that it modifies: June 30, 2017 unless either party terminates this MOU with 30 days written notice at which time the call-out system used prior would be re-implemented.

FOR IBEW LOCAL 125:

FOR CANBY UTILITY BOARD:

Tim Titus
Business Representative

Barbara Benson
Administration/HR Manager

DATE: _____

DATE: _____

OUTAGE AVERAGES April. 2014 THROUGH March. 2015

MONTH	YEAR	NUMBER OF OUTAGES	NUMBER OF CUSTOMERS AFFECTED	TOTAL CUSTOMER MINUTES OFF	MONTHLY NUMBER OF CUSTOMERS IN THE SYSTEM	NUMBER OF MOMENTARY INTERRUPTIONS
April	2014	1	8	440	6791	1
May	2014	0	0	0	6811	1
June	2014	5	80	3387	6810	5
July	2014	4	146	18239	6804	6
August	2014	3	93	21438	6846	3
Sep.	2014	3	98	2123	6810	4
Oct.	2014	4	91	11723	6823	4
Nov.	2014	3	1002	56303	6811	2
Dec.	2014	2	98	3627	6848	2
Jan.	2015	1	11	1285	6834	1
Feb.	2015	0	0	0	6841	2
March	2015	3	877	69563	6848	3
12 MONTH TOTALS		29	2,504	188,128	81,877	34
12 MONTH AVERAGE		2.42	209	15,677	6,823	2.8

C.U. Industry Typical Value

SAIDI = $\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}} = \frac{188,128}{6,823} = 27.5723$ 90

SAIFI = $\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}} = \frac{2504}{6,823} = 0.37$ 1.10

MAIFI = $\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}} = \frac{28,998}{6,823} = 4.250$ N/A

CAIDI = $\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customer interruptions}} = \frac{188,128}{2,504} = 75$ 81.6