

***CANBY UTILITY
REGULAR BOARD MEETING
OCTOBER 14, 2014
7:00 P.M.***

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of October 14, 2014 Agenda
 - Approval of Regular Board Meeting & Executive Session Minutes of September 23, 2014
 - Approval of Write-Offs
 - Approval of Payment of Water and Electric Bills
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS
- V. RECOMMENDATION Adopt Revised Exhibit A to Resolution No. 267, Related to Master Fee Schedule – Carol Sullivan, Finance Manager (pp. 1-3)
- VI. GENERAL MANAGER REPLACEMENT WORKSHOP (pg. 4)
- VII. BOARD REPORTS
 - City of Canby Property for Sale – Chairman Cornelius
- VIII. STAFF REPORTS

Operations Superintendent:

 - Quarterly Reliability Update (pg. 5)

Board Secretary:

 - November Board Meeting Schedule
- IX. ADJOURN

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
SEPTEMBER 23, 2014

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; David Doughman, Board Attorney; Tim Dale, City Liaison; and Steven Schuback, Local Government Personnel Institute (arrived at 7:30 p.m.)

Chairman Cornelius called the Regular Board Meeting to order at 7:02 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, noted a change to the board meeting minutes reflecting the City Council's anticipated action to sign a resolution authorizing the refunding of water bonds.

Chairman Cornelius presented the consent agenda for approval. Member Wagner made the *MOTION to Approve the Consent Agenda, Consisting of the Meeting Agenda and the Amended Regular Meeting Minutes of September 9, 2014. Member Daniels seconded, and the motion passed unanimously.

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

Chairman Cornelius reviewed the general manager replacement workshop agenda. The first item was to determine the need for an interim general manager. Member Maxwell asked for staff's input on their need for a manager. Carol Sullivan, Finance Manager, stated that there were no present concerns and at this time one was not needed. Larry Hepler, Operations Superintendent, stated that his only concerns about not having a general manager were related to regional decision making on time critical issues. Carol also felt that an interim would be more disruptive than helpful. Discussion ensued regarding the anticipated length of time until a new general manager is hired, signature authority and decision making processes during the time without a manager. The Board decided to not pursue hiring an interim but may revisit the need should an issue arise. If an issue comes up, the Chairman could bring matters of concern to the Board as necessary and he encouraged Board members to make themselves available to staff.

Barbara Benson, Board Secretary, reviewed the recruitment progress to date including the salary survey progress. HR Answers is still awaiting more salary data from market comparators and anticipates the completed survey will be discussed at the next meeting. She also had discussions with other utilities who have hired new general managers in recent years. Most of those entities

**Canby Utility
Regular Board Meeting Minutes
September 23, 2014
Page 2 of 4**

handled the recruitment process in-house and she gave brief examples of their process. She is also talking with entities that used executive search firms to manage their recruitment process. Barbara distributed a draft job announcement that she prepared that could be used for advertising and direct mailing announcements for the position; however, should the Board decide to hire an executive search firm, they may prepare their own job announcement.

Chairman Cornelius asked about the scope of recruitment. Barbara talked about options available, which included doing the complete process in-house where the Board and staff do the work, outsourcing portions of the process to a consultant or hiring an executive search firm to handle the complete process. She explained the process for each option and gave examples. Chairman Cornelius asked Tim Dale, Council Liaison, for his thoughts on the recruitment options. Tim shared that the city decided to fully outsource recruitment for a new city administrator because most of the council members have full time jobs and senior directors at the city have heavy workloads. He felt that the executive recruiter provided a valuable service through their advertising efforts and screening process. The council also decided to have candidates screened independent from staff. Chairman Cornelius invited David Doughman, Board Attorney, to share his thoughts on recruitment options. David recommended engaging a third party to either assist, if not fully manage the recruitment process and stated his reasons why. Chairman Cornelius then offered Steven Schuback, LGPI, an opportunity to express his thoughts. Steven shared his experience with recruitment and cautioned that even using a search firm is not a guarantee that the right person will be hired and stressed the need for a thorough background check. Steven stated that a national search may provide greater opportunities. Chairman Cornelius then asked Barbara what her comfort level was with the three options. She felt that engaging a third party would be appropriate; however, her primary concern for using an executive recruiting firm was cost. She stated that she is comfortable with the recruitment process but the various levels of screening for the executive position would be a new experience. She shared a map that identifies all the utilities in the Pacific Northwest that we could target for direct recruit mailing in addition to using various trade associations to advertise the position. The trade associations we belong to offer both regional and national exposure. Chairman Cornelius asked the Board if they wanted to focus their search regionally or nationally. The majority of the Board decided to recruit nationally. The Board discussed outsourcing options and gave consensus to use an executive search firm. Chairman Cornelius asked Barbara to research information on firms and report back at the next meeting. A recruitment timeline would be determined by the executive search firm.

Chairman Cornelius requested each Board member and staff member prepare five general manager candidate interview questions that will be compiled together into one list that can be used for the interview process. Barbara noted that the consultant will provide guidance on the interview process.

Chairman Cornelius stated that he wanted to know if the Board wanted him to be the point of contact for negotiating specific points within limits set by the Board and the response was yes.

**Canby Utility
Regular Board Meeting Minutes
September 23, 2014
Page 3 of 4**

He also asked if the Board wanted to establish residency requirements and discussion ensued. The Board discussed options for living within the service area, within the zip code or within the school district. Concerns were raised that establishing a residency requirement could limit the candidate pool, especially for local applicants that already live outside Canby and are unable to relocate. After further discussion, the Board decided that they would establish a preference for candidates who are willing to relocate within Canby Utility's service boundary but not make it a requirement.

Chairman Cornelius asked if the Board wanted to establish expectations regarding organizational affiliation for the new general manager, such as Oregon Municipal Electric Utilities (OMEU) or the Public Power Council. Canby Utility is a member of a variety of organizations and with the exception of OMEU, holding an official office within those organizations is a choice. The Board felt that it was important for the general manager to attend meetings; however, they will ask that the new general manager seek their approval prior to holding a position within that organization.

Larry Hepler, Operations Superintendent, reported that algae in the Molalla River, Canby's primary source water, are impacting the taste and odor of the drinking water. In late July, Canby Utility began receiving complaints about the taste and smell of the water. Chemical analysis of raw and finished water samples confirmed that algae was the cause of taste and odor issues. Larry stated that the water remained safe to drink. He noted the cooler temperatures, longer nights and weather forecast calling for rain will greatly improve conditions. Larry is looking into treatment options that may help remove taste and odor caused by algae.

Carol Sullivan, Finance Manager, reported that the bond closing is complete as of September 18 and all required documents have been signed. The funds have been received. She noted that she received a request for the final payment which was two cents more than what is at the bank, which is being resolved.

Carol Sullivan, Finance Manager, presented an executive financial summary. This report is on the year-to-date month ending June 30, 2014, which is also the end of the fiscal year. She noted the summary reflects pre-audited numbers. The electric fund has an operating profit of \$885,671, including capital contributions; and the water fund has an operating profit of \$40,226 including capital contributions. Compared to budget, the electric fund was under budget by \$295,498 and the water fund was over budget by \$240,421. The cash reserves for the electric fund are over the budgeted target by \$924,582 and the water fund was over the budgeted target by \$189,702. The Board had no questions.

Member Wagner made the *MOTION to go into Executive Session according to ORS 192.660(2)(n) to Discuss Labor Negotiations. Member Maxwell seconded, and the motion passed unanimously.

The regular meeting was recessed at 8:41 p.m. and Tim Dale, Council Liaison, departed the meeting at that time.

**Canby Utility
Regular Board Meeting Minutes
September 23, 2014
Page 4 of 4**

The regular meeting was reconvened at 8:54 p.m.

Barbara Benson, Administration/Human Resources Manager, presented the collective bargaining agreement for the office and water workers. She stated the office and water workers have already voted to ratify and it now being presented to the Board for ratification. The agreement would be retroactive back to July 1, 2014. There was no discussion held. Member Wagner made the *MOTION to Authorize Administration/Human Resources Manager to Sign Collective Bargaining Agreement with the International Brotherhood of Electrical Workers for the Office and Water Workers. 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.

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 9:05 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
SEPTEMBER 23, 2014***

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

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

The Executive Session was opened at 8:41 p.m. by Chairman Cornelius, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2) (n) for the purpose of discussing labor negotiations.

There being no further business, the Executive Session was adjourned at 8:53 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary



MEMORANDUM

October 7, 2014

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

FROM: Carol Sullivan, Finance Manager

SUBJECT: Update Master Fee Schedule

RECOMMENDATION: Adopt Revised Exhibit A to Resolution No. 267, Related to Master Fee Schedule.

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

Staff proposes the following revisions to the exhibit:

- NSF Check fee increase from \$25 to \$33 to reflect the actual charge.
- After hours reconnection fee increase from \$225 to \$250 to help cover more of our cost.
- Water hook-up, main to meter, 5/8" – 1" meter charge increase from \$3,200 to \$4,224 to reflect current costs.
- Water hook-up, main to meter, 1-1/2" – 2" meter charge increase from \$6,800 to \$7,533 to reflect current costs.
- Water hook-up, meter installation only charge, updated to current costs as follows:
 - 5/8" – 3/4" increase from \$218 to \$272
 - 1" increase from \$290 to 348
 - 1-1/2" increase from \$531 to \$805
 - 2" increase from \$697 to \$954

Staff will answer any questions the Board may have during the regular board meeting.

CANBY UTILITY MASTER FEE SCHEDULE

RESOLUTION 267 EXHIBIT A

OTHER SERVICES	FEE
DOORHANGER FEE	\$25
NSF CHECK	\$33
RECONNECTION	\$40
AFTER-HOURS RECONNECTION	\$250
ACCOUNT SET UP FEE	\$25
PUBLIC RECORDS (Clerical Research)	\$20/Hour
PUBLIC RECORDS (Admin. Research)	\$35/Hour
PUBLIC RECORDS (Legal Research)	\$80/Hour
PUBLIC RECORDS (Mailing Costs)	Actual cost plus \$1 handling
PHOTOCOPIES (Single/Double Sided)	\$0.25
PHOTOCOPIES (Color or Printouts)	\$0.75

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

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

WATER HOOK-UP MAIN TO METER SERVICE LATERAL INCLUDING METER	
METER SIZE	CHARGE
5/8" – 1"	\$4,224
1-1/2"- 2"	\$7,533
Above 2"	Job Cost Estimate

WATER HOOK-UP METER INSTALLATION ONLY	
METER SIZE	CHARGE
5/8" – 3/4"	\$272
1"	\$348
1-1/2"	\$805
2"	\$954
Above 2"	Job Cost Estimate

Source Documents:

Customer Service Policies & Procedures:	Resolution No. 250
Electric Service Conditions:	Resolution No. 254
Water Service Policies and Procedures:	Resolution No. 259
Public Records Request Procedures:	Procedure 402

General Manager Replacement Workshop

October 14, 2014

Agenda

1. Barb – Progress - Update.
2. Salary.
 - a. Presentation of Study.
 - b. Board sets range.
3. Recruitment.
 - a. Review of proposals.
 - b. Board selects company to use.
 - c. Contract needed?
4. Turn-In of Questions.
 - a. Barb to consolidate so no duplicate questions and have ready for the next Board meeting.
5. Other.

OUTAGE AVERAGES Oct 2013 THROUGH Sep 2014

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.	2013	1	70	7420	6781	1
Nov.	2013	0	0	0	6789	0
Dec.	2013	4	278	53773	6785	2
Jan.	2014	1	920	44160	6800	1
Feb.	2014	0	0	0	6794	0
March	2014	0	0	0	6788	0
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
12 MONTH TOTALS		22	1,693	150,980	81,609	24
12 MONTH AVERAGE		1.83	141	12,582	6,801	2.0

Industry Typical Value

SAIDI = $\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}} = \frac{150,980}{6,801} = 22.2005$ = 90

SAIFI = $\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}} = \frac{1693}{6,801} = 0.25$ = 1.10

MAIFI = $\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}} = \frac{20,402}{6,801} = 3.000$ = N/A

CAIDI = $\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customer interruptions}} = \frac{150,980}{1,693} = 89$ = 81.6