

***CANBY UTILITY  
REGULAR BOARD MEETING  
FEBRUARY 9, 2016  
7:00 P.M.***

**AGENDA**

I. CALL TO ORDER

II. CONSENT AGENDA

- Approval of the February 9, 2016 Agenda
- Approval of Regular Board Meeting Minutes of January 12, 2016
- Approval of Write-Offs
- Approval of Payment of Water and Electric Bills

III. CITIZEN INPUT ON NON-AGENDA ITEMS

IV. BOARD REPORT

Chairman Comments:

- Board Compensation
- Board Member Candidates

V. STAFF REPORTS

Customer Service Supervisor:

- Share the Warmth Program

General Manager Updates

VI. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(i) to discuss performance of public employee. Upon completion of the executive session the Board will return to its regular meeting.

VII. ADJOURN

***CANBY UTILITY  
REGULAR BOARD MEETING MINUTES  
JANUARY 12, 2016***

PRESENT: Chairman Cornelius; Members Maxwell, Potter, and Daniels; Daniel P. Murphy, General Manager; and Barbara Benson, Board Secretary

ABSENT: Member Brito

ALSO PRESENT: Carol Sullivan, Finance Manager; Sue Arthur, Purchasing Agent; Larry Hepler, Operations Superintendent; Dee Anne Wunder, Customer Service Supervisor; and Tim Dale, City Liaison

Chairman Cornelius called the Regular Board Meeting to order at 7:00 p.m.

Chairman Cornelius presented the meeting agenda for consideration. He asked for any additions, deletions or corrections to the meeting agenda and there were none.

Chairman Cornelius presented the consent agenda for approval. Member Potter made the \*MOTION to approve the Consent Agenda, consisting of the meeting agenda, regular and executive session meeting minutes of December 8, 2015, write-offs in the amount of \$499.83, payment of the electric and water department bills in the amount of \$876,888.57, with carry-ins in the amount of \$29,958.63, for a total of \$906,847.20. Member Daniels seconded, and the motion passed unanimously.

Chairman Cornelius stated that the City Charter requires the Board to elect its Chairperson in January each year. He reviewed the process for making nominations and then opened nominations. Member Maxwell nominated Member Potter to serve as the Board's Chairman for 2016. Member Potter accepted the nomination. Member Daniels seconded the nomination. Chairman Cornelius called for additional nominations and there were none. Member Daniels then made the \*MOTION to close nominations and cast a unanimous ballot to appoint Gary Potter to serve as the 2016 Board Chair. Member Maxwell seconded the motion and the roll call ballot was as follows: Member Potter, abstain; Member Daniels, aye; Member Maxwell, aye; and Chairman Cornelius, aye. The motion passed 3 to 0.

Member Potter then made the \*MOTION for Chairman Cornelius to continue his role as Board Chair until the end of his term, February 29, 2016. Member Maxwell seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Daniels, aye; Member Maxwell, aye; and Chairman Cornelius, aye. The motion passed 4 to 0. Chairman Cornelius talked briefly about the transition process to a new board chairperson.

**Canby Utility**  
**Regular Board Meeting Minutes**  
**January 12, 2016**  
**Page 2 of 4**

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

Customer Service Supervisor Dee Anne Wunder presented a recommendation to continue donating green power to the city for their parks and transit mall. Canby Utility has donated green power for this purpose since 2008 and staff recommends continuing the donation. General Manager Dan Murphy stated that this donation is a proud tradition; the board appreciates the role Green Power plays in our state. Murphy said he feels Green Power is something that Canby Utility should continue to support. Chairman Cornelius added that it also demonstrates one way in which Canby Utility shows its support for the city. Member Maxwell made the \*MOTION to continue to make a monthly donation of Green Power on behalf of the city parks and transit mall. Member Potter seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Daniels, aye; Member Maxwell, aye; and Chairman Cornelius, aye. The motion passed 4 to 0.

Chairman Cornelius expressed his appreciation to staff and the board for their continued support throughout his term on the board. He thanked the board for their efforts to represent the citizens and keep their interest in mind as they carry out their duties as board members.

Chairman Cornelius asked Board Secretary Barbara Benson to share some background on the history of board member compensation. Benson stated that when she began working for the Board, they were receiving a monthly stipend of \$20 for the board chair and \$15 for board members as compensation. Several years ago, the board increased the amount of compensation because of the expenses they were incurring in their roles as board members. Expenses included items such as the cost of printing utility related materials and internet charges. The compensation increased to \$100 for the board chair and \$80 for board members. Board members would also receive \$50 as board chair or \$40 for board members if they attending meetings other meetings or trainings that lasted for more than four hours. The board decided at that time that a board member would need to attend at least one of the two monthly meetings to receive compensation. Now that the number of meetings has been reduced to once monthly, Chairman Cornelius wanted to revisit the compensation policy with reference to the meeting requirement and compensation level. Discussion ensued and the board members felt the level of compensation is appropriate. They also discussed that their role as board members continues outside of the boardroom, and they incur expenses regardless of attending the board meeting. Therefore the requirement to attend that meeting to receive compensation should be discontinued. After discussion, Member Potter made the \*MOTION to continue the board's compensation at the current level and that board members be compensated each month regardless of attendance at any meetings called. A brief discussion ensued clarifying that the only change to the board's compensation will be the removal of the regular board meeting attendance requirement that is currently in place. Member Maxwell seconded the motion and the roll call ballot was as follows: Member Potter, aye; Member Daniels, aye; Member Maxwell, aye; and Chairman Cornelius, aye. The motion passed 4 to 0.

Operations Superintendent Larry Hepler gave an update on the residential cross connection-backflow prevention program. Hepler reported the total number of letters that had been mailed

**Canby Utility  
Regular Board Meeting Minutes  
January 12, 2016  
Page 3 of 4**

to customers in Canby, and the content of those mailings. Door hangers have been distributed to customers in the northwest part of town who did not respond to the mailing, and that effort has yielded about a 50% response. Hepler reported 3,624 existing devices were found in the field, however nearly all were not being tested annually. He also noted there were 94 new assemblies being installed to resolve unprotected cross connections, 28 devices failed and have been replaced, 39 have been repaired, and 28 locations have chosen to remove the actual or potential cross connection. Hepler noted that the program is very labor intensive on staff and the program is ongoing. The board had no questions.

Finance Manager Carol Sullivan presented the first quarter executive financial summary year-to-date as of September 2015. The electric fund has an operating profit of \$349,834, including capital contributions; and the water fund has an operating profit of \$677,175 including capital contributions. Compared to budget, the electric fund was over budget by \$345,431 and the water fund was over budget by \$344,362. Carol explained reasons for the budget variance for each fund. The cash reserve for the electric fund was at \$8,136,290, which is over the budgeted target by \$517,059. The cash reserve for the water fund was at \$2,100,146, which is also over the budgeted target by \$581,291. The Board had no questions.

Customer Service Supervisor Dee Anne Wunder gave an update on the Share the Warmth bill assistance program. She shared that in calendar year 2015, 161 donations were received which helped assist 205 customers. The program has been able to help 32 customers since the beginning of January. Wunder commented on the value the program provides, the collaboration between agencies to assist those in need, and thanked the board for their continued financial support for the program. The Board had no questions.

General Manager Dan Murphy expressed his appreciation for working under Chairman Cornelius' direction since his arrival and that he looks forward to his working relationship with Chairman-elect Potter.

Murphy reported that Billy McClaskey was hired to fill the new water utility worker position. McClaskey has his Water Distribution certificate level II, and is also certified in backflow/cross connection specialist and tester. The decision to offer the position to this individual was a unanimous decision and staff feels he will be an excellent addition to our team. He reported to work on January 5.

Murphy reported that the Veolia Water contract extension is ready to be signed. The board attorney's office has reviewed the documents and he anticipates the extension will be signed by next week.

Murphy gave an update on the continued efforts to deal with the taste and odor issues with our drinking water from last summer. Murphy asked Administration/HR Manager Barb Benson to update the board on our efforts to obtain grant funding to offset the cost of mitigation measures. Benson shared the background of the Water Supply Development grant funding opportunity that was presented late 2015. This grant has 18 scoring elements. Staff found it difficult to derive

**Canby Utility**  
**Regular Board Meeting Minutes**  
**January 12, 2016**  
**Page 4 of 4**

measures that would satisfy the grant criteria for water treatment enhancements to deal with taste and odor problems, and fit the supply development grant. However, with the addition of a groundwater well to use as a new water supply scoring ability greatly increased. Staff spent a significant time exploring the possibility of securing a privately owned well and water rights only to learn that the water rights were not able to be acquired. As a result, determining the site of a new well was considered to be risky without exploring test drilling. Consequently, our scoring ability with test wells was reduced and would likely not be selected for funding through this very competitive grant program. The Oregon Water Resources Department offered another funding opportunity through their Water Conservation, Reuse and Storage Feasibility Study grant program. This program, if our project was selected for funding, would provide a 50% match in the cost to explore and evaluate groundwater sources and drill test wells. Staff would then apply for the Water Supply Development grant to develop the new groundwater source once the test wells have been drilled, and an acceptable quality and quantity of groundwater has been located. Benson noted that the water rights are one of the biggest challenges but would be explored during the feasibility study. Murphy stated that if the feasibility project is selected, staff will come back to the board to secure the 50% matching funds. Discussion ensued regarding to location of the test well sites and available water rights for transfer.

Member Potter expressed his appreciation for the board's confidence in voting for him in as the new chairman. He also thanked Chairman Cornelius for his service and stewardship.

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 7:49 p.m.

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Bob Cornelius, Chairman

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Robert Maxwell, Member

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Gary Potter, Member

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Walt Daniels, Member

*Absent 1-12-16*

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Jack Brito, Member

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Barbara Benson, Board Secretary