

***CANBY UTILITY
REGULAR BOARD MEETING
APRIL 22, 2014
6:00 P.M.***

AGENDA

- I. CALL TO ORDER
- II. AGENDA
 - Additions, Deletions or Corrections to the Meeting Agenda
- III. CONSENT AGENDA
 - Approval of April 22, 2014 Agenda
 - Approval of Regular Board Meeting & Executive Session Minutes of April 8, 2014
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS
- V. RECOMMENDATION Water Main Replacement Opportunity – Matt Michel, General Manager (pg. 1)
- VI. BOARD REPORTS
 - Knights Bridge Substation Project – Member Maxwell (pg. 2)
- VII. BOARD GOVERNANCE TRAINING – Chad Jacobs, Beery Elsner & Hammond
- VIII. 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 a public employee. Upon completion of the executive session the Board will return to its regular meeting.
- IX. ADJOURN

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
APRIL 8, 2014
AMENDED

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

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

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 and there were none.

Chairman Cornelius presented the consent agenda for approval. Matt Michel, General Manager, noted that there is a pending payment for a capital expenditure to Smith, Monroe, Gray Engineers, Inc. for an amount that was not anticipated nor budgeted that related to the concrete footing at Knights Bridge Substation. Member Wagner made the *MOTION to Approve the Consent Agenda, Consisting of the Meeting Agenda, Regular and Executive Meeting Minutes of March 11, 2014, Write-Offs in the Amount of \$1,990.16, Payment of the Electric and Water Department Bills in the Amount of \$191,017.79, with Carry-Ins in the Amount of \$561,513.80, for a Total of \$752,531.59. Member Potter seconded, and the motion passed unanimously.

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

Matt Michel, General Manager, reported that Canby Utility's 401(k) plan requires the governing body to acknowledge receipt of and approve the 401(k) plan Statement of Account for 2013. Matt presented the annual report and reviewed the plan performance over the past year. Canby Utility pays the maintenance cost of the plan, but all account contributions are employee funded. The Board had no questions and gave consensus to acknowledge receipt of and approval of the State of Account.

Larry Hepler, Operations Superintendent, presented the quarterly reliability report. He stated that the power outages throughout the past year have impacted the overall numbers; however, the CAIDI number, which is a calculation based on customer interruption minutes and total number of customer interruptions, is improving.

Larry Hepler, Operations Superintendent, gave a report on a new, below-grade, style of vacuum fault interrupter (VFI) switchgear equipment. He noted that the below-grade equipment is replacing the ones that were previously installed above ground. Larry explained that increasing

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concerns about the safety of the existing above-grade equipment has prompted the decision to change equipment. He shared an incident when a Cooper VFI, installed near Highway 99E on the Molalla Forest Road, failed resulting in a fireball of oil erupting from the unit during one early morning. The new equipment being installed underground improves appearance of the surrounding area.

Dee Anne Wunder, Customer Service Supervisor, gave a report on the collections activity. She noted the activity for the past year and beyond. She noted that Professional Credit Services charges 23% of the funds they collect for Canby Utility. She also reviewed the past 12 months' aging report for the electric and water funds. Matt Michel, General Manager, talked about the history of aging accounts. The new customer service policies and procedures will improve collections through the deposit requirements. In addition, eliminating the policy of not delivering door hangers in the month of December will also help. Chairman Cornelius noted that changing collection agencies has been a positive change.

Dee Anne Wunder, Customer Services Supervisor, presented statistics for Canby Utility's website. The analytical report provides data on how many visits the website has had, the number of pages visited and the percentage of new visits. It also gives information about what city each visit originated from. The Board asked about the bounce rate and Dee Anne replied that she would look into it and get back to them. Member Potter asked if staff had a formal plan developed for the website that focused on other reasons customers would visit the site. Staff has not developed a plan, but they are planning to meet with Ruralite to discuss improvements in navigation and functionality of the site. The Board was interested in learning more about how much time customers spend on each page.

Matt Michel, General Manager, gave an update on the Columbia River Treaty. He stated that British Columbia is hiring an auditor to look at benefits for them and the United States. The issue remains entitlement and the money available for hydro benefits. To get Canada to change the entitlement allowance, the United States must provide notice by September this year.

Matt Michel, General Manager, gave an update on the Portland Water Bureau risk analysis. He stated that the county court case examined expenditures made by the Bureau. Chairman Cornelius asked him if there was anything our Board needed to be aware of in their governance and fiduciary responsibilities in light of that case. Matt stated that our customers have a two year period of time to file a claim against the Board for wrongful actions; however, the court would look to the Canby City Charter and the Intergovernmental Agreement for guidance on spending authority. In the situation facing the Portland Water Bureau, there was unique language that defined their authority. Matt felt that our Board has broad authority for expenditures based on the existing Charter language.

Matt Michel, General Manager, presented an updated version six pie charts developed by the Bonneville Power Administration (BPA) that illustrated BPA's case reconstruction for their preference hiring issues. The charts focused on the external cases and those who were denied employment. Matt briefly explained what changed since he presented the charts in February,

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which included two additional people being hired. He noted that BPA is still forecasted to spend \$3 million for cost of the human capital management recovery expenditures.

Matt Michel, General Manager, announced an Efficiency Exchange conference being held in May in Kennewick, Washington. He is planning to attend and if any Board members wanted to attend, they should contact him or Barb Benson, Board Secretary, to make arrangements.

Chairman Cornelius noted that the next meeting will include a Board governance training and the results of the 360-performance evaluation of the General Manager. He suggested moving the meeting start time earlier to 6:00 p.m. to allow enough time for business to be conducted, the training and executive session. The Board agreed.

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

The regular meeting was recessed at 8:11 p.m.

The regular meeting was reconvened at 9:07 p.m.

Matt Michel, General Manager, was the only staff member present for the remainder of the meeting.

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

There being no further business, the meeting was adjourned at 9:08 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 8, 2014***

PRESENT: Chairman Cornelius; Members Wagner, Maxwell, Potter and Daniels; and Matt Michel, General Manager

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

The Executive Session was opened at 8:11 p.m. by Chairman Cornelius, in the Conference Room of the Canby Utility Board office, pursuant to ORS 192.660(2)(i), (n) for the purpose of discussing labor negotiations and performance of a public employee.

The Board excused all staff, with the exception of Matt Michel, General Manager, at 8:39 p.m.

There being no further business, the Executive Session was adjourned at 9:07 p.m.

Bob Cornelius, Chairman

Robert Maxwell, Member

Gary Potter, Member

Walt Daniels, Member

Todd Wagner, Member

Barbara Benson, Board Secretary



MEMORANDUM

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

FR: Matt Michel, General Manager

DT: April 16, 2014

RE: Water Main Replacement Opportunity – 300 linear feet on NW 10th Avenue

RECOMMENDATION: Approve the capital expenditure of up to \$20,000 for water main replacement of approximately 300 linear feet of 6-inch steel pipe with 8-inch ductile iron pipe in NW 10th Avenue.

BACKGROUND: The Northwoods Phase II residential home construction project will connect the two stubs of NW 10th Avenue (on N. Birch St. and N. Grant St.) with an 8-inch ductile iron water main pipe. The two existing stubs are both 6-inch steel. The 8-inch pipe diameter is a system standard size adopted in Canby Utility's Water Service Policies and Procedures (Section F) in accord with the 2010 Water System Master Plan (Page ES-6).

The developer's contractor is willing and available to perform the work to replace Canby Utility's existing 6-inch steel pipe stubs with 8-inch ductile iron. The existing roadway containing the stubs will be excavated, in part, to install other utilities. Canby Utility would provide the pipe material and perform the valve and fitting work. Construction is currently occurring and the window of opportunity for this pipe replacement is now open. Having the work performed while the street is being opened up will save excavation costs.

There are excess water revenue funds available for the work. The water fund revenues are above budget and will likely remain so through the end of the year. For example, as of March the system development charge revenue is approximately \$33,000 above budget.

I will be available to answer questions at the Board's meeting. Larry Hepler, Operations Superintendent, will be on vacation.

Knights Bridge Substation
Project Costs
FY13 FY14

Complete	Description	Amount Budgeted	Amount Awarded	(Over)/Under Budget	Payments as of 4/17/14	Payments Remaining
X	SITE DEVELOPMENT	\$356,630	\$425,000	\$ (68,370)	\$425,000	-
X	STEEL STRUCTURE	303,213	313,174	(9,961)	313,174	-
X	TRANSFORMER	490,000	417,461	72,539	417,461	-
X	CIRCUIT SWITCHER	48,000	48,355	(355)	48,355	-
X	VOLTAGE REGULATORS	121,500	130,275	(8,775)	130,275	-
X	CIRCUIT BREAKERS	52,500	38,325	14,175	38,325	-
X	CONTROL HOUSE	177,000	248,286	(71,286)	248,286	-
X	CVO ENGINEERING SERVICES - Pre-planning/Pre-bid	-	39,113	-	39,113	-
X	CVO ENGINEERING SERVICES - Design	97,500	97,500	-	97,500	-
X	CVO ENGINEERING SERVICES - Permit Work	12,250	12,250	-	12,250	-
X	CVO ENG SERVICES - Change Order #1 Approved 1-8-13	-	21,800	(21,800)	21,800	-
X	SMITH MONROE GRAY ENGINEERS Engineering & Re-design of Concrete Pad Mitigation	14,500	15,921	(1,421)	15,921	-
X	MILLER CONSULTING ENGINEERING SERVICES	4,500	7,400	(2,900)	7,400	-
X	LAND LEASE,	70,000	70,000	-	70,000	-
X	APPRAISAL & LEGAL DESCRIPTION	7,400	7,400	-	7,400	-
X	BUS WELDING	31,280	24,450	6,830	24,450	-
X	ELECTRICAL TESTING	27,500	16,712	10,788	16,712	-
	TOTAL					
	PGE Power Transfer - Estimate of \$300,000		210,930	(210,930)	210,930	-
	Refund of \$89,069.70					
	Inventory Items - CUB Supplied	55,489	55,489	-	55,489	
	Non-Inventory Items & Tools - CUB Supplied	61,454	61,454	-	61,454	
	Stores Expense	925	925		925	
	CU CREW LABOR & OVERHEAD	245,330	275,309	(29,979)	275,309	
	Transportation	47,000	22,684	24,316	22,684	
	ADDITIONAL BUDGET ITEMS	34,858		(25,709)	60,567	
	a) Building Permits/Recording/Survey Fees		8,907			
	b) Beery, Elsner & Hammond Legal Services		27,405			
	c) Rental of Forklift & Boom		21,644			
	d) Flagging		2,611			
	TOTAL	\$ 2,258,829	\$ 2,622,446	(324,504)	\$ 2,622,446	