

***CANBY UTILITY
REGULAR BOARD MEETING
MAY 14, 2024
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 April 9, 2024 (pp. 1-4)
 - 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 May 14, 2024 with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. PRESENTATION Water Management and Conservation Plan and Water Supply Analysis – Adam Sussman and Kimberly Grigsby, GSI Groundwater Solutions, Inc. (pp. 5-30)
- VI. RESOLUTION NO. 323 Revising Customer Service Policies and Procedures – Cindy Dittmar, Customer Service Supervisor (pp. 31-68)
- VII. RECOMMENDATION Approve First Amendment to General Manager Employment Agreement – Barbara Benson, Human Resources/Administration Manager (pp. 69-70)
- VIII. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- IX. STAFF REPORTS
General Manager Updates
- X. 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 the performance of a public employee. Upon completion of the executive session the Board will return to its regular meeting.
- XI. ADJOURN

***CANBY UTILITY
REGULAR BOARD MEETING MINUTES
APRIL 9, 2024***

Board Present: Chair Thompson; Members Horrax, Molamphy, Pendleton, and Hill

Staff Present: Carol Sullivan, General Manager; Barbara Benson, Board Secretary; Jason Berning, Operations Manager; Mike Schelske, Finance Manager; Sue Arthur, Purchasing Agent; Cindy Dittmar, Customer Service Supervisor; and Jason Peterson, Operations Field Supervisor

Others Present: Steve Donovan, Donovan Enterprises, Inc.; Brian Hutchins, Veolia Water North America; Joe Brennan; Eileen Stein, Canby City Administrator; Dick Talley, Stantec; Corianne Burnett, Carollo, Katy Asher, PRR; John Ellis; Jason Padden, City Council Liaison (Virtual); and Patty Travis (Virtual)

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 asked for clarification regarding an invoice for \$16,000 to rent a vac truck, and Finance Manager Mike Schelske explained. Member Hill made the *MOTION to approve the consent agenda, consisting of the meeting agenda, regular and executive session meeting minutes of March 12, 2024, and payment of the electric and water department bills in the amount of \$476,240.44. Member Molamphy seconded, and the motion passed 5-0.

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

Chair Thompson opened the public rate hearing at 7:02 p.m. and reviewed the hearing process and legal standards. Finance Manager Mike Schelske introduced Steve Donovan of Donovan Enterprises, Inc., who conducted the water rate study. Schelske then presented management's proposal for a 14.31% rate increase for the base and consumption charges across all customer classifications. Staff also recommends eliminating the General Service classification for water. This rate proposal is based on Donovan's water rate study. Schelske stated that the last water rate adjustment occurred in November 2020.

The current need for a rate increase is driven by the planned construction of a new water treatment facility and its associated infrastructure. This facility is essential to accommodate the city's projected growth, enhance water quality, and provide additional capacity. The revenue generated from the rate increase will be allocated as follows: 85% to project costs and debt

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service, and 15% to general operating expenses. The initial estimated cost of the new facility is \$82 million.

Schelske explained that the current funding plan assumes \$72 million from new loans and revenue bonds and \$10 million from reserves. The \$10 million of reserves will be sourced from existing reserves, additional revenues resulting from rate increases, and estimated SDC fees for the years 2025 through 2029.

Schelske said that the water rate study's primary purpose was to determine water rates necessary to generate sufficient cash flow for servicing the \$72 million of loans. After evaluating different strategies, the rate consultant recommended a series of smaller rate adjustments. The current forecast anticipates annual increases of approximately 14.3% over the next five years, beginning this year. An annual inflationary adjustment of 3% per year for operating expenses has also been factored into the planning assumption. During the estimated five-year planning and construction period, 85% of revenues from the rate increases will go toward construction costs and debt service and 15% toward estimated increases in operating expenses. As the project progresses and better cost estimates are obtained, the forecast will change, which may alter projected rate increases.

Chair Thompson invited public testimony on the proposed rate increase. There were no requests to give public testimony in person or virtually. Chair Thompson closed the public testimony portion of the hearing. Member Pendleton asked about public access to the rate study and Board Secretary Barbara Benson said that the study was being placed on our website under the New Water Treatment Plant tab for easy access.

Member Horrax made the *MOTION to close the public hearing and continue with the rate adjustment. Member Hill seconded, and the motion passed 5-0. The public hearing closed at 7:11 p.m. The board recommended that staff provide information about the aging water treatment plant and the history of water rates and SDC fees on the website, and a discussion ensued. Donovan explained the relationship between the SDC fees and an adopted capital improvement plan. Following discussion, Member Hill made the *MOTION to adopt Resolution No. 322, adjusting Canby Utility's water rates effective May 1, 2024, with a rate increase of 14.31% on the base and volume charges for all customer classifications, and eliminating the General Service customer classification. Member Pendleton seconded, and the motion passed 5-0. Donovan talked briefly about the changing landscape in the funding sources with more direct congressional involvement.

Finance Manager Mike Schelske presented the staff's recommendation to establish a new public fund money market account with Umpqua Bank. This agenda item was tabled at the March 12, 2024, meeting pending additional information regarding the greatest level of protection between the Local Government Investment Pool (LGIP) and Umpqua Money Market accounts. Schelske talked to Umpqua Bank and Moss Adams, Canby Utility's auditors. He explained the investment funds for the LGIP, which is part of the Oregon State Treasury Short-Term Fund. The Public Fund Money Market accounts require banks to be approved to participate in that program. If the

bank accepts deposits higher than the FDIC limits, the bank must provide additional collateral that a custodian holds to guarantee the risk. Schelske explained the additional collateral guidelines. Both investment accounts are similar with regard to debt instruments. The primary difference is that the LGIP account is directly invested in short-term fixed-income securities. In contrast, Umpqua Bank utilizes funds for all their loan products with collateral thresholds based on our deposit level. Schelske talked about the level of participation in the accounts, including the number of local governments, the total amount of deposits, and banking institution involvement. Schelske said that Moss Adams said there was little distinction between the two investment funds and that they have other clients who use both. Schelske feels that it is a safe investment account. Transferring funds between accounts will also be more convenient since we have our checking account at Umpqua Bank.

Member Pendleton stated that he still has concerns, especially with the amount of collateral required, which is based on their financial health. He then shared data he acquired regarding Umpqua Bank's credit ratings, ownership under Columbia Bank, and being heavily concentrated in commercial real estate. Member Pendleton asked if staff considered other banks that offer a public fund money market account. Schelske replied that he did not and explained the reasons. A discussion ensued regarding credit ratings, US Treasury funds, collateral, risk, and flexibility to move funds between the accounts. The board members expressed their comfort in moving Canby Utility's reserve funds from the LGIP account to Umpqua Bank's money market account. After the discussion, Member Molamphy made the *MOTION to approve Resolution No. 321, ratifying the decision to establish a new public fund money market account with Umpqua Bank and granting signature authority. Member Horrax seconded, and the motion passed 4-1. Member Pendleton opposed.

Under Chair Comments, Chair Thompson encouraged staff to prioritize adding more content to our website regarding the upcoming water treatment plant project, as previously discussed. She also recommended staff contact Canby Herald Editor John Baker to engage him in our project.

Operations Manager Jason Berning presented the quarterly reliability report. Berning explained the cause of the power interruptions for the quarter: in January, a tree branch likely made contact with a feeder during a windy evening; in February, a pad-mounted transformer failed; in March, there was a three-hour outage. Berning explained that Canby Utility received power from two sources; however, Portland General Electric is working on their system that feeds the Westcott substation, which resulted in Canby being "single sourced" for a period of time. When this occurs, it eliminates the redundancy we have in our power supply source. A wind event caused a tree to fall on PGE's transmission line that feeds Canby Utility's substation, interrupting the city's only power source. The following week, another interruption occurred for an unknown reason. Berning noted that BPA is preparing to do maintenance on their transmission system, resulting in Canby being single-sourced again while they perform their maintenance. Discussion ensued regarding the duration and notification process for PGE and BPA maintenance work.

Berning gave an update on the S. Ivy Street "safe walk" improvement project. He said that the easements were granted in the fall of 2023 to allow Canby Utility to begin its work on the

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project's second phase. Berning talked about one of the delays in the project. All Canby Utility facilities needed to be moved by April 1, and he said that we have met that deadline except for a few power poles and overhead wires that are scheduled for removal next week. The county is in the process of selecting contractors to begin the safe walk improvements. Chair Thompson discussed the cost agreement between Canby Utility and the City of Canby. Canby Utility agreed to pay for moving power poles but not the added cost of transitioning underground.

Finance Manager Mike Schelske reviewed the fiscal year 2025 budget timeline. The proposed budgets will be distributed to board members on June 8 and presented for approval during the June 11 regular board meeting.

General Manager Carol Sullivan reported that she and Schelske met with the City Administrator, Eileen Stein, and the city's new Finance Manager, Scott Schlag. They discussed funding options for the new water treatment plant project, the water rate study, the Ivy Street project, and invoicing for ARPA funds for the fire hydrant and water main looping project.

Sullivan also gave an update on efforts to secure an Owner's Representative for the water treatment plant project. Sullivan said some questions surfaced concerning the Request for Qualifications (RFQ) process and related threshold limits for an RFQ and a Request for Proposal (RFP). Sullivan and Purchasing Agent Sue Arthur met with the Department of Administrative Services (DAS) for guidance and learned that the RFQ is a two-step process. Sullivan will discuss the process further with the Board Attorney to ensure proper steps are taken.

Sullivan reported that the technical memorandum for the Water Supply for the Willamette River Water System analysis is complete, and Adam Sussman, GIS Groundwater Solutions, Inc., will present it and the Water Management Conservation Plan at the next meeting.

Member Molamphy made the *MOTION to adjourn the meeting. Member Hill seconded, and the motion passed 5-0.

The meeting adjourned at 7:57 p.m.

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary



MEMORANDUM

May 9, 2024

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

FROM: Carol Sullivan, General Manager

SUBJECT: The Water Management and Conservation Plan and Water Supply Analysis.

Background: Canby Utility (CU) hired GSI Groundwater Solutions, Inc. (GSI), a water rights consultant, to perform the Water Management and Conservation Plan (WMCP) and to analyze CU's water rights in preparation for the new source water supply project.

The Oregon Water Resources Department has processes and criteria for approving WMCP's as required under the conditions of water rights permits, permit extensions, and other department orders. The Water Resources Department approved CU's WMCP on September 28, 2021. CU is required to submit a progress report by September 2026, and update its plan again by March 2031.

GSI has prepared the enclosed *Water Supply for Willamette River Water System Technical Memorandum* that reviews CU's estimated reliable source water supply for the future Willamette River project. The analysis studied CU's permitted surface water rights, current and future, for the Molalla and Willamette Rivers.

The need for this study was determined while completing the Water System Master Plan. Our consultants in collaboration with GSI, identified potential challenges with our Willamette River source supply based on flow rates at designated points along the river. The water right stipulates target flow conditions, which could interrupt CU's ability to withdraw water from the Willamette River under low-instream flow events. Recognizing the potential for an interruptible supply of water, staff deemed it essential to have this analysis completed to identify the risks and manage the future water supply needs for Canby. This information will be instrumental in proactively addressing any permit restrictions as we prepare to develop a new water source.

Adam Sussman and Kimberly Grigsby from GSI will present the study and be available to answer any questions the Board may have.



TECHNICAL MEMORANDUM

Water Supply for Willamette River Water System

To: Carol R. Sullivan, General Manager, Canby Utility

From: Adam Sussman, GSI Water Solutions, Inc.
Kimberly Grigsby, GSI Water Solutions, Inc.
Owen McMurtrey, GSI Water Solutions, Inc.

Attachments: Attachment A – Surface Water Rights Summary Table, and Copies of Willamette and Molalla River Water Rights
Attachment B- Oregon Water Rights Background
Attachment C - Consor memorandum: Summary of Future Population and Water Demand Forecast (October 12, 2023)

Date: March 18, 2024

Executive Summary

Canby Utility holds water rights that authorize the use of water from the Molalla River and the Willamette River. Its Molalla River water rights (one certificate and one permit) authorize the use of up to 20 cubic feet per second (cfs) (12.9 million gallons per day [mgd]).¹ Canby Utility's Willamette River water right authorizes the use of up to 12.4 cfs (8.0 mgd).

Canby Utility's Molalla River rights are expected to be reliable (to provide up to 20 cfs or 12.9 mgd), although its existing water treatment plant has a maximum capacity of 8 mgd (12.4 cfs). Due to water right conditions to protect fishery resources, Canby Utility's Willamette River permit is not expected to be reliable (is not expected to provide any water supply) during some periods of low streamflow.

Canby Utility is evaluating the opportunity to construct a new intake and water treatment plant to allow use of water from the Willamette River. To have reliable water rights at the new intake, Canby Utility could change its Molalla River water rights to add a point of diversion on the Willamette River at the new intake location.

Consor's demand forecast for Canby Utility projects a maximum day demand of 9.02 mgd (13.95 cfs) in 2045, which is well within the supply that should be available under the Molalla River water rights. However, Consor's projected build-out demand (in approximately 2119) of 16.71 mgd (25.85 cfs) means that Canby Utility is expected to have a shortfall in supply of 3.8 mgd (5.85 cfs) at that time. (16.71 mgd of build-out demand – 12.9 mgd of Molalla River water rights = 3.8 mgd in shortfall.)

To address this shortfall, Canby Utility could acquire an existing upstream Willamette River water right from a water right holder willing to sell their water right. Alternatively, at some time in the future, stored water from the federal Willamette Valley Project reservoirs is expected to become available for municipal water supply. At

¹ Water rights generally authorize diversion at a rate described cfs. This memorandum also provides rates in mgd. (1 cfs = 0.646 mgd.)

that time, it may be possible for Canby Utility to request a contract from the Army Corps of Engineers and apply for a new water use permit to use the stored water.

1. Background

Canby Utility is evaluating the opportunity to develop an intake and water treatment plant for use of water from the Willamette River and seeks to better understand the estimated reliable water supply expected to be available for that system. As requested by Canby Utility, GSI Water Solutions (GSI) has estimated the reliable water supply that is expected to be available from Canby Utility’s Willamette River permit, and from its Molalla River water rights if they were modified to include an authorized point of diversion on the Willamette River. GSI also compared the estimated reliable water supply to meet Canby Utility’s projected water demand at build-out and identified options for securing additional surface water supply. This memorandum documents GSI’s analysis and the identified options for potentially securing additional surface water supply.

2. Canby Utility’s Surface Water Rights and Water Supply

Canby Utility holds three surface water rights that authorize the use of water from the Willamette and Molalla Rivers for municipal use. Permit S-54691 authorizes the use of water from the Willamette River, and Certificate 86087 and Permit S-46199 authorize the use of water from the Molalla River. These water rights, and the expected reliable supply from both sources, are further described below.

Canby Utility also holds two water rights that authorize the use of water from springs (Certificates 10771 and 10776). These rights authorize the use of a small amount of water (0.45 cfs/0.29 mgd in total) and are not currently in use due to water quality concerns. Accordingly, these water rights were not included in the following analysis.² See **Attachment A** for a table summarizing Canby Utility’s surface water rights and copies of its Willamette and Molalla River water rights.

a) Willamette River Water Right and Water Supply

Permit S-54691 authorizes the use of up to 12.4 cfs (8.0 mgd) from the Willamette River for municipal use, as shown in **Table 1**. This permit has a completion date (development deadline) of January 6, 2031. Canby Utility can, however, seek an extension of time from the Oregon Water Resources Department (OWRD) to continue to develop the permit after that date, if needed. The permit contains flow target conditions meant to protect fishery resources in the Willamette River. (The flow target conditions can be reviewed in the copy of Permit S-54691 in Attachment A.) These conditions allow Canby Utility to divert water only when flows in the Willamette River meet or exceed the identified flow targets, which are measured at United States Geological Survey (USGS) gage 14191000 located at Salem. The flow targets range from 5,630 cfs (from July 1 through October 31) to 17,000 cfs (from April 16 to April 30).

Table 1. Willamette River Water Right

Application #	Permit #	Certificate #	Priority Date	Authorized Rate		Current Access to Water		Completion Date
				(cfs)	(mgd)	(cfs)	(mgd)	
S-71072	S-54691	--	2/27/1990	12.4	8.0	12.4	8.0	1/6/2031

² Canby Utility also holds groundwater rights that are either not used or are infrequently used due to low yields and/or water quality concerns. The use of groundwater is beyond the scope of this evaluation.

To evaluate the potential impacts of the above-described permit condition on the ability to divert water, GSI compared the flow targets in Permit S-54691 to streamflows from 2000 through 2023.³ (This period of record was chosen to incorporate data from all years after the U.S. Army Corps of Engineers began to manage outflows from the Willamette Valley Project reservoirs to meet flow targets formally established by a Biological Opinion issued in 2008. Prior to 2000, Willamette River flows were frequently well below the flow targets throughout the spring and summer months.)

GSI calculated the number of days the flow targets were not met (and diversion would not have been allowed), the range of dates flow targets were not met each year, as well as the maximum number of consecutive days the flow targets were not met each year from 2000 through 2023. **Table 2** summarizes the results of this evaluation. Under current U.S. Army Corps of Engineers operations, flow targets are frequently missed during April through June. This is attributable to a greater emphasis on meeting summer flow targets in recent years, which often results in a decrease in outflows from the reservoirs during spring. However, as depicted in Table 2, in water-short years like 2015 and 2021 flow targets are missed well into late summer.

Table 2. Willamette River Flow Targets Missed at Salem Gage, 2000-2023

Year	Number of Days Flow Target Missed	Range (First and Last Day Flow Targets Were Missed)	Maximum Number of Consecutive Days Flow Targets Are Missed
2000	3	June 7 - June 10	5
2001	91	April 16 - August 30	42
2002	12	April 29 - December 10	4
2003	21	May 23 - June 30	14
2004	30	April 12 - June 30	2
2005	13	April 22 - June 15	1
2006	0	--	0
2007	39	April 29 - June 30	13
2008	4	April 19 - April 22	0
2009	4	June 15 - June 30	3
2010	0	--	0
2011	0	--	0
2012	0	--	0
2013	27	April 1 - June 15	10
2014	9	April 21 - June 6	8
2015	142	April 3 - September 12	76
2016	46	April 20 - June 30	30
2017	0	--	0
2018	29	May 5 - June 30	7
2019	21	May 5 - June 30	5
2020	38	April 12 - June 6	5
2021	84	April 1 - August 21	76
2022	4	April 1 - April 4	3
2023	27	May 26 - June 30	21

³ The streamflow information is based on gage records for USGS gage 14191000 at Salem from January 1, 2000 to December 31, 2023.

b) Molalla River Water Rights and Water Supply

Canby Utility has two water rights that authorize the use of water from the Molalla River for municipal use (Certificate 86087 and Permit S-46199), as summarized in **Table 3**. These water rights authorize diversion from the Molalla River at the New River Intake, which includes the River Infiltration Gallery and Main River Intake, and the Original Intake. GSI understands that Canby Utility does not currently use its Original Intake to meet its system demands due to capacity limitations at low river levels. According to Canby Utility staff, the capacity of its Molalla River infrastructure to treat surface water is 8 mgd (12.38 cfs).

Table 3. Molalla River Water Rights

Application #	Permit #	Certificate #	Priority Date	Authorized Rate		Current Access to Water		Completion Date
				(cfs)	(mgd)	(cfs)	(mgd)	
S-60921	S-46199	--	10/20/1980	10.0	6.46	7.46	4.82	10/1/2040
S-47326	S-35453	86087	7/31/1970 (5.0 cfs) 12/22/1970 (5.0 cfs)	Total 10.0 (Up to 10.0 from New River Intake & 3.12 from Original Intake)	6.46	10.0	6.46	--

Certificate 86087 authorizes the use of up to 10.0 cfs (6.46 mgd) from the New River Intake and 3.12 cfs (2.02 mgd) from the Original Intake in any combination, not to exceed a total of 10.0 cfs (6.46 mgd). The certificate has priority dates of July and December 1970. The water right does not include any conditions on the use of water.

Permit S-46199 authorizes the use of up to 10.0 cfs (6.46 mgd) from the Molalla River and has a priority date of October 1980. The permit’s current completion date (development deadline) is October 1, 2040; however, as mentioned above, Canby Utility can seek an extension of this development date from OWRD, if needed. Use of water under the permit is currently limited to 7.46 cfs (4.82 mgd). To use the remaining 2.54 cfs (1.64 mgd) portion of the permit, Canby Utility would need to document the need for the water in a Water Management and Conservation Plan (WMCP) and OWRD would need to grant access to that water in its approval of the WMCP. (Canby Utility filed a WMCP in 2021 but did not request access to more water under Permit S-46199. Accordingly, Canby Utility’s access to water under the permit remains unchanged, and it will need to submit a new WMCP to obtain access to the remaining portion of this permit.)

GSI evaluated the frequency at which water is expected to be available under Canby Utility’s Molalla River water rights. To this end, GSI compared flows at the gage upstream of Canby (USGS gage 14200000, which is the most downstream gage on the Molalla River) to Canby Utility’s total authorized rate of diversion and the authorized rate of diversion for other water rights downstream of the gage. The gaging station has been in operation intermittently since 1928, with continuous operation since October 2000. **Table 4** shows the Molalla River’s lowest recorded streamflow for each month since October 2000. Flows below 30 cfs were briefly recorded in September 2003. There are few records of flows below 30 cfs from prior to 2000.

Table 4. Molalla River Monthly Minimum Flows at USGS Gage 14200000

Month	Rate (cfs)	Date of Occurrence
January	366.0	1/15/2005
February	272.0	2/28/2005
March	188.0	3/15/2005
April	515.0	4/30/2015
May	209.0	5/31/2018
June	86.2	6/30/2015
July	39.1	7/31/2018
August	30.4	8/31/2003
September	26.4	9/5/2003
October	40.5	10/1/2003
November	56.4	11/1/2002
December	101.0	12/9/2002

GSI understands that Canby Utility’s water rights have not been regulated to provide water for senior downstream water users. Thus, although the nature of the stream channel may make it difficult to divert water at the maximum authorized rate using the existing infrastructure, under current conditions water has been available to meet the full 20 cfs (12.9 mgd) under Canby Utility’s Molalla River water rights. Approximately 5.8 cfs of surface water rights authorize diversion between gage 14200000 and Canby Utility’s New River Intake and are “senior” to Canby Utility’s water rights. (In Oregon, “senior” water rights [rights with older priority dates] are entitled to receive water before newer, “junior” water rights can take water during periods of insufficient streamflow.) Similarly, there are a few senior water rights downstream that would be entitled to receive water before Canby Utility. These senior rights authorize use of approximately 6 cfs and have points of diversion between Canby Utility and the confluence of the Molalla and Pudding Rivers, where streamflow increases significantly. Gribble Creek and possibly other sources of discrete inflow within this reach would increase water available to these water rights relative to the flow measured at the gage. Accordingly, even under the lowest recorded flow at the gage of 26.4 cfs, and a conservative assumption that the senior water rights between the gage and Canby Utility diverted all 5.8 cfs, more than 20 cfs of flow would be available in the Molalla River for Canby Utility’s use.

A 2009 report by the Oregon Climate Change Research Institute notes the potential for moderate decreases in summer streamflow in the Molalla River.⁴ More recent analyses suggest little change in average summer streamflow, but an increase in the duration and severity of extreme droughts, potentially resulting in more extreme low flow periods.⁵ However, based on the above comparison of historical flows and water rights below gage 14200000, low streamflows during an extreme drought year (such as what was experienced in

Hamilton, Roger, et al. "Projected future conditions in the Lower Willamette River Subbasin of northwest Oregon: Clackamas, Multnomah & Washington counties." (2009).

⁵ Wherry, Susan Amelia, "Climate Change Effects and Water Vulnerability in the Molalla Pudding River Basin, Oregon, USA" (2012). Dissertations and Theses. Paper 556.

2003) are expected to have little to no impact on the availability of 20 cfs (12.9 mgd) under Canby Utility's Molalla River water rights.

c) Water Supply if Molalla River Water Rights Transferred to Willamette River Intake

To increase the reliable water supply available at a Willamette River intake, Canby Utility could modify its Molalla River water rights by adding a downstream point of diversion on the Willamette River.⁶ The new point of diversion would be added to Certificate 86087 through a water right transfer, and to Permit S-46199 through a permit amendment. (For more information about water rights processes in Oregon, see [Attachment B – Oregon Water Rights Background](#).)

After making these changes to its Molalla River water rights, Canby Utility could divert water under those rights at its Willamette River intake. A transfer of Certificate 86087 would be expected to result in the ability to divert up to 10 cfs (6.46 mgd) at the Willamette River intake. For Permit S-46199, the permit amendment would initially authorize the diversion of up to 7.46 cfs (4.82 mgd) at the new intake due to the existing limitation on the use of the permit. When appropriate, Canby Utility would need to develop a new WMCP that demonstrates the need to use the remaining 2.54 cfs (1.64 mgd) portion of the permit. After OWRD's approval of a permit amendment to change the point of diversion and approval of an updated WMCP, Canby Utility would be expected to have the ability to divert the full 20 cfs (12.9 mgd) at the new Willamette River intake.

It is important to note that OWRD will condition the water right transfer and permit amendment to limit the amount of Molalla River water that can be diverted at the new Willamette River intake to the amount of water (lawfully) available under Canby Utility's Molalla River water rights. In other words, Canby Utility could not divert more water at the Willamette River intake than it could potentially divert at the Molalla River intakes, based on streamflow and not based on the capacity of its water system.

As described above, under current conditions and projected climate change conditions, streamflow available for diversion under Canby Utility's Molalla River water rights is not expected to be less than 20 cfs (12.9 mgd). However, one potential outcome of the OWRD transfer and permit amendment review process is that the agency could impose conditions intended to simplify monitoring and compliance to ensure more water was not being taken on the Willamette River than is available on the Molalla River. For example, for Canby Utility to divert the full 20 cfs (12.9 mgd) on the Willamette River, the agency could require that flows at Molalla River gage 14200000 must be at least 25.8 cfs (Canby Utility's 20 cfs plus the 5.8 cfs of water rights between the gage and Canby Utility). However, even under this potential conservative approach by OWRD, GSI anticipates that there may only be a small impact to Canby Utility's ability to divert all 20 cfs (12.9 mgd) under its Molalla River water rights at the Willamette River intake and only under extreme drought conditions.

As previously described, Canby Utility's Willamette River Permit S-54691 is not expected to be reliable throughout the spring and summer months in dry years, and will likely be unavailable during some portion of most years. Accordingly, Canby Utility's reliable supply at a new Willamette River intake would be expected to be the 20 cfs (12.9 mgd), as authorized by its Molalla River water rights.

3. Canby Utility's Projected Water Demands

GSI has reviewed the October 12, 2023 memorandum developed by Consor: Summary of Future Population and Water Demand Forecast (Conсор Memo). (A copy of the Consor memo is provided in [Attachment C](#).) The Consor memo describes demands during the next approximately 20 years, and at build-out. Consor describes build-out as the saturation development for the Canby Utility water service area, which it projects to occur in

⁶ GSI understands that the authorized point of diversion on the Willamette River for Permit S-54691 may need to be modified (through a permit amendment application) after the completion of geotechnical work, but the new location will remain downstream of the mouth of the Molalla River.

approximately 2119. The Consor memo predicts a maximum day demand of 9.02 mgd (13.95 cfs) in 2045 and 16.71 mgd (25.85 cfs) at build-out (in approximately 2119).

GSI compared the projected maximum day demands in the Consor memo with Canby Utility’s expected total reliable water supply. As shown in **Table 5**, Canby Utility is expected to have sufficient water supply to meet its 2045 maximum day demand but is projected to have a 5.85 cfs (3.81 mgd) shortfall in reliable water supply at build-out (in approximately 2119).

Table 5. Canby Utility’s Projected Water Demands and Reliable Water Supply (based on Consor Memo)

	Project Maximum Day Demand		Reliable Water Supply		Surplus/Shortfall	
	(mgd)	(cfs)	(mgd)	(cfs)	(mgd)	(cfs)
2045	9.02	13.95	12.9	20.0	+3.9	+6.05
Build-out (approx. 2119)	16.71	25.85	12.9	20.0	-3.8	-5.85

4. Opportunities to Obtain Additional Reliable Water Supply

Since Canby Utility’s maximum day demand at build-out is expected to exceed its reliable water supply at the Willamette River intake by 5.85 cfs (3.78 mgd), GSI considered opportunities for Canby Utility to secure access to additional water rights that will increase its secure water supply. The following is a description of two potential opportunities.

Canby Utility could acquire an existing Willamette River water right from another water right holder. Canby Utility should seek a right that does not have flow target conditions to protect fishery resources. Preferably, the right would be a certificated water right that has a point of diversion located upstream from the planned Willamette River point of diversion, as this would reduce concerns regarding injury to other water rights. It may be possible for Canby Utility to obtain an existing irrigation water right that would authorize use of additional water during the peak season, however, irrigation rights in the area are limited to use from March through October and have rate limits per acre and annual volume limitations.⁷ Industrial or municipal use water rights would provide a year-round source of supply and do not have an annual volume limit. Based on GSI’s recent experience, these year-round water rights have been selling for \$500 to \$550 per acre foot and have been from industrial facilities no longer in use. **Table 6** provides estimated costs for purchasing a year-round water right with no volume limits that authorizes the use of 5.85 cfs (3.78 mgd) year-round (which would provide 4,235 acre-feet or 1,379 million gallons of water). If Canby Utility is interested in this option, GSI can provide additional information about entities that potentially have water rights available for purchase, the due diligence needed and the general process for acquiring and transferring the water rights.

In the future, Canby Utility could seek a new water right that authorizes the use of stored water from the Willamette Valley Project reservoirs for municipal and industrial (M&I) use, and an associated contract from the U.S. Army Corps of Engineers. Congress originally authorized the federal reservoirs in the Willamette Valley Project to store water for a variety of purposes, but contracts were only available for use of the stored water for irrigation. The reservoirs have recently been reallocated, which will allow the U.S. Army Corps of Engineers to issue contracts for M&I uses in the future. These water rights and contracts are not currently

⁷ For example, an irrigation water right that authorized diversion at a rate of 5.85 cfs would be expected to authorize irrigation of 468 acres and allow annual use of up to 1,170 acre-feet (381 million gallons).

available, and it is unclear when this water supply may become available for M&I use.⁸ It is expected to be several years before M&I contracts are available, but once this supply becomes available, if Canby Utility wanted authorization to use stored water at a rate of up to 5.85 cfs for up to 120 days (which equals 1,392 acre-feet or 453 million gallons) it could acquire a contract and associated water right. **Table 6** provides the estimated cost for purchasing a federal contract for M&I use based on the 2023 federal fiscal year cost of \$3,680 per acre-foot.⁹

Table 6. Estimated Costs to Purchase a Water Right

	Estimated Cost To Purchase (Approximated)
Existing 5.85 cfs Water Right at \$500/AF	\$2.1 million
Existing 5.85 cfs Water Right at \$550/AF	\$2.3 million
Contract for 1,392 AF of Federal Storage Space (5.85 cfs for 120 days) (est.)	\$5.1 million

5. Summary of Steps to Secure Willamette River Water Supply

Based on the above analysis GSI has identified the following steps that Canby Utility could take to secure its Willamette River water supply.

- Once the Willamette River intake location has been confirmed:
 - Submit a permit amendment application to OWRD to change the location of the point of diversion for Willamette River Permit S-54691;
 - Submit a transfer application to OWRD for Molalla River Certificate 86087 to add a point of diversion at the Willamette River intake location;
 - Submit a permit amendment application to OWRD for Molalla River Permit S-46199 to add a point of diversion at the Willamette River intake location;
- When needed, develop an updated Water Management and Conservation Plan documenting the need for a total of 20.0 cfs (12.9 mgd) and obtain approval from OWRD to access the full 10 cfs (6.46 mgd) under Molalla River Permit S-46199;
- As desired by Canby Utility, seek additional Willamette River water supply.

For frame of reference, the above OWRD water rights transactions and WMCP update would be expected to take up to two years to complete.

⁸ Before the federal stored water will be available for M&I use, the federal government will need to apply for a transfer to change the water rights that authorize the storage of water in the Willamette Basin Project reservoirs to allow storage for purposes other than irrigation, and the federal government will need to finalize a contracting program for M&I contracts.

⁹ This cost is expected to change annually.

Attachment A

**Surface Water Rights Summary Table and Copies of
Willamette and Molalla River Water Rights**

Canby Utility Surface Water Rights

Application	Permit	Certificate	Priority Date	Source(s)	Type of Beneficial Use	Authorized Instant. Rate (cfs)	Instant. Rate Diverted to Date (cfs)	Completion Date	Conditions
S-60921	S-46199	---	10/20/1980	Molalla River (RIG & MRI)	Municipal	10.0	7.46	10/1/2040	<ul style="list-style-type: none"> • WMCP required • New WMCP required to request access to more than 7.46 cfs
S-47326	S-35453	86087	7/31/1970 (5.0 cfs) 12/22/1970 (5.0 cfs)	Molalla River (Original River Intake & New River Intake)	Municipal	10.0 cfs total (max 10.0 cfs from New River Intake and 3.12 cfs from Original River Intake)	10.0	---	
S-15085	S-11011	10771	8/16/1933	Spring	Municipal & domestic	0.25	0.25	---	
S-15264	S-11197	10776	2/10/1934	Spring	Municipal & domestic	0.20	0.2	---	
S-71072	S-54691	---	12/27/1990	Willamette River	Municipal	12.40	0.0	1/6/2031	<ul style="list-style-type: none"> • Diversion may be restricted based on minimum flows in Willamette River • Fish screen & by-pass devices

cfs = cubic feet per second

STATE OF OREGON

COUNTY OF CLACKAMAS

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF CANBY
 PO BOX 1070
 CANBY OR 97013

confirms the right to use the waters of MOLALLA RIVER, a tributary of the Willamette River for MUNICIPAL USE.

This right was perfected under Permit 35453. The date of priority is JULY 31, 1970, FOR 5.0 CUBIC FEET PER SECOND (CFS) AND DECEMBER 22, 1970, FOR 5.0 CFS. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 10.0 CFS, being 10.0 CFS from New River Intake and 3.12 CFS from Original River Intake in any combination, or its equivalent in case of rotation, measured at the points of diversion, if available at the Original River Intake.

The points of diversion (POD) are located as follows:

POD	Twp	Rng	Mer	Sec	Q-Q	Measured Distances
Original River Intake	3 S	1 E	WM	32	NW SE	1830 FEET NORTH & 2130 FEET WEST FROM SE CORNER, SECTION 32
New River Intake	4 S	1 E	WM	5	NW NE	107 FEET SOUTH & 2400 FEET WEST FROM NE CORNER, SECTION 5

A description of the place of use to which this right is appurtenant is as follows:

Twp	Rng	Mer	Sec	Q-Q
3 S	1 E	WM	27	NW NW
3 S	1 E	WM	27	SW NW
3 S	1 E	WM	27	NE SW
3 S	1 E	WM	27	NW SW
3 S	1 E	WM	27	SW SW
3 S	1 E	WM	27	SE SW
3 S	1 E	WM	27	NE SE
3 S	1 E	WM	27	NW SE
3 S	1 E	WM	27	SW SE
3 S	1 E	WM	27	SE SE

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

Twp	Rng	Mer	Sec	Q-Q
3 S	1 E	WM	28	NE NE
3 S	1 E	WM	28	SE NE
3 S	1 E	WM	28	NE SW
3 S	1 E	WM	28	NW SW
3 S	1 E	WM	28	SW SW
3 S	1 E	WM	28	SE SW
3 S	1 E	WM	28	NE SE
3 S	1 E	WM	28	NW SE
3 S	1 E	WM	28	SW SE
3 S	1 E	WM	28	SE SE
3 S	1 E	WM	29	SW SE
3 S	1 E	WM	29	SE SE
3 S	1 E	WM	32	NE NE
3 S	1 E	WM	32	NW NE
3 S	1 E	WM	32	SW NE
3 S	1 E	WM	32	SE NE
3 S	1 E	WM	32	NE SE
3 S	1 E	WM	32	NW SE
3 S	1 E	WM	32	SW SE
3 S	1 E	WM	32	SE SE
3 S	1 E	WM	33	NE NE
3 S	1 E	WM	33	NW NE
3 S	1 E	WM	33	SW NE
3 S	1 E	WM	33	SE NE
3 S	1 E	WM	33	NE NW
3 S	1 E	WM	33	NW NW
3 S	1 E	WM	33	SW NW
3 S	1 E	WM	33	SE NW
3 S	1 E	WM	33	NE SW
3 S	1 E	WM	33	NW SW
3 S	1 E	WM	33	SW SW
3 S	1 E	WM	33	SE SW
3 S	1 E	WM	33	NE SE
3 S	1 E	WM	33	NW SE
3 S	1 E	WM	33	SW SE
3 S	1 E	WM	33	SE SE
3 S	1 E	WM	34	NE NE
3 S	1 E	WM	34	NW NE
3 S	1 E	WM	34	SW NE
3 S	1 E	WM	34	SE NE
3 S	1 E	WM	34	NE NW
3 S	1 E	WM	34	NW NW
3 S	1 E	WM	34	SW NW
3 S	1 E	WM	34	SE NW
3 S	1 E	WM	34	NE SW
3 S	1 E	WM	34	NW SW
3 S	1 E	WM	34	SW SW
3 S	1 E	WM	34	SE SW
3 S	1 E	WM	34	NE SE

Twp	Rng	Mer	Sec	Q-Q
3 S	1 E	WM	34	NW SE
3 S	1 E	WM	34	SW SE
3 S	1 E	WM	34	SE SE
4 S	1 E	WM	3	NE NE
4 S	1 E	WM	3	NW NE
4 S	1 E	WM	3	SW NE
4 S	1 E	WM	3	SE NE
4 S	1 E	WM	3	NE NW
4 S	1 E	WM	3	NW NW
4 S	1 E	WM	3	SW NW
4 S	1 E	WM	3	SE NW
4 S	1 E	WM	3	NW SW
4 S	1 E	WM	4	NE NE
4 S	1 E	WM	4	NW NE
4 S	1 E	WM	4	SW NE
4 S	1 E	WM	4	SE NE
4 S	1 E	WM	4	NE NW
4 S	1 E	WM	4	NW NW
4 S	1 E	WM	4	SW NW
4 S	1 E	WM	4	SE NW
4 S	1 E	WM	4	NW SW
4 S	1 E	WM	4	NE SE
4 S	1 E	WM	4	NW SE
4 S	1 E	WM	5	NE NE
4 S	1 E	WM	5	NW NE
4 S	1 E	WM	5	SE NE

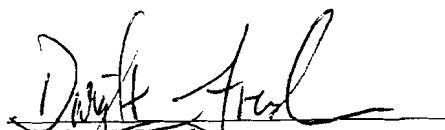
When required by the Department, the water user shall install and maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted. The type and plans of the headgate and measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.

Water may be applied to lands which are not specifically described above, provided the holder of this right complies with ORS 540.510(3).

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Issued MAR 12 2010


Dwight W. French
Administrator Water Rights and Adjudications, for
Phillip C. Ward, Director
Water Resources Department



STATE OF OREGON

CLACKAMAS COUNTY

PERMIT TO APPROPRIATE THE PUBLIC WATERS

This is to certify that I have examined APPLICATION 60921 and do hereby grant the same SUBJECT TO EXISTING RIGHTS INCLUDING THE APPROPRIATE MINIMUM FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD and the following limitations and conditions:

This permit is issued to The Canby Utility Board of the City of Canby of PO Box 470, Canby, Oregon 97013, phone 266-1156, for the use of the waters of Molalla River, for the PURPOSE of municipal use; that the PRIORITY OF THE RIGHT dates from October 20, 1980, and is limited to the amount of water which can be applied to beneficial use and shall not exceed 10.0 cubic feet per second measured at the point of diversion from the stream, or its equivalent in case of rotation with other water users.

The POINT OF DIVERSION is to be LOCATED: 660 feet North and 2,920 feet West from the Southeast Corner of Section 32, being within the SE 1/4 SW 1/4 of Section 32, Township 3 South, Range 1 East, WM, in the County of Clackamas.

A description of the PLACE OF USE under the permit, and to which such right is appurtenant, is as follows:

Township 3 South	Range 1 East, WM	Section 21	SE 1/4	SE 1/4	Municipal use
			SW 1/4	SE 1/4	
			NE 1/4	SE 1/4	
		Section 22	SW 1/4	SW 1/4	
			Section 26	SW 1/4	
		Section 27	NW 1/4	NW 1/4	
			SW 1/4	NW 1/4	
			All of the SW 1/4		
		Section 28	All of the SE 1/4		
			All of the SW 1/4		
			All of the SE 1/4		
		Section 29	NE 1/4	NE 1/4	
			SE 1/4	NE 1/4	
		Section 32	All of the SE 1/4		
Section 33	All of Section 33				
Section 34	All of Section 34				
Section 35	NW 1/4	NW 1/4			
Township 4 South	Range 1 East, WM	Section 3	All of the NW 1/4		
			All of the NE 1/4		
			All of the SW 1/4		
		NW 1/4	SE 1/4		
		SW 1/4	SE 1/4		
		NE 1/4	SE 1/4		
		Section 4	All of Section 4		
		Section 5	NE 1/4	NE 1/4	
			SE 1/4	NE 1/4	
			NW 1/4	NE 1/4	
NE 1/4	SE 1/4				

Actual construction work shall begin on or before February 23, 1983 and shall thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 1983.

Complete application of the water to the proposed use shall be made on or before October 1, 1984.

WITNESS my hand this 23rd day of February, 1982.

BC Extended to October 1, 1990, BC 10-1-95, 10-1-2000 /s/ JAMES E. SEXSON

WATER RESOURCES DIRECTOR

BC extended to 10-1-2040

APPLICATION 60921

PERMIT 46199

STATE OF OREGON

COUNTY OF CLACKAMAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

CANBY UTILITY BOARD
154 NW 1ST PO BOX 1070
CANBY, OREGON 97013

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: S-71072

SOURCE OF WATER: WILLAMETTE RIVER, A TRIBUTARY OF COLUMBIA RIVER

PURPOSE OR USE: MUNICIPAL USE

MAXIMUM RATE: 12.4 CUBIC FOOT PER SECOND

PERIOD OF USE: JANUARY 1 THROUGH DECEMBER 31

DATE OF PRIORITY: DECEMBER 27, 1990

POINT OF DIVERSION LOCATION: SW ¼ SW ¼, SECTION 22, T3S, R1E, W.M.; 102 FEET NORTH & 855 FEET EAST FROM SW CORNER, SECTION 22

THE PLACE OF USE IS LOCATED AS FOLLOWS: WITHIN THE SERVICE BOUNDARY OF THE CITY OF CANBY

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. The permittee shall maintain the meter or measuring device in good working order.
- B. The permittee shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.

- C. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where any meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

Diversion shall occur only when flows in the mainstem Willamette River at Salem, OR, USGS gage 1419100 meet or exceed those shown in the table below.

Month	Minimum Flows (cfs) for Willamette River at Salem, OR, USGS gage 1419100
November 1 - March 31	6,000
April 1 - 15	15,000
April 16 - 30	17,000
May 1 - 31	15,000
June 1 - 15	12,600
June 16 - 30	8,500
July 1 - October 31	5,630

The permittee shall install, maintain, and operate fish screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

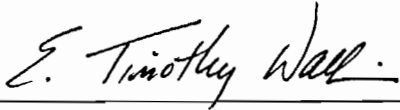
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Completion of construction and application of the water shall be made within twenty years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued January 6, 2011



for Phillip C. Ward, Director
Water Resources Department

Attachment B

Water Rights Background

Water Rights Background

In Oregon, with a few exceptions, the use of public water requires a water right from the Oregon Water Resources Department (OWRD). The right to use water is typically first granted in the form of a water use permit. The permit describes the priority date, amount of water that can be used, the location of the point of diversion or point of appropriation (well), type of water use, place of use, and season of use. Permits also often contain a number of water use conditions. The permit allows the water user to develop the infrastructure needed to put the water to full beneficial use. Water use permits contain timelines for making full beneficial use of the water. If more time is needed than provided in the permit, the permit holder may request an “extension of time” from OWRD. When development of the water right is complete, the water user submits to OWRD a report called a claim of beneficial use (COBU). OWRD then issues a water right certificate confirming the status of the right.

Surface water rights authorize the use of water from rivers and streams. Groundwater rights authorize the use of water from wells. Storage water rights authorize the storage of water in reservoirs. Water rights that authorize the use of stored water are called secondary water rights.

OWRD has two different administrative processes that allow modification of a water right. When a water right is in the permit phase (still being developed), the permit holder may modify the water use by changing the location of use (only to land that is contiguous to the existing place of use described in the permit) and the point where water is appropriated through an application for a permit amendment. When a water right is evidenced by a certificate, the water right holder can modify the location of use, the point where water is appropriated, and the type of use made under the water right through an application for a water right transfer. (The opportunities to change a certificate that allows the storage of water in a reservoir are more limited.) Generally, OWRD will generally only allow a water right to be transferred if it has been used at least once during the past five years.

OWRD reviews permit amendment and transfer applications to determine whether the proposed change would cause “enlargement” of the water right (expand the water use) or injury to existing water rights (prevent the water rights from obtaining water to which they are entitled). If OWRD determines the proposed change will not cause injury or enlargement, it can approve requested change to the water right.

There are limitations to the changes that can be made to a water right through the transfer process. First, the source of water cannot be changed, even when the point of diversion is changed. (This does not necessarily preclude a water right holder from moving their point of diversion downstream from a tributary to the mainstem of the river.) The water diverted at the new point of diversion must have been available at the original point of diversion. In addition, if a water right is transferred to a new place of use, in most circumstances water from the authorized source may not be used on the original place of use (or portion included in the transfer, if applicable). Finally, when transferring the place of use of an irrigation water right, the new place of use will be limited to the same number of acres as the first place of use, and to all the terms and conditions of the original water right, including the season of use.

Attachment C

Consort Memorandum



Date: October 12th, 2023
Project: Canby Utility Water Master Plan
To: Carol Sullivan
 Melody Thompson
Canby Utility
 Brian Hutchins
Veolia North America

From: Chris Young, P.E.
Reviewed By: Brian Ginter, P.E.
Re: Summary of Future Population and Water Demand Forecast

Below is a summary of the Population and Water Demand Forecast for Canby Utility’s water service area.

The following tables were presented as Table 3-3 and Table 3-5 of Canby Utility’s 2023 Water Master Plan (WMP):

Table 3-3 | 2018 to 2022 Historical Population and Water Demand Summary

Year	Water Service Area Population	Historical Water Demands ¹									
		Annual Average Inside Demand ² (AID)		Average Day Demand (ADD)		Peak Season ³ Demand (PSD)		Peak Month ⁴ Demand (PMD)		Maximum Day ⁵ Demand (MDD)	
		mgd	gpcd	mgd	gpcd	mgd	gpcd	mgd	gpcd	mgd	gpcd
2018	16,800	1.39	83	2.16	129	3.45	205	4.07	242	6.3	402
2019	16,950	1.35	80	2.06	122	3.15	186	3.73	220	4.5	260
2020	18,220	1.38	76	2.07	114	3.47	190	4.04	222	4.5	242
2021	18,754	1.46	78	2.34	125	3.82	204	4.47	238	6.2	330
2022	18,979	1.41	74	2.22	117	4.00	211	4.48	236	5.4	283

Notes:

1. Demand is calculated as the total water produced plus any reduction in reservoir storage (in the case of an increase in reservoir storage, this value is negative and is subtracted from produced water).
2. Inside Demand is the average daily demand over November 1 through April 30.
3. Peak Season Demand is the average daily demand for the 92 days of the peak water use season; defined as July 1st to September 30th.
4. Peak Month Demand is the maximum 30-day moving average daily demand. The peak month for the Canby Utility system typically occurs between July and August.
5. Maximum Day Demand is calculated as the 24-hour period with the greatest water demand.

Table 3-5 | Water Demand and Population Projection Summary

Year	Population	Water Demand (mgd)			
		Average Day Demand	Peak Season Demand ¹	Peak Month Demand ²	Maximum Day Demand
2025	19,468	2.40	4.25	5.06	7.01
2030	20,796	2.57	4.58	5.41	7.49
2035	22,234	2.75	4.89	5.78	8.00
2040	23,635	2.92	5.20	6.15	8.51
2045	25,056	3.09	5.51	6.51	9.02
Build-out	46,420	5.73	10.21	12.07	16.71

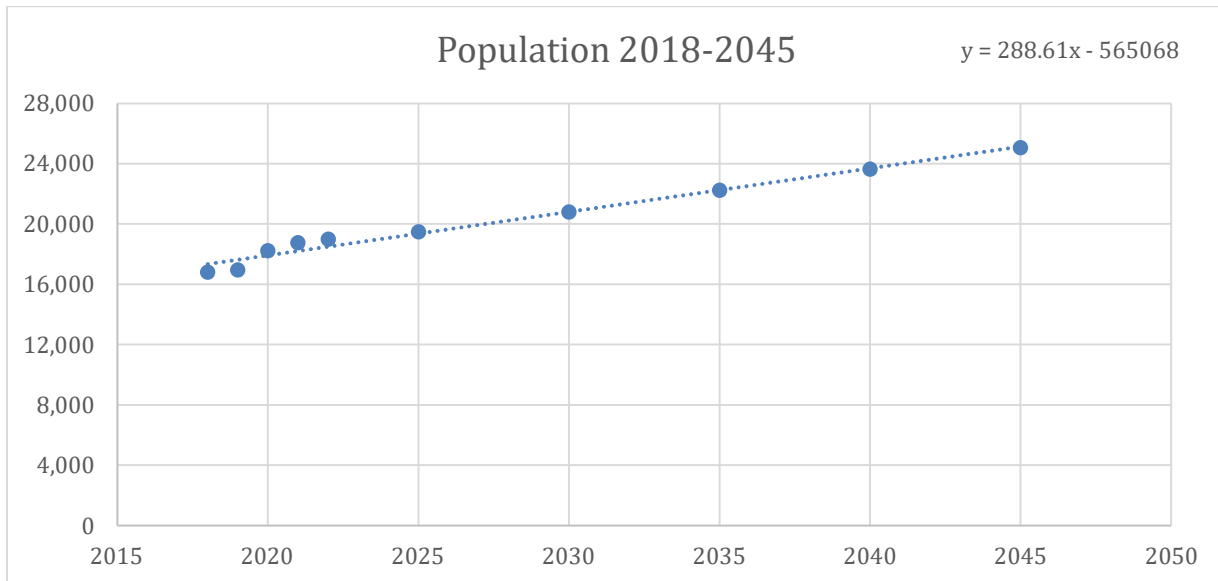
Notes:

1. Peak Season Demand is the average daily demand for the 92 days of the peak water use season; defined as July 1st to September 30th.
2. Peak Month Demand is the maximum 30-day moving average daily demand. The peak month for the Canby Utility system typically occurs between July and August.
3. 2020 population and water demand values based on existing data.

Build Out Year

Section 3.7.2 of the WMP estimates the saturation development, also known as build out, population of the Canby Utility water service area. Based on multiple assumptions presented in the WMP, the projected build out population of the Canby Utility water service area is 46,420 people.

The Portland State University Population Research Center (PRC) population estimates were used to derive the population growth projections presented in Table 3-3 and Table 3-5. Based on the PRC projections, a trendline was determined for Population and Maximum Day Demand, as presented below:



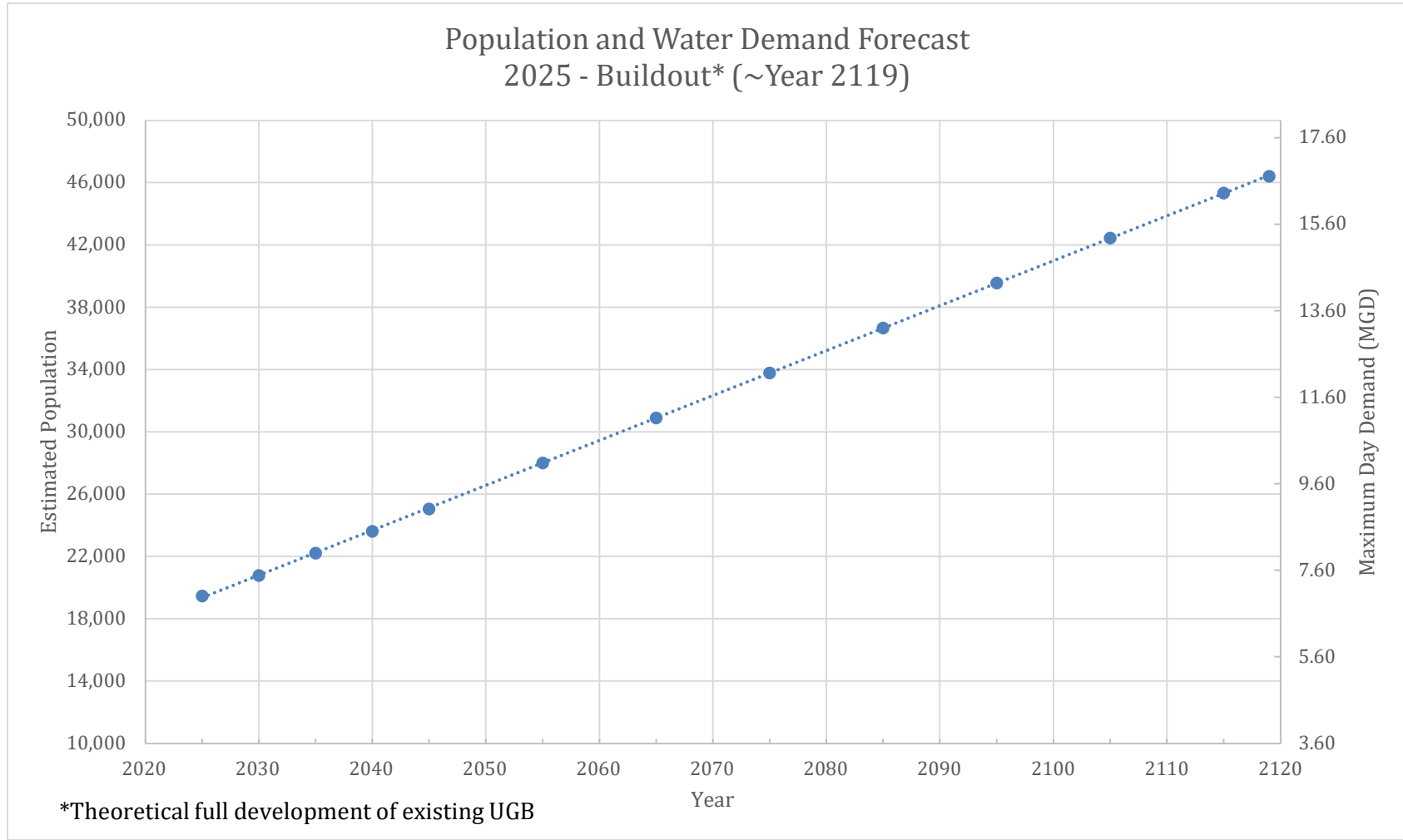
The following calculations were based on the calculated trendline above.

- Build out year = $Y (\text{Population}) = 288.61 \times (\text{Year}) - 565068$
= $46,420 = 288.61 \times (\text{Year}) - 565068$
= 2118.73 (**Approximate Year 2119**)

Based on the calculations above, the estimate Build Out Year for the Canby Utility water service area is 2119.

Population and Water Demand Forecast

Based on the calculations above, by the year 2119, the project population for the Canby Utility water service area is 46,420, with a Maximum Day Demand of 16.71 million gallons per day (MGD). The graph presented below illustrates the anticipated future population and water demand.





MEMORANDUM

May 2, 2024

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

FROM: Cindy Dittmar, Customer Service Supervisor

SUBJECT: Customer Service Policies and Procedures Revision

Suggested Motion: *Move to adopt Resolution No. 323 approving and making effective June 1, 2024, the proposed revisions to Canby Utility's Customer Service Policies and Procedures, and Repealing Resolution No. 288.*

Background: Staff thoroughly reviewed the Customer Service Policies and Procedures manual and determined that they needed to be updated to reflect our current practices. The last policy revision was in 2016. Since then, we have had some billing software upgrades and found that some of our current practices are not reflected accurately in the policies and procedures. Some changes are significant and new, while others are intended to give a clearer understanding of the related policy.

Our Board Attorney reviewed all proposed revisions, and any recommended changes from the legal review are incorporated.

Below is a list of the significant updates and changes staff recommends:

Application of Service:

- **Add** - Require Social Security number for business owners. Reason: *To verify the identity of the customer and make it easier to collect outstanding balances with a Social Security number should we have a need to send the account to a collection agency.* (Page 5)
- **Change** - Require a non-refundable Account Set-up Fee be collected at the time an account is created. Reason: *To avoid issuing a refund check if the customer fails to move in after setting up an account.* (Page 6)

Changes on Existing Accounts:

- **Remove** - Remove the requirement that states if the primary customer is deceased a customer named on the account must provide a copy of the death certificate to remove deceased customer's name. Reason: *This is an unnecessary requirement if the co-applicante agrees to take full responsibility for the account.* (Page 7)

Security Deposit:

- **Add** - If no deposit was held on the established account a deposit will be added to the new account 30 days after the filing of the bankruptcy.
- **Remove** - If the account did not have a deposit, no deposit will be required. Reason: *To provide adequate assurance that the customer will pay for utility service.* (Page 11)

Customer Billing Process:

- **Change** - Update language to reflect four-day work schedule where necessary. Reason: *The utility's days and hours of operations changed.* (Pages 11, 14, 20)
- **Add** - A \$25.00 visit fee to the account if an employee is sent to the service address to disconnect service for non-payment and the customer is given additional time to pay the past due balance. Reason: *To encourage customers to make payment on their account prior to a Lineman being sent to the service address to improve efficient time of workforce.* (Page 14)

Bill Payment:

- **Add** - A payment made with coin currency will not exceed \$10.00. Reason: *To avoid a customer paying a bill in all coins for the purpose of efficient use of staff time.* (Page 15)
- **Add** - the new Automated Phone Service to the "Bill Payment Options." Reason: *New option for customers to make payments on their account.* (Page 16)

Adjustment of Utility Bill:

- **Add** - A water service leak credit will be limited to one leak credit per year. The General Manager may approve an additional leak credit on a case-by-case basis. Reason: *To encourage customers to repair their system leaks and avoid additional requests for leak credits.* (Page 17)
- **Change** - Replace the word "shall" to "may" when an under-billing or over billing occurs. Reason: *This will allow Canby Utility to determine if back billing should be charged based on the cause.* (Page 18)

Levelized Payment Plan:

- **Add** - A customer will not be eligible for a levelized payment plan if they have received a disconnection notice in the preceding 12 months, and a customer who receives a disconnect notice will be removed from the levelized payment plan for 12 months. Reason: *This will encourage customers to pay the levelized payment amount by the due date. Levelized payment plan is a payment program designed to prevent drastic seasonal fluctuations in their monthly utility bill to make it easier to work within their budgets. When customers fall behind on levelized payments, it has a greater impact on the overall bill, especially when their actual balance or usage exceeds the averaged payment calculations.* (Page 18)

Disconnection or Reconnection of Service/Opening or Closing Accounts:

Add - Residential utility services may not be disconnected or restricted for nonpayment after 12:00 p.m. on Thursdays, on a regular business day proceeding an observed holiday, or within a 24-hour period of time when the predicted temperature, as reported by the Aurora State Airport weather station, is at or below 32 degrees Fahrenheit or at

or above 95 degrees Fahrenheit. If a CU employee, tasked with reconnecting service, believes the situation is unsafe and the customer is displaying aggressive behavior, the CU employee may in their discretion deny an after-hours service reconnection. Reason: *Disconnection of service during an extreme weather event could cause health related concerns for our customers. Also, the safety of our employees is a priority, empowering employees to deny service when they feel unsafe will protect them from encountering a threatening and potentially dangerous situation.* (Page 20)

Metering Services:

- **Add** – Electric meters used for Common-Use Facilities (i.e. laundry rooms, recreation rooms) that are individually-metered multi-family structures. These types of residential units will be classified as General Service. The account must be established under the building owner’s name. Reason: *To define General Service is for electric.* (Page 26)
- **Change** – CU will limit the number of requests to test a customer’s meter to one time per year. A fee may apply for additional testing, which would be waived should a meter be faulty or if a safety concern exists. Requests for additional testing may require fees. Fee would be waived if meter is found faulty Reason: *Eliminate multiple requests for meter testing from a customer in a 12-month period.* (Page 27)

Glossary:

- **Add** - Delinquency Notice - A notice mailed to customers when a full payment on an account has not been received by the due date. (Page 31)
- **Remove** - Door Hanger Notice. Reason: *Canby Utility no longer physically hangs doorhangers.* (Page 31)

I am available to answer any questions or concerns prior to the Board Meeting on May 14th.

RESOLUTION NO. 323

A RESOLUTION UPDATING CUSTOMER SERVICE POLICIES AND PROCEDURES; REPEALING RESOLUTION NO. 288.

WHEREAS, the Canby Utility Board is an Oregon municipal utility operating in accordance with the Canby City Charter and ORS Chapter 225;

WHEREAS, the Canby Utility Board is governed by the City Charter and its own operating procedures, policies and resolutions rather than the rules of the Oregon Public Utility Commission (PUC); and

WHEREAS, the Canby Utility Board desires to update the customer service policies and procedures to improve efficiencies and adapt to new technologies.

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

SECTION 1. GENERAL

- A. Resolution No. 288 and any Resolutions or provisions thereof that conflict with the terms of this Resolution are repealed.
- B. This Resolution and Exhibit “A” attached and incorporated by reference, will serve as a general source of authority for more specific policies, which may be adopted by the General Manager of the Canby Utility Board or their designee, with Board Attorney’s consent.

SECTION 2. MISCELLANEOUS

- A. Additional terms of service can be found in the Electric Service Conditions and Water Service policies and procedures documents.

This Resolution is effective on June 1, 2024.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS _____ DAY OF _____, 2024.

Melody Thompson, Chair

David Horrax, Member

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Barbara Benson, Board Secretary

**Resolution No. ~~288-XXX~~
Exhibit A**

CANBY UTILITY

CUSTOMER SERVICE POLICIES & PROCEDURES

~~FEBRUARY 2017~~JUNE 2024

I. PREFACE

Canby Utility (CU) is a municipal electric and water utility of the City of Canby, Oregon. This customer service policies and procedures manual applies to CU's electric and water service. The use of such words as "shall, should, may," etc., indicate the status of the policy or procedure. "Shall" for example is a requirement. "Should" is recommended. "May" is at the discretion of CU.

The following policies and procedures apply to any electric or water applicant or CU customer in accordance with the responsibility and authority set forth in the Canby City Charter, state and federal law, and applicable intergovernmental agreements. Customers are subject to, and required to comply with, the utility-specific policies and procedures for each service received from CU.

It shall be the policy of CU to provide utility services without discrimination and in accordance with sound business principles; that rates will be reasonably uniform to all customers within classifications; and that utility services pricing will be based on providing competitive rates to all customers without special rate categories for selected social or economic classes of customers.

It shall be the policy of CU to consider the aesthetics and environmental effects of its activities in conjunction with utilization of its resources while providing utility services.

This Policies and Procedures manual is intended to provide guidance to CU customers and CU staff to achieve the common goal of efficient and safe utility service. CU personnel are available for advice and consultation related to utility services.

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A. Conditions of Service

Rate schedules are applied according to use and occupancy classifications. Customers are subject to, and required to comply with, the utility-specific Policies and Procedures for each service received from CU.

The customer is responsible to furnish, own and maintain all materials and facilities required to distribute services beyond the point of delivery to points of use on the property. CU-owned facilities, located beyond the point of delivery, such as the electric meter, shall be maintained by CU.

The customer will secure the necessary permits from the governmental agency having jurisdiction thereof and pay all costs of installing and maintaining utility materials and equipment necessary to accept CU services. The customer shall comply with all codes and regulatory requirements, including the National Electric Code (NEC) and the National Electric Safety Code (NESC). The customer shall not have any conditions on the property or structure that cause CU to be out of compliance with applicable safety standards or policies.

CU shall not be responsible for loss or damage to life or property resulting from non-CU owned, installed, or maintained facilities on, adjacent to, or connected to CU's facilities, and the customer shall assume all liability thereof.

Customer or applicant must pay all monies due by them to CU prior to service connection. CU reserves the right to deny new service until monies owed are paid in full. CU reserves the right to terminate any service if evidence is later discovered that the customer owed a debt to CU that was not resolved at the time of service connection.

CU does not provide utility service in the absence of a billing responsibility. In the event of a deceased customer, responsibility for billing must be assumed by the estate, an individual, or a personal representative.

If a metered service shows no usage for 730 consecutive days, CU may remove the meter, service and related equipment.

B. Application for Service

An "application for service" is a request for service only and does not, in itself, constitute a contract until CU actually delivers or is ready to deliver utility service to the customer.

Applications for service shall be made a minimum of one (1) business day in advance of desired connection date. Acceptance of service, with or without a written application, shall be subject to compliance with all of CU policies and procedures.

An application for service must include all required information and be submitted in a form acceptable to CU under the particular circumstances. Requests from persons other than the applicant will not be accepted unless a letter of authorization or power of attorney signed by the applicant in a form acceptable to CU is on file with CU.

In the absence of an approved application, pre-existing services at a property may be disconnected.

Applicants for residential service shall provide CU with the following minimum information at the time each account is opened:

- Legal name of applicant
- Service address
- Mailing address
- Previous address
- Date of birth
- Date applicant wants service to begin
- *Social Security number
- Valid identification i.e.: valid driver's license, State issued ID card
- Spouse's name
- Other adult occupants
- Employment
- Work phone number
- Daytime phone number
- Copy of Rental Agreement, if applicable
- Other information as CU may require

*If a customer refuses to give their social security number or does not have one, a deposit will be required. The amount of the deposit will be determined as described in Section C of this policy.

Applicants for non-residential service shall provide the following minimum information at the time each account is opened.

- Legal Business name
- Name of Responsible party
- Tax Id number
- Date applicant wants service to begin
- Daytime phone number
- Mailing address
- Name of authorized persons to obtain account information
- [Social Security number for owner](#)

Documents required for accounts that are billed to a ~~third-party~~third-party Management Company:

Accounts that request to have bills sent to a ~~third-party~~third-party management company will need to provide documentation that describes in detail the authority of the management company. An account must be set up by homeowner/property owner before a management agreement will apply. If a service address is used as a rental property, a landlord agreement shall be signed by the property owner, not the management company. This may include, but not limited to, changing billing information or updating the list of authorized person(s) to obtain information. The documentation must include all parties' names, telephone numbers and authorized person(s) permitted to make changes on utility accounts. Accounts that use a ~~third-party~~third-party management company shall provide a tax identification number before any account information is released.

Upon application for service, CU shall verify the identity of the applicant(s) after obtaining permission from applicant to run a soft credit check of the person(s) setting up service. If for any reason, permission to run the soft credit check is denied or if there is a question on the identity of the person(s) setting up service they will be required to bring identification into the business office to complete the application process. Based upon this evaluation, a security deposit may be required. A non-refundable Account Set-up Fee is to be collected at the time an account is created. A non-refundable Account Processing fee will be collected at the time service is established at each service location.

Where two or more persons join in one application for utility service, such persons shall be jointly and severally liable there under and shall be billed by means of a single periodic bill mailed to the person designated on the application to receive the bill. Whether or not the utility received a joint application, where two or more adults are living in the same residence, they shall be jointly and severally liable for the bill for utility service(s) supplied.

1. Changes on Existing Accounts

- a) Adding a name: An existing customer named on the account must contact CU and provide the name of the new customer to be added to account. The new applicant must contact CU and provide minimum information as required by CU to set up service. The account must be current before any changes can be made. The new applicant may not become primary owner of account for at least one year.

- b) Removing a name: The customer retaining service must notify CU stating that they will become the sole account owner and take full responsibility of account. The account must be current. ~~If the primary customer is deceased a customer named on the account must provide a copy of the death certificate to remove the deceased customer's name.~~ If the account has been established for less than one year, a deposit may be required if the primary applicant is removed. The deposit will be determined as stated in section C.1 in this procedure. If a deposit is required, one-third of the deposit will be collected at the time the name is removed and the balance will be billed in two (2) equal payments as stated for new deposits in section C.1.
- c) Removing a co-signer: When a co-signer requests to have their name removed from the ~~account, the account, the~~ account balance must be current. If the account was established less than one year, a deposit will be required according to the deposit requirements listed in section C.1. Payment history for accounts that have been established more than one year will be reviewed; payment history must not have more than one (1) delinquency notice and zero (0) disconnect notices issued in the past twelve (12) months. If payment history meets requirements, services will be changed under single owner. If account history does not meet requirements, co-signer will be removed and a deposit will be added according to deposit requirements listed in section C.1 in this procedure.
- d) Deceased Customers with one account owner: Responsibility for billing must be assumed by the deceased's estate, an individual or a personal representative. A copy of the death certificate, letters testamentary or court appointed documents must be provided to make changes on account. CU may use confirmation of death from a published source; such as obituary from newspaper or internet.
- e) Name Change: An account owner may request for a name change by phone, email or in person for reasons such as marriage and, divorce, etc. No documentation will be required. The balance on the account must be current.

C. Security Deposit

1. Residential Customer

CU requires a security deposit to mitigate financial risk on a new or existing account. Credit and/or payment history on all active and inactive accounts with CU will determine if a security deposit is required. If an applicant has an unpaid balance on a prior account, the unpaid balance must be paid in full prior to new service being established. If an applicant has a previous written off account balance less than \$25, CU will not require a double deposit. Similarly, if an applicant who had a balance written off that exceeds \$25, followed by a new

service that required a deposit and demonstrated good payment history, that customer would not be subject to a double deposit if that customer were to establish service for a third time.

If an unpaid balance on a prior account is discovered after service is established, a written notice will be issued to the customer, notifying them that they have twenty four (24) hours to contact CU to make a payment or arrangements for the prior unpaid account balance. If customer does not contact CU, service will be disconnected as stated on the notice.

If an applicant does not have credit history with CU, the security deposit requirements may be satisfied with the following alternatives:

- a) Provide a letter from another electric utility establishing a favorable credit history, verifying that payments have remained current during the previous twelve (12) months.
- b) CU may access a customer's credit history from a recognized credit bureau and will determine if a deposit is required.
- c) Provide a Guarantor to co-sign for security. Co-signer must be a CU customer for a minimum of two (2) years, with no more than one (1) delinquency in a twelve (12) month period. The Guarantor may not co-sign for more than one active CU account. Only customers responsible for residential accounts may co-sign for residential accounts.

The amount of the deposit will be calculated to be at least two (2) times the highest bill, for each billable service at the applicant's or customer's service address, looking back two (2) ~~years~~ years. The deposit shall be a minimum of \$150. Any customer who has had a previous balance of more than \$25 with CU, that was wrote off as bad debt, will be required to pay a "double" deposit as described above. Deposit amounts may be adjusted at any time after the start of service if the actual usage of electricity and/or water is substantially different than the estimates upon which the deposit amounts were based. Once a deposit requirement has been established, it will be added to the first billing period. Upon request, CU may make a payment arrangement for the deposit. CU may require payment of one-third of the deposit at the time service is established based on a credit check and bill the balance in two equal payments. If the customer fails to make the payments on the deposit as billed, CU may issue a notice for disconnection for non-payment. All deposits will be held for a minimum of one year. A deposit may be required if service is requested for a secondary address for a period longer than 90 days.

Any account that requires a deposit will be reviewed one (1) year from when the final payment of the deposit was made to the account. If the ~~account~~ shows account shows a favorable payment history with payments being made in full, by the billing due date for the prior twelve (12) month rolling period, the deposit plus interest will be credited to the account. If a favorable payment history has not been established, the deposit will be held until the account shows a rolling twelve (12) month favorable payment history; the account will be reviewed monthly until a favorable payment history is established. At that time, CU will refund the deposit plus interest back to the customer's account. The security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account held by the same customer. Upon termination of the account the security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account of the same customer.

In the event that the customer serves notice to CU to discontinue service, any portion of the deposit not previously returned and any accrued interest thereon shall be applied to the payment of any unpaid CU utility bills incurred by the customer. Any remainder of the deposit and any allowable interest shall be refunded to the customer. All refunds will be made within thirty (30) days from the date the deposit refund is posted to the account.

Deposit notices will be issued to customers who have received two (2) disconnect notices in any six (6) month period that does not have a deposit or the deposit does not cover twice the highest historical bill for the service location. The notice will advise customers that a deposit will be required or increased should the customer receive a third (3) disconnect notice within the next six (6) month period. (Three (3) disconnect notices within a 12 month period of time)

Security deposits accrue interest based upon the Local Government Investment Pool earnings. Interest rates will be reviewed monthly and changed accordingly.

CU will maintain confidential credit history on customers.

2. General Service or New or Expanding Large Load (NELL) Customer

All General Service and New or Expanding Large Load (NELL) accounts are subject to a credit evaluation, when initially opened or at any time while the account remains active, to determine the need for a security deposit.

CU, at its discretion, may waive a security deposit for a General Service or NELL customer who has previously established favorable CU credit history, or who can provide a letter from another electric utility establishing a favorable credit history,

verifying that payments have remained current during the previous twelve (12) months.

Should a deposit be required at any time, it will be calculated to be at least twice the highest bill for the prior two (2) year period for each utility service at the service location. The deposit shall be a minimum of \$150. Deposit amounts may be adjusted at any time after start of service if the actual usage of electricity and/or water is substantially different than the estimates upon which the deposit amounts were based.

Any account that requires a deposit will be reviewed one (1) year from when the final payment of the deposit was made to the account. If the customer demonstrates a favorable payment history with payments being made in full, by the billing due date for the prior twelve (12) month rolling period, the deposit plus interest will be credited to the account. If a favorable payment history has not been established, the deposit will be held until the account shows a rolling twelve (12) month favorable payment history; the account will be reviewed monthly until the favorable payment history is established. At that time, CU will refund the deposit and interest back to the customer's account. The security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account held by the same customer. Upon termination of the account the security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account held by the same customer.

Any customer who receives two (2) or more disconnect notices in any six (6) month period, and who does not have a deposit on file or the deposit does not cover twice the highest historical bill for the service location, will receive written notice that a deposit will be required or increased as specified therein if a third disconnect notice is issued in within the next six (6) month period following the notice.

Security deposits accrue interest based upon the Local Government Investment Pool earnings. Interest rates will be reviewed monthly and changed accordingly.

CU will maintain confidential credit history on customers.

3. Bankruptcy

Customers who file for bankruptcy will be subject to the bankruptcy laws in effect at the time of their filing. When a legal notification of ~~a bankruptcy~~ bankruptcy on an established account is received, CU will close the existing account and a new account will be set up. The new account will be set up with the date the

bankruptcy notice was received. The new account set up fee will be waived. If a deposit was required on the established account, the new account will require the same deposit. ~~If the account did not have a deposit, no deposit will be required. If no deposit was held on the established account a deposit will be added to the new account 30 days after the filing of the bankruptcy.~~ The deposit on the established account may not be used against any outstanding balance on the account that existed prior to the bankruptcy. The deposit may be transferred and held as a deposit on the newly established account.

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D. Installation or Change of Service

The customer shall be responsible for all billable services, effective the earlier date that either CU is requested to start service or the date of the customer's leasehold interest in the premises being served begins. CU may use the effective date and final read of the service address when new services are requested if there is known information that the customer establishing service has been there prior to setting up service.

A customer requesting connection or disconnection of utility services must contact CU during business hours for service to be connected or disconnected during the following business day. CU connects or disconnects service on normal business days, Monday through ~~Thursday, Friday, 7:00 8:00~~ a.m. to ~~5:00 4:00~~ p.m. Customers who request to have same day service or after business hours changes of their utility service will be charged a fee according to the schedule of charges. (See Master Fee Schedule)

The customer will be liable for services rendered and for charges billed for the service location through the time that CU disconnects the utility services or closes the account, whichever occurs later. A non-refundable Account Processing Charge will be collected when a customer account is established or reactivated. A non-refundable Account Processing Charge will be collected prior to moving an account to a new service location. A deposit may be required if service is requested for a secondary address for a period longer than 90 days.

When requests for new, individually metered, single, multifamily or nonresidential units are processed, CU may elect to install any or all meters as "active" in the owner's name, or to install any or all meters "as inactive." Shared-meters (i.e. for laundry facilities) will be installed in the property owner's name. Billing for minimum charges will commence the date an active meter is installed. An inactive meter becomes active when it is assigned an account number and a customer's name. Billing alternatives for shared meters are:

1. Property owner or customer pays a licensed contractor to reconfigure facilities to meter each unit separately, in accordance with CU policy, and receive approval from the appropriate inspector designated by CU.

2. Property owner assumes billing responsibility for the shared-meter.

E. Release of Information Concerning Customers

1. Inquiry on customer accounts

Anyone inquiring on an account will be identified by information on the account such as the last four numbers of the social security number, date of birth or driver's license number that is on the account. Other information may be used if these are not on account. No account information will be given until identification of caller is verified.

2. Collection of Information

All information collected and used by CU to conduct its business activities is a public record.

3. Custodian of Records

CU designates its Board Secretary or designated alternate as the custodian of its public records. The custodian will maintain, care for, and control the public records created, directly or indirectly, by CU.

The custodian will maintain procedures for CU employees to follow that allow CU employees to respond promptly to most requests to inspect records or to receive a copy (See Procedure 402). Any requests determined by a CU employee to be questionable or to be denied, will be directed to the custodian for review, assessment, and final action.

4. Customer Account Information

Disclosure of specific account information is made in accordance with customer consent or in the absence of customer consent, disclosure may occur pursuant to a court order, or subpoena or if the disclosure is otherwise in accordance with federal or state law. CU may make customer records available to third party credit agencies on a regular basis in connection with the establishment and

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management of customer accounts with written authorization, or in the event such accounts are delinquent.

5. Request for Inspection of Records and Furnishing Copies

Upon request, and in accordance with Oregon public records law the custodian or designee will furnish proper and reasonable opportunities for any person desiring to inspect, examine and copy the public records in the offices of CU, during the usual business hours.

The custodian may adopt reasonable rules necessary for the protection of the records and to prevent interference with the regular discharge of duties of the custodian.

6. Denial in Whole or in Part

The custodian will deny, grant, or deny in part, or grant in part a request to inspect or receive a copy of a public record in accordance with time frames established under CU procedures.

Any denial of a request to inspect or receive a copy of a public record shall be based upon any laws that exempt such public records from disclosure, including but not limited to ORS 192.501 and 192.502.

7. Search Fees and Costs

Fees are established to reimburse the utility for its actual costs and labor in copying and making such records available including costs for summarizing, compiling or tailoring such records, either in organization or media, to meet the request. See Master Fee Schedule and Procedure 402.

F. Billing

Bills will be issued monthly on a regular basis near the same day of each month to the permanent mailing address for the customer of record. Reference to one month's service in the rate schedules relates to the billing period and does not necessarily correlate to a calendar month. CU reserves the right to read meters and present bills for longer or shorter periods. In the event that a meter is inaccessible for any reason, CU reserves the right to estimate the meter reading and to issue bills calculated upon estimated usage and applicable fees. Utility service supplied at more than one location, or for more than one separately operated business shall be metered separately and billed individually for each such business.

Rate schedules are applied to locations and services according to use and occupancy at the time of application. The applicable rate schedule for a location is subject to change, by CU, based upon actual usage. If the use and/or occupancy of a location changes, the customer shall notify CU to determine if ~~the rate~~the rate schedule needs to be updated.

Utility services shall be billed in the regular billed period. Opening and closing bills may be prorated.

A Landlord Billing Agreement is an authorization for billing of services to the verified property owner(s), as determined by Clackamas County records, during vacant or non-signed periods, and is available at CU's discretion.

1. Customer Billing Process

Service is provided in advance of payment, typically for a 28-34 day billing payment cycle. Payment for the service provided is due 14 days from the date on the billing statement. If the payment is not received in full by the end of the 14th calendar day from the statement date, the account will be considered past due.

A delinquent notice will be issued to all accounts with a past due balance of \$50.00 or more on the following ~~Thursday~~Friday. The delinquent notice will extend the due ~~date~~date 7 calendar days. Delinquent notices are issued every month, including to customers who have a payment arrangement on file.

If there is a past due balance still owing after the extended date, a disconnect notice will be issued the following week to all accounts with a balance of \$100.00 or more. A disconnect notice may be issued any time to an account with a balance less than \$100.00, if the balance includes any unpaid deposit billed at the time service was established. A fee will be charged to the account for issuance of a disconnect notice. All accounts are subject to the disconnect notice fee once the disconnect notice has left the business office for delivery. The disconnect notice will extend the due date until the following Monday end of business. If a payment is not received or a payment arrangement has not been granted, services may be disconnected without further notice.

A payment arrangement agreement form will be completed and issued to the customer. This form states that a failed payment arrangement fee will be assessed and services may be disconnected immediately if customer does not make payment as stated on form.

[A \\$25.00 visit fee will be added to the account if an employee is sent to the service address to disconnect service for non-payment and the customer is given additional time to pay the past due balance.](#)

If service is disconnected, a reconnect fee will be added to the account and the past due balance must be paid in full, including all fees assessed to the account before service is reconnected. If service is requested after ~~5:00~~ 4:00 p.m., while the office is open, an after hour fee will be added to the account. If the reconnection request is made after normal business hours, the customer must agree to make the full payment at the business office by 8:30, the next business day. If the payment arrangement is not kept, services may be disconnected immediately.

NOTE: Disconnect notices will not be issued to customers who have made a payment arrangement. CU accepts payment arrangements that must include a specific dollar amount that typically requires a minimum payment of 80% of the past due amount, all additional fees charged to ~~the account~~ the account and a specific date ~~of when~~ of when payment will be made, before it can be approved. Any customer who fails to keep a payment arrangement may be subject to a failed payment arrangement fee and disconnection of services. (See Master Fee Schedule)

If a landlord/property owner is subject to disconnection that affects their tenant(s) utility services, a disconnect notice will be issued to all accounts that may be affected by the loss of services. The disconnect notice fee will be charged to the landlord/property owner for each notice issued to accounts subject to loss of services.

CU may remove or waive a disconnect notice fee if requested by account holder one time during a 5 year period. A disconnect notice fee may be waived if account holder signs up for automatic payment, if less than 5 years from the date the first disconnect notice fee was waived and customer requests it.

Non receipt of a utility bill does not excuse payment by the due date or in any way insure service will not be disconnected for non-payment.

G. Bill Payment

Bills are payable upon receipt and past due after the due date stated on the bill. Payment must be in the form of United States legal tender, money order, check or credit/debit card. A payment made with coin currency will not exceed \$10.00. CU reserves the right to establish the means or form of payment (cash, money order, bank card, bank cashier's check, etc.) from any customer who has been disconnected for non-payment and is requesting service to be reconnected.

1. Bill Payment Options

Payments may be:

- a) At CU business office
- b) Mailed to CU's post office box
- c) Placed in a CU drop box - on or off-site
- d) Automatically deducted from customer bank account
- e) On-line payment through customer bank
- f) Credit/debit card over the phone or in person at CU's office (one time or recurring)
- g) Payment from a checking or savings account over the phone or in person at CU's office
- h) On-line through CU's website
- h)i) Automative Phone Service

2. Payment Allocation

CU allocates payments as follows: electric write offs, electric payment agreements, water payment agreements, other payment agreements, water write offs, deposits, electric, water and then agency payments.

3. Non-Sufficient Funds Payments

If CU receives a returned check notice or is unable to charge an auto payment from a checking account or debit/credit card from the customer's account for insufficient funds or other processing issues, the event may be considered as an NSF payment, and the customer may be charged according to the schedule of charges. (See Master Fee Schedule.) Two NSF payments in a twelve (12) month period will disallow all but verifiable funds payment in the future. CU reserves the rights to establish the means or form of payment (cash, money order, bank cashier's check, etc.) from any customer who has previously tendered a dishonored check or gives indication that the funds are not sufficient to cover any check tendered.

When a payment is returned for non-sufficient funds on an account that has been noticed for disconnection, CU reserves the right to require payment in full plus fees within 24 hours to avoid disconnection of services. Payment must be verifiable funds such as cash, money order, cashier's check, credit card, or debit card. Service charges established by CU may be added to a customer's account to cover the costs of collection efforts in the processing of dishonored checks, hand-delivered notices by field representatives, and the disconnection/reconnection of services. (See Master Fee Schedule)

4. Counterfeit Currency

Counterfeit notes (counterfeit bills) are prevalent in any environment where money is exchanged. Best cash handling practices will help detect bills by examining them carefully, using counterfeit marking pens or other counterfeit detection devices. If CU receives a counterfeit bill, CU will follow these steps:

- A) Identify the bill by using a counterfeit marking pen or other identifying tools available to determine if the bill is counterfeit
- B) Notify a supervisor
- C) Explain to the customer that the bill may be counterfeit and we will need to contact the local police so they can make a report
- D) Contact local police
- E) CU will not return the bill to the customer, unless the customer demands the bill back
- F) Limit the handling of the note
 - a. The CU employee will write their initials and the date in the white border area of the suspect bill
 - b. Carefully place it in a protective covering, such as an envelope.
- G) Complete a USSS Counterfeit Note Report; surrender the bill and a copy of the completed USSS Counterfeit Note Report to Police Officer. Maintain copies for your records. The form can be found at <http://www.secretservice.gov/forms/ssf/1604.pdf>.

~~2~~ 5. Adjustment of Utility Bill

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Water Leak Credit Adjustments: In cases where a customer is found to have had an accidental and/or unavoidable period of excessive water use, the Customer Service Supervisor, or designated employee may authorize a reduction in customer's water bill subject to the following criteria:

- A) A written request that includes date(s) of high usage, date when the leak was fixed, name, address and account number.
- B) To be considered "excessive", the water use must be at least 50% of normal range for the month when compared to historical water use at the property in the records of CU.
- C) The water bill shall not be reduced to below the average amount for comparable months, nor shall it be reduced to less than 50% of the amount billed.
- D) The reduction shall not be granted for longer than 3 consecutive months, thereby encouraging prompt attention to necessary repairs.
- ~~D)E) A water service leak credit will be limited to one leak credit per year. The General Manager may approve an additional leak credit on a case-by case basis.~~

When an under-billing or over-billing occurs, CU shall provide the customer with notice of the circumstances, period of time, and amount of adjustment. If the date of error can be established, the under-charge or over-charge ~~may shall~~ be computed back to such date. If no date can be established, CU ~~may shall~~ refund or re-bill for six months of usage. In no event, shall an under-billing or over-billing be adjusted for a period of more than three (3) years usage.

CU may waive re-billing for under-billings when the cost to the utility of re-billing makes it uneconomical.

No billing adjustment shall be required if a meter registers less than 2% error under conditions of normal operation.

When a customer is required to pay for an under-billing, the customer may enter into a payment agreement at CU's discretion.

H. Financial Assistance

Residential customers who are having difficulty paying their CU bill may receive assistance from CU. This assistance may include referrals to organizations, agencies, and programs which provide financial assistance, as well as other services offered by CU. Information may be disseminated regarding community service agencies, which may have programs designed to assist with payment of utility bills.

A customer who is unable to pay the full amount of a utility bill may enter into a payment schedule subject to the approval of CU. CU may prohibit the customer who has not kept prior payment arrangements from entering a new payment arrangement. Payment arrangements will usually not exceed 90 ~~days, and~~ days and will be in addition to all current billings. Acceptance of partial payment in the past shall not preclude CU's right to require full payment upon demand in the future.

I. Levelized Payment Plan

CU offers a voluntary Levelized Payment Plan as a convenience for qualifying residential customers. The customer must have a minimum of twelve (12) consecutive months of established service. A customer will not be eligible for a levelized payment plan if they have received a disconnection notice in the preceding 12 months, and a customer who receives a disconnect notice will be removed from the levelized payment plan for 12 months. Under this plan, the customer pays the average ~~monthly cost~~ monthly cost of all utilities based on previous billings for the service address.

The customer's account must be at a zero (-0-) balance before signing up for this service. If the customer becomes delinquent on the Levelized Payment Plan, the account may be

removed from the Levelized Payment Plan and returned to a regular payment status. Delinquencies may result in further collection actions as described in these Policies and Procedures.

The Levelized Payment Plan is a pre-arranged payment schedule and therefore no other payment arrangements are available.

J. Appeals

A customer who disagrees with a billing, collection or deposit decision shall have the right to appeal the decision to CU. The customer shall be notified in writing of the right to appeal on the Delinquency Notice mailed by CU to the mailing address of record. Appeals must be submitted in writing to CU, received prior to disconnection of service, and include the following information:

- Account number
- Person requesting appeal
- Service address
- Mailing address if different
- Other occupant names
- Telephone number(s)
- Date submitted
- Narrative of appeal
- Printed name
- Signature

1. Upon receipt by CU of a written appeal from a customer or applicant, CU shall investigate the appeal and report the results, in writing, of its investigation to the customer or applicant within ten (10) business days from CU's receipt of the written appeal. CU shall prepare a written record showing the name and address of the customer of applicant involved, the date and nature of the appeal and the disposition of the matter. CU shall retain records of the appeal pursuant to CU's record retention policy.
2. Pending resolution of the appeal, the customer's obligation to pay undisputed and subsequent charges continues.
3. A customer or applicant who has an appeal pending with CU may receive continued service provided:
 - a) No evidence of theft of service, tampering or fraud is discovered, and

- b) A bona fide appeal exists in which the facts asserted by the customer or applicant may entitle the customer or applicant to service.
- 4. If the conditions in subsection (3) of this rule are not satisfied, CU has no obligation to provide continued service. CU will give the customer or applicant notice in accordance with CU's Policies and Procedures prior to disconnecting service because of a failure to meet the conditions of subsection (3).
- 5. If the customer refuses to accept delivery of the written decision or fails to comply with the decision, CU may proceed with immediate collection efforts without further notice including, but not limited to, restriction or disconnection of the customer's service. The written decision of CU is final when issued.
- 6. Appeals are only accepted from CU customers, applicants, or their authorized agents.

K. Disconnection or Reconnection of Service/Opening-Closing Accounts

1. Disconnection by CU

In addition to all other rights and remedies at law or in equity, CU may restrict or disconnect the delivery of utility service(s) with no less than 24-hour notice unless otherwise specified in these policies for any of the following reasons:

- 1) Utility service will be disconnected after written notice for failure of the customer to pay all charges for service, including but not limited to deposits when due;
- 2) Without written notice upon apparent evidence of fraud or tampering;
- 3) Without notice to protect health, life, or property;
- 4) Violation of any part of these Policies and Procedures; or

Residential utility service may not be disconnected or restricted for nonpayment after 12:00 p.m. on Thursdays, on a regular business day preceding a observed holiday, or within a 24-hour period of time when the predicted temperature, as reported by the Aurora State Airport weather station, is at or below 32 degrees Fahrenheit or at or above 95 degrees Fahrenheit, in the post-noon period of any Friday or regular business day preceding a CU observed holiday, or a 24-hour period when the predicted temperature, as reported by the Aurora State Airport, is at or below 32 degrees Fahrenheit. If a CU employee, tasked with reconnecting service, believes the situation is unsafe and the customer is displaying aggressive behavior, the CU employee may in their discretion deny an after-hours reconnection.

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2. Tampering/Diversio

All CU meters, equipment and services shall be kept free of any and all forms of tampering or diversion. CU will maintain a continuing program for detecting and deterring such activity through education, audits, collection of costs, estimated revenue loss and prosecution.

If tampering or diversion is found, CU will impose a fee against the customer's account using the applicable rate schedule or charges equal to the estimated cost for services used and not previously billed, as well as actual costs of repair and replacement incurred by CU. These charges are applicable to each tampering or diversion occurrence. (See Master Fee Schedule.) In addition, the details of each case may be referred to proper authorities for possible prosecution.

~~3.~~ 3. Fraud

CU may discontinue service without notice or may refuse service, if the customer's actions or the condition of the premises are such as to effect fraud against CU.

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~~4.~~ 4. Code Violations

If a code violation exists, service may be denied or discontinued without notice. This policy relates to, but is not limited to, federal, state and appropriate local codes affecting utility service.

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5. Resumption of Service after CU Action

Whenever utility service has been discontinued or temporarily suspended by CU for any federal, state, or local code violation, fraud, failure to pay all charges for service, or for violation of any part of these Policies and Procedures, the service will not be resumed until the situation requiring such action has been corrected to the satisfaction of CU and any other governmental agency having jurisdiction thereof. Any inspections and changes in the customer's wiring or plumbing shall be made prior to reconnection at the customer's expense.

Disconnected service will not be resumed while any individuals remain at the residence that occupied the subject service address during the time any outstanding debt was accumulated unless all charges have been paid in full, with verifiable funds. If the owner of the property has outstanding charges owing to CU, service will not be resumed in any name at the subject address until all outstanding charges of the owner have been paid.

A customer will be charged according to the established schedule of charges for all such resumption or reconnection of service. (See Master Fee Schedule.)

~~6.~~ ~~6.~~ Emergency Situations

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Where it is necessary that utility service be temporarily disconnected or connected to protect health, life or property, CU will, at its discretion, take such action without charge to the customer.

~~7.~~ ~~7.~~ Application for Medical Equipment Exemption for Residential Utility Service

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a) A customer must submit CU's application for Medical Equipment for Residential Utility Service form. This form includes a certification from a qualified medical professional, which explains how disconnection would significantly endanger the physical health of an occupant at the service address. CU requires proof of occupancy as part of the application process.

b) The written request must include:

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- 1) The name of the person to whom the equipment exemption applies and relationship to the customer;
- 2) Nature of illness;
- 3) An explanation of how the lack of service will affect this person;
- 4) A statement indicating how long the health condition is expected to require a medical exemption for utility service;
- 5) A statement specifying the type of utility service and medical equipment required (for example, electricity for respirator); and
- 6) The printed name, signature and phone number of the qualified medical professional certifying the medical need.

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- c) If a medical equipment exemption is not submitted in compliance with this policy, CU may disconnect service after providing notice to the customer, in accordance with CU's policies and procedures.
- d) A medical equipment exemption shall be valid only for the length of time the health endangerment is certified to exist, but no longer than twelve (12) months without renewal. At least 15 days before disconnection due to the expiration of the medical equipment exemption, CU will give the customer written notice.
- e) A customer obtaining a medical equipment exemption is not excused from paying for utility service:
 - 1) Customers are required to enter into a written payment agreement with CU when an overdue balance exists.
 - 2) Time-payment arrangements in effect when a medical equipment exemption terminates, remain in effect for the balance then owing.
- f) If a customer with a medical equipment exemption fails to enter into a written time-payment agreement, or to abide by its terms, and fails to bring the account current, CU will disconnect service after providing notice in advance of disconnection for non-payment in accordance with CU's Policies and Procedures.
- g) If CU determines a customer does not qualify or no longer qualifies for a medical equipment exemption, CU will terminate the medical equipment exemption after providing notice and the customer will be subject to service in accordance with CU's Policies and Procedures.

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8.8. CU's Options

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CU may exercise any or all of the options available listed in these Policies and Procedures or any other applicable law whenever and as often as any violation or default may occur. Any delay on the part of CU in exercising such option, or omission of any action permitted under such option, at any time, shall not be deemed a waiver of CU's option rights.

L. Temporary Service

Temporary service refers to utility service for short-term or transient-type installations, such as short-term commercial activities, and on-site service during construction operations. Short-term temporary service is limited to twelve (12) months use from date of connection and may be disconnected unless agreed upon with CU in writing. Temporary service is further discussed in, and subject to Electric Service Conditions, Temporary Service, and Water Service Conditions, Temporary Service.

M. Resale of Utility Service

CU's rate schedules cover the sale of utility services for the sole and exclusive use of the customer. The customer shall not resell utility services supplied by CU. Redistribution of utility charges by the customer for shared-meter services is permitted only for the purpose of allocating the actual cost of service to individual tenant-occupants. Such allocations shall be based solely on an equitable distribution of actual utility billings for services provided by CU through the shared-meter. In no case shall the sum of the CU charges redistributed by any CU customer to others be greater than the actual charges billed by CU in any given billing period, without CU's written consent.

N. Rights-of-way and Rights of Access, Tree Trimming

CU shall be granted, at no cost, all rights-of-way, rights of access, and easements necessary to serve the customer for the installation, maintenance, repair, replacement, removal or use of any or all equipment or materials used to supply and deliver utility services to the customer.

The customer is required to provide safe and timely access, as determined by CU, to the premises of the customer for the purpose of reading meters, testing, repairing, removing or exchanging any or all equipment belonging to CU.

CU shall be granted all necessary rights-of-way and rights of access to perform clearing and trimming of trees, shrubs, vines, or other vegetation it deems prudent to maintain proper clearances and accessibility for the maintenance and operation of all utility services, or as may be required by standard utility safety practices. The decision to trim or clear around CU facilities shall be the exclusive right of CU.

The customer may be charged for clearing or trimming activities in the vicinity of CU's facilities. When access to any of CU's facilities is impaired by the customer's actions, animals, trees, shrubs, changes of grades, fences, locked doors, or other obstructions, CU shall notify the customer and/or property owner, as determined by Clackamas County records, of the impairment to access. The customer is responsible for safely resolving the impairment or eliminating the interference preventing timely access to CU's facilities. If access remains impaired, the property owner, as determined by Clackamas County records, is subject to one of the following actions: Service will be stopped, or CU's facilities will be relocated and the customer shall reimburse CU for actual costs. (See

Service Charges and Rates, Electric Section, and Water Section.) For meters that are in an area that is locked or in a gated area, the customer must provide key access or permit CU to install remote meter reading equipment, if required.

O. Interruptions, Curtailments, Fluctuations, Shortages, and Outages

CU shall endeavor to supply satisfactory and continuous utility services. It is inherent however, that there will at times be some degree of failure, interruption, suspension, curtailment or fluctuation. CU cannot and will not guarantee constant or uninterrupted delivery of utility services and shall have no liability to its customers or any other persons for any interruption, suspension, curtailment, or fluctuation in utility services or for loss or damage caused thereby when such interruption, suspension, curtailment or fluctuation results from the following or from any other causes:

1. Causes beyond CU's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, action of the elements, court orders, litigation, breakdown of or damage to facilities of CU or of third parties, acts of nature, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which CU's system is interconnected, and acts or omissions of third parties.
2. Repair, maintenance, improvement, renewal or replacement of facilities, or any discontinuance of service (which in CU's judgment, is necessary) to permit repairs or changes to be made in CU's source of supply, transmission or distribution facilities, or to eliminate the possibility of damage to CU's property or to the persons or property of others. Whenever CU schedules maintenance in advance which will require customers to be without utility service for more than one hour, CU will notify customers as follows:

- a) At CU's discretion, customers may be contacted in person, by phone or by written notice, either mailed or left at the location scheduled for temporary interruption.
- b) The oral or written notice will include the following:
 1. Reason for interruption
 2. Date and approximate time interruption will begin
 3. Expected duration of interruption
- c) Whenever possible, customers expected to be without service beyond one hour will be notified as least one day in advance.

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3. CU may take automatic or manual actions (which in its sole judgment are necessary or prudent) to protect the performance, integrity, reliability, or stability of CU's systems or any system with which it is interconnected. Such actions shall include but shall not be limited to, the operation of automatic or manual protection equipment installed in CU's systems including, without limitation, such equipment as relays, circuit breakers, switches, valves and pumps.
4. CU may take action with respect to any plan or course of action to conserve utilities at times of anticipated deficiency of resources, including, but not limited to, non-voluntary curtailment or suspension of utility services. CU has adopted a Water Supply Shortage Contingency Plan that details voluntary and non-voluntary actions to be taken in the event of a water shortage. Refer to Water Utility, Water Shortages and Curtailments, for a description of customer responsibilities during a curtailment declaration.

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P. Metering Service

Utility service supplied by CU at more than one location shall be metered and separately billed for each location.

A record will be kept by CU of all meter readings (according to the applicable records retention requirements). These records shall be accepted and received at all times and places, and in courts, as prima facie evidence of the use of utility services by the customer. The records shall be the basis on which bills are calculated, except for those customers having un-metered service.

CU shall own, install and maintain all necessary meters for measuring the amount of utility services used by the customer. Where a master meter is used, CU shall not furnish or read auxiliary or sub-meters used for the customer's convenience, except under special contracts.

For a customer-requested meter change, the customer shall pay the cost based on CU's current rate schedules.

For rate schedule purposes, all meters serving the customer's premises will be considered separately and the readings not combined, except where CU deems necessary, to install two or more meters to serve the customer's premises. Electric meters used for common-use facilities (i.e. laundry rooms, recreation rooms) associated with individually metered multifamily structures ~~with more than four living units~~ shall be served on the General Service Rate Schedule and must be in the name of the owner.

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When additional metering is installed to serve a customer's premises, each additional meter shall be served under the same rate as the existing meter if such meter serves load

that is an integral part of the customer's existing use and is of the same phase and voltage. Each meter shall be billed separately, including any applicable basic customer charge or minimum charge.

Should any meter malfunction and incorrectly register the consumption of utility services used by the customer, the customer's bill shall serve as notification of the metering malfunction. Charges for the affected current billing period shall be computed by estimating the consumption and demand; further, the immediately preceding billing period or the comparable period of the year before shall be basic factors in arriving at the estimated consumption.

CU will limit the number of requests to test a customer's meter to one time per year. A fee may apply for additional meter testing, which would be waived should a meter be faulty or if a safety concern exists. ~~upon request, test any customer's meter;~~ ^hHowever, tests of the customer's meter shall be made only if the customer is present to observe the test. If the meter is found, upon test, to over-register more than two percent (2%), the customer's billing shall be adjusted for a maximum of six months to reflect the correction. No charge will be made to the customer for this meter test.

Q. Rate Adjustment, Revision of Policies and Procedures

CU reserves the right to change any or its entire rate schedules in accordance with the City Charter or these policies and procedures, as it deems necessary and with public notice.

Where applicable, these policies and procedures cancel and supersede all previous regulations, Policies and Procedures issued by CU governing its utility service.

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R. Conflict

In case of conflict between any provision of any rate schedule and these Policies and Procedures, the rate schedule shall apply.

S. Unauthorized Attachments Prohibited

Written consent shall be obtained from CU before any equipment or material of any description may be attached to any facility or property owned by CU. CU shall not be responsible for loss, injury, or damage to life or property resulting from customer-owned

installed and maintained facilities on, adjacent to, or connected to CU's facilities, and the customer shall assume all liability.

T. Grades and Locations within Private Property

CU may, at its discretion, install utility facilities where the customer has provided satisfactory easements in subdivisions, planned unit developments, minor land partitions, etc. Such facilities are installed to provide utility services for the convenience of adjacent properties. It shall be the customer's responsibility, while excavating accesses and parking facilities, to provide an additional width of level ground, constructed to grade, to permit CU to efficiently install and maintain underground and surface-mounted facilities.

It shall be the responsibility of the customer to stake engineered grades and locations, conforming to CU's facilities designs, prior to CU's construction. Upon completion, it will be the customer's responsibility to confirm that CU's installations have been made in the location and to the grade provided by the customer's engineer.

After review and acceptance by the customer, the customer or purchaser of the lot shall be responsible for the cost of all repairs and adjustments subsequently required by grade changes or location changes resulting from construction activities. Failure to pay these costs will result in denial of utility service until payment is made to CU.

U. Locating – Underground Facilities

CU will provide locating services upon request, via the Oregon Utility Notification Center, in accordance with the applicable provisions of ORS 757 and OAR 952-001-0010 through OAR 952-001-0100, to assist excavators in identifying the existing location of CU's underground utility facilities. CU does not locate customer owned facilities such as the customer owned water service from the meter to the dwelling or structure. Information, maps, field stakes and painted locate marks indicate the approximate location of facilities within parameters set forth by the above-mentioned statutes and regulations. Excavators will be held responsible for actual costs and consequential damages resulting from damage to CU's facilities as the result of the excavator's activities.

**CALL BEFORE YOU DIG – FOR ALL UTILITY LOCATIONS CALL:
OREGON UTILITY NOTIFICATION CENTER 1-800-332-2344**

V. Damage

Damages or alterations to CU's property and/or facilities due to any activity associated with improvements or changes for individual properties shall be the responsibility of the owner of the property or principle of any third-party agreement to reimburse CU all costs to repair or replace the damaged property and/or facilities to original condition. In the

event any of CU's property and/or facilities is required to be altered or moved because of the changed configuration or usage of any properties, the property owner, as determined by Clackamas County records, shall be responsible for the full cost of the alteration or relocation.

GLOSSARY

The following terms, when used in these Policies and Procedures, rate schedules, or in the application or contract for utility services, have the following meanings, unless specifically indicated otherwise:

Actual Costs: The sum of direct labor, materials and services (including contracted services), equipment use, operations overhead and administrative overhead.

Administrative Overhead: Computed at a percentage of actual costs. For direct labor, administrative overhead is applied in addition to the Operations Overhead Charge (see below), but not compounded. Administrative overhead shall be levied on all damage claims, maintenance and capital work, including line extensions billed to others to recover the costs of administrative functions performed in support of field work. Including payroll and vendor invoice processing, transportation, office supplies, postage, printing, legal fees, contract maintenance, utilities, human resources, benefits and insurance.

Applicant: A person or legal entity, which has yet to meet all requirements as stated under Conditions of Service for a new or existing location.

Billing Cycle: Customer accounts are proportionately and geographically divided into separate groups called cycles.

Billing Period: Utility usage is calculated and billed approximately the same time each month throughout the year. Depending upon the number of workdays, weekends and holidays in any particular month, billing periods may fluctuate.

Close Account: To stop billing for services to a specific customer, that may result in the physical disconnection of those services.

Commercial Use: An enterprise of either a profit or nonprofit nature, the purpose of which is to manufacture, sell or convey an idea, service or product (either tangible or intangible). (Also see "General Service")

Common-Use Facility: Facilities such as, but not but not limited to, common laundry room, water heater, lighting, irrigation, and water serving more than one unit.

Connect Service: To physically start the availability/flow of service to the property.

Conduit: A tubular material suitable for receiving and protecting electric conductors.

Contractor: The party doing the utility work whether it is the actual owner or a person, firm or corporation working for the owner.

Co-signer: An active CU customer with a minimum of two (2) years active service and favorable credit history. CU customers receiving financial assistance with their CU bill are not eligible to be co-signers.

CU: Canby Utility

Cubic Feet: A unit of measure used by CU when computing the amount of water consumed or that passes through a meter. One hundred (100) cubic feet equal 748 gallons.

Customer: Any individual, partnership, corporation, firm, or governmental agency which has applied for goods or services, been accepted, and is currently receiving goods or services from CU. Customer definition by class or service for rate application purposes shall be according to the "Applicable" section of the various rate schedules under which CU provides utility service.

~~Delinquency Notice: A notice mailed to customers when a full payment to the account has not been received by the due date.~~

Demand: The maximum average kilowatt load used by the customer for any period of thirty (30) consecutive minutes during the billing period.

Developer: An individual, partnership, corporation, or other legal entity, requesting an electric line or water main extension to serve a specified parcel of land.

Disconnect Notice: A notice mailed to customers who are past due, prior to services being disconnected. Previously referred to as a "Door Hanger Notice" in prior CU Policies and Procedures. Change made February 1, 2017.

Disconnect Service: To physically stop the availability/flow of service to the property.

Diversion: To change the intended course of water or power without the consent of CU.

~~Door Hanger Notice: A notice issued to past due customers and hung on door of established service for past due accounts, prior to disconnecting service for non payment. Notice was replaced with Disconnect Notice as of February 1, 2017.~~

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Electric Service: Generally refers to the supplying of electricity and electric related services to the end-user.

Estimated Read: When metered data is unavailable for billing purposes, an average measurement of consumption based on same time period is used.

Facilities: The equipment, material and other appurtenances owned by CU including but not restricted to poles, guy wires, anchors, transformers, meters, conductors, conduits, manholes, switching cubicles, pad mounts, trans-closures, valves, pipes, traps, etc.

Favorable Credit: Twelve (12) consecutive months of utility service without any adverse credit action and not having any monies owing to CU.

Fraud: Evidence of fraud includes but is not limited to the following activities:

1. Unauthorized receipt of utility services by theft, diversion, tampering or unauthorized connection;
2. Using service without having contracted with CU to do so and refusing to establish service in a responsible billing party's name;
3. Making an application for service in a fictitious name or non-occupant; and
4. Making an application in the name of another member of the family or household or other occupant which assists in the avoiding a prior outstanding debt to CU and;
5. Obtaining a utility service connection without paying CU all monies due by the customer to CU prior to service connection, unless specifically exempted in writing by CU.

General Service: An electric utility service used for purposes not included under such classification as Residential, High Voltage, Street Lighting, Private Property Lighting, etc. Living units used jointly for both domestic and business purposes shall be considered general services if 50% or more of the square footage of all enclosed structures served is devoted to commercial use.

Kilovolt (kV): One thousand (1,000) volts.

Kilowatt (kW): A unit of productive power equal to 1,000 watts, or 1.341 horsepower.

Kilowatt-Hour (kWh): The amount of energy delivered in one hour when delivery is at a constant rate of one kilowatt (3412.8 BTU's).

Landlord Billing Agreement: A property owner- (as determined by Clackamas County records) signed authorization for billing of utility services during vacant or non-signed periods.

Living Unit: An area that is used for residential purposes.

Master Meter: Meter that serves a wholesale customer, such as a water district.

Meter: An instrument used for measuring the water, energy or power delivered to the customer.

Operations Overhead: Computed at a percentage of direct labor. Operation overhead shall be levied on all capital, maintenance and damage claim work billed to others to recover the costs of planning, engineering studies, construction supervision, work order processing, training, communications, staff meetings, safety, customer field support and inspections.

Permanent Service: The long-term utility service to a structure that is designed to remain in one place. Permanent or temporary service classification shall be at the discretion of CU.

Point of Delivery: The point of delivery shall be the point of attachment of CU's water service line or electric conductor to the customer's line or conductor without regard to the location of CU's metering equipment. In all cases, CU shall designate the point of delivery.

Power Factor: The ratio of kilowatts to kilovolt-amperes expressed in percentage.

Prorated Billing: A method of billing charges, based on the fraction of the month for which the customer is served.

Qualified Medical Professional: A United States-licensed physician, nurse practitioner, or physician's assistant authorized to diagnose and treat the medical conditions described without direct supervision by a physician.

Rate Schedule: A formal statement of the charges and conditions for a particular class or type of service in a given area.

Residential Service: Service furnished to a living unit that is separately metered and is primarily used for domestic purposes. It further includes duplexes, triplexes, quads, any second service determined to be domestic use and billed on the same residential account, and common use facilities associated with those structures. It excludes dwellings where tenancy is typically of a transient nature such as hotels, motels, and lodges. Also excluded are sororities, fraternities, and apartment complexes served through a shared meter.

Boarding, lodging, rooming houses or group care facilities shall be considered residential service if not more the five (5) private sleeping rooms exist for use by other than members of the customer's family. A boarding, lodging, or rooming house means a building other than a hotel, which advertises as a boarding, lodging, or rooming house, or is a licensed place of business with rooms for available for rent.

Living units used jointly for both domestic and business purposes shall be considered residential services, if more than 50% of the square footage of all enclosed structures served is devoted to

domestic use. However, CU reserves the right to exclude combined business/residential services from the residential rate where a disproportionate amount of either the monthly kW or kWh load is consumed by the business portion, as determined by ~~CU, CU~~. The customer has the option of separating the wiring such that the residential portion may be metered and billed separately.

Service Drop: The overhead service conductors from the last pole or other aerial support, including the splices, if any, which connect to the service entrance conductors at the building or other structure.

Shared Meter: Single meters which serve more than one residential or commercial unit. Utility service provided through a shared meter remains the billing responsibility for one ~~customer,~~ ~~but~~ customer but may serve multiple units.

Tampering: To rearrange, injure, alter, interfere with, or otherwise prevent from performing normal or customary function, any property owned by CU for the purpose of providing utility services. Including but not limited to, any unauthorized breaking of CU's meter seals, locking devices, or meter glass, placing of a foreign object in a meter or otherwise interfering with an accurate registering of consumption; unauthorized connection or reconnection of shut off services; any act which interferes with the delivery, billing, and compensation of CU's services.

Temporary Service: A utility service of a short-term or transient nature, which may or may not be to a support or structure designed for permanence.

Theft: The use or receipt of the direct benefit of all or a portion of utility service with knowledge of a diversion, tampering, unauthorized connection or of circumstances supporting a reasonable belief by CU that the use or receipt was without the authorization or consent of CU at the time of the use.

Unpaid Water Service: A previously installed (at CU's expense) water service line for the provision of future service to an un-served property.

Utility: Any company that provides services such as steam, water, gas, or electricity.

Utility Service: ~~Generally~~ Generally, refers to the supplying of utility and utility related services to the end-user.

Water Main: The pipe laid in the street, alley, or utility easement for the distribution of water to customers through service lines.

Water Service: ~~Generally~~ Generally, refers to the supplying of water and ~~water related~~ water-related services to the end-user.

Weather head: The termination at the end of the conduit through which the customer's conductors pass for attachment to an aerial service drop.



MEMORANDUM

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

From: Barb Benson, Human Resources/Administration Manager

Date: May 7, 2024

Subject: Amendment to General Manager's Employment Agreement

Suggested Motion: Move to authorize Board Chair to sign First Amendment to Carol Sullivan's Employment Agreement.

Background: In February 2022, the Board and Carol Sullivan entered into a two-year employment agreement for her position as General Manager. The agreement has now expired.

Attached is an amendment extending the agreement until August 1, 2024, to provide ample time for the Board and Sullivan to negotiate a new employment agreement, while all other terms and conditions of the existing agreement remain the same.

The Board will also need to determine how to negotiate a new employment agreement with Sullivan. In the past, the Board has designated a member to serve as their negotiator. The board member would then communicate the status of the negotiations to the other board members. When the negotiations have concluded, the new agreement will be an agenda item for the Board to consider for approval.

I will answer any questions the Board may have.

SULLIVAN EMPLOYMENT AGREEMENT
FIRST AMENDMENT

THIS EMPLOYMENT AGREEMENT AMENDMENT is made and entered this _____ day of _____, 2024 by and between the Canby Utility Board (hereinafter referred to as "Utility") and Carol Sullivan (hereinafter referred to as "Employee").

RECITALS

WHEREAS, Utility and Employee entered into an Employment Agreement commencing on March 1, 2022 and expiring on February 28, 2024 ("Agreement"); and

WHEREAS, the Utility and Employee wish to execute an extension of the current Agreement to be in effect until such time as the parties can execute a new agreement.

NOW THEREFORE, in consideration of mutual covenants herein contained and for the consideration herein specified, Utility and Employee mutually agree:

SECTION 1. EXISTING TERMS.

Unless specifically modified by this Amendment, all terms of the Agreement remain in full force and effect.

SECTION 2. TERM

The Agreement shall be extended through August 1, 2024.

SIGNED:

CANBY UTILITY BOARD

EMPLOYEE

Melody Thompson, Board Chairman

Carol Sullivan