

***CANBY UTILITY
REGULAR BOARD MEETING
SEPTEMBER 9, 2025
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 Special Board Meeting and Executive Session Minutes of July 21 and July 22, 2025 (pp. 1-3 and Separate Item)
 - 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 September 9, 2025 with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. PRESENTATION Canby Water Supply Project Update – Andrew Nishihara, Stantec (pp. 4-6)
- VI. RESOLUTION NO. 332 Revising Canby Utility's Water System Development Charges – Mike Schelske, Finance Manager (pp. 7-9)
- VII. RECOMMENDATION Appoint Interim General Manager – Chair Thompson
- VIII. BOARD REPORT
 - Chair Comments
 - General Manager Employment Agreement Update
 - Board Member Comments
- IX. STAFF REPORTS

Finance Manager:

 - Electric Rate Study Discussion (pp. 10-11)
- X. ADJOURN

***CANBY UTILITY
SPECIAL BOARD MEETING MINUTES
JULY 21, 2025***

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

Staff Present: Barbara Benson, Board Secretary

Others Present: Mark Knudson, Consultant for Special Districts Association of Oregon

Chair Thompson called the Special Board Meeting to order at 12:30 p.m.

Member Molamphy made the *MOTION to go into Executive Session according to ORS 192.660(2)(a), and having satisfied the prerequisite requirements of ORS 192.660 (7)(d), to consider the employment of a public employee. Member Hill seconded, and the motion passed 5-0.

The special meeting was recessed at 12:31 p.m. Staff was excused for the remainder of the meeting.

The special meeting was reconvened at 2:29 p.m.

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

The meeting adjourned at 2:30 p.m.

Melody Thompson, Chair

John Molamphy, Member

Jake Hill, Member

Jack Pendleton, Member

Robert Westcott, Member

Barbara Benson, Board Secretary

***CANBY UTILITY
SPECIAL BOARD MEETING MINUTES
JULY 22, 2025***

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

Staff Present: Carol Sullivan, General Manager, and Barbara Benson, Board Secretary

Others Present: Mark Knudson, Consultant for Special Districts Association of Oregon; and Jennifer Joly, Oregon Municipal Electric Utilities

Chair Thompson called the Special Board Meeting to order at 12:50 p.m.

Member Molamphy made the *MOTION to go into Executive Session according to ORS 192.660(2)(a), and having satisfied the prerequisite requirements of ORS 192.660 (7)(d), to consider the employment of a public employee. Member Westcott seconded, and the motion passed 5-0.

The special meeting was recessed at 12:56 p.m.

The special meeting was reconvened at 6:40 p.m.

Chair Thompson reported on the status of the General Manager recruitment. Following two days of interviews and deliberation, the Board has decided to extend a contingent offer of employment to Kari Duncan for the position of General Manager. The Board also identified Rich Goddard as the alternate candidate, should Ms. Duncan not move forward in the process. Chair Thompson noted that the decision was very close and emphasized that both candidates were highly qualified.

Member Molamphy made the *MOTION to authorize Chair Thompson to sign a contingent offer letter to Kari Duncan as the preferred candidate for the General Manager position. The offer is contingent upon successful completion of positive reference checks, a criminal background check, and the negotiation of an employment agreement acceptable to both Ms. Duncan and the Board. Member Pendleton seconded, and the motion passed 5-0.

Member Molamphy made the *MOTION that if the Board is unable to satisfied all contingencies identified for Ms. Duncan, Rich Goddard shall be designated as the acceptable back-up candidate and the Board would proceed with him with a similar process. Member Pendleton seconded, and the motion passed 5-0.

Member Molamphy made the *MOTION to authorize Chair Thompon to enter into the negotiation process with Kari Duncan, coordinating with Barbara Benson and the Board

**Canby Utility
Special Board Meeting Minutes
July 22, 2025
Page 2 of 2**

Attorney to draft an employment agreement. Member Pendleton seconded, and the motion passed 5-0.

Member Pendleton made the *MOTION to thank Mark Knudson for his work. Member Hill seconded, and the motion passed 5-0.

Knudson thanked the Board and outlined the next steps, including preparing the contingent offer letter, contacting references, and providing the utility with an official copy of the related documents for its records. He noted that this work would conclude his services under the agreement.

Chair Thompson also thanked Members Molamphy and Hill for all of their work as the board's subcommittee.

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

The meeting adjourned at 6:46 p.m.

Melody Thompson, Chair

John Molamphy, Member

Jake Hill, Member

Jack Pendleton, Member

Robert Westcott, Member

Barbara Benson, Board Secretary



MEMORANDUM

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

Copy to: Jason Berning, Barb Benson

From: Mike Schelske, Finance Manager

Date: September 9, 2025

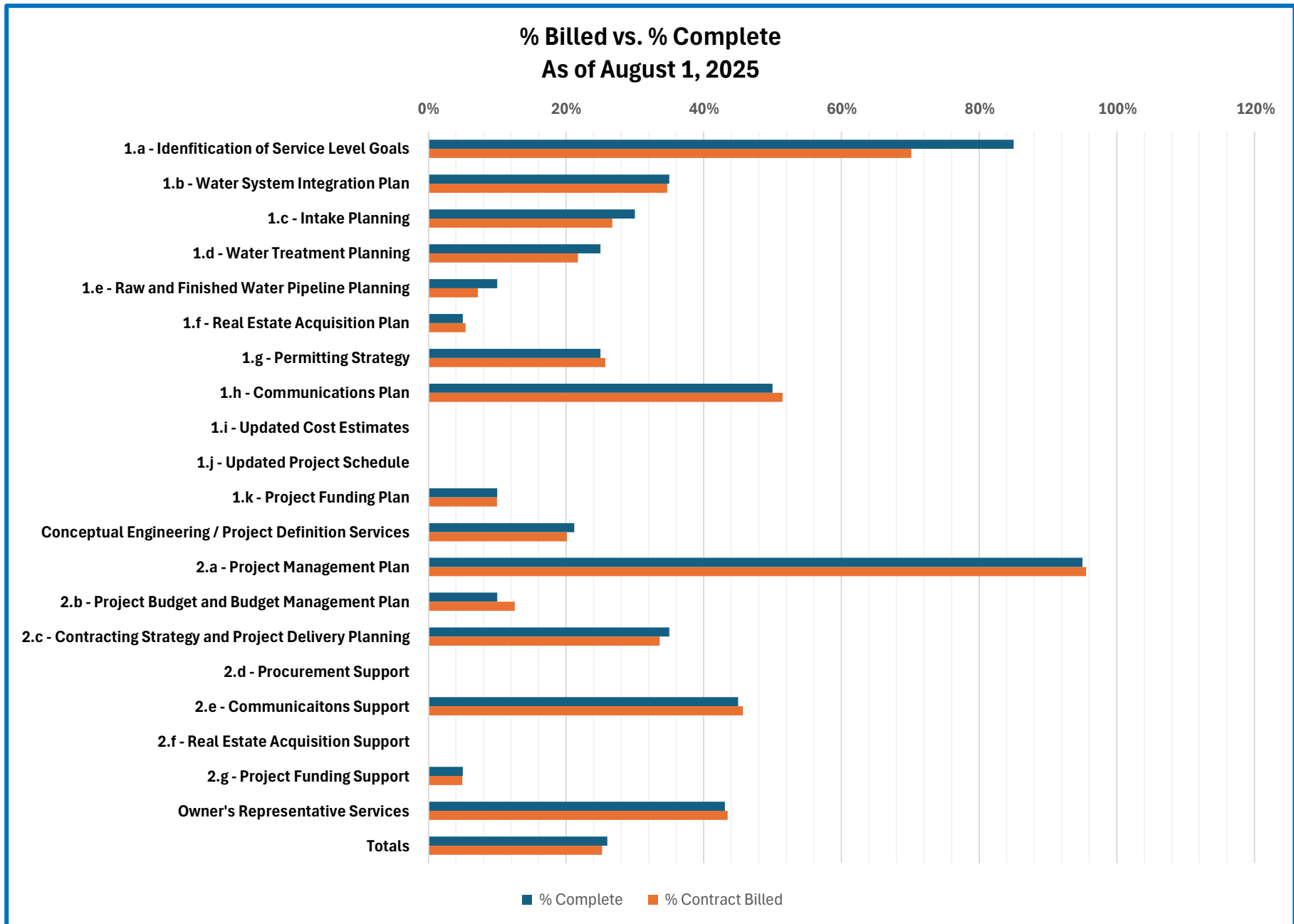
Subject: CWSP Budget Report as of August 1, 2025

Attached is a report outlining CWSP expenditures through August 1, 2025, for each task, alongside the corresponding budget allocations. The report also includes a chart comparing the percentage of each task billed to its percentage of completion, providing a snapshot of progress and financial alignment.

Stantec staff will be available to address any questions or provide further clarification as needed.

PROJECT PROGRESS SUMMARY

Stantec Project Summary Canby - Conceptual Engineering & Owner's Rep Project No. 2002006357 As of August 1, 2025									
Task	Description	Contract Amount	Amount this Invoice	Amount Previously Billed	Amount Billed to Date	% of Contract Maximum Amount	Contract Amount Remaining	Physical Percent Complete	Earned Value
1.a	Identification of Service Level Goals	\$ 34,532.00	\$ 4,535.00	\$ 19,687.03	\$ 24,222.03	70%	\$ 10,309.97	85%	\$ 29,352.20
1.b	Water System Integration Plan	\$ 98,091.00	\$ 3,965.75	\$ 30,050.03	\$ 34,015.78	35%	\$ 64,075.22	35%	\$ 34,331.85
1.c	Intake Planning	\$ 194,816.00	\$ 27,202.24	\$ 24,848.52	\$ 52,050.76	27%	\$ 142,765.24	30%	\$ 58,444.80
1.d	Water Treatment Planning	\$ 163,777.00	\$ 2,333.00	\$ 33,212.52	\$ 35,545.52	22%	\$ 128,231.48	25%	\$ 40,944.25
1.e	Raw and Finished Water Pipeline Planning	\$ 84,656.00	\$ 1,406.00	\$ 4,664.75	\$ 6,070.75	7%	\$ 78,585.25	10%	\$ 8,465.60
1.f	Real Estate Acquisition Plan	\$ 52,712.40	\$ 2,517.90	\$ 333.30	\$ 2,851.20	5%	\$ 49,861.20	5%	\$ 2,635.62
1.g	Permitting Strategy	\$ 420,670.60	\$ 57,660.34	\$ 50,386.20	\$ 108,046.54	26%	\$ 312,624.06	25%	\$ 105,167.65
1.h	Communications Plan	\$ 44,034.50	\$ 876.75	\$ 21,776.91	\$ 22,653.66	51%	\$ 21,380.84	50%	\$ 22,017.25
1.i	Updated Cost Estimates	\$ 191,328.60	\$ -	\$ -	\$ -	0%	\$ 191,328.60	0%	\$ -
1.j	Updated Project Schedule	\$ 69,560.00	\$ -	\$ -	\$ -	0%	\$ 69,560.00	0%	\$ -
1.k	Project Funding Plan	\$ 127,805.00	\$ 6,097.00	\$ 6,649.25	\$ 12,746.25	10%	\$ 115,058.75	10%	\$ 12,780.50
Conceptual Engineering / Project Definition Services		\$ 1,481,983.10	\$ 106,593.98	\$ 191,608.51	\$ 298,202.49	20%	\$ 1,183,780.61	21%	\$ 314,139.72
2.a	Project Management Plan	\$ 106,105.54	\$ 187.00	\$ 101,180.82	\$ 101,367.82	96%	\$ 4,737.72	95%	\$ 100,800.26
2.b	Project Budget and Budget Management Plan	\$ 47,481.18	\$ 3,522.00	\$ 2,435.50	\$ 5,957.50	13%	\$ 41,523.68	10%	\$ 4,748.12
2.c	Contracting Strategy and Project Delivery Planning	\$ 63,053.22	\$ 9,316.00	\$ 11,872.25	\$ 21,188.25	34%	\$ 41,864.97	35%	\$ 22,068.63
2.d	Procurement Support	\$ 30,891.26	\$ -	\$ -	\$ -	0%	\$ 30,891.26	0%	\$ -
2.e	Communications Support	\$ 109,271.77	\$ 9,278.55	\$ 40,655.21	\$ 49,933.76	46%	\$ 59,338.01	45%	\$ 49,172.30
2.f	Real Estate Acquisition Support	\$ 24,914.27	\$ -	\$ -	\$ -	0%	\$ 24,914.27	0%	\$ -
2.g	Project Funding Support	\$ 32,672.98	\$ -	\$ 1,611.50	\$ 1,611.50	5%	\$ 31,061.48	5%	\$ 1,633.65
Owner's Representative Services		\$ 414,390.22	\$ 22,303.55	\$ 157,755.28	\$ 180,058.83	43%	\$ 234,331.39	43%	\$ 178,422.95
Totals		\$ 1,896,373.32	\$ 128,897.53	\$ 349,363.79	\$ 478,261.32	25%	\$ 1,418,112.00	26%	\$ 492,562.67





MEMORANDUM

September 9, 2025

TO: Chair Thompson, Member Molamphy, Member Pendleton, Member Hill, Member Westcott

FROM: Mike Schelske, Finance Manager

SUBJECT: Water System Development Charge Annual Inflationary Adjustment

Suggested Motion: Adopt Resolution No. 332, adjusting Canby Utility's Water System Development Charges by the prescribed inflationary amount effective October 1, 2025, and repeal Resolution No. 327.

Background: Each year, the Board is presented with a staff recommendation to adjust Canby Utility's Water System Development Charges (SDC) based on an inflationary index adjustment.

SDC's account for new development impacts on water infrastructure needs and planning. When a new water connection is made the SDC must be paid to buy into the existing infrastructure and the capital reserves planning for future water needs. Infrastructure costs, both existing and future, are calculated in our 2023 Water Master Plan.

The amount of a SDC paid corresponds to the size of meter requested, based on water consumption needs computed from a single dwelling unit equivalent (DUE). Canby Utility's SDC methodology allows for an annual inflation adjustment to the charges using the Engineering News Record's Construction Cost Index.

The fiscal year 2025 inflation factor increase is 1.97% for one DUE or \$221. The fiscal year 2024 inflation factor increase was 2.29% for one DUE or \$251. Please see the attached Resolution No. 332 Exhibit A for details on the current proposed increase.

Staff has notified a list of interested parties regarding the recommendation to adjust the SDC's. This notification gives them an opportunity to comment on the proposal and attend the September 10th board meeting.

Staff will be available to answer questions.

RESOLUTION NO. 332

A RESOLUTION OF THE CANBY UTILITY BOARD ADOPTING REVISED WATER SYSTEM DEVELOPMENT CHARGES REFLECTING ANNUAL ADJUSTMENTS FOR INFLATION, REPEALING RESOLUTION NO. 327.

The CANBY UTILITY BOARD resolves as follows:

Section 1. The 2004 Water System Development Charge methodology contains a method of annual adjustment of Water System Development Charges (SDCs) to account for inflation as determined by a known and recognized index, the Engineering News Record Construction Cost Index (CCI).

Section 2. The purpose of this Resolution is to apply this index to reflect changes in the index as a proxy for construction-related inflation between now and the Water Master Plan update in 2023.

Section 3. Applying the CCI index change to the current SDC schedule results in inflation-index adjusted Water SDCs as reflected in Exhibit A attached hereto and incorporated herein by reference. The adjusted Water SDCs are set forth in Exhibit B attached hereto and incorporated herein by reference.

Section 4. Resolution No. 327 is hereby repealed.

Section 5. Effective date. This Resolution shall become effective on the 1st day of October 2025.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS 9th DAY OF SEPTEMBER 2025.

Melody Thompson, Chair

John Molamphy, Member

Jack Pendleton, Member

Jake Hill, Member

Bob Westcott, Member

Barbara Benson, Board Secretary

RESOLUTION NO. 332
Exhibit A

System Development Charge - Proposed Adjustment Summary

Class / Meter Size	DUEs	Current SDC	Proposed SDC	Change	% Change
Residential					
5/8 x 3/4 Inch	1.00	\$ 11,230	\$ 11,451	\$ 221	1.97%
1 Inch	1.50	16,892	17,224	332	1.96%
Non Residential					
5/8 x 3/4 Inch	0.86	\$ 9,678	\$ 9,868	\$ 190	1.96%
1 Inch	3.12	34,994	35,684	690	1.97%
1.5 Inch	5.60	62,941	64,179	1,238	1.97%
2 Inch	9.73	109,318	111,468	2,150	1.97%
3 Inch	9.30	104,442	106,497	2,055	1.97%
4 Inch	28.53	320,380	326,685	6,305	1.97%
Irrigation					
5/8 x 3/4 Inch	1.87	\$ 20,957	\$ 21,370	\$ 413	1.97%
1 Inch	5.08	57,004	58,127	1,123	1.97%
1.5 Inch	5.55	62,315	63,542	1,227	1.97%
2 Inch	8.20	92,086	93,898	1,812	1.97%
3 Inch	13.90	156,097	159,169	3,072	1.97%
Multi Family (SDC Per DUE)	0.70	\$ 7,861	\$ 8,016	155	1.97%
Qualifying Small-lot Planned Unit Development (SDC Per DUE)	0.70	\$ 7,861	\$ 8,016	\$ 155	1.97%
Upsize Charge - Non-residential 1 inch from 5/8 x 3/4 inch		\$ 25,315	\$ 25,814	\$ 499	1.97%
<p>Note: The Water System Development Charge will increase by \$221 for a 1.0 Dwelling Unit Equivalent (DUE) and by a factor of that amount for all customer classes and meter sizes based upon results of the consulting study by Donovan Enterprises, Inc.</p>					



MEMORANDUM

September 9, 2025

TO: Chair Thompson, Member Molamphy, Member Pendleton, Member Hill, Member Westcott

FROM: Mike Schelske, Finance Manager

SUBJECT: Electric Rate Study – Discussion Topics

Due to increases in electric power and operating costs, Canby Utility is conducting an electric rate study to evaluate changes to our current rates. The last update to electric rates occurred on November 1, 2023.

This study will also evaluate our rate structure and policies based on evolving patterns of electricity consumption and changes in our customer base. The goal is to deliver cost-effective electric power while maintaining fair and appropriate rates for all customers.

Below is a list of proposed rate design and policy changes for discussion. Management invites the Board to provide feedback on these items and suggest additional topics to be considered in the rate study.

Possible Rate Design Changes

- A. **Establish a new customer class and rate for data centers**, bitcoin mining operations, and artificial intelligence (AI) service providers—collectively referred to as “DC/CM” (Data Center/Crypto Mining).
- B. **Replace the General Service two-tier declining block rate** with a two-tier incline block rate.

Possible Policy Changes

- C. **Establish/update policies for Commercial customers** to allow grouping of multiple accounts at a single service address to be deemed a single customer for rate classification purposes. (Commercial customers include industrial, small commercial, and large commercial customers.)

For reference, a table of the current electric rates is included below.

ELECTRIC RATES		
Effective		
November 1, 2023		
RESIDENTIAL RATES		
	Existing Rate	New Rate
Base Charge (\$ per month)	\$ 13.57	\$ 15.00
Energy Charge (\$ per kWh):		
First 2,000 kWh	\$ 0.0706	\$ 0.0743
More than 2,000 kWh	\$ 0.0764	\$ 0.0801
GREEN POWER RATES		
	Existing Rate	New Rate
Green Power Charge (\$ per 100 kWh)	\$ 0.92	\$ 0.92
NEW OR EMERGING LARGE LOAD > 3.1 aMW		
	Existing Rate	New Rate
Demand Charge (\$ per kW):		
First 50 kW	No Charge	\$ 9.50
More than 50 kW	\$ 7.50	\$ 9.50
Energy Charges (\$ per kWh):		
First 25,000 kWh	\$ 0.0616	\$ 0.0854
More than 25,000 kWh	\$ 0.0544	\$ 0.0783
Base Charge and Primary Service Discount - See General Service		
GENERAL SERVICE RATES		
	Existing Rate	New Rate
Base Charge (\$ per month):		
1-phase	\$ 17.88	\$ 19.25
3-phase	\$ 38.75	\$ 43.25
Demand Charge (\$ per kW):		
First 50 kW	No Charge	No Charge
More than 50 kW	\$ 7.50	\$ 8.50
Primary Service Discount (\$ per kW)	\$ 0.62	\$ 0.62
Energy Charges (\$ per kWh):		
First 25,000 kWh	\$ 0.0517	\$ 0.0554
More than 25,000 kWh	\$ 0.0446	\$ 0.0483