

CANBY UTILITY
REGULAR BOARD MEETING
APRIL 14, 2026
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 and Executive Session Minutes of March 10, 2026 (pp. 1-5)
 - Approval of Payment of Water and Electric Bills
- IV. CITIZEN INPUT ON NON-AGENDA ITEMS *Citizens wanting to speak virtually, please email or call the Board Secretary-Clerk by 4:30 p.m. on April 14, 2026, with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*
- V. PUBLIC HEARING Water Rate Proposal
- VI. RESOLUTION NO. 341 Revising Water Rates – Kari Duncan, General Manager, and Mike Schelske, Finance Manager (pp. 6-12)
- VII. RESOLUTION NO. 342 Authorize General Manager to Sign Funding Applications – Kari Duncan, General Manager (pp. 13-15)
- VIII. GENERAL MANAGER SIX-MONTH EVALUATION PROCESS – Chairman Molamphy
- IX. BOARD REPORT
 - Chair Comments
 - Board Member Comments
- X. STAFF REPORTS

Operations Manager:

 - Quarterly Reliability Report (pp. 16-17)

General Manager:

 - Manager’s Report (pp. 18-25)
- XI. ADJOURN

***CANBY UTILITY
REGULAR BOARD MEETING MINUTES
March 10, 2026***

Board Present: Chair Molamphy; Members Pendleton, Westcott, LeBlanc, and Yarbrough.

Staff Present: Kari Duncan, General Manager; Barbara Benson, Board Secretary; Mike Schelske, Finance Manager; Sergio Avalos, Customer Service Supervisor; Jason Berning, Operations Manager; and Jason Peterson, Operations Field Supervisor.

Others Present: Brian Hutchins, Veolia Water North America; Eric Ward and Andrew Nishihara, Stantec; Chad Stokes and Tommy Brooks, Cable Huston; Joe Brennan; Melody Thompson; Katy Asher, PRR; Brian Murphy, CDM Smith; Keith Beckman, Slayden; Pat Van Duser, Jacobs; and Corianne Burnett, Carollo.

Chair Molamphy called the Regular Board Meeting to order at 6:00 p.m.

Member Westcott made the *MOTION to go into Executive Session according to ORS 192.660(2)(f) to discuss records that are exempt by law from public inspection. Member Yarbrough seconded, and the motion passed 5-0.

The regular meeting was recessed at 6:02 p.m.

The regular meeting was reconvened at 7:00 p.m.

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

Chair Molamphy presented the consent agenda for approval. Member Westcott made the *MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of January 13, 2026, regular meeting and executive session minutes of February 10, 2026, as presented, and payment of water and electric bills in the amount of \$1,230,893.09. Member Pendleton seconded, and the motion passed 5-0.

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

Finance Manager Mike Schelske presented a recommendation to schedule a public rate hearing on April 14, 2026, to gather input on a proposed 14.29% increase in water rates. The increase would apply to both base and volume charges across all customer classes and represents the third of five planned adjustments identified in the 2023 rate study by Donovan Enterprises, Inc. The

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increases are intended to support debt associated with the Canby Water Supply Program (CWSP) and other Master Plan projects.

Schelske stated the proposed adjustment would increase the average residential bill for 1,000 cubic feet of water usage by approximately \$7.65 per month. He also reviewed a comparison of neighboring utilities' residential bills to provide regional context. Notice of the hearing will be published in the *Canby Herald*, included in *The Reporter* newsletter, and posted on the utility's website.

Member Pendleton asked whether the increase is based on original CWSP cost estimates, noting updated projections are significantly higher, and whether future rates would reflect those changes. Schelske responded that alternatives and project costs are still being evaluated, and rate models will not be updated until that work is complete.

Pendleton also questioned reliance on Water Infrastructure Finance and Innovation Act (WIFIA) funding and asked about alternatives. Schelske stated that WIFIA is currently the most cost-effective option and outlined alternative funding sources. General Manager Kari Duncan added that WIFIA, as a federal loan program, remains funded and does not impose a high cost on the government. She noted revenue bonds are a viable alternative with similar rates, though WIFIA typically offers more favorable terms.

Duncan also noted that project cost projections are higher than originally budgeted and that the process to refine project costs is expected to take several months. In the meantime, she emphasized the importance of proceeding with the planned rate adjustment. Updated CWSP costs will be incorporated into revised financial models and a future rate plan.

Member LeBlanc made the *MOTION to schedule a public hearing on the proposed water rate adjustment for April 14, 2026. The proposal includes a 14.29% increase to the base and volume charges across all customer classifications to be effective May 1, 2026. Member Pendleton seconded the motion. Further discussion ensued between staff and the Board regarding customer communications and the timing of the proposed rate increase notices. Member LeBlanc amended his *MOTION to include that staff will send a mailer to all customers, notifying them of the proposed water rate increase and the scheduled public hearing. Member Pendleton seconded the amendment, and it passed 5-0. Schelske stated that the mailer will be sent by the end of March to provide customers with timely notice.

General Manager Kari Duncan provided an update on the Canby Water Supply Program (CWSP) and associated Scope of Services. She noted that at the previous meeting, staff reviewed an updated project cost estimate that exceeded the 2023 planning level estimate. In response, staff evaluated potential cost adjustments and alternative approaches. Duncan added that staff directed the project consultant to develop additional options, including lower-cost alternatives and opportunities to coordinate with neighboring water suppliers.

Andrew Nishihara, Project Manager with Stantec, presented an update on the CWSP proposal and potential options for the water intake and treatment system. He discussed alternatives such as the use of the existing steel tank and different treatment technologies to address taste and odor concerns. Stantec is also evaluating modular treatment systems that could be expanded over time. Nishihara noted that partnership opportunities with neighboring providers, including the City of Wilsonville and the South Fork Water Board, are being revisited. Although previously determined not to be cost-effective, staff requested that these options be reevaluated.

Nishihara explained that the South Fork system, which was previously nearing capacity, has since experienced a reduction in customers, resulting in excess capacity that may present a partnership opportunity. Stantec will analyze potential costs and system connections to determine feasibility. Chair Molamphy asked about potential liability related to partnerships with neighboring systems. Nishihara responded that liability considerations are included in the current scope of evaluation.

Stantec is working with PRR, its communications and outreach subconsultant, to develop a public engagement strategy. These efforts will include a community survey and outreach activities to gather input on project priorities and customer support for various options. Stantec, PRR, and staff are evaluating methods to maximize participation and better understand community priorities and tradeoffs.

Duncan emphasized the importance of community outreach, noting that while the initial concept for treatment plant facilities was designed to meet community goals, it carries a high cost. She stated the survey will help determine which priorities are most important, acknowledging that lower-cost options may not achieve all previously identified goals.

The Board and staff discussed whether to include pricing information in the community survey, including how water rates may vary based on treatment levels and water quality improvements. The discussion emphasized the importance of understanding how much the community may be willing to pay for improvements such as taste and odor.

Duncan added that staff plan to host listening sessions at community events to gather direct feedback in addition to the survey. Katy Asher of PRR noted that listening sessions will be a key engagement tool, helping build relationships with the community while gathering input. She added that a focus group may also be considered if needed, but the initial priority is to launch the survey and schedule listening sessions to begin collecting feedback.

Chair Molamphy suggested sending a mailer to all customers with questions regarding water quality priorities, noting it would help guide future project decisions. Duncan shared that a mailer is included in the community survey scope of work with Stantec and PRR. Asher added that survey development typically takes about two months, depending on how quickly input is finalized.

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Member Yarbrough asked how the survey timeline aligns with the overall project schedule. Duncan responded that the survey is a key step in determining project direction and that the timeline for survey and community engagement aligns with the overall project schedule.

General Manager Kari Duncan presented Resolution No. 340, regarding an amendment to the Veolia Water North America – West operations and maintenance contract and the required Local Contract Review Board findings. She noted that the Board, acting as the Local Contract Review Board, must review and approve this special procurement. Canby Utility has contracted with Veolia since 2006 to operate the water treatment plant, with periodic renewals; the contract is up for renewal again. Based on the long-standing relationship and legal guidance, the amendment qualifies as a special procurement.

Duncan stated that Resolution No. 340 includes findings supporting continuing a contract with Veolia and outlines why issuing a Request for Proposals (RFP) would not be cost-effective. The findings cite continuity of operations, Veolia’s specialized knowledge of the system, and the unlikelihood of competitive proposals given that the facility is expected to be replaced within five to six years.

Member Pendleton asked whether Veolia’s pricing is competitive. Duncan responded that while she has not conducted a formal market comparison, she believes the Board is receiving good value for the services provided.

Member Yarbrough noted that, based on his recent tour of the treatment plant, Veolia’s knowledge and experience with the facility are significant and would be difficult to replace, adding that training new operators would take considerable time.

Member Westcott made the *MOTION to approve Resolution No. 340, a resolution adopting findings to support an exemption from the request for proposals process for a contract amendment for operation, maintenance, and management services between Canby Utility Board and Veolia Water North America-West LLC, declaring such exemption and authorizing direct award of the contract amendment to Veolia Water North America-West LLC. Member Pendleton seconded, and the motion passed 5-0.

Member LeBlanc made the *MOTION to approve Contract Amendment No. 3 to the agreement for operation, maintenance, and management services between the Canby Utility Board and Veolia Water North America-West, LLC. Member Westcott seconded, and the motion passed 5-0.

No comments were made by the Chair or Board Members for the Board Report.

Finance Manager Mike Schelske reviewed the schedule for the Fiscal Year 2027 budgeting process. He stated that budget development will begin this month, with completion targeted for May 14, 2026. The proposed budget will be distributed to the Board on June 4, 2026, in advance

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of the June 9, 2026, board meeting. Schelske noted that this timeline follows the standard process used in prior years and asked if the Board had any questions.

General Manager Kari Duncan provided a staff report update, noting that Stantec had previously presented an update on the Canby Water Supply Program.

Duncan reported that the utility submitted a \$9.6 million grant request to the State of Oregon Capital Funding program, sponsored by Representative Matt Bunch and with assistance from Senator Drazan’s office. The request was submitted to the Joint Ways & Means Subcommittee on Capital Construction, and Duncan provided in person testimony at the hearing. The project was not selected in this funding cycle; however, the utility plans to reapply next year. Thank-you cards will be sent to the committee, signed by Board members, and staff will continue to pursue other funding opportunities.

Duncan provided a staffing update, noting a new Utility Worker began this week, a Journeyman Lineman is scheduled to start at the end of the month, and interviews are underway for a Customer Service Representative position.

Duncan also discussed a recent preliminary injunction related to Columbia River System Operations, which requires increased spill at hydroelectric facilities that will bypass the power generating turbines, therefore reducing the total power output of the facilities. She noted that the issue has been highly contested, with the Public Power Council (PPC) opposing it. The increased spill is expected to raise BPA rates by approximately 6%. She added that the PPC and the Oregon Municipal Electric Utilities (OMEU) have been active advocates on this issue. A copy of the letters supporting opposition to the injunction, distributed by OMEU and the PPC, was shared with the Board.

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

The meeting adjourned at 8:02 p.m.

John Molamphy, Chair

Ron Yarbrough, Member

Ron LeBlanc, Member

Jack Pendleton, Member

Robert Westcott, Member

Barbara Benson, Board Secretary



MEMORANDUM

TO: Chair Molamphy, Member Pendleton, Member Westcott, Member LeBlanc, and Member Yarbrough

FROM: Mike Schelske, Finance Manager

DATE: April 14, 2026

SUBJECT: Resolution Adopting Proposed Water Rates Effective May 1, 2026

Suggested Motion: Adopt Resolution No. 341, adjusting Canby Utility's water rates effective May 1, 2026, with a rate increase of 14.29% on the base and volume charges for all customer classifications.

Recommendation:

Management proposes a 14.29% rate increase for both the base and consumption charges across all customer classifications. This proposal is based on the 2023 water rate study conducted by Steve Donovan of Donovan Enterprises, Inc.

Key Information:

- **Previous Adjustment:** The first of five recommended water rate adjustments was made May 1, 2024.
- **Reason for Increase:** The additional rate increase this year is necessary to fund the construction of a new water treatment facility and its associated infrastructure. This facility is essential to replace aging infrastructure, enhance water quality, and provide additional capacity.
- **Current Plant Capacity:** According to the 2023 Water Master Plan, the existing plant will reach capacity by 2035.
- **Revenue Allocation:** The revenue from the rate increase will be allocated as follows: 85% to project costs and associated debt service, and 15% to general operating expenses.

Cost of New Water Treatment Plant:

The estimated cost of the project is currently under review as the project preliminary design is developed. The initial estimated cost of the new facility based on the 2023 Water System Master Plan was \$82 million, and is the basis of this rate proposal.

Source of Funds:

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

Rate Increases:

The primary purpose of the water rate study was to determine the rates needed to generate sufficient cash flow to support the projected \$72 million in debt. To meet this requirement, the rate consultant recommended implementing a series of smaller, incremental rate increases rather than one or more large adjustments.

Under the current forecast, water rates are expected to increase by approximately 14.3% per year over the five-year period beginning in 2024. In addition, the financial projections include an annual 3% inflationary adjustment to account for rising operating expenses.

Future Adjustments:

Canby Utility is currently reviewing preliminary updated cost estimates for the planned work that incorporates updated information related to the project design, incorporating escalation due to inflation and supply chain issues, design and resiliency elements, specialized equipment estimates, and construction considerations. The new cost estimate for this work is anticipated to be significantly higher than the planning level estimate used for this rate plan. As the project progresses and more accurate cost estimates are obtained, the forecast may change, potentially altering the projected rate increases.

Rate Schedule:

Exhibit A with the proposed rates is attached.

RESOLUTION NO. 341

A RESOLUTION OF THE CANBY UTILITY BOARD RELATED TO WATER RATES

WHEREAS, the City of Canby delegated by intergovernmental agreement to Canby Utility Board the authority to maintain the continuing operation and management of the water department, including the responsibility to set rates sufficient to pay all costs of the utility; and

WHEREAS, the Board was presented with evidence indicating a 14.29 percent increase in both base and consumption charges is necessary. This increase will provide revenues essential to the funding needed for the planned construction of a new water treatment facility. The additional revenue generated from the rate increase will contribute to project costs, debt service of the project's financing, and general operating expenses.

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

Section 1. Resolution No. 329 is repealed.

Section 2. Monthly Water Rates.

- A. The applicable monthly water rates are attached to this resolution as Exhibit A, incorporated herein by reference.
- B. The base and consumption charges for all customer classifications will change.

Section 3. This Resolution is effective on May 1, 2026.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS ____ DAY OF April 2026.

John Molamphy, Chair

Jack Pendleton, Member

Robert Westcott, Member

Ron LeBlanc, Member

Ron Yarbrough, Member

Barbara Benson, Board Secretary

EXHIBIT A

Canby Utility Board Schedule of Proposed Water Rates Proposed 5/1/2026

RESIDENTIAL

Applicable to single-family dwellings.

METER SIZE	BASE CHARGE	VOLUME CHARGE					
		PER 100 CUBIC FEET (CCF)					
		Tier 1 Rate	Tier 1 Threshold	Tier 2 Rate	Tier 2 Threshold	Tier 3 Rate	Tier 3 Threshold
5/8" - 3/4"	\$ 31.89	\$ 2.72	Up to 7 CCF	\$ 3.41	7 to 12 CCF	\$ 4.75	Over 12 CCF
1"	\$ 45.94	\$ 2.72	Up to 11 CCF	\$ 3.41	11 to 19 CCF	\$ 4.75	Over 19 CCF

MULTI-FAMILY RESIDENTIAL

Applicable to duplexes, triples, apartment houses/complexes, small lot mobile home parks and PUDs meeting three requirements: 1) Single-family residential property in a approved PUD; 2) Zone R-2 High Density by the City of Canby (per Chapter 16.20 of the City of Canby Municipal Code); and 3) Property has a separate Irrigation meter for which an SDC was paid to the Utility.

METER SIZE	BASE CHARGE	DWELLING UNIT CHARGE	VOLUME CHARGE		
			PER 100 CUBIC FEET (CCF)		
			Tier 1 Up to 5 CCF	Tier 2 5 to 8 CCF	Tier 3 Over 8 CCF
5/8" - 3/4"	\$ 14.66	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07
1"	\$ 17.31	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07
1-1/2"	\$ 20.00	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07
2"	\$ 27.32	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07
3"	\$ 81.27	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07
4"	\$ 101.28	\$ 14.18	\$ 2.32	\$ 2.93	\$ 4.07

Please note that the dwelling unit charge did increase. Use the number of dwelling units times the Dwelling Unit Charge to calculate that increase. Then use the number of dwelling units times the Threshold CCF numbers in the table above to determine the CCF Thresholds. Thus, if there are two Multi-Family Residential Dwelling Units, the Dwelling Unit Charge will be \$28.36 (\$14.18 x 2). The Tier 1 CCF will become 10 CCF (5 CCF x 2), Tier 2 CCF will become 16 CCF (8 CCF x 2) and Tier 3 CCF will be all volume Over 16 CCF.

COMMERCIAL

Applicable to all service deemed not to be Residential, Multi-Family Residential, or Irrigation.

METER SIZE	BASE CHARGE	VOLUME CHARGE					
		PER 100 CUBIC FEET (CCF)					
		Tier 1 Rate	Tier 1 Threshold	Tier 2 Rate	Tier 2 Threshold	Tier 3 Rate	Tier 3 Threshold
5/8" - 3/4"	\$ 33.66	\$ 2.37	Up to 6 CCF	\$ 2.95	6 to 13 CCF	\$ 4.15	Over 13 CCF
1"	\$ 59.36	\$ 2.37	Up to 13 CCF	\$ 2.95	13 to 27 CCF	\$ 4.15	Over 27 CCF
1-1/2"	\$ 93.00	\$ 2.37	Up to 21 CCF	\$ 2.95	21 to 46 CCF	\$ 4.15	Over 46 CCF
2"	\$ 206.98	\$ 2.37	Up to 51 CCF	\$ 2.95	51 to 111 CCF	\$ 4.15	Over 111 CCF
3"	\$ 339.65	\$ 2.37	Up to 76 CCF	\$ 2.95	76 to 164 CCF	\$ 4.15	Over 164 CCF
4"	\$ 483.69	\$ 2.37	Up to 111 CCF	\$ 2.95	111 to 241 CCF	\$ 4.15	Over 241 CCF

EXHIBIT A

Canby Utility Board Schedule of Proposed Water Rates Proposed 5/1/2026

IRRIGATION

Applicable to service for Irrigation only.

METER SIZE	BASE CHARGE	VOLUME CHARGE PER 100 CUBIC FEET (CCF)
5/8" - 3/4"	\$ 33.66	\$4.13
1"	\$ 59.36	\$4.13
1-1/2"	\$ 93.00	\$4.13
2"	\$ 206.98	\$4.13
3"	\$ 339.65	\$4.13
4"	\$ 483.69	\$4.13



NOTICE OF HEARING FOR PROPOSED WATER RATE INCREASE

 **CANBY
UTILITY**
1265 SE 3rd Ave
Canby, OR 97013

RETURN SERVICE REQUESTED

Presorted
First Class Mail
U.S. Postage
PAID
Permit No. 2358
Portland, OR

*****AUTO**5-DIGIT 97013

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CITY OF CANBY
PO BOX 930
CANBY OR 97013-0930



Questions? Call 503-266-1156 or email customersupport@canbyutility.org.
Written testimony will be accepted until 3pm on the day of the hearing.

Date & Time: April 14, 2026, at 7 pm
Location: 1265 SE 3rd Avenue, Canby

on the proposed new water rates scheduled for:

PUBLIC HEARING





The Canby Utility Board of Directors has scheduled a public hearing for citizen input regarding a proposed water rate adjustment that will take effect May 1, 2026. The need for a rate adjustment is due to the planned construction of a new water treatment facility and supporting infrastructure. The planned facilities are critical for ensuring a reliable and earthquake-resilient water supply for the community, improving taste and odor, meeting future drinking water regulations, and expanding system capacity to support the city’s anticipated growth.

The proposed water rate increase follows a similar adjustment made in May 2025. The proposed rate adjustment will increase water rates by 14.29 percent and will be applied to the base and volume charges for all customer classes. The typical residential customer will see their monthly water bill increase by approximately \$7.65.

A complete schedule of the proposed rates can be found on our website www.canbyutilityor.gov at this link <https://canbyutilityor.gov/water-service/rates-fees/>.

All Canby residents are invited to attend this public hearing and provide comments or testimony regarding this proposed water rate increase.

Date: April 14, 2026
 Time: 7 pm
 Location: 1265 SE 3rd Avenue, Canby

Written testimony will be accepted until 3 pm on the day of the hearing. Written testimony may be hand delivered or mailed to the offices of Canby Utility located at 1265 SE 3rd Avenue, Canby, or sent by email to bbenson@canbyutility.org.

TYPICAL MONTHLY WATER BILLS

Note: 1,000 cf equals 7,480 gallons

Example Water Bill	SINGLE FAMILY		MULTI-FAMILY		COMMERCIAL		IRRIGATION	
	At usage 1,000 cf		At usage of 2,100 cf		At usage of 2,000 cf		At usage of 10,000 cf	
Meter Size	Present	May 2026	Present	May 2026	Present	May 2026	Present	May 2026
5/8" x 3/4"	\$53.50	\$61.15	\$114.17	\$130.50	\$85.34	\$97.58	\$390.45	\$446.66
1"	\$64.00	\$73.15	\$116.49	\$133.15	\$96.91	\$110.82	\$412.94	\$472.36
1 1/2"			\$118.84	\$135.84	\$122.77	\$140.40	\$442.37	\$506.00
2"			\$125.24	\$143.16	\$222.50	\$254.38	\$542.10	\$619.98
3"			\$172.45	\$197.11	\$338.58	\$387.05	\$658.18	\$752.65
4"			\$189.96	\$217.12	\$464.61	\$531.09	\$784.21	\$896.69





MEMORANDUM

To: Chair Molamphy, Members Pendleton, Westcott, LeBlanc, and Yarbrough
From: Kari Duncan, General Manager
Date: April 9, 2026
Subject: Resolution Authorizing General Manager to Approve Grant Funding Applications

Suggested Motion: Adopt Resolution No. 342, granting signature authority to the General Manager for funding applications.

Background:

The Canby Water Supply Program (CWSP) will replace the current aging Molalla River water supply facilities with a new, resilient intake, water treatment plant, and pipeline on the Willamette River designed to meet the needs of the Canby community for the next 50 years. This project was initially estimated at \$83 million in the 2023 Water System Master Plan and is now anticipated to be substantially higher in cost. The project costs will have a significant impact on water rates. In order to minimize the impact on ratepayers, Canby Utility has developed a project financing approach that will rely on federal loans or revenue bonds, but will also pursue all potential opportunities for grant and forgivable loan funding.

Grant opportunities to be pursued include State, Federal and local funding sources. In order to be positioned to submit applications in a timely manner and meet deadlines, staff requests that the Board grant signature authority to the General Manager to sign grant or forgivable loan applications. This authority will not extend to any obligation that will commit the Utility to debt issuance; however, it may include the availability of matching funds identified in the CU budget for such purposes.

RESOLUTION NO. 342

A RESOLUTION OF THE CANBY UTILITY BOARD GRANTING SIGNATURE AUTHORITY TO THE GENERAL MANAGER FOR FUNDING APPLICATIONS.

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

WHEREAS, the Board seeks to pursue funding opportunities through federal, state, and local grant programs to support the planning, design, and construction of the Canby Water Supply Program and other projects; and

WHEREAS, such grant and other funding opportunities often require the timely submission of applications and the execution of associated documents; and

WHEREAS, it is in the best interest of the Board to authorize a designated representative to act on its behalf in these matters.

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

- A. The General Manager is hereby authorized to prepare, execute, and submit funding applications on behalf of the Board.
- B. The General Manager is further authorized to sign and execute all documents necessary for the application process, including but not limited to:
 - a. Grant and forgivable loan applications
 - b. Assurances and certifications
 - c. Agreements and contracts required for application submission
- C. The General Manager is authorized to accept grant and funding awards on behalf of the Board, provided that:
 - a. Any required matching funds are within approved budget authority; and
 - b. The funding does not impose obligations beyond those approved by the Board of Directors without further authorization.
- D. The General Manager shall keep the Board informed of funding applications submitted and awards received.

THIS RESOLUTION IS ADOPTED BY THE CANBY UTILITY BOARD THIS ____ DAY OF April 2026.

John Molamphy, Chair

Jack Pendleton, Member

Robert Westcott, Member

Ron LeBlanc, Member

Ron Yarbrough, Member

Barbara Benson, Board Secretary

OUTAGE AVERAGES April 2025 THROUGH March 2026

MONTH	YEAR	NUMBER OF OUTAGES	NUMBER OF CUSTOMERS AFFECTED	TOTAL CUSTOMER MINUTES OFF	MONTHLY NUMBER OF CUSTOMERS IN THE SYSTEM	NUMBER OF MOMENTARY INTERRUPTIONS
April	2025	0	0	0	8423	0
May	2025	1	482	130140	8432	1
June	2025	0	0	0	8434	0
July	2025	0	0	0	8437	1
Aug	2025	0	0	0	8449	1
Sep	2025	3	22	10350	8449	1
Oct	2025	0	0	0	8466	1
Nov	2025	0	0	0	8439	0
Dec	2025	1	329	118440	8462	2
Jan	2026	0	0	0	8469	1
Feb	2026	0	0	0	8475	0
March	2026	1	5,000	858000	8486	2
12 MONTH TOTALS		6	5,833	1,116,930	101,421	10
12 MONTH AVERAGE		0.50	486	93,078	8,452	0.8

			<u>C.U.</u>	<u>Industry Typical Value</u>
SAIDI =	$\frac{\text{Sum of all customer interruption minutes}}{\text{Total number of customers}}$	= $\frac{1,116,930}{8,452}$	= 132.1537	87.0
SAIFI =	$\frac{\text{Total number of customer interruptions}}{\text{Total number of customers}}$	= $\frac{5833}{8,452}$	= 0.69	0.93
MAIFI =	$\frac{\text{Total number of cust. momentary interruptions}}{\text{Total number of customers}}$	= $\frac{10}{8,452}$	= 0.001	0.96
CAIDI =	$\frac{\text{Total interruption minutes for 12 months}}{\text{Total number of interruptions}}$	= $\frac{191}{6}$	= 32	107.25

System Average Interruption Duration Index (SAIDI)

SAIDI indicates the total sustained interruption duration for the average customer during a predefined period of time. It is commonly measured in minutes or hours of interruption.

System Average Interruption Frequency Index (SAIFI)

SAIFI indicates how often the average customer experiences a sustained interruption during a predefined period of time.

Momentary Average Interruption Frequency Index (MAIFI)

MAIFI is a reliability indicator used by electric power utilities. MAIFI is the average number of momentary interruptions that a customer would experience during a given period (typically a year).

Customer Average Interruption Duration Index (CAIDI)

CAIDI gives the average outage duration that any given customer would experience. CAIDI can also be viewed as the average restoration time.



MEMORANDUM

To: Chair Molamphy, Members Pendleton, Westcott, LeBlanc, and Yarbrough
From: Kari Duncan, General Manager
Date: April 9, 2026
Subject: Staff Report – April 14th Board Meeting

Joint CUB-City Council Meeting April 8th:

The Canby Utility Board and the City Council met on April 8th for a joint work session to review the progress to date on the Canby Water Supply Program (CWSP) and begin a discussion about potential City Charter updates to Chapter X Utilities. The Board and Council had a productive discussion about the CWSP and next steps that will be needed to move forward into final design.

Canby Water Supply Program –Project Update: The project consultant for the CWSP has made substantial progress in the development of the tasks outlined in the Contract Amendment 2 that was presented at the March Board meeting. The public outreach team has prepared a community survey that will be mailed to customers in May, in addition to presentation materials for community events. The focus of the outreach and survey will be to gauge community priorities around drinking water and help inform upcoming decisions about the project scope and cost. The consultant has also worked on an alternatives analysis to achieve cost savings for the project and to review options for partnerships with neighboring communities for water supply. Meetings with representatives of the City of Wilsonville and the South Fork Water Board are being scheduled to discuss and review options for regional partnerships.

Canby Water Supply Program – Funding Requests: An application for funding through the State Drinking water Revolving Loan Fund (SDWRLF) Emerging Contaminants program was submitted in February for a forgivable loan for the CWSP project design and Canby Utility has been included in the 2026 Project Priority List for \$3.5 million. Canby Utility will work with Business Oregon to determine the next steps required to be eligible for the funding.

Columbia River System Operations Injunction: A recent preliminary injunction that will require additional spill at the Columbia River and Snake Dams was issued at the end of February. This effectively reduces the amount of power generated by Bonneville Power Administration (BPA). Canby Utility has worked with the Public Power Council (PPC) and Oregon Municipal Electric Utilities Association to support opposition to the injunction. A fact sheet produced by the PPC is attached that summarizes much of this work. The BPA held a rate case workshop on March 31st to present the impacts of this injunction to their rate structure and to hear questions and

comments related to the proposed rate adjustments. BPA presented, during the hearing, that the “Pre-Slice” impact of the injunction was \$100 million per year, or \$300 million over the three-year period reviewed. Although the impact of this to customers was not presented by BPA, estimates from the PPC speculate that this may result in an approximate 6% increase to the wholesale power rate for its consumer-owned utilities such as Canby Utility. CU staff are carefully tracking the progress of the rate case and will present the potential impacts of this cost to the Board once it has more information.

Meetings and Events: On April 1 and 2, I attended the PPC Members forum and Executive Committee meetings. On Friday, April 3rd, I attended the Infrastructure Finance Authority Board meeting in Salem. On April 16th, I will attend and Chair an Oregon Municipal Electric Utilities Association Board meeting in Salem. Also on April 16th, Canby Utility and the City of Canby will host the monthly American Waterworks Association Northwest Oregon Subsection meeting at Canby City Hall. A short presentation of the Canby Water Supply Program will be provided by Stantec.

PPC Fact Sheet, April 2, 2026

Defending the Columbia River System: Litigation to Protect Affordable, Reliable, and Abundant Hydropower for Northwest Communities

Overview

The Columbia River System Operations (CRSO) litigation is one of the longest running and most consequential energy and environmental cases affecting the Pacific Northwest. At its core, the case will determine how the federal hydropower system is operated – and whether the region can continue to rely on it as a foundation for affordable, reliable, and carbon-free electricity.

The case, National Wildlife Federation v. National Marine Fisheries Service (NWF v. NMFS), is being heard in the U.S. District Court for Oregon, Judge Michael Simon presiding. The Public Power Council (PPC) is the lead defendant-intervenor representing public power utilities, ensuring that the interests of consumer-owned utilities – and the communities they serve – are fully represented, while supporting balanced, practical solutions for salmon recovery.

In February 2026, Judge Simon issued a preliminary injunction order dictating that the federal hydropower system be operated beginning this April in a manner that presents significant risks to power generation. This order largely adopted changes, requested by plaintiffs in the case, to river operations – particularly increased spill at federal dams. While the ruling creates real challenges for the power system, PPC’s advocacy helped secure important improvements that reduce harm to reliability and help trim costs from what they otherwise would be.

That said, PPC’s work here is not done. The federal defendants in the case have appealed Judge Simon’s preliminary injunction order to the Ninth Circuit Court of Appeals and PPC will file an appeal as well. PPC also is planning a filing in support of federal defendants’ expected request to the Ninth Circuit for a stay of the preliminary injunction, in order to prevent the potential harms it entails.

Why This Case Matters

The Federal Columbia River Power System (FCRPS) is the backbone of the Northwest's energy system. Changes ordered by the District Court directly affect:

- Electricity affordability and availability for families, farms, and businesses
- Grid reliability, especially during extreme weather and peak demand
- Our clean energy system, as hydropower is our region's largest carbon-free resource
- Operational flexibility needed to balance a rapidly evolving power system

The main actions of the District Court involve ordering increased spill – sending water over dams instead of through turbines – which means less power generation, particularly during critical periods when hydropower is needed most. Based on best available science, PPC and others have consistently and reasonably argued that more spill does not necessarily equate to better benefits to fish, and in some cases may be detrimental. These vast operational changes mean:

- An increased risk to reliability (e.g., increased chances of blackouts) from reduced power generation
- Higher costs from market power purchases needed to replace the lost low-cost hydropower generation
- Increases in greenhouse gas emissions from power purchased from sources that are less clean than the FCRPS

What the Court Has Done So Far

The February 2026 preliminary injunction order issued by Judge Simon:

- Increases spill levels at eight federal dams
- Reduces the amount of hydropower generation by the federal system
- Reduces system flexibility

In early March 2026, Judge Simon also rejected the federal defendants' motion to dismiss this case from District Court for lack of jurisdiction. The Court's preliminary injunction order largely adopted plaintiffs' proposed river operations. However, the court did not adopt all of plaintiffs' proposals. Key elements of the order include:

- Maintaining 2025 reservoir operating levels (instead of more restrictive levels proposed by plaintiffs)

- Preserving emergency and operational flexibility protocols
- Declining to require certain infrastructure and non-operational measures

These distinctions are critical – and reflect areas where PPC’s advocacy made a measurable difference.

What PPC Has Delivered For Public Power So Far

PPC is playing a central and constructive role in shaping outcomes of this case:

1. Led a Practical Alternative to the Plaintiffs’ Proposed Preliminary Injunction

Judge Simon made clear at his February 6, 2026 hearing on plaintiffs’ preliminary injunction request that he was inclined to grant some form of preliminary injunction, but was open to submittals by the parties concerning its scope. At Judge Simon’s direction, PPC led defendant-intervenors in developing a more balanced proposed operational approach, centered on:

- Continuing 2025 operating conditions as a practical baseline
- Reducing harm to reliability, irrigation, navigation, and rates
- Providing the court with a credible middle-ground option

This proposal became the foundation of the defendant-intervenor filing submitted for consideration by the District Court on February 20, 2026 for a more reasonable preliminary injunction.

2. Secured Meaningful Improvements to the Court’s Order

While the overall ruling remains challenging, PPC achieved real, measurable wins, including:

- Adoption of 2025 reservoir elevations (a major reliability protection)
- Adoption of 2025 summer spill levels at Ice Harbor and John Day
- Preservation of emergency and variance protocols
- Preservation of winter zero-generation operations at the Lower Snake River Dams (essential for load shaping)

These changes help maintain generation capability and operational flexibility at key times of the year.

3. Reduced Cost and Reliability Impacts, with an Estimated \$40 Million in Power Cost Reductions Annually

PPC's advocacy helped reduce the severity of the injunction:

- Estimated ~\$40 million per year reduction in costs
- Reduced harm to grid reliability and system operations

These benefits directly affect rates paid by Northwest consumers and the ability to keep the lights on.

What's Ahead

The litigation is entering a new and highly active phase. Key developments include:

Appeal of the District Court's Preliminary Injunction to the Ninth Circuit Court of Appeals.

- Federal defendants have filed an appeal in the Ninth Circuit which was docketed on March 30, 2026.
- The Inland Ports and Navigation Group (IPNG) also filed an appeal on March 30, 2026.
- The Ninth Circuit has set a fast-paced briefing schedule, with appellants' opening briefs currently due April 27, 2026, answering briefs from other parties due May 26, 2026, and reply briefs from appellants due June 16, 2026.
- The timeline for a Ninth Circuit opinion issuing in the case is unknown but given the current speed of the case, could be as early as summer 2026.
- To ensure the rights and interests of PPC and public power are fully represented in the litigation, PPC will file an appeal the week of April 6, 2026 in the Ninth Circuit challenging Judge Simon's preliminary injunction order.
- That same week, PPC also plans to file in support of an expected request by federal defendants to the Ninth Circuit for a stay of the preliminary injunction, in order to prevent the potential harms it entails.

Likely Summary Judgment & Permanent Injunction District Court Proceedings

- Plaintiffs have told the District Court that they will be conferring with federal defendants concerning summary judgment and permanent injunction proceedings in the District Court.
- Plaintiffs also have told the District Court that they will submit proposed joint or separate schedules to the District Court for these proceedings by April 30, 2026.

- It is therefore likely that plaintiffs will file a Motion for Summary Judgment (MSJ) and Permanent Injunction request with the District Court in the coming months.
- A MSJ is a normal way to address the merits of an appeal from a federal agency decision without a full trial.
- The Permanent Injunction request likely would expand beyond temporary measures to actually locking in long-term operational changes.
- Both MSJ and Permanent Injunction proceedings in a complex case such as this often take several months for briefing, a hearing (if it occurs), and a decision.

Additional BPA Ninth Circuit Legal Challenge

- Plaintiffs also are seeking to reopen litigation they filed (as petitioners) in the Ninth Circuit challenging BPA’s 2020 Record of Decision concerning Columbia River System Operations and Biological Opinion (BiOp).
- This litigation was dismissed without prejudice to reinstatement by the Ninth Circuit shortly after the litigation parties entered into the 12/14 Memorandum of Understanding (MOU).
- The dismissal included an allowance for any party to reinstate (i.e., reopen) the litigation if the 12/14 MOU was terminated and such party filed for reinstatement within 28 days of MOU termination.
- The 12/14 MOU was terminated by the federal defendants in June 2025 so plaintiffs were required to file for reinstatement by July 2025; however, plaintiffs did not make this filing until January 2026 so clearly missed this deadline.
- It is unknown at this time whether the Ninth Circuit will excuse this failure to file in time and allow this legal challenge to BPA’s ROD to be reinstated and proceed.
- To ensure the rights and interests of PPC and public power are fully represented in this additional litigation pathway if it is reinstated, PPC will be taking steps to intervene in alignment with BPA and in support of BPA’s ROD.

PPC is actively working on all options to ensure public power interests remain protected.

Bottom Line

This case will shape the future of the Columbia River system – and the Northwest energy system – for years to come. PPC supports salmon recovery and responsible river operations. But the region must also:

- Keep electricity affordable and abundant
- Maintain reliable service, especially during extreme conditions
- Preserve the value of carbon-free hydropower

PPC will continue to advocate for balanced, practical solutions.

About the Public Power Council

The Public Power Council, established in 1966, is a nonprofit association representing the interests of more than 100 consumer-owned electric utilities in Washington, Oregon, Idaho, Montana, Wyoming, and Nevada which collectively serve millions of electricity consumers. PPC's mission is to preserve and protect the benefits of the Federal Columbia River Power System for consumer-owned utilities, and is a forum to identify, discuss and build consensus around energy and utility issues. For more information, please visit us at www.ppcpdx.org.

For more information, contact us at info@ppcpdx.org