

# ***CANBY UTILITY BOARD MEETING***

***MAY 12, 2026***

***6:00 P.M. EXECUTIVE SESSION***

***7:00 P.M. REGULAR BOARD MEETING***

## **AGENDA**

**6:00 P.M.**

- I. CALL TO ORDER
- II. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(d)(f)(i) to discuss labor negotiations, records that are exempt by law from public inspection, and the performance of a public employee. Upon completion of the executive session, the Board will return to its regular meeting.

## **REGULAR BOARD MEETING**

**7:00 P.M.**

- III. AGENDA APPROVAL
  - Additions, Deletions, or Corrections to the Meeting Agenda
- IV. CONSENT AGENDA
  - Approval of Agenda
  - Approval of Regular Board Meeting Minutes of April 14, 2026 (pp. 1-5)
  - Approval of Payment of Water and Electric Bills
- V. 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 May 12, 2026, with your name, the topic you would like to speak on, and contact information: [bbenson@canbyutility.org](mailto:bbenson@canbyutility.org) or 503-263-4312.*
- VI. CANBY WATER SUPPLY PROGRAM UPDATE - Kari Duncan, General Manager and Andrew Nishihara, Stantec
- VII. DISCUSSION Canby City Charter Amendment – Kari Duncan, General Manager (pp. 6-11)
- VIII. DISCUSSION BPA Power of Choice Agreement Exhibits – Kari Duncan, General Manager (pp. 12-29)
- IX. RECOMMENDATION Revise Procedure 413, Management Vacation Schedule – Barbara Benson, Human Resources/Administration Manager (pp. 30-34)
- X. BOARD REPORT
  - Chair Comments
  - Board Member Comments
- XI. STAFF REPORTS

Finance Manager

  - Third Quarter Financials (pp. 35-47)

General Manager

  - Manager Report (pp. 48-49)
- XII. ADJOURN

***CANBY UTILITY***  
***REGULAR BOARD MEETING MINUTES***  
***April 14, 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 Stacey Savory, Administrative Assistant

**Others Present:** Brian Hutchins, Veolia Water North America; Eric Ward, and Andrew Nishihara, Stantec; Joe Brennan; Patty Travis; Katy Asher, PRR; Terry Prince; Dennis Richey; Keith Galitz; Melissa Lamb; Susan Singletary; and Tom Renne

Chair Molamphy called the Regular Board Meeting to order at 7:00 p.m.

Chair Molamphy presented the meeting agenda for consideration and 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 and executive session meeting minutes of March 10, 2026, and payment of water and electric bills in the amount of \$1,187,759.22. Member LeBlanc seconded, and the motion passed 5-0.

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

The next agenda item was the public hearing on the proposed water rate adjustment. Chair Molamphy opened the public hearing at 7:01 p.m. and reviewed the hearing process.

General Manager Kari Duncan presented proposed Resolution No. 341 and a PowerPoint presentation on the proposed water rate adjustments. She stated that approximately 85% of the rate increase is intended to fund the development of a new water treatment facility located on the Willamette River.

Duncan reported that Canby Utility serves a population of 19,326 with 5,743 service connections. The current water source is the Molalla River, and the existing treatment plant, originally constructed in 1970 and expanded over time, can treat up to 8 million gallons of water per day. The water system also includes three storage facilities and two pump stations. She explained that planning for a new water source dates back to the 1990s. The existing treatment plant is expected to reach capacity between 2030 and 2035, with limited ability to expand the Molalla River supply to meet future demand.

The proposed facility would address concerns related to water taste and odor, low summer flows, aging infrastructure, earthquake resilience, and emerging contaminants. Duncan emphasized that an upgraded system is necessary to meet both current and future community needs, and she provided information on what the project entails and the anticipated timeline.

Duncan outlined the proposed 14.29% rate adjustment for water service and gave examples of how customers would be affected, noting that the average monthly bill for a residential customer using 10 hundred cubic feet of water would increase from \$64 to \$71 per month. She emphasized that this increase applies only to water services and that, even with the adjustment, Canby's average water bill would remain in the lower half compared to other regional providers.

Duncan also explained how water system development charges factor into funding new development and that the cost of replacing aging infrastructure is being shared among all customers. Reserve funding and customer payment support programs, and conservation resources were also discussed.

Member Pendleton noted that the calculation of System Development Charge (SDC) rates is prescribed by Oregon law and is not determined by the utility. Duncan responded that although the utility can establish SDC's based on a rate study, there are specific requirements limiting how much can be charged and what SDC's can be used for. Member LeBlanc asked how many residents utilize the Share the Warmth program, and a discussion ensued.

Chair Molamphy stated that the Board will now receive public testimony on Resolution No. 341.

Member Westcott disclosed he had received a communication from Keith Galitz, who was present at the hearing.

**Public Testimony:**

Tom Renne, a Canby resident, testified in opposition to the proposed rate adjustment. He spoke about the notice sent to customers and expressed concern over the significant rate increase proposal. Renne also questioned the timing and effectiveness of past planning efforts. Affordability and growth impacts were also raised.

Keith Galitz, a Canby resident, testified in opposition to the rate proposal, stating rates have increased approximately 25% over two years. He expressed concern that Tier 3 rates are punitive and disproportionately affect larger-lot properties, noting that high summer water bills led him to remove part of his lawn to reduce costs. The customer urged the Board to consider limiting Tier 3 increases to a 3% rate of inflation rather than the proposed 14.29% increase, and questioned the proposed multi-year rate-increase plan.

Dennis Richie, a Canby resident with extensive experience serving on boards and commissions, opposed the proposal. He expressed concern about long-term drought conditions and the

**Canby Utility  
Regular Board Meeting Minutes  
April 14, 2026  
Page 3 of 5**

reliability of future water supplies. He raised concerns about the Willamette River's water quality, citing prior environmental studies and contamination. Richie asked about the project's planned contaminant-removal measures, site stability, and potential impacts of flooding or seismic activity.

Terry Prince, a Canby resident, provided public comment and acknowledged past experience involving infrastructure development. He expressed concern about the Willamette River as a future water source, noting the potential impacts from the Pudding River and upstream wastewater treatment facilities. He emphasized the Board's responsibility to ensure water safety and the need for water quality monitoring and baseline sampling. Prince also raised concerns about river depth at the proposed intake site.

Chair Molamphy stated written testimony was also submitted electronically by Canby residents Keith Galitz, Vickie Haines, Wendy Sheldon, and Jamieson Livengood. The written testimony was distributed to the board and is added to the record.

Chair Molamphy closed the public testimony at 7:55 p.m., asking the Board if there were any additional questions for staff.

Member Yarbrough asked about existing water quality monitoring systems. Brian Hutchins, Project Leader for Veolia, reviewed current monitoring and testing procedures, and discussion continued regarding the proposed treatment plant's ability to address emerging contaminants. Yarbrough praised Veolia's work while expressing concerns about the long-term sustainability and resilience of the existing infrastructure.

Member LeBlanc recommended future discussion regarding financial assistance for customers impacted by rate increases. He also asked about risks associated with the existing treatment plant and water quality concerns related to the Willamette River. Duncan stated that the Clearwell remains the facility's greatest concern and explained that coordination and notification systems are in place for upstream wastewater incidents. She added that the proposed treatment plant would use advanced treatment technology to produce safe drinking water.

Member Westcott expressed concerns about the substantial debt expected for the project, citing past utility debt challenges dating back to the 1980s. He acknowledged the need to address aging infrastructure and future water treatment requirements. Westcott talked about evaluating alternative water supply options and the need to remain mindful of overall project costs.

Chair Molamphy stated that Canby Utility is evaluating alternative water supply options. Duncan added that potential partnerships with the South Fork Water Board and Wilsonville were previously explored but deemed unlikely due to high costs and excess water availability. She noted that those options are now being revisited to determine whether circumstances have changed.

Member Yarbrough said the project cost is concerning, acknowledged the need for additional capacity, but expressed uncertainty about funding. Westcott added that if the project's cost reaches the high end of the preliminary costs, the current rate increase would not be sufficient.

Community member Dennis Richey stated that the Board should meet with the Canby City Council to discuss receiving a share of their System Development Charges (SDCs), noting that while the utility receives water-related fees, the City also collects a significant portion of SDC revenues.

Member LeBlanc made the \*MOTION to 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 across all customer classifications. Member Westcott seconded, and the motion passed 5-0.

General Manager Duncan presented Resolution No. 342, which would authorize the General Manager to sign grant and forgivable loan applications related to the water project. She explained that staff is pursuing all eligible funding opportunities to help reduce the impact on ratepayers, and that the timing of application submissions can create a challenge in obtaining Board approval. Duncan clarified that the resolution would not authorize incurring debt.

The Board discussed being notified of grant applications submitted by the General Manager, including whether prior approval should be required before submission. Further discussion addressed application obligations. The Board concluded that the proposed resolution would require the General Manager to keep the Board informed of grant applications being submitted, while maintaining authority to apply for eligible grants. Member Westcott made the \*MOTION to adopt Resolution No. 342 granting signature authority to the General Manager for funding applications. Member Pendleton seconded, and the motion passed 5-0.

Chair Molamphy reviewed the process for the General Manager's upcoming six-month evaluation, noting that under Oregon Public Meetings Law, the evaluation process must be discussed in open session while the performance review itself will occur in executive session. He stated that the Board will conduct the informal evaluation on May 12, 2026, to discuss Duncan's performance, responsibilities, and goals, and emphasized that the process is intended to provide constructive feedback.

No report was provided by the Chair. Member Westcott reported that the electric vehicle charging station has been ordered and is expected to arrive within the next few weeks. Member Yarbrough expressed appreciation for the staff, commenting that they have been consistently friendly and responsive to questions.

Operations Manager Jason Berning presented the quarterly reliability report. During the quarter, there were three power outages, all resulting from PGE's transmission system. Two outages were momentary. The third event in March had a significant impact on customers. During that event, the crew transferred four feeders from the Westcott substation to the Knights Bridge substation

to quickly restore power to as many customers as possible. Berning explained the events following the loss of transmission service and the restoration of services to normal operation. Member Yarbrough asked whether transmission issues are likely to recur on the PGE side. Berning responded, further explaining that the most recent outage involved PGE losing one phase of their transmission service, which he does not anticipate to be a recurring issue.

Berning also noted the OLCC building is fully energized and is expected to be completed in mid-summer.

General Manager Duncan provided a staff report noting a positive joint meeting between the Board and the City Council on water supply planning. She updated the Board on ongoing CWSP alternatives analysis, cost-saving opportunities, and coordination with neighboring communities to explore potential partnerships. Duncan also highlighted expanded community outreach efforts, including presentations, local events, and the upcoming community survey. She also said she is monitoring the Columbia River operations decision because of its potential impact on Bonneville Power Administration rates, and she shared that the Canby Utility and the City of Canby will host an American Water Works Association subsection meeting. Duncan concluded by thanking the Board for its support during the rate hearing.

Member Yarbrough asked about participation in the Share the Warmth program and whether additional feedback had been received following the recent joint meeting with the City Council. General Manager Duncan suggested a future agenda item to provide a detailed overview of the program and stated that no additional feedback had been received beyond noting that the meeting was productive, adding that a follow-up discussion regarding the Charter and Article 10 is still needed.

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

The meeting adjourned at 8:52 p.m.

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John Molamphy, Chair

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Ron Yarbrough, Member

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Ron LeBlanc, Member

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Jack Pendleton, Member

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Robert Westcott, Member

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Barbara Benson, Board Secretary



## MEMORANDUM

**To:** Chair John Molamphy, Members, Jack Pendleton, Bob Westcott, Ron LeBlanc, and Ron Yarbrough

**From:** Kari Duncan, General Manager

**Date:** March 4, 2026

**Subject:** City Charter Review – Chapter X Utilities

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### **Background:**

The City of Canby and the Canby Utility Board held a joint meeting on April 8, 2026, to discuss the Canby Water Supply Program (CWSP) and the City Charter. During the CWSP presentation it was noted that under the current City Charter, “the City Council shall have jurisdiction, control and management of the Water Department and all of its operations and facilities.” The Canby Utility Board (CUB) operates and manages the Water Department under an Intergovernmental Agreement (IGA) with the City. As such, Revenue Bonds for large capital projects have been historically authorized by the City, and it is believed that this will be necessary for any debt issued for the CWSP under the current City Charter.

The Interim City Administrator indicated that the City plans to bring Charter amendments to the November Election, with a filing deadline in August. CUB was asked to propose changes that would allow it to issue Bonds for the CWSP.

A proposed draft Charter revision is enclosed for the Board’s review and discussion. In this proposal, several key revisions include:

1. Exclusive jurisdiction, control and management of the Water department is returned to the CUB, similar to the Charter language prior to 1982, and similar to current Charter language pertaining to the Electric Utility.
2. Considers an additional term option for Board Members, from two successive terms to three.
3. Language related to authority to issue revenue bonds addresses both the water and electric utility.

This language is draft and is open for discussion by the Board. The goal is to develop a Board proposal for Chapter X Charter language that can be shared with the City.

Enclosure: Chapter X redline – proposed Charter language

## CHAPTER X

### UTILITIES

**Section 1. UTILITY DEPARTMENTS:** There is hereby created ~~a the utility Utility department Department~~ of ~~Water and electric-Electric service Services~~ of the City of Canby, ~~which~~ and a utility department of water service of the City of Canby. Each ~~department~~ shall be responsible for the development, production, purchase and distribution of all water ~~or and~~ electric revenue producing utility~~ies services~~ of the City. The water and electric departments shall be the sole responsibility of Canby Utility Department as set forth in Section 2.

**Section 2. WATER DEPARTMENT.** ~~The City Council shall have jurisdiction, control and management of the Water Department and all of its operations and facilities. The City Council shall have all the powers and duties necessary to construct, acquire, expand and operate the water system, and to do any and all acts or things that are necessary, convenient or desirable in order to operate, maintain, enlarge, extend, preserve and promote an orderly, economical and businesslike administration of the Water Department. The City Council may assign or delegate all or a portion of its powers and duties over the Water Department to the Canby Utility Board; provided, however, that the City Council shall retain ultimate jurisdiction, control and management of the Water Department and its operations and facilities.~~

CANBY UTILITY BOARD. There is hereby created the Canby Utility Board of the City (hereinafter referred to as the Board), which shall have exclusive jurisdiction, control and management of the Water and Electric Departments and all its operations and facilities. The Board shall have all the powers and duties possessed by the City to construct, acquire, expand and operate the water and electric systems, and to do any and all acts or things that are necessary, convenient or desirable in order to operate, maintain, enlarge, extend, preserve and promote an orderly, economical and businesslike administration of the electric-utility systems. The Board shall operate as a separate unit of City government; and except as provided in this Charter, both the Board and the Electric Department shall be free from the jurisdiction, direction and control of other City Officers and of the City Council. The Board may sue and be sued in its own name. All damage claims arising from the operation of the Board and the Water and Electric Departments shall be the responsibility of and be liquidated by the Board from the appropriated funds of the respective water and electric utility systems of the Department.

#### **Section 43. ORGANIZATION OF THE CANBY UTILITY BOARD.**

(a) **Number and Qualification of Board Members.** There shall be five (5) members of the Canby Utility Board appointed by the Mayor and confirmed by a majority of the Canby City Council. They shall hold office until their successors are appointed and qualified. They are subject to removal at any time by the Mayor and with the approval of a majority of the Council members with or without cause and with or without notice. At the first Council meeting after the first of the next month after this

Charter takes effect, two (2) Board members shall be appointed to serve terms of three years, two (2) Board members shall be appointed to serve terms of two years, and one (1) Board member shall be appointed to serve a term of one year. Their successors shall be appointed for terms of three years. No Board member may serve more than ~~two~~ three successive terms. No person shall be eligible for appointment as a Board member or entitled to hold such office unless at the time of appointment and continuing thereafter, such person is a qualified elector within the meaning of the State Constitution and has resided in the City of Canby during the six months immediately preceding appointment and continues to reside in the City for the term of the appointment. The City Council shall be the final judge of the qualifications and appointment of Board members, but no Councilmember or Mayor (during their term of office) shall be eligible to appointment as a member of that Board.

(b) **Vacancies.** Vacancies shall be filled for the unexpired term by the Council. No vacancy in the Board shall impair the right of remaining Board members to exercise all the powers of the Board to transact its business.

(c) **Compensation.** The compensation for the services of each Board member shall be whatever amount the Board fixes.

(d) **Organization of the Board.** Within ten (10) days after their appointment and at its first meeting in January each year thereafter, the Board members shall elect one of their number as Chair~~man~~. If the Chair~~man~~ is absent at any meeting, a pro-tem shall be appointed by the members present. The Chair~~man~~ shall preside over all meetings of the Board and in doing so, shall, so far as possible, follow Roberts Rules of Order. The Chair~~man~~ shall, with the approval of the Board, sign all Resolutions and Orders of the Board and all notes, contracts, deeds, mortgages, bonds, and other agreements of the Board. No action shall be taken by the Board except by the affirmative vote of the majority of the members.

(e) **Quorum.** Three (3) Board members shall constitute a quorum.

(f) **Secretary-Clerk.** The Board shall appoint and fix the comp~~en~~sation of a Secretary-Clerk who is not a member of the Board and who shall serve at the pleasure of the Board and is subject to removal at any time and for any reason. Before entering upon the duties of the office, the Secretary-Clerk shall post a bond in such amount and with such surety or sureties as the Board may approve and to assure the faithful performance of duties. The Secretary-Clerk shall attend all meetings of the Board unless excused therefrom by the Board, keep an accurate record of its proceedings in a book provided for that purpose, sign the approved minutes of its meetings and may, with approval of the Board, sign or cosign checks for disbursement of funds.

(g) **Meetings.** The Board shall hold a regular meeting at least once a month at a time and place to be fixed by the Board. Special meetings may be called by the Chair~~man~~ of the Board, or by two members of the Board. Notice of all meetings shall be given by the Secretary-Clerk in the manner and for the time required for public meetings by ORS 192.640. All regular or special meetings of the Board shall be open to the public.

**Section 54. ORGANIZATION OF THE ELECTRIC DEPARTMENT.**

(a) **Employees.** The Canby Utility Board shall have the authority to employ a General Manager and such supervisors, bookkeepers, attorneys, laborers, mechanics

and other employees, as may be determined, and fix compensation thereof, ~~and discharge the same at pleasure, and for any reason.~~

(b) **Compensation.** The Board shall have the authority to fix compensation of the ~~General Manager Clerk~~ and other employees, ~~consultants and agents~~ of the Board and change the same from time to time.

**Section 65. POWERS AND DUTIES OF THE CANBY UTILITY BOARD.**

(a) **Real Estate and Contracts.** The Board, in the efficient and economical operation of the ~~Water and~~ Electric Department, both inside and outside the City limits, may:

- (1) purchase and sell ~~water,~~ electric power and energy ~~and~~ services to public and private corporations and to other consumers;
- (2) construct ~~necessary~~ plants, transmission lines and other facilities;
- (3) purchase real estate and franchises in its name; and
- (4) enter into all contracts, leases and agreements in furtherance thereof.

(b) **Extension of Services.** The Board may adopt regulations governing extension of ~~water and electric~~ services of the ~~Electric~~ Department both inside and outside the City limits. The regulations shall provide the conditions under which the extensions shall be made to render them compensatory and shall provide that each extension project shall, when completed, become the property of the ~~Electric~~ Department whether on public or private property. The Board may provide for the form of refunds where advances by the persons benefited are necessary to make extensions compensatory.

(c) **Joint Operations with Others.** The Board may contract with any public or private corporation or any individual, both inside and outside the City limits:

- (1) for the joint use of poles and other property belonging either to the ~~Electric~~ Department or to the other contracting party or jointly to both parties;
- (2) for the joint acquisition of real property and franchises and the joint financing, construction and operation of plants, transmission lines and other facilities, whereby any property acquired may become the property of both the ~~Water and~~ Electric Departments and the other contracting party; and
- (3) for the purchase of energy.

(d) **Eminent Domain.** The Board may enter upon any land or water for the purpose of making surveys and may exercise the right of eminent domain on behalf of the City whenever public necessity or convenience requires.

(e) **Use of Thoroughfares for Utility Installations.** ~~Canby Utility~~ The Board may use the ground over, under or along any road, railroad, highway, street, sidewalk, thoroughfare ~~or~~ alley or other public place in the operation of the ~~Water and~~ Electric Departments, but shall in all cases ~~and be~~ subject to the applicable general regulation of the City, and cause the surface of the public way to be restored in its usual condition.

(f) **Rates.** The Board shall fix rates to be charged for water and electricity sold, and services rendered, by the Water and Electric Departments. Rates shall be fair, reasonable and compensatory and shall be uniform for all consumers within the same class, but different rate schedules may be applied to different classes of consumers as determined by the Board. Rates shall be sufficient to pay all operating and maintenance costs of ~~the Electric Department~~ each respective utility, ~~and~~ its operations, and all bond interest and bond redemption costs. The Board may require reasonable deposits for security for payment of charges for water and electric services and may provide for the return of deposits when satisfactory consumer credit has been established. Any proposed change in rates and the notice of a public hearing thereon shall be advertised once a week for two successive weeks in a newspaper having a general circulation in the City of Canby. Such notice shall state the proposed rate change, the reasons therefor and the time and place of the public hearing which shall be held within ten (10) days after the last publication of such notice. At the public hearing the Board shall discuss the matter and consider any objections or recommendations. The Board is not bound, however, by any public remonstrances or objections to its proposed rate change.

(g) **Authority for Expenditures.** No money shall be drawn from the funds of the Water and Electric Departments nor shall any obligation for the expenditure of money be incurred except as authorized by the Board. No claim against the Department shall be paid unless evidenced by a voucher approved by the General Manager or by some other employee designated by ~~him~~ them.

(h) **Bond Issues.** The Board may authorize the sale and issuance of revenue bonds necessary to finance the acquisition, construction, reconstruction, improvements and extensions of the utility system. The Board has the power to provide funding for the operation, maintenance or expansion of existing facilities. ~~-A vote of the registered voters will be required for any exploration, construction or development of energy sources over the amount of that department's gross revenues for the preceding fiscal year.~~

Commented [KD1]: Or change utility to "water and electric"

(i) **Short Term Loans.** The Board may borrow money for periods not to exceed five (5) years and may issue negotiable notes, payable from the revenues of the Electric Department or any individual utility's division thereof, as evidence of the loans. Total loans outstanding at any one time for the Electric Utility's Department shall not exceed fifty percent (50%) of that department's gross revenue for the preceding fiscal year.

(j) **No Power to Tax.** The Board shall have no power or authority to levy ad valorem taxes on any taxable property; however, the City Council may, when in its judgment it is deemed necessary or advisable, levy such taxes for the use and benefit of said Board or for the joint use and benefit of the City and said Board.

## Section 7. ANNUAL ACCOUNTING AND BUDGET.

The Canby Utility Board shall prepare a budget for each fiscal year and file a copy of such budget with the City Council prior to July 1. The Board shall make an annual accounting to show the financial condition of the ~~Electric~~ Department prepared according to generally accepted public utility accounting principles, and file a copy of the same with the City Council each year.

**Section 8. GENERAL PROVISIONS.**

(a) **Disposition of ~~Public Water and Electric~~ Utilities.**

The Canby Utility Board shall have no authority to cease to operate or to sell, lease or abandon, or in any other way dispose of the ~~water or~~ electric utility system and department controlled by it, without the prior express written approval of the City Council and the approving vote of a majority of the votes cast by the registered voters of the City at a general or special election called by the Council and held for that purpose.

(b) **Existing Obligation.** Contracts, obligations, and bond issues relating to the ~~water and~~ electric utility system of the City legally incurred, approved or authorized prior to the taking effect of this Charter provision shall not be impaired and shall be binding upon the Board ~~insofar as they apply to the Electric Utility Department.~~



## MEMORANDUM

**To:** Chair John Molamphy, Members, Jack Pendleton, Bob Westcott, Ron LeBlanc and Ron Yarbrough

**From:** Kari Duncan

**Date:** May 6, 2026

**Subject:** BPA Provider of Choice 2028 Agreement Exhibits B and C

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### Background:

The Canby Utility Board reviewed and approved the Bonneville Power Administration Provider of Choice 2028 Power Supply Agreement at the September 2025 Board meeting. This established the secure reservation of power from BPA for the next contract period of 2028-2048. However, key to the 2028 agreement are Exhibits to the contract that define specific power purchase options. Decision deadlines for Exhibits B and C of the agreement occur in the Summer of 2026, and are integral to the contract decision matrix.

Exhibit B outlines the Contract High Water Mark (CHWM) and is a calculated value that BPA has provided based on a series of public hearings that CU has been party to. The CHWM for Canby Utility has been calculated to be 21.474 aMW (average megawatts) and this is the value that will be provided in contract Exhibit B.

Exhibit C includes several options, that cover ways in which CU may choose to supply power for needs above the 21.474 aMW CHWM. Option A, "All Tier 2 Long Term Rate Option" is the most straightforward means of purchasing above HWM power for the utility. However, if CU determines that it would like to enter into power generation of some manner, or purchase power from a different source, the other options in Exhibit C provide means to do this.

The May Board meeting will be used to introduce the topic of Exhibits B and C, and to discuss questions related to these options. No decision needs to be made at the May meeting. Staff will bring board questions and considerations back for review and will provide additional information based on the discussion to the June Board meeting for a final decision related to the exhibits. The Exhibits B and C should be completed and submitted to BPA by July 31, 2026.

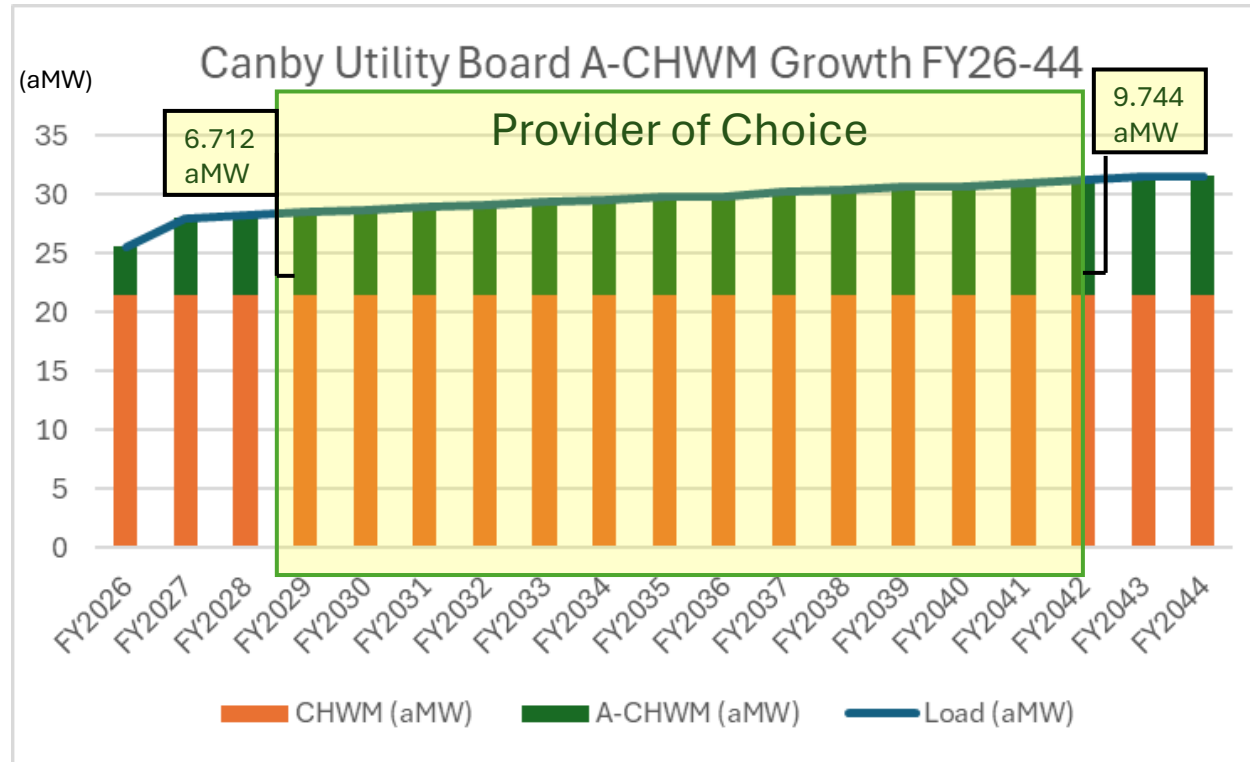
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Contract HWM and above CWHM trend

Exhibit B

Exhibit C

## Canby Utility Board's Forecasted A-CHWM Growth



**Note:** Results are estimates and actual Above HWM amounts to be determined in future rate cases.

“Above-Contract High Water Mark Load” (A-CHWM) means the forecasted portion of a customer’s Preliminary Net Requirement that is in excess of the customer’s CHWM” – POC Contract 2.3

Canby Utility Board’s A-CHWM load is forecasted to grow by ~3.032 aMW from FY28 – FY42.

Canby can elect to serve A-CHWM load with a Tier 2 product from BPA, Dedicated Resources, or Market Purchases.

**Exhibit B**  
**CONTRACT HIGH WATER MARKS**

**1. CONTRACT HIGH WATER MARK (CHWM)**

**1.1 CHWM Amount**

By September 30, 2026, BPA shall fill in the table below with Canby's CHWM. Once established, BPA may only adjust Canby's CHWM as permitted pursuant to section 1.2 of this exhibit.

<b>CHWM (annual aMW) <sup>1/</sup>:</b>	
<u>Note:</u> BPA shall round the number in the table above to three decimal places.	
<sup>1/</sup> CHWM amount effective October 1, 2028.	

**1.2 CHWM Adjustments**

BPA shall determine any adjustments to Canby's CHWM pursuant to this section 1.2. BPA shall notify Canby of any adjustments and the date such adjustment will be effective.

**1.2.1 Corrections for NLSLs**

If after BPA establishes Canby's CHWM pursuant to section 7 of the body of this Agreement, BPA determines that a load included in Canby's Total Retail Load in the CHWM calculation was an NLSL or became an NLSL in FY 2023, then BPA shall adjust Canby's CHWM by removing the FY 2023 load associated with the NLSL from Canby's weather normalized Total Retail Load. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Canby written notice of the CHWM adjustment and its effective date, and will provide Canby with a revised Exhibit B. In the event of an adjustment, and subject to any applicable statute of limitations, Canby shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

**1.2.2 Annexed Load**

If Canby annexes load from a utility that has a CHWM Contract, then BPA shall increase Canby's CHWM in an amount determined as follows:

- (1) If Canby and the other utility involved in the annexation agree on the amount of the CHWM transfer to Canby, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Canby and the other utility cannot agree on the amount of the CHWM transfer to Canby, or if BPA determines the amount agreed to in section 1.2.2(1) of this exhibit is unreasonable, then BPA shall calculate the amount of Canby's

CHWM transfer using the following formula; provided however that BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information provided by Canby and the other utility:

$$\left[ \frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Other utility's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[ \text{Other utility's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Canby and the other utility after the transfer exceed the total CHWM amount of Canby and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that Canby begins service to the Annexed Load.

**1.2.3 Ceded Load**

If another utility with a CHWM Contract annexes load of Canby, then BPA shall reduce Canby's CHWM in an amount determined as follows:

- (1) If Canby and the other utility involved in the annexation agree on the amount of the CHWM transfer to the other utility, then BPA shall adopt that amount if BPA determines such amount is reasonable.
- (2) If Canby and the other utility cannot agree on the amount of the CHWM transfer to the other utility, or if BPA determines the amount agreed to in section 1.2.3(1) of this exhibit is unreasonable, then BPA will calculate the amount of Canby CHWM transfer using the following formula; provided however, BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information advanced by Canby and the other utility:

$$\left[ \frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Canby's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[ \text{Canby's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Canby and the other utility after the transfer exceed the total CHWM amount of Canby and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that the annexing utility begins service to the Annexed Load.

**1.2.4 Court Order on Annexation**

BPA shall adjust Canby’s CHWM due to annexation if BPA’s Administrator determines that a court order requires BPA to do so. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Canby written notice of the CHWM adjustment and revised Exhibit B as soon as reasonably practical.

**1.2.5 Small Utility Adjustment**

BPA shall determine in its sole discretion whether Canby qualifies for the Small Utility Adjustment. If Canby is eligible for the Small Utility Adjustment, then BPA shall also determine Canby’s Maximum Potential CHWM for purposes of this section 1.2.5. For purposes of this section 1.2.5, “Maximum Potential CHWM” means the lesser of: (1) double Canby’s CHWM as calculated in the FY 2026 CHWM Calculation Process, or (2) 5 aMW. By September 30, 2026, BPA shall fill in the table below indicating such eligibility and Canby’s Maximum Potential CHWM.

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Canby is eligible for the Small Utility Adjustment as indicated above, then during each Above-CHWM Load Process BPA shall determine whether an adjustment is needed and calculate such adjustment as provided below. Any such adjustment would be added to Canby’s CHWM.

- (1) BPA will determine whether Canby’s Preliminary Net Requirement exceeds its CHWM.
- (2) If Canby’s Preliminary Net Requirement is less than its CHWM, then BPA shall make no adjustment to Canby’s CHWM.
- (3) If Canby’s Preliminary Net Requirement exceeds its CHWM, then BPA shall calculate a CHWM adjustment in an amount equal to the difference between Canby’s Preliminary Net Requirement and its CHWM not to exceed Canby’s Maximum Potential CHWM stated above.
- (4) If a proposed CHWM adjustment under section 1.2.5(3) above would exceed Canby’s Maximum Potential CHWM, then BPA

shall reduce such adjustment to an amount resulting in a CHWM that equals Canby's Maximum Potential CHWM.

- (5) If Canby's CHWM has been adjusted pursuant to section 1.2.5(4) above, then BPA shall make no additional change to Canby's CHWM except as otherwise provided for in this Exhibit B.

For any Rate Period that BPA adjusts Canby's CHWM pursuant to this section 1.2.5, BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM to be effective at the start of the next Rate Period. BPA shall provide Canby written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Canby's CHWM shall be the Maximum Potential CHWM as stated above.

**2. REVISIONS**

BPA shall unilaterally revise this exhibit pursuant to section 1 of this exhibit. All other changes to this Exhibit B will be made by mutual agreement of the Parties.

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**Exhibit C  
PURCHASE OBLIGATIONS**

**1. FIRM REQUIREMENTS POWER AT TIER 1 RATES**

The portion of Canby’s purchase obligation that is priced at Tier 1 Rates is established in section 8.1(1) of the body of this Agreement.

**2. FIRM REQUIREMENTS POWER AT TIER 2 RATES**

**2.1 One-Time Above-CHWM Load Service Elections**

Pursuant to section 9.2 of the body of the Agreement, Canby shall elect one of the following four options below to serve its Above-CHWM Load which shall apply for the term of the Agreement except when Canby elects to change its Tier 2 Long-Term Rate purchase election amount pursuant to the terms and conditions of sections 2.3.2 and 2.3.3 of this exhibit.

BPA shall revise this exhibit by March 31, 2027, to indicate Canby’s initial election and purchase obligation by adding an “X” to the box next to the applicable option below.

- Initial Election  (1) **Option A. All Tier 2 Long-Term Rate option**  
Canby shall purchase and BPA shall serve all of Canby’s Above-CHWM Load with Firm Requirements Power priced at the Tier 2 Long-Term Rate.
- Initial Election  (2) **Option B. Fixed Tier 2 Long-Term Rate option then flexible option**  
Canby shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Canby’s Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate. Any remaining Above-CHWM Load will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election as stated in section 9.3 of the body of this Agreement, Canby shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load BPA will serve up to with Firm Requirements Power sold at a Tier 2 Long-Term Rate. BPA shall update the following table to state such amount.

<b>Fixed aMW Amounts - Tier 2 Long-Term Election</b>								
<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
<b>Annual aMW</b>								
<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>
<b>Annual aMW</b>								
<b>Note:</b> The amount in the table should be rounded to three decimal places.								

Initial Election  (3) **Option C. Fixed flexible option then Tier 2 Long-Term Rate option**

Canby shall elect up to a fixed Average Megawatt amount of Above-CHWM Load that will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election, Canby shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load that will be served up to under the flexible option for the duration of the contract. BPA shall update the following table to state such amounts.

Canby shall purchase and BPA shall serve any remaining Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate.

Fixed aMW Amounts - Flexible Election								
Fiscal Year	2029	2030	2031	2032	2033	2034	2035	2036
Annual aMW								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
Annual aMW								

Note: the amount in the table should be rounded to three decimal places.

Initial Election  (4) **Option D. All flexible option**

Canby's Above-CHWM Load shall be served with (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

If Canby fails to notify BPA of its Above-CHWM Load service election pursuant to section 9.2 of the body of this Agreement, then Canby shall be deemed to have elected option D under section 2.1 of this exhibit and Canby shall serve all of its Above-CHWM Load amounts with the options stated in section 2.1(4) above.

Canby's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Canby shall purchase consistent with sections 3.1 and 3.2 of the body of this Agreement shall be stated in the table below in section 2.9.

**2.2 Rounding Option**

If Canby elects option B, C, or D under section 2.1 above, then by July 31, 2027, Canby may elect to have BPA serve up to 0.999 aMW of its Above-CHWM Load through the Tier 1 Rate design, pursuant to the PRDM, for the

term of the Agreement. No later than March 31, 2028, BPA shall indicate Canby's election for all Rate Periods through the term of the Agreement in the table below.

By July 31 of each Forecast Year, Canby may notify BPA if it wants to change its rounding option election, and BPA shall update the table below to reflect such change by March 31 following Canby's notification.

<b>Rate Period</b>	<b>Rounding Option Elected</b>
BP-29	
BP-31	
BP-33	
BP-35	
BP-37	
BP-39	
BP-41	
BP-43	
<b>Note:</b> Add X if customer elects rounding option.	

## 2.3 Tier 2 Long-Term Rate

### 2.3.1 Election Opportunity and Tier 2 Long-Term Rate Purchase Obligation Amount

Canby may elect to purchase Firm Requirements Power at the Tier 2 Long-Term Rate to serve its Above-CHWM Load by selecting options A, B or C under section 2.1 of this exhibit. If Canby elects option A, B or C, then BPA shall update the table below by March 31 of each Rate Case Year to state the amount of Firm Requirements Power Canby is obligated to purchase at the Tier 2 Long-Term Rate for the upcoming Rate Period as follows.

If Canby elects option A under section 2.1, then the amount of Firm Requirements Power Canby is obligated to purchase at the Tier 2 Long-Term Rate shall equal Canby's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, as stated in the table in this section 2.3.1.

If Canby elects option B under section 2.1, then the amount of Firm Requirements Power Canby is obligated to purchase at the Tier 2 Long-Term Rate shall be the lesser of Canby's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, or the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Canby elects option C under section 2.1, then the amount of Firm Requirements Power Canby is obligated to purchase at the Tier 2 Long-Term Rate shall equal the amount of Canby’s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, that exceeds the fixed Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

<b>Tier 2 Long-Term Rate Purchase Obligation Amount</b>								
<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
<b>Annual aMW</b>								
<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>
<b>Annual aMW</b>								
<u>Note:</u> Fill in the table above with the annual Average Megawatts, rounded to three decimal places.								

**2.3.2 Right to Reduce Tier 2 Long-Term Rate Election Amount Without a Fee**

Canby shall have a one-time right to request to reduce its Tier 2 Long-Term Rate election amount under options A, B, or C, without any charges or fees, if: (1) Canby submits a written request to BPA prior to August 1, 2027, and (2) BPA has not acquired power for the purposes of serving Canby’s Tier 2 Long-Term Rate purchase obligation.

BPA, in its sole discretion, shall determine whether Canby’s request to reduce its Tier 2 Long-Term Rate election amount meets the notice requirements. BPA shall notify Canby if the request does not meet the notice requirements.

If BPA determines that Canby’s request meets the notice requirements, then BPA shall reduce Canby’s Tier 2 Long-Term Rate election amount. By March 31, 2028, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit with Canby’s updated Tier 2 Long-Term Rate election amount, and (2) update Canby’s election in section 2.1 if applicable.

**2.3.3 Right to Reduce Tier 2 Long-Term Election Amount with a Fee**

**2.3.3.1 Changes to Tier 2 Long-Term Elections**

Regardless of any reduction made pursuant to section 2.3.2 above, over the remaining term of the Agreement Canby shall have a one-time right to reduce its Tier 2 Long-Term Rate election amount under section 2.1 above, including reducing such amount to zero.

**2.3.3.2 Notification and Service Options**

Canby shall notify BPA in writing of its one-time election to reduce the amount of power Canby is obligated to purchase

under section 2.3.3.1 above no less than three years prior to the start of the Rate Period that its election would be effective.

Canby's election under section 2.3.3.1 above shall be binding for the remaining term of the Agreement.

If Canby elects to reduce its Tier 2 Long-Term Rate election amount pursuant to section 2.3.3.1 above, then Canby shall serve the amount of the reduction with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

Canby shall notify BPA of its intent to serve its Above-CHWM Load with one of the four options listed in section 2.3.3.2 consistent with the terms and conditions stated in section 2 of Exhibit C.

#### **2.3.3.3 Exhibit Updates**

By March 31 following Canby's election notice under section 2.3.3.2 above, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit, with Canby's updated Tier 2 Long-Term Rate election amount, and (2) update Canby's election in section 2.1 of this exhibit. BPA will update Exhibit A with any changes to Canby's Dedicated Resource amounts.

#### **2.3.3.4 Charges to Change Tier 2 Long-Term Election Amount**

Canby shall pay any charges that apply as a result of Canby exercising the one time right to change its Tier 2 Long-Term Rate election amount under this section 2.3.3. BPA shall calculate such charges pursuant to the PRDM and the applicable Power Rate Schedules and GRSPs. BPA shall not make payment to Canby as a result of BPA reducing the fixed up to Average Megawatt amounts of Firm Requirements Power that Canby is obligated to purchase at Tier 2 Long-Term Rates.

### **2.4 Tier 2 Short-Term Rate**

Subject to the limitations in section 2.4.1 below, Canby may elect to purchase Firm Requirements Power at Tier 2 Short-Term Rates by electing option B, C or D under section 2.1 above.

If Canby elects options B, C or D, then by July 31, 2027, and by July 31 of each Forecast Year, Canby shall notify BPA of the amount of its Above-CHWM Load it requests for BPA to serve, if any, at the Tier 2 Short-Term Rate for the following Rate Period. Subject to the limitations in section 2.4.2 below, BPA shall update the table below by March 31 of each Rate Case Year to state the amount of power Canby is obligated to purchase at the Tier 2 Short-Term Rate as follows.

If Canby elects option B under section 2.1, then the amount of Firm Requirements Power Canby may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Canby’s Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Canby elects option C under section 2.1, then the amount of Firm Requirements Power Canby may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Canby’s Above-CHWM Load amount calculated for each Fiscal Year of the applicable Rate Period or the fixed up to Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

If Canby elects option D under section 2.1, then the amount of Firm Requirements Power Canby may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Canby’s Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period.

<b>Tier 2 Short-Term Rate Purchase Obligation Amounts</b>								
<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
<b>Annual aMW</b>								
<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>
<b>Annual aMW</b>								
<u>Note:</u> Fill in the table above with annual Average Megawatts, rounded to three decimal places.								

**2.4.1 Limitations on Tier 2 Short-Term Rate Amounts**

BPA shall attempt to acquire power to serve Canby’s total amount of load requested to be served with Firm Requirements Power at the Tier 2 Short-Term Rate. If BPA is unable to acquire power, at any price, and cannot meet all customers’ requests to purchase power at the Tier 2 Short-Term Rate, then each applicable Rate Period BPA:

- (1) shall notify Canby of the unavailability of power at the Tier 2 Short-Term Rate and
- (2) may limit the amount of Firm Requirements Power at the Tier 2 Short-Term Rate that Canby can purchase. If BPA receives multiple requests to provide Firm Requirements Power at the Tier 2 Short-Term Rate for the same Rate Period, and if BPA is only able to acquire power to serve a portion of the total requests for power priced at the Tier 2 Short-Term Rate, then BPA shall proportionally reduce all requests for the Rate Period on a pro rata basis.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall notify customers of the unavailability or pro-rata reduction of power available at the Tier 2 Short-Term Rate.

#### **2.4.2 Determining Pro-Rata Shares of Amounts at Tier 2 Short-Term Rate**

If necessary pursuant to section 2.4.1 above, BPA shall determine Canby's pro-rata amount of power available for purchase at a Tier 2 Short-Term Rate for the applicable Rate Period based on (1) the actual amounts BPA is able to acquire to meet all customers' aggregate requests for service at a Tier 2 Short-Term Rate and (2) the total amount of Firm Requirements Power requested at the Tier 2 Short-Term Rate in section 2.4 each Rate Period. BPA will adjust individual amounts of Firm Requirements Power at the Tier 2 Short-Term Rate downward by the ratio between sections 2.4.2.(1) and 2.4.2.(2) above to calculate the amounts of the proportional share adjustment.

In the event BPA adjusts amounts at the Tier 2 Short-Term Rate downward, Canby shall apply Dedicated Resources to serve the portion of its election at the Short-Term Tier 2 Rate that BPA is unable to supply. BPA will update amounts in Exhibit A in accordance with section 2.6 below.

#### **2.4.3 Failure to Make an Election**

If Canby fails to make an election and does not notify BPA of its Tier 2 Short-Term Rate election amounts pursuant to section 2.4 above, then BPA shall enter "zero" for the applicable Fiscal Years of the Rate Period. Canby shall serve its remaining Above-CHWM Load amounts with Dedicated Resources to meet its Above-CHWM Load and any amounts will be updated in Exhibit A in accordance with section 2.6 below.

#### **2.4.4 Liability**

In no event shall BPA make payment to Canby as a result of Canby electing to reduce the amounts of Firm Requirements Power that Canby is obligated to purchase at Tier 2 Short-Term Rates. In no event shall BPA make payment to Canby if it is unable to secure power to meet requests for purchases at the Tier 2 Short-Term Rate.

### **2.5 Tier 2 Vintage Rate Alternative**

If Canby elects option B, C, or D under section 2.1 above, then Canby is eligible to purchase Firm Requirement Power at a Tier 2 Vintage Rate, if offered by BPA, as described in this section 2.5. For purposes of this section 2.5, "Vintage Resource" means the output of a physical resource that BPA determines, in its sole discretion, to acquire for a period of greater than three years and that forms the cost basis for pricing Firm Requirements Power subject to an established Tier 2 Vintage Rate. BPA may offer to sell Firm Requirements Power at a Tier 2 Vintage Rate whenever it acquires a Vintage Resource.

BPA shall notify customers with a CHWM Contract at least 60 calendar days prior to making a Request For Offer (RFO) for a Vintage Resource. Within 30 calendar days of such notice, Canby shall notify BPA of the amount of

Firm Requirements Power it will purchase from BPA at a Tier 2 Vintage Rate associated with the Vintage Resource.

Following the close of the RFO, BPA shall determine, in its sole discretion, whether to proceed with acquiring the Vintage Resource. If BPA decides to proceed with acquiring the Vintage Resource, then BPA will notify Canby of the available quantity, if any, of Firm Requirement Power that customer is eligible to purchase at the Tier 2 Vintage Rate, and the estimated Tier 2 Vintage Rate. Canby shall execute a Statement of Intent, as stated in section 2.5.1 below, to purchase identified amounts of Firm Requirements Power at the applicable Tier 2 Vintage Rate. The Statement of Intent will include the process and timing to elect the Vintage Alternative and execute a Statement of Intent.

#### **2.5.1 Statement of Intent**

If Canby elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Canby shall sign a Statement of Intent provided by BPA which will state the amount of power Canby commits to purchase at a Tier 2 Vintage Rate. The Statement of Intent will be binding unless BPA does not complete the acquisition of the Vintage Resource consistent with section 2.5.3 below.

#### **2.5.2 Tier 2 Vintage Rate**

BPA shall determine the applicable Tier 2 Vintage Rate in accordance with the PRDM and applicable Power Rate Schedules and GRSPs. BPA will restate in the Statement of Intent the applicable Tier 2 Vintage Rate for the Vintage Resource.

#### **2.5.3 BPA Acquisition of Vintage Resource**

If BPA acquires the Vintage Resource, then BPA shall notify Canby that the acquisition is complete and update the table in section 2.5.8 below with the amount of Firm Requirements Power sold at a Tier 2 Vintage Rate and the contract number for the Statement of Intent. If BPA does not complete the acquisition of the Vintage Resource, then BPA shall notify Canby, and the Statement of Intent will become null and void. If BPA does not complete the acquisition, then Canby's current elections for service to its Above-CHWM Load above shall continue to apply.

#### **2.5.4 Additional Provisions Applicable to the Statement of Intent**

##### **2.5.4.1 Additional Terms and Conditions in Statement of Intent**

In addition to paying the Tier 2 Vintage Rate, Canby will also be subject to such additional terms and conditions associated with its selection of the Tier 2 Vintage Rate as described in the Statement of Intent. Such additional terms may include, but are not limited to, liquidated damages, if applicable, associated with the purchase of the Vintage Resource.

**2.5.4.2 Duration of Statement of Intent**

The Tier 2 Vintage Resource amounts applied to serve Canby's Above-CHWM Load under this Agreement will not apply beyond the expiration of this Agreement, except as stated in the Statement of Intent.

**2.5.4.3 Maximum Amount of Firm Requirements Power at Tier 2 Vintage Rate**

The maximum amount of Firm Requirements Power Canby is eligible to purchase at a Tier 2 Vintage Rate will be equal to the annual maximum forecast of Canby's flexible Above-CHWM Load amounts of Canby's election under section 2.1, minus any Dedicated Resources serving Canby's Above-CHWM Load. BPA will develop the annual maximum forecast of Canby's flexible Above-CHWM Load amounts at the time BPA issues the RFO for the Vintage Resource. Such forecast shall apply for the term of BPA's acquisition of the Vintage Resource or the term of this Agreement, whichever terminates first.

**2.5.4.4 Commencement of the Vintage Resource**

Canby's Statement of Intent shall include procedures for how BPA will address the availability and timing of a Vintage Resource, if the timing of such Vintage Resource is not concurrent with the timing of any elections made by Canby in sections 2.1 and 2.4 of this exhibit.

**2.5.5 Multiple Requests for Vintage Resource**

Canby's Statement of Intent shall include procedures for how BPA will address multiple requests for Firm Requirements Power sold by BPA at a Tier 2 Vintage Rate if the aggregate amount of customer requests exceeds the amount of the Vintage Resource.

**2.5.6 Tier 2 Vintage Amounts in Excess of Above-CHWM Load**

If Canby purchases an amount of power from BPA at a Tier 2 Vintage Rate that exceeds its current Above-CHWM Load, then BPA, in its sole discretion, may either:

- (1) determine any amount of power that exceeds Canby's Above-CHWM Load as surplus power and provide such to Canby at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Canby; or
- (2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Canby's Above-CHWM Load until Canby's Above-CHWM Load can accommodate the contracted amount of power purchased at the Tier 2 Vintage Rate.

**2.5.7 Treatment of Tier 2 Vintage Rate and Tier 2 Short-Term Rate Purchase Obligations**

In addition to the right to purchase power at a Tier 2 Vintage Rate established in this section 2.5, Canby may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Canby is purchasing power at Tier 2 Short-Term Rates, if BPA determines, in its sole discretion, to offer Canby a Statement of Intent that would provide Canby the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

Any election by Canby to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Canby of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

Any amounts of power that Canby is obligated to purchase at a Tier 2 Vintage Rate or Tier 2 Short-Term Rate that exceeds its Above-CHWM Load will be treated pursuant to section 2.5.6 above.

**2.5.8 Tier 2 Vintage Rate Elections, Amounts and Exhibit Updates**

If applicable, BPA shall update the table below within 90 calendar days of signing the Statement of Intent, with Canby’s Tier 2 Vintage Rate purchase obligation amounts.

<b>Canby’s Annual Amounts at Tier 2 Vintage Rate. Statement of Intent Contract No. «##PS #####»</b>								
<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
<b>Annual aMW</b>								
<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>
<b>Annual aMW</b>								
<u>Note:</u> Fill in the table above with annual Average Megawatts, rounded to three decimal places. Leave FY blank when not purchasing at a Tier 2 Vintage Rate. Include SOI number(s) in table title.								

By September 15 of each Fiscal Year or immediately following the establishment of a Tier 2 Vintage Rate for which Canby signed a Statement of Intent, BPA shall update the table in section 2.8.2 with Canby’s Tier 2 Vintage Rate purchase obligation amounts.

**2.6 Obligation to Apply Dedicated Resources**

Canby shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Canby’s purchase obligations at Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Canby’s Dedicated Resources to section 2 and section 3 of Exhibit A.

**2.7 Above-CHWM Load Liability**

If Canby annexes load from another customer with a CHWM Contract that had Above-CHWM Load served with Firm Requirements Power purchased at a Tier 2 Long-Term Rates, Tier 2 Short-Term Rate or a Tier 2 Vintage Rate, then Canby shall pay any costs that BPA determines apply as a result of such

annexation. BPA shall determine such costs, if any, during the 7(i) Process that follows Canby’s notice of annexation. BPA shall include such cost identified through the 7(i) Process on Canby’s bill. In no event shall BPA make payment to Canby as a result of Canby reducing its amounts of Firm Requirements Power.

**2.8 This section intentionally left blank.**

**2.9 Amounts of Power to be Billed at Tier 2 Rates**

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall update the table in section 2.9 of this exhibit, consistent with Canby’s elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Canby shall purchase at the Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate, if applicable, and (2) any remarketed Tier 2 Rate purchase amounts in accordance with section 10 of the body of this Agreement.

By March 31, 2028, and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with such amounts for each year of the upcoming Rate Period consistent with sections 2.3, 2.4 and 2.5 of this exhibit. The difference between Above-CHWM Load and Tier 2 Rate amounts will be served pursuant to section 2.6 of this exhibit.

<b>Annual Amounts Priced at Tier 2 Rates (aMW)</b>								
<b>Fiscal Year</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
<b>No Tier 2 at this time</b>								
<b>Remarketed or Surplus Power Vintage Rate Amounts</b>								
<b>Firm Requirements Power at Tier 2 Rates</b>								

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	2037	2038	2039	2040	2041	2042	2043	2044
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								
<p><u>Notes:</u></p> <p>1. List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace <b>No Tier 2 at this time</b> with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the <b>Remarketed Amounts</b> row. If Canby elects not to purchase at Tier 2 rates, then leave <b>No Tier 2 at this time</b> in the table and leave the remainder of the table blank.</p> <p>2. Fill in the table above with annual Average Megawatts rounded to three decimal places.</p> <p>3. Fill in Firm Requirements Power at Tier 2 Rates as the sum of all Tier 2 Rate amounts less any Remarketed or Surplus Tier 2 Vintage Rate amounts.</p>								

**3. REVISIONS**

BPA shall unilaterally revise this exhibit to reflect: (1) Canby’s elections regarding service to its Above-CHWM Load, and (2) BPA’s determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit C will be made by mutual agreement of the Parties.

(PSW:\CONTRACTS\POC\Canby 25008\Exh C\CA\_25008\_ExhC Rev0\_Final.docx) 09/23/25



## MEMORANDUM

April 28, 2026

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

FROM: Barbara Benson, Human Resources/Administration Manager

SUBJECT: Revisions to the Management Vacation Schedule Procedure

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**Suggested Motion:** Move to revise Procedure 413, updating Canby Utility's Vacation Schedules for management and non-represented employees.

**Background:** In December 2020, the Board of Directors adopted revisions to the management vacation schedules established in 1988 and updated in 2012. Last year, we added an Administrative Assistant – Confidential position to the organization that is non-exempt and non-represented. This is the only position at Canby Utility with this classification.

The primary reason for recommending an update to the management vacation schedule is to incorporate the Administrative Assistant – Confidential into the procedure. This position is not part of a bargaining unit and is also not classified as exempt; therefore, the only current guidance applicable to this role is the Personnel Handbook.

The current Personnel Handbook includes language on borrowing vacation that is no longer in practice for management or represented employees; however, it remains in place for those not covered by either. The language had created challenges in tracking the amount of vacation time an employee has borrowed because the payroll system did not recognize that the employee had any vacation time available.

*“On the employee’s one (1) year anniversary date, eighty (80) hours of vacation will be credited to the employee. Each month thereafter, the employee will be credited with 1/12 of the total annual vacation hours according to the accrual rate for their length of service. **New employees may borrow one-half of their annual vacation allowance (40 hours), but it shall not be taken during the first six (6) months of the probationary period.**”*

The Personnel Handbook is anticipated to be updated later this year. In the meantime, to ensure consistency and equity, this revision places the position within the management vacation schedule so that the employee receives the same vacation benefit as other employees upon completion of probation. This approach provides a practical and consistent solution until broader handbook updates are implemented.

The other proposed revisions clarify that the additional four days of vacation in lieu of compensatory time apply only to exempt employees, allow two additional weeks to use earned compensatory time, add flexible-schedule language consistent with exempt and represented-employee practices, and address other minor housekeeping items.

I will be available to answer any questions the board may have.

# CANBY UTILITY

PROCEDURE 413

APRIL 2026

## Vacation Schedule – Management and Non-Represented Employees

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The vacation schedule below shall apply to the following positions that are classified as management and full-time non-represented employees:

### Applicable Positions

Finance Manager	Customer Service Supervisor
HR/Administration Manager/Board Secretary	Operations Manager
Administrative Assistant – Confidential	Operations Field Supervisor

(Note: Position titles may change from time to time; however, the positions must remain full-time exempt or non-exempt and non-represented for the procedure to be applicable.)

### Vacation Schedule

Employees, continuously employed, shall be entitled to vacation in accordance with the following schedule, effective on the employee's service anniversary date:

<u>Months of Service:</u>	<u>Monthly Vacation Accrual:</u>
Upon the month following completion of probation	40.00 Hours (Lump Sum)
Completed probation to 48 mos.	6.67 Hours (2 Weeks/Yr)
49 Months On	10.00 Hours (3 Weeks/Yr)
109 Months on	13.33 Hours (4 Weeks/Yr)
169 Months on	16.67 Hours (5 Weeks/Yr)
229 Months on	20.00 Hours (6 Weeks/Yr)

Employees may carry over a total of 400 hours per anniversary year. Leave accruals above this amount are forfeited except in the following circumstances:

An employee may convert one-half of their accrued vacation at the time of their anniversary date to the individual employee's deferred compensation plan as provided

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by Canby Utility, subject to plan limitations, and will be required to fill out applicable paperwork as required by state law.

In addition to the above vacation accruals, management (exempt) positions are allocated four (4) additional days per year in lieu of compensatory time, credited upon the employee's service anniversary date.

**Compensatory Time**

An exception to compensatory time applies when an exempt employee is required to work eight (8) or more hours on a non-regular working day (e.g., a weekend or recognized holiday). Under these circumstances, the employee is eligible to take one day of compensatory time. Such time must be utilized within one (1) month of accrual and shall not be carried forward or accumulated.

Employees covered under this procedure may be permitted to flex their schedule at the discretion of the General Manager. This flexibility is intended to support operational needs while allowing for reasonable scheduling adjustments.

This procedure was revised by the Board of Directors on \_\_\_ day of \_\_\_\_\_, 2026.

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Barbara Benson, Board Secretary

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Date

# CANBY UTILITY

PROCEDURE 413  
~~2020~~APRIL 2026

DECEMBER

## Vacation Schedule – Management and Non-Represented Employees~~Management Vacation Schedule~~

The vacation schedule below shall apply to the following positions that are classified as ~~\_exempt,~~ management and full-time non-represented management level employees:

### Applicable Positions

Finance Manager	<del>Purchasing</del> <del>Agent</del> <u>Customer</u>
<u>Service Supervisor</u>	
HR/Administration Manager/Board Secretary	<del>Customer</del> <del>Service</del>
<del>Supervisor</del> <u>Operations Manager</u>	
<u>Administrative Assistant – Confidential</u>	<u>Operations Field Supervisor</u>
<del>Operations Manager</del>	<del>Operations Field Supervisor</del>

(Note: Position titles may change from time to time; however, they the positions must remain full-time exempt or non-exempt and non-represented for the procedure to be applicable.)

### Vacation Schedule

Employees, continuously employed, shall be entitled to vacation in accordance with the following schedule, effective on the employee's service anniversary date:

<u>Months of Service:</u>	<u>Monthly Vacation Accrual:</u>
Upon the month following completion of probation	40.00 Hours (Lump Sum)
Completed probation to 48 mos.	6.67 Hours (2 Weeks/Yr)
49 Months On	10.00 Hours (3 Weeks/Yr)
109 Months on	13.33 Hours (4 Weeks/Yr)
169 Months on	16.67 Hours (5 Weeks/Yr)
229 Months on	20.00 Hours (6 Weeks/Yr)

~~The General Manager~~Employees may ~~approve carrying~~carry over ~~a maximum of 400 hours total~~a total of 400 hours per anniversary year. Leave accruals above this amount are forfeited except in the following circumstances:

An employee may convert one-half of their accrued vacation at the time of their anniversary date to the individual employee's deferred compensation plan as provided by Canby Utility, subject to plan limitations, and will be required to fill out applicable paperwork as required by state law.

In addition to the above vacation accruals, management (these exempt) positions are allocated four (4) additional days per year in lieu of compensatory time, credited upon the employee's service anniversary date.

### **Compensatory Time**

~~An exception for compensatory time is when a management team member is required to work a complete day of 8 hours~~to compensatory time applies when an exempt employee is required to work eight (8) or more hours on a non-regular working day (e.g., a weekend or recognized holiday). Under these circumstances, on a weekend or holiday. In this case, the employee may is eligible to take a one day of compensatory time. ~~This~~Such ~~compensatory time should~~must be used~~utilized~~ within ~~two weeks~~one (1) month of accrual and ~~cannot~~shall not be carried forward or ~~be~~ accumulated.

Employees covered under this procedure may be permitted to flex their schedule at the discretion of the General Manager. This flexibility is intended to support operational needs while allowing for reasonable scheduling adjustments.

This procedure was revised by the Board of Directors on 8th \_\_\_ day of December, ~~2020~~2026.

\_\_\_\_\_  
Barbara Benson, Board Secretary

\_\_\_\_\_  
Date



## MEMORANDUM

**To:** Chair Molamphy, Member Pendleton, Member Westcott, Member LeBlanc, and Member Yarborough

**Copy to:** Kari Duncan, Jason Berning, Jason Peterson, Barb Benson, Sergio Avalos

**From:** Mike Schelske, Finance Manager

**Date:** May 12, 2026

**Subject:** Financial Results for Three Months and YTD Ending March 31, 2026

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*Please refer to the attached **Charts, Financial Highlights, Income Statements (Statement of Operations and Changes in Net Assets), and Balance Sheets** for supporting details and additional information.*

### YTD Electrical Highlights

- Operating revenue of \$12.1 million was on budget.
- Total expenses (purchased power and operating expenses) were slightly under budget with 74% of the budget spent after 75% of the year.
- Purchased power of \$7.3 million was 2.0% above budget.
- The operating profit of \$97,485 was 139% above budget.
- Change in Net Assets of \$1.6 million was 67% above budget, driven by higher operating profit and higher non-operating income, partially offset by lower contributed capital. The result also includes an insurance reimbursement of \$301,487 for damages related to the Kittyhawk explosion.

### Water Highlights

- Operating revenue of \$4.3 million was 0.4% under budget.
- Operating expenses were under budget with 68% of the budget spent after 75% of the year.
- Operating profit of \$1.2 million was 35% above budget.
- Change in Net Assets of \$2.4 million was 13% under budget due to lower contributed capital, partially offset by higher operating profit. The result also includes an insurance reimbursement of \$100,495 for damages related to the Kittyhawk explosion.



Please feel free to contact me if you have any questions or comments.

**Charts** on following pages:

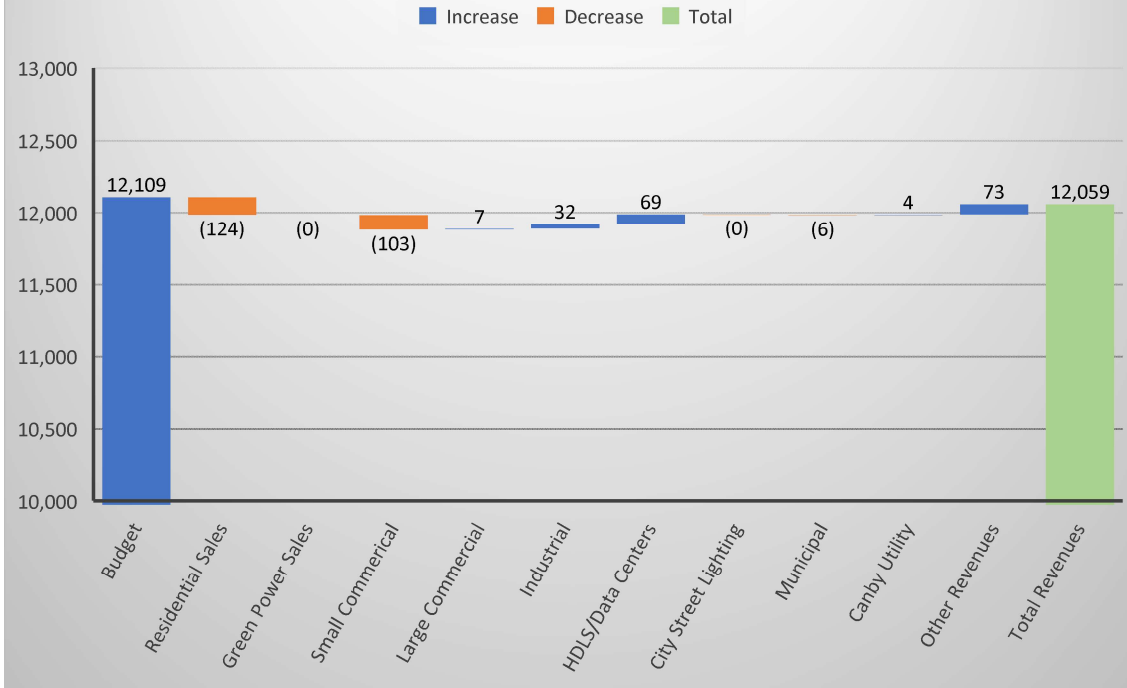
- Electric Revenue Waterfall Chart
- Electric Department Budgets – Percentage Expended YTD
- Water Revenue Waterfall Chart
- Water Department Budgets – Percentage Expended YTD

**Canby Utility  
Financial Highlights  
Quarter and YTD Ending  
March 31, 2026**

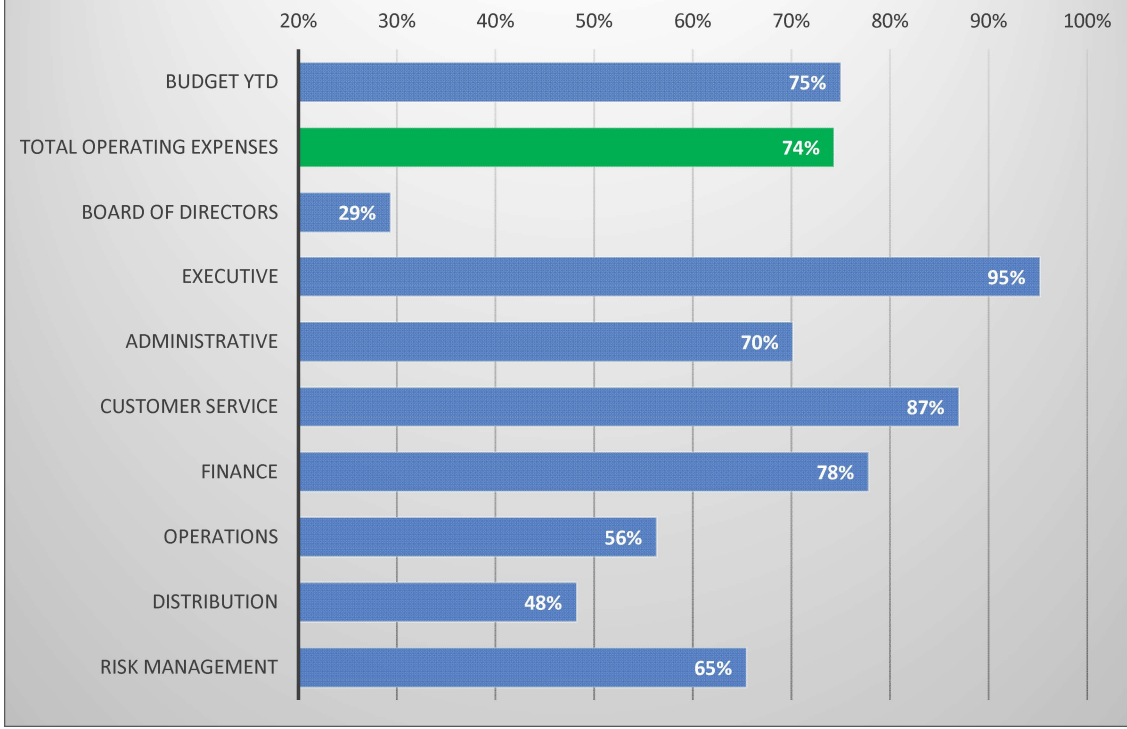
Electric Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
<u>Balance Sheet</u>						
Cash & Investments			\$ 18,625,450			
<u>Income Statement</u>						
Operating Revenue	\$ 4,228,107	\$ 4,279,367	\$ 12,059,007	\$ 12,108,803	\$ (49,796)	Unfavorable
Purchased Power	2,212,543	2,263,606	7,308,906	7,167,048	141,858	Unfavorable
Operating Expenses	1,533,070	1,723,910	4,652,616	5,192,550	(539,933)	Favorable
Operating Profit (Loss)	482,494	291,852	97,485	(250,794)	348,279	Favorable
Operating Margin	11.4%	6.8%	0.8%	-2.1%		
Other Rev. (Exp.)	483,455	218,170	992,208	623,367	368,841	Favorable
Capital Contributions	432,402	211,074	592,815	633,225	(40,410)	Unfavorable
Net Income (Loss)	\$ 1,398,351	\$ 721,096	\$ 1,682,508	\$ 1,005,798	\$ 676,709	Favorable
<u>Sales Data</u>						
kWh Sold	52,188,949		151,363,160			
kWh Purchased	51,943,800		155,562,365			

Water Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
<u>Balance Sheet</u>						
Cash & Investments			\$ 13,271,572			
<u>Income Statement</u>						
Operating Revenue	\$ 1,005,935	\$ 1,005,230	\$ 4,318,655	\$ 4,337,410	\$ (18,756)	Variance < 1%
Operating Expenses	1,008,564	1,107,035	3,097,824	3,434,116	(336,292)	Favorable
Operating Profit (Loss)	(2,629)	(101,805)	1,220,830	903,294	317,536	Favorable
Operating Margin	-0.3%	-10.1%	28.3%	20.8%		
Other Rev. (Exp.)	242,092	150,917	564,132	452,596	111,536	Favorable
Capital Contributions	153,543	\$ 473,004	\$ 638,281	1,419,012	(780,731)	Unfavorable
Net Income (Loss)	\$ 393,005	\$ 522,116	\$ 2,423,244	\$ 2,774,902	\$ (351,659)	Unfavorable
<u>Sales Data</u>						
Cu. Ft. Sold	14,821,828		38,071,723			

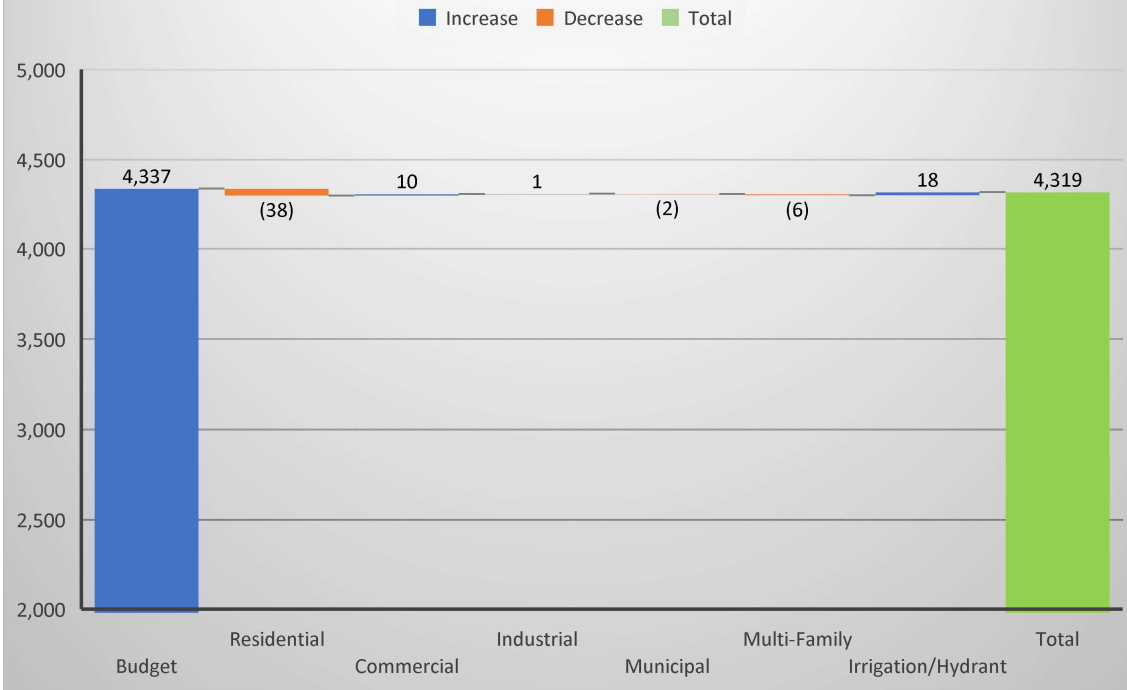
### Electric Energy Sales (in thousands) Waterfall Chart Nine Months Ending 3/31/26



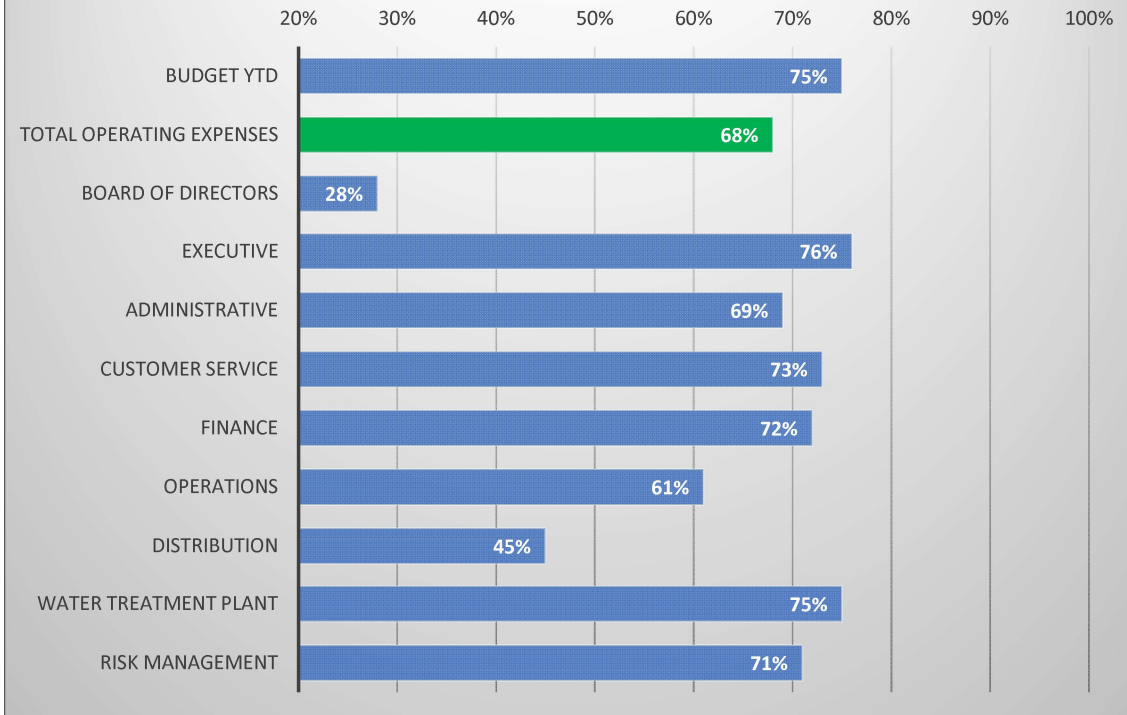
### Electric Dept. Budgets - % Expended YTD Nine Months Ending 3/31/26



### Water Sales (in thousands) Waterfall Chart Nine Months Ending 3/31/26



### Water Dept. Budgets - % Expended YTD Nine Months Ending 3/31/26



# Balance Sheet - Electric

March 31, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Assets</b>				
<b>Current Assets</b>				
<i>Cash</i>	839,846.72	470,560.33	369,286.39	78.48%
<i>Allocate Cash to Reserves</i>	(17,123,174.53)	(15,275,876.53)	(1,847,298.00)	12.09%
<i>Local Government Investment Pool</i>	17,785,603.30	15,024,972.71	2,760,630.59	18.37%
<i>Current Accounts Receivable</i>	1,848,495.53	1,466,455.01	382,040.52	26.05%
<i>Plant Materials &amp; Operating Supplies</i>	2,604,566.69	2,491,324.45	113,242.24	4.55%
<i>Prepayments</i>	100,081.23	95,544.71	4,536.52	4.75%
<b>Total Current Assets</b>	<b>6,055,418.94</b>	<b>4,272,980.68</b>	<b>1,782,438.26</b>	<b>41.71%</b>
<b>Noncurrent Assets</b>				
<i>Other Deferred Charges</i>	1,411,059.97	1,182,989.76	228,070.21	19.28%
<b>Total Noncurrent Assets</b>	<b>1,411,059.97</b>	<b>1,182,989.76</b>	<b>228,070.21</b>	<b>19.28%</b>
<b>Property Plant and Equipment</b>				
<i>Property Plant &amp; Equipment in Service</i>	53,674,932.79	51,327,835.16	2,347,097.63	4.57%
<i>Accumulated Depreciation</i>	(20,735,936.28)	(19,312,198.16)	(1,423,738.12)	7.37%
<i>Construction Work in Progress</i>	(1,264,263.14)	702,635.28	(1,966,898.42)	-279.93%
<b>Total Property Plant and Equipment</b>	<b>31,674,733.37</b>	<b>32,718,272.28</b>	<b>(1,043,538.91)</b>	<b>-3.19%</b>
<b>Cash Designated for Future Use</b>				
<i>Reserve-Emergency</i>	107,834.00	0.00	107,834.00	na
<i>Reserve-Capital Improvement</i>	0.00	0.00	0.00	na
<i>Reserve-Capital Replacement</i>	0.00	0.00	0.00	na
<i>Rate Stabilization</i>	0.00	0.00	0.00	na
<i>Future Improvement/Replacement</i>	17,123,174.53	15,275,876.53	1,847,298.00	12.09%
<b>Total Cash Designated for Future Use</b>	<b>17,231,008.53</b>	<b>15,275,876.53</b>	<b>1,955,132.00</b>	<b>12.80%</b>
<b>Total Assets</b>	<b>56,372,220.81</b>	<b>53,450,119.25</b>	<b>2,922,101.56</b>	<b>5.47%</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
<i>Accounts Payable</i>	943,165.17	897,659.75	45,505.42	5.07%
<i>Customer Deposits</i>	416,831.53	433,510.63	(16,679.10)	-3.85%
<i>Accrued Payroll Taxes Payable</i>	(33,767.23)	(24,572.94)	(9,194.29)	37.42%
<i>Accrued Payroll</i>	106,400.04	86,810.09	19,589.95	22.57%
<i>Accrued Employee Leave</i>	213,286.02	131,138.84	82,147.18	62.64%
<i>Other Current &amp; Accrued Liabilities</i>	40,587.77	22,731.00	17,856.77	78.56%
<b>Total Current Liabilities</b>	<b>1,686,503.30</b>	<b>1,547,277.37</b>	<b>139,225.93</b>	<b>9.00%</b>
<b>Noncurrent Liabilities</b>				
<i>Noncurrent Liabilities</i>	3,560,666.15	3,344,746.77	215,919.38	6.46%
<b>Total Noncurrent Liabilities</b>	<b>3,560,666.15</b>	<b>3,344,746.77</b>	<b>215,919.38</b>	<b>6.46%</b>
<b>Total Liabilities</b>	<b>5,247,169.45</b>	<b>4,892,024.14</b>	<b>355,145.31</b>	<b>7.26%</b>
<b>Net Assets - Unrestricted</b>				
<i>Reserves</i>	107,834.00	0.00	107,834.00	na

## Balance Sheet - Electric

March 31, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Liabilities and Net Assets</b>				
<i>Unappropriated Retained Earnings</i>	50,816,264.64	48,814,624.51	2,001,640.13	4.10%
<i>YTD Net Income(Loss)</i>	1,683,207.72	1,225,025.60	458,182.12	37.40%
<i>Other Equities</i>	(1,481,555.00)	(1,481,555.00)	0.00	0.00%
Less PP&E, Net	(31,674,733.37)	(32,718,272.28)	(1,043,538.91)	-3.19%
<b>Total Net Assets - Unrestricted</b>	<b>19,451,017.99</b>	<b>15,839,822.83</b>	<b>3,611,195.16</b>	<b>22.80%</b>
<b>Investment in Capital Assets</b>	<b>31,674,733.37</b>	<b>32,718,272.28</b>	<b>(1,043,538.91)</b>	<b>-3.19%</b>
<b>Total Net Assets</b>	<b>51,125,751.36</b>	<b>48,558,095.11</b>	<b>2,567,656.25</b>	<b>5.29%</b>
 <b><u>Total Liabilities and Net Assets</u></b>	<b>56,372,920.81</b>	<b>53,450,119.25</b>	<b>2,922,801.56</b>	<b>5.47%</b>

# Balance Sheet - Water

March 31, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Assets</b>				
<b>Current Assets</b>				
<i>Cash</i>	(59,920.22)	125,340.36	(185,260.58)	-147.81%
<i>Allocate Cash to Reserves</i>	(13,154,913.14)	(9,348,255.47)	(3,806,657.67)	40.72%
<i>Local Government Investment Pool</i>	13,331,491.81	11,423,515.05	1,907,976.76	16.70%
<i>Current Accounts Receivable</i>	653,864.05	546,422.04	107,442.01	19.66%
<i>Plant Materials &amp; Operating Supplies</i>	418,819.08	313,520.42	105,298.66	33.59%
<i>Prepayments</i>	45,202.95	41,698.78	3,504.17	8.40%
<b>Total Current Assets</b>	<b>1,234,544.53</b>	<b>3,102,241.18</b>	<b>(1,867,696.65)</b>	<b>-60.20%</b>
<b>Noncurrent Assets</b>				
<i>Other Deferred Charges</i>	471,748.18	392,661.32	79,086.86	20.14%
<b>Total Noncurrent Assets</b>	<b>471,748.18</b>	<b>392,661.32</b>	<b>79,086.86</b>	<b>20.14%</b>
<b>Property Plant and Equipment</b>				
<i>Property Plant &amp; Equipment in Service</i>	43,988,136.27	43,495,727.35	492,408.92	1.13%
<i>Accumulated Depreciation</i>	(16,772,013.39)	(15,867,546.82)	(904,466.57)	5.70%
<i>Construction Work in Progress</i>	1,762,826.14	287,660.20	1,475,165.94	512.82%
<b>Total Property Plant and Equipment</b>	<b>28,978,949.02</b>	<b>27,915,840.73</b>	<b>1,063,108.29</b>	<b>3.81%</b>
<b>Cash Designated for Future Use</b>				
<i>Bond Reserve Requirement</i>	0.00	0.00	0.00	na
<i>Reserve-SDC</i>	650,424.14	687,825.47	(37,401.33)	-5.44%
<i>Reserve-Capital Improvement</i>	0.00	0.00	0.00	na
<i>Reserve-Capital Replacement</i>	0.00	0.00	0.00	na
<i>Future Improvement/Replacement</i>	12,504,489.00	8,660,430.00	3,844,059.00	44.39%
<b>Total Cash Designated for Future Use</b>	<b>13,154,913.14</b>	<b>9,348,255.47</b>	<b>3,806,657.67</b>	<b>40.72%</b>
<b><u>Total Assets</u></b>	<b>43,840,154.87</b>	<b>40,758,998.70</b>	<b>3,081,156.17</b>	<b>7.56%</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
<i>Accounts Payable</i>	225,114.08	238,718.31	(13,604.23)	-5.70%
<i>Sewer Collections Payable</i>	0.00	0.00	0.00	na
<i>Accrued Interest</i>	4,503.92	6,729.78	(2,225.86)	-33.07%
<i>Accrued Payroll Taxes Payable</i>	(6,022.61)	(4,463.45)	(1,559.16)	34.93%
<i>Accrued Payroll</i>	40,235.27	32,820.38	7,414.89	22.59%
<i>Accrued Employee Leave</i>	45,374.27	14,352.82	31,021.45	216.13%
<i>Other Current &amp; Accrued Liabilities</i>	8.33	(5,290.69)	5,299.02	-100.16%
<b>Total Current Liabilities</b>	<b>309,213.26</b>	<b>282,867.15</b>	<b>26,346.11</b>	<b>9.31%</b>
<b>Noncurrent Liabilities</b>				
<i>Noncurrent Liabilities</i>	1,748,162.39	1,876,359.37	(128,196.98)	-6.83%
<b>Total Noncurrent Liabilities</b>	<b>1,748,162.39</b>	<b>1,876,359.37</b>	<b>(128,196.98)</b>	<b>-6.83%</b>
<b>Total Liabilities</b>	<b>2,057,375.65</b>	<b>2,159,226.52</b>	<b>(101,850.87)</b>	<b>-4.72%</b>

Net Assets - Unrestricted

## Balance Sheet - Water

March 31, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
<b>Liabilities and Net Assets</b>				
<i>Reserves</i>	87,641.14	61,004.36	26,636.78	43.66%
<i>Unappropriated Retained Earnings</i>	37,873,962.55	34,665,421.61	3,208,540.94	9.26%
<i>YTD Net Income(Loss)</i>	2,423,243.60	2,448,777.50	(25,533.90)	-1.04%
<i>Other Equities</i>	1,397,931.93	1,424,568.71	(26,636.78)	-1.87%
Less PP&E, Net	(28,978,949.02)	(27,915,840.73)	1,063,108.29	3.81%
<b>Total Net Assets - Unrestricted</b>	<b>12,803,830.20</b>	<b>10,683,931.45</b>	<b>2,119,898.75</b>	<b>19.84%</b>
<b>Investment in Capital Assets</b>	<b>28,978,949.02</b>	<b>27,915,840.73</b>	<b>1,063,108.29</b>	<b>3.81%</b>
<b>Total Net Assets</b>	<b>41,782,779.22</b>	<b>38,599,772.18</b>	<b>3,183,007.04</b>	<b>8.25%</b>
 <b>Total Liabilities and Net Assets</b>	<b>43,840,154.87</b>	<b>40,758,998.70</b>	<b>3,081,156.17</b>	<b>7.56%</b>

## Statement of Operations and Changes in Net Assets - Budget - Electric

**March 31, 2026**

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year March	Budget March	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>Operating Revenues</u></b>								
Residential Sales	661,553.05	650,291.70	11,261.35	1.73%	5,910,518.56	6,034,827.10	(124,308.54)	-2.06%
Green Power Sales	1,040.52	1,071.37	(30.85)	-2.88%	9,406.08	9,777.05	(370.97)	-3.79%
Small Commercial	58,324.81	127,685.78	(69,360.97)	-54.32%	1,067,464.69	1,170,836.17	(103,371.48)	-8.83%
Large Commercial	274,192.16	272,873.91	1,318.25	0.48%	2,654,119.73	2,647,519.52	6,600.21	0.25%
Industrial	188,956.67	173,316.62	15,640.05	9.02%	1,693,809.03	1,661,737.54	32,071.49	1.93%
HDLS/Data Centers	68,934.85	0.00	68,934.85	na	68,934.85	0.00	68,934.85	na
City Street Lighting	4,012.29	3,780.50	231.79	6.13%	33,744.67	34,130.70	(386.03)	-1.13%
Municipal	19,146.80	19,613.47	(466.67)	-2.38%	159,183.89	164,828.77	(5,644.88)	-3.42%
Canby Utility	16,568.10	12,999.28	3,568.82	27.45%	150,679.16	146,637.59	4,041.57	2.76%
<b>Total Electric Energy Sales</b>	<b>1,292,729.25</b>	<b>1,261,632.63</b>	<b>31,096.62</b>	<b>2.46%</b>	<b>11,747,860.66</b>	<b>11,870,294.44</b>	<b>(122,433.78)</b>	<b>-1.03%</b>
NSF Check Fees	165.00	100.00	65.00	65.00%	858.00	900.00	(42.00)	-4.67%
Reconnect Fees	1,750.00	1,167.00	583.00	49.96%	11,675.00	10,503.00	1,172.00	11.16%
Account Set-up Fee	2,050.00	2,333.00	(283.00)	-12.13%	16,950.00	20,997.00	(4,047.00)	-19.27%
Failed Payment Arrangement Fee	25.00	50.00	(25.00)	-50.00%	200.00	450.00	(250.00)	-55.56%
Disconnect Notice	8,575.00	6,000.00	2,575.00	42.92%	59,725.00	54,000.00	5,725.00	10.60%
Other Electric Revenues	4,552.39	16,851.00	(12,298.61)	-72.98%	221,738.32	151,659.00	70,079.32	46.21%
<b>Total Other Electric Energy Revenues</b>	<b>17,117.39</b>	<b>26,501.00</b>	<b>(9,383.61)</b>	<b>-35.41%</b>	<b>311,146.32</b>	<b>238,509.00</b>	<b>72,637.32</b>	<b>30.45%</b>
<b>Total Operating Revenues</b>	<b>1,309,846.64</b>	<b>1,288,133.63</b>	<b>21,713.01</b>	<b>1.69%</b>	<b>12,059,006.98</b>	<b>12,108,803.44</b>	<b>(49,796.46)</b>	<b>-0.41%</b>
<b><u>Operating Expenses</u></b>								
Board Of Directors	500.65	842.50	(341.85)	-40.58%	3,738.68	10,554.00	(6,815.32)	-64.58%
Executive	23,432.01	20,623.00	2,809.01	13.62%	293,275.13	245,496.00	47,779.13	19.46%
Administrative	33,053.74	31,154.00	1,899.74	6.10%	289,966.64	313,650.00	(23,683.36)	-7.55%
Customer Service	35,861.23	68,765.00	(32,903.77)	-47.85%	679,295.27	590,955.00	88,340.27	14.95%
Finance	925,577.27	966,870.67	(41,293.40)	-4.27%	9,429,102.61	9,349,486.03	79,616.58	0.85%
Operations	51,696.92	65,744.00	(14,047.08)	-21.37%	444,395.47	591,696.00	(147,300.53)	-24.89%
Distribution	101,280.62	131,042.00	(29,761.38)	-22.71%	763,994.26	1,191,378.00	(427,383.74)	-35.87%
Risk Management	6,330.39	7,293.00	(962.61)	-13.20%	57,754.01	66,382.00	(8,627.99)	-13.00%
<b>Total Operating Expenses</b>	<b>1,177,732.83</b>	<b>1,292,334.17</b>	<b>(114,601.34)</b>	<b>-8.87%</b>	<b>11,961,522.07</b>	<b>12,359,597.03</b>	<b>(398,074.96)</b>	<b>-3.22%</b>
<b>Operating Income/(Loss)</b>	<b>132,113.81</b>	<b>(4,200.54)</b>	<b>136,314.35</b>	<b>3,245.16%</b>	<b>97,484.91</b>	<b>(250,793.59)</b>	<b>348,278.50</b>	<b>138.87%</b>
<b>Operating Margin</b>	<b>10.09%</b>	<b>-0.33%</b>			<b>0.81%</b>	<b>-2.07%</b>		

## Statement of Operations and Changes in Net Assets - Budget - Electric

**March 31, 2026**

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year March	Budget March	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>Non-Operating Revenues &amp; Expenses</u></b>								
Rental Lights	2,771.20	2,833.00	(61.80)	-2.18%	24,898.68	25,497.00	(598.32)	-2.35%
St. Light Maint. Sales	858.13	2,000.00	(1,141.87)	-57.09%	24,138.60	18,000.00	6,138.60	34.10%
Billed For Dig In's	0.00	500.00	(500.00)	-100.00%	1,806.12	4,500.00	(2,693.88)	-59.86%
Public St. Lights Sold	16,433.61	2,333.00	14,100.61	604.40%	16,433.61	20,997.00	(4,563.39)	-21.73%
Misc. Other Sales & Income	312,343.02	5,000.00	307,343.02	6,146.86%	472,736.13	45,000.00	427,736.13	950.52%
St. Light Maint. Costs	(17,291.74)	(5,000.00)	(12,291.74)	245.83%	(45,969.76)	(45,000.00)	(969.76)	2.16%
Misc. Other Costs & Expenses	(446.57)	0.00	(446.57)	na	(2,495.38)	0.00	(2,495.38)	na
Temporary Service	1,164.25	0.00	1,164.25	na	721.37	0.00	721.37	na
Interest Income	54,235.03	68,159.00	(13,923.97)	-20.43%	514,335.19	569,376.00	(55,040.81)	-9.67%
Other Interest Expense	(1,597.50)	(1,667.00)	69.50	-4.17%	(14,396.97)	(15,003.00)	606.03	-4.04%
<b>Total Non-Operating Revenues &amp; Expenses</b>	<b>368,469.43</b>	<b>74,158.00</b>	<b>294,311.43</b>	<b>396.87%</b>	<b>992,207.59</b>	<b>623,367.00</b>	<b>368,840.59</b>	<b>59.17%</b>
<b>Net Income/(Loss) before Capital Contributions</b>	<b>500,583.24</b>	<b>69,957.46</b>	<b>430,625.78</b>	<b>615.55%</b>	<b>1,089,692.50</b>	<b>372,573.41</b>	<b>717,119.09</b>	<b>192.48%</b>
<b><u>Capital Contributions</u></b>								
Electric Hook-up Fees	322,854.65	11,777.00	311,077.65	2,641.40%	494,467.51	105,995.00	388,472.51	366.50%
Line Extension Fees	98,347.71	58,581.00	39,766.71	67.88%	98,347.71	527,230.00	(428,882.29)	-81.35%
<b>Total Capital Contributions</b>	<b>421,202.36</b>	<b>70,358.00</b>	<b>350,844.36</b>	<b>498.66%</b>	<b>592,815.22</b>	<b>633,225.00</b>	<b>(40,409.78)</b>	<b>-6.38%</b>
<b>Change in Net Assets</b>	<b>921,785.60</b>	<b>140,315.46</b>	<b>781,470.14</b>	<b>556.94%</b>	<b>1,682,507.72</b>	<b>1,005,798.41</b>	<b>676,709.31</b>	<b>67.28%</b>

## Statement of Operations and Changes in Net Assets - Budget - Water

**March 31, 2026**

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year March	Budget March	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
<b><u>Operating Revenues</u></b>								
Residential	206,562.94	205,648.05	914.89	0.44%	2,827,566.71	2,865,869.82	(38,303.11)	-1.34%
Commercial	39,077.38	38,056.60	1,020.78	2.68%	543,996.85	534,480.00	9,516.85	1.78%
Industrial	3,900.55	3,826.87	73.68	1.93%	53,370.54	52,368.64	1,001.90	1.91%
Municipal	3,273.12	3,281.85	(8.73)	-0.27%	48,744.00	51,145.29	(2,401.29)	-4.70%
Multi-Family	61,892.26	63,797.25	(1,904.99)	-2.99%	688,724.84	695,009.85	(6,285.01)	-0.90%
Irrigation/Hydrant	6,343.72	5,748.76	594.96	10.35%	156,251.68	138,536.60	17,715.08	12.79%
<b>Total Water Usage Sales</b>	<b>321,049.97</b>	<b>320,359.38</b>	<b>690.59</b>	<b>0.22%</b>	<b>4,318,654.62</b>	<b>4,337,410.20</b>	<b>(18,755.58)</b>	<b>-0.43%</b>
<b>Total Other Water Revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>na</b>
<b>Total Operating Revenues</b>	<b>321,049.97</b>	<b>320,359.38</b>	<b>690.59</b>	<b>0.22%</b>	<b>4,318,654.62</b>	<b>4,337,410.20</b>	<b>(18,755.58)</b>	<b>-0.43%</b>
<b><u>Operating Expenses</u></b>								
Board Of Directors	166.88	272.50	(105.62)	-38.76%	1,141.98	3,443.00	(2,301.02)	-66.83%
Executive	9,981.55	7,949.00	2,032.55	25.57%	69,270.06	69,497.00	(226.94)	-0.33%
Administrative	17,867.35	17,602.00	265.35	1.51%	154,463.60	169,509.00	(15,045.40)	-8.88%
Customer Service	15,624.47	17,388.00	(1,763.53)	-10.14%	147,977.89	154,930.00	(6,952.11)	-4.49%
Finance	110,164.02	113,712.00	(3,547.98)	-3.12%	1,056,454.63	1,099,770.00	(43,315.37)	-3.94%
Operations	15,660.55	19,648.00	(3,987.45)	-20.29%	144,778.89	176,820.00	(32,041.11)	-18.12%
Distribution	34,751.53	67,780.00	(33,028.47)	-48.73%	362,862.02	610,020.00	(247,157.98)	-40.52%
Water Treatment Plant	122,864.32	120,560.00	2,304.32	1.91%	1,114,278.88	1,100,765.00	13,513.88	1.23%
Risk Management	5,168.23	5,413.00	(244.77)	-4.52%	46,596.26	49,362.00	(2,765.74)	-5.60%
<b>Total Operating Expenses</b>	<b>332,248.90</b>	<b>370,324.50</b>	<b>(38,075.60)</b>	<b>-10.28%</b>	<b>3,097,824.21</b>	<b>3,434,116.00</b>	<b>(336,291.79)</b>	<b>-9.79%</b>
<b>Operating Income/(Loss)</b>	<b>(11,198.93)</b>	<b>(49,965.12)</b>	<b>38,766.19</b>	<b>77.59%</b>	<b>1,220,830.41</b>	<b>903,294.20</b>	<b>317,536.21</b>	<b>35.15%</b>
<b>Operating Margin</b>	<b>-3.49%</b>	<b>-15.60%</b>			<b>28.27%</b>	<b>20.83%</b>		
<b><u>Non-Operating Revenues &amp; Expenses</u></b>								
Billed For Dig In's	0.00	357.00	(357.00)	-100.00%	0.00	2,856.00	(2,856.00)	-100.00%
Misc. Other Sales & Income	100,818.73	0.00	100,818.73	na	105,766.42	0.00	105,766.42	na
Inspection Fees	3,770.00	3,678.00	92.00	2.50%	44,496.81	33,102.00	11,394.81	34.42%
Misc. Other Costs & Expenses	(148.86)	0.00	(148.86)	na	(148.86)	0.00	(148.86)	na
Inspection Fees Cost	0.00	(3,678.00)	3,678.00	-100.00%	(4,560.77)	(33,102.00)	28,541.23	-86.22%
Interest Income	47,896.27	50,609.00	(2,712.73)	-5.36%	426,447.68	443,164.00	(16,716.32)	-3.77%

## Statement of Operations and Changes in Net Assets - Budget - Water

**March 31, 2026**

	-----Month Totals-----				-----Year to Date Totals-----			
	This Year March	Budget March	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Gain On Disposition of Property	0.00	0.00	0.00	na	0.00	15,000.00	(15,000.00)	-100.00%
Interest Expense	(750.66)	(936.00)	185.34	-19.80%	(7,868.85)	(8,424.00)	555.15	-6.59%
<b>Total Non-Operating Revenues &amp; Expenses</b>	<b>151,585.48</b>	<b>50,030.00</b>	<b>101,555.48</b>	<b>202.99%</b>	<b>564,132.43</b>	<b>452,596.00</b>	<b>111,536.43</b>	<b>24.64%</b>
<b>Net Income/(Loss) before Capital Contributions</b>	<b>140,386.55</b>	<b>64.88</b>	<b>140,321.67</b>	<b>216,278.78%</b>	<b>1,784,962.84</b>	<b>1,355,890.20</b>	<b>429,072.64</b>	<b>31.65%</b>
<b>Capital Contributions</b>								
Water Hook-up Fees	2,160.00	2,517.00	(357.00)	-14.18%	(1,121.81)	22,653.00	(23,774.81)	-104.95%
Contributed by Others	0.00	95,763.00	(95,763.00)	-100.00%	0.00	861,867.00	(861,867.00)	-100.00%
SDC Fees	68,706.00	59,388.00	9,318.00	15.69%	639,402.57	534,492.00	104,910.57	19.63%
<b>Total Capital Contributions</b>	<b>70,866.00</b>	<b>157,668.00</b>	<b>(86,802.00)</b>	<b>-55.05%</b>	<b>638,280.76</b>	<b>1,419,012.00</b>	<b>(780,731.24)</b>	<b>-55.02%</b>
<b>Change in Net Assets</b>	<b>211,252.55</b>	<b>157,732.88</b>	<b>53,519.67</b>	<b>33.93%</b>	<b>2,423,243.60</b>	<b>2,774,902.20</b>	<b>(351,658.60)</b>	<b>-12.67%</b>



## MEMORANDUM

**To:** Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott  
**From:** Kari Duncan, General Manager  
**Date:** May 6<sup>th</sup> 2026  
**Subject:** Staff Report – May 12<sup>th</sup> Board Meeting

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### ***Canby Water Supply Program – (CWSP) Project Update***

The alternatives analysis for the CWSP has been the focus of the staff team and consultants during April and May. Stantec has presented significant progress on the exploration of alternatives that may reduce costs for the program. Discussions with the City of Wilsonville and the South Fork Water Board (SFWB) were held in April. Although Wilsonville continues to be a non-viable option due to the lack of surplus capacity, there is some potential for obtaining water supply through the SFWB and staff will continue to evaluate and explore this option. Stantec has also provided staff with information about alternative processes for a Willamette supply that offer cost-saving options, and is developing ideas for continuing use of the Molalla River source with an additional smaller Intake on the Willamette. This work continues through May to determine whether any of the options may meet project goals of water quality, reliability, and sufficient capacity at a lower cost.

### **Community Organizations’s Requests for Donations**

Canby Utility has received requests for donations from various community organizations, and I would like to provide information to the Board regarding these requests. The Fairgrounds has requested a filtered water bottle fill station as a donation from Canby Utility, with the opportunity for the Utility to place its logo on the station. The Canby Chamber of Commerce has reached out to to inquire about our interest in being a sponsor for an upcoming community event, the Wine and Art Walk on May 30<sup>th</sup>. Sponsorship options for this event range from \$300 to \$3,000. CU has a donations policy that appears to allow donations of materials, such as the filtered bottle fill station, and is generally restrictive on monetary donations. Typically, support to other community organizations has been in the form of in-kind donations of staff time. I would like to bring this policy to the Board’s attention to reaffirm this practice regarding community requests and to consider review at a future Board meeting.

### **Electric Vehicle Charger**

Progress continues on the purchase and installation of a Level 3 public electric vehicle charging station in Canby. This project utilizes funds from the State Clean Fuels Program that is designated for items such as electric vehicle charging. The equipment has been ordered and

received by the vendor, and an on-site visit was scheduled for the week of May 4<sup>th</sup>, with installation activities anticipated to begin in late May. Thank you to Jason Berning and Board Member Bob Westcott for championing this project!

### **Pacific Northwest American Waterworks Association (PNWS-AWWA) Annual Conference**

I attended the PNWS-AWWA conference in Tacoma, WA on May 6<sup>th</sup>-8<sup>th</sup>. During the conference, I served on two panels to present and field questions related to topics in the areas of capital project delivery. On May 6<sup>th</sup>, I presented on a panel titled “Modernizing the RFP Process,” and on May 7<sup>th</sup>, I presented on the topic titled “Was it Always this Hard? Project Delivery in the Pacific Northwest.” Also notable during the PNWS-AWWA conference was the receipt of the Excellence in Engineering Awards by the Cascade Groundwater Alliance program for large Engineering projects. This was the project that I worked on and led while serving as General Manager for the Rockwood Water PUD to design and construct a groundwater supply system for Rockwood and the City of Gresham. The project has now successfully started operation, and this award is a significant recognition of the success of this \$165 Million project.