CANBY UTILITY
REGULAR BOARD MEETING
AUGUST 11, 2026
7:00 P.M.

AGENDA

I. CALL TO ORDER

II. AGENDA
- Additions, Deletions or Corrections to the Meeting Agenda

III. CONSENT AGENDA
- Approval of Agenda
- Approval of Special Meeting Minutes of June 30, 2026, and Regular Board Meeting Minutes of July 14, 2026 (pp. 1-10)
- Approval of Payment of Water and Electric Bills

IV. CITIZEN INPUT ON NON-AGENDA ITEMS *Citizens wanting to speak virtually, please email or call the Board Secretary-Clerk by 4:30 p.m. on August 11, 2026, with your name, the topic you would like to speak on, and contact information: bbenson@canbyutility.org or 503-263-4312.*

V. PRESENTATION Canby Water Supply Project Update – Andrew Nishihara, Stantec

VI. RECOMMENDATION Affirm General Manager's Approval of Letter of Engagement for Bond Counsel – Kari Duncan, General Manager (pp. 11-12)

VII. RECOMMENDATION Authorize General Manager to Sign Letter of Engagement for Financial Advisory Services – Kari Duncan, General Manager (pp. 13-14)

VIII. RESOLUTION NO. 346 Updating Canby Utility's Customer Service Policies and Procedures, Establishing Memorandum of Understanding for Electric System Studies for New and Expanding Large Loads of 1MW or Greater – Kari Duncan, General Manager (pp. 15-50)

IX. BOARD REPORT
- Chair Comments
- Board Member Comments

X. STAFF REPORTS

Finance Manager:
- Fourth Quarter Year-End Financials (pp. 51-63)

Board Secretary:

- Roof and Building Repair Update following Kittyhawk Explosion
- Public Meetings Law and Ethics Training September 29 (pg. 64)

General Manager:

- Political Advocacy Primer (pp. 65-68)
- Manager's Report (pp. 69-70)

XI. EXECUTIVE SESSION The Canby Utility Board will adjourn its regular meeting to go into executive session pursuant to ORS 192.660(2)(d) to discuss labor negotiations. Upon completion of the executive session, the Board will return to its regular meeting.

XII. ADJOURN

CANBY UTILITY
SPECIAL MEETING MINUTES
JUNE 30, 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; and Jason Peterson, Operations Field Supervisor

Others Present: Brian Hutchins and Keith Mason, Veolia Water North America; Eric Ward, Andrew Nishihara and Bryan Black, Stantec; Katy Asher, PRR; Joe Brennan; Corianne Burnett, Carollo; Keith Beckman and Jeff Wall, Slayden; Jon Anderson, Brian Van Vleet, and Melissa Sandvold, Sundt; Kern Batridge; Pat Vandusar, Jacobs; and Randy Ealy, City of Canby

Chair Molamphy called the Special Meeting to order at 6:00 p.m. The purpose of the special meeting was to discuss matters related to the Canby Water Supply Program costs, the proposed Stantec contract amendment, two proposed resolutions, and City Charter amendments.

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

Chair Molamphy presented the consent agenda for approval. Member LeBlanc made the *MOTION to approve the consent agenda, consisting of the meeting agenda. Member Yarbrough seconded, and the motion passed 5-0.

General Manager Kari Duncan, along with Bryan Black of Stantec, presented an overview of the Canby Water Supply Program (CWSP) costs, rate impacts, and the community values summary. The purpose of the discussion was to obtain Board direction regarding the appropriate balance between project costs and the system's water quality, reliability, and future flexibility. The presentation provided updated project cost information, engineering options, preliminary rate modeling, and considerations under Stantec's Year 2 services.

Bryan Black of Stantec discussed alternative water supply options evaluated as part of the CWSP, including potential partnerships with the City of Wilsonville and the South Fork Water Board. He noted that a partnership with Wilsonville is not expected to move forward due to their capacity constraints, while the South Fork Water Board remains open to further discussion but would require a long transmission pipeline and treatment plant expansion.

Black reported that groundwater options and an aquifer storage and recovery (ASR) system have been considered, with ASR requiring additional study and only serving to provide supplemental storage. He also noted that upgrades to the existing Molalla treatment plant are constrained by site limitations and would not fully address future capacity, taste and odor, or seismic resilience. A pipeline from the Willamette River to the Molalla treatment plant was also considered but is not a preferred strategy. Black stated that developing a Willamette supply remains the preferred option for continued evaluation.

Member Westcott asked about adjacent property near the existing plant that is currently not being utilized, noting potential existing restrictions and buffering associated with it. Black stated that prior investigation of the property has not resulted in a feasible acquisition and that use of the property for expansion has challenges.

Member LeBlanc asked about other cities that utilize ASR and whether it is cost-effective. Black responded, noting that it is dependent on suitable geological conditions. ASR can reduce required treatment plant capacity by providing storage; however, it is not a standalone supply solution.

Black discussed Willamette water supply intake options, including the Wilsonville-style intake concept designed for a large pump station and intake facility, which would provide a robust baseline but at higher cost and with more substantial structural and in-water construction requirements. He also reviewed the Value Engineering (VE) alternative involving an inclined pump station configuration intended to reduce deep structural elements and lower initial costs. This option would still require further evaluation related to constructability, operations, and risk. This system would utilize submersible pumps located on an incline to convey water to the treatment plant, eliminating the need for micro-tunneling and deep excavation.

Both intake options could achieve similar capacity goals, including phased development to 20 million gallons per day (MGD), with an initial capacity of 10 MGD. He added that the options are comparable in cost, with the inclined pump alternative anticipated to be slightly lower. Black stated that both options would replace the existing Molalla treatment plant.

Chair Molamphy asked about seismic resilience and the extent of earthquake evaluation included in the design. Black explained that limited seismic evaluation has been completed to date, but that further assessment of vulnerabilities will occur over the next year. He also noted that the inclined pump intake cost assumptions include bank stabilization.

Black next discussed water treatment technologies for addressing taste and odor, PFAS, and emerging contaminants, including the use of powdered activated carbon (PAC), granular activated carbon (GAC), membrane filtration, and ozone treatment. He reviewed three treatment alternatives. The first alternative, modeled after the Wilsonville water treatment plant, incorporates compact clarification, ozone, and GAC filtration. He noted that this alternative provides the most comprehensive treatment but also represents the highest-cost option.

VE Alternative Option 1 incorporates Actiflo-carb clarification and granular media filtration, utilizing PAC and compact clarification prior to filtration to effectively address taste and odor, cyanotoxins, and suspended particulates. The modular design allows the facility to be constructed in phases, reducing initial capacity requirements and capital cost while and preserving the flexibility to add ozone treatment in the future.

VE Alternative Option 2 incorporates membrane filtration and GAC, utilizing advanced membrane technology as a physical barrier to remove particulates and other contaminants. Like Alternative Option 1, this design is modular and can be constructed in phases, allowing for future expansion as needed. Black noted that the alternative also preserves the flexibility to incorporate

ozone treatment in the future while providing enhanced treatment performance for taste and odor control compared to VE Alternative Option 1.

Black presented conceptual renderings of the three treatment plant alternatives, along with conceptual site layouts for each proposed configuration. He explained that VE Alternatives 1 and 2 do not include ozone treatment in the initial phase but are designed to accommodate the future addition of ozone treatment. He also noted that both VE alternatives provide flexibility for phased expansion through the construction of additional treatment buildings as future capacity demands increase.

Black stated that all three treatment alternatives are capable of meeting current regulatory requirements and anticipated future water quality needs. He explained that the Wilsonville-style treatment plant provides the highest level of treatment for taste and odor, with VE Alternative 2 offering the next highest level of performance due to its inclusion of GAC. He added that the relative effectiveness of the alternatives for treating algal toxins, PFAS, and other emerging contaminants follows a similar ranking, with the Wilsonville-style plant providing the greatest treatment capability, followed by VE Alternative 2 and then VE Alternative 1.

The Board discussed contaminant removal during the filtration process, the absence of GAC at the existing treatment plant, comparative efficiency, upgrade requirements, and lifecycle costs, as well as the operational impacts and long-term considerations associated with maintaining two separate water treatment facilities.

Black presented a projected summary cost analysis based on an AACE International Class 4 estimate appropriate for a conceptual level of design. The estimate includes a 25 percent contingency, assumes 3.5 percent annual cost escalation, and is based on an anticipated 24-month construction period with the midpoint of construction occurring around 2030.

The construction-only costs for the intake, transmission pipeline, and treatment plant range from approximately $126 million to $164 million, with treatment capacity ranging from 2 to 10 MGD. He noted that these estimates represent a significant increase from the approximately $66 million construction cost identified in the 2023 Water Master Plan.

Black explained that lower-capacity alternatives would require the continued operation of the existing Molalla treatment plant, while higher-capacity alternatives would provide sufficient capacity to retire the existing plant. He stated that the total estimated project costs range from approximately $150 million to $194 million, depending on the selected capacity and treatment alternative. He further noted that these estimates are lower than those presented to the Board in February, which projected total project costs of approximately $250 million for a more robust treatment facility.

Black stated that while Stantec was evaluating value engineering (VE) alternatives, PRR, Stantec's public outreach subconsultant, conducted a community survey to better understand public preferences. The survey indicated that most respondents favored a balanced investment approach over selecting the lowest-cost option. He explained that the VE alternatives were developed to provide a range of cost options through a modular design approach that reduces

initial capital costs while preserving the flexibility for future expansion and treatment enhancements as system needs evolve.

Black stated that water quality, particularly taste and odor, was identified through the community survey as one of the public's highest priorities. He explained that all three proposed treatment alternatives are designed to address taste- and odor-causing compounds as well as cyanotoxins. He further noted that respondents also identified a reliable year-round water supply as a key concern, and that development of a new Willamette intake and treatment plant represents an important first step toward improving the community's long-term water supply reliability.

Black reviewed the tradeoffs associated with each treatment plant alternative, comparing initial capital costs, primary benefits, and key considerations. He explained that the 10 MGD Willamette treatment plant alternatives would provide sufficient capacity to support retirement of the existing Molalla treatment plant. In contrast, the lower-capacity 2 to 6 MGD alternatives would require the continued operation of the Molalla plant until additional Willamette treatment capacity is constructed.

Chair Molamphy expressed concerns about relying on the existing Molalla River Water Treatment Plant as a long-term supplemental source, citing reliability, seismic resilience, and the potential presence of cyanotoxins, noting that the current plant does not have the capability to remove those contaminants. Black responded that he shares similar concerns regarding the long-term reliability of the Molalla River treatment plant as a secondary water supply source.

Finance Manager Mike Schelske presented preliminary rate modeling results, noting that the scenarios illustrate how different project cost options could affect customer rates over time. He explained that the projections are based on assumptions regarding financing, grants, project escalation, population growth, inflation, and final project scope, including a 35-year WIFIA loan at 4.5 percent with a five-year payment deferral, 1.4 percent annual population growth, and 3.5 percent annual inflation. An average residential monthly bill was used to compare the projected rate impacts of each option. General Manager Kari Duncan emphasized that the rate modeling is preliminary and noted that lower-cost alternatives requiring continued operation of the Molalla treatment plant would also require future capital investments in that facility.

Black stated that the higher-cost alternatives provide greater treatment capability and system resilience, while the VE Alternative options were developed to balance costs with community priorities.

General Manager Kari Duncan presented the proposed Year 2 Owner's Representative Services Agreement with Stantec, explaining that the firm was previously retained under a multi-year agreement to provide permitting, preliminary design, and owner's representative services for the CWSP. The proposed amendment would extend the agreement into the next phase of the project.

Black reviewed the proposed Year 2 scope of work, explaining that the amendment would extend the contract from August 2026 through September 2027. He stated that the scope includes permit application support, land use and right-of-way coordination, project management, procurement planning, value engineering, cost estimating, funding support, and public outreach.

Black noted that the proposed budget includes approximately 4,885 labor hours, a base fee of $2,652,835, and $600,000 in management reserves, for a total of $3,252,835. Duncan noted that this contract amendment was included in the Fiscal Year 27 adopted budget.

Member LeBlanc stated that he believes the proposal is consistent with the Board's previous direction and made the *MOTION to approve Amendment 4 of the Stantec Owner's Representative Contract, consisting of $2,652,835 in services for permit application support, project controls and program management, and a $600,000 management reserve. Member Pendleton seconded, and the motion passed 5-0.

Finance Manager Mike Schelske presented proposed Resolution No. 344, authorizing the use of regulatory accounting under GASB Statement No. 62 for insurance proceeds received during the fiscal year in connection with the property damage caused by the Kittyhawk explosion. Schelske stated that the action would allow the utility to recognize the insurance proceeds in the same fiscal period as the related repair expenditures. He noted that Canby Utility received a significant insurance payment from City County Insurance Services in March for anticipated building repairs. Because the majority of the repair work will not be completed until the following fiscal year, the proposed accounting treatment would align the recognition of the insurance proceeds with the associated repair costs.

Member Westcott made the *MOTION to adopt Resolution No. 344, authorizing the use of regulatory accounting under GASB 62 for the insurance proceeds received this fiscal year. Member LeBlanc seconded, and the motion passed 5-0.

Finance Manager Mike Schelske presented proposed Resolution No. 345 adopting a Custodial Credit Risk Policy. He explained that the policy would formally document the utility's approach to managing custodial credit risk in accordance with Oregon law and GASB Statement No. 40. Schelske explained that custodial credit risk is the risk that, in the event of a financial institution's failure, Canby Utility's deposits may not be recovered. Although Canby Utility mitigates this risk by depositing funds only in Qualified Public Depositories, he noted that the utility does not currently have a formally adopted policy documenting its approach to managing custodial credit risk. Member LeBlanc made the *MOTION to adopt Resolution No. 345, adopting the Custodial Credit Risk Policy. Member Pendleton seconded, and the motion passed 5-0.

General Manager Kari Duncan provided an update on the proposed amendments to Chapter X – Utilities of the Canby City Charter. She explained that the revisions are being coordinated with the City's broader charter update process, with the proposed amendments expected to appear on the November ballot. Duncan noted that the proposed charter amendments are scheduled to be submitted to Clackamas County in August. Duncan reviewed the key revisions previously discussed by the Board, including restoring exclusive jurisdiction and management of the water utility to the Canby Utility Board, aligning the charter language governing the water utility with that of the electric utility, extending Board member term limits from two to three consecutive terms, and updating the revenue bond provisions to authorize financing for both the water and electric utilities.

Duncan reviewed comments received from the City Council, including proposed language clarifying the Board's authority over the water and electric utilities and revisions to the General Manager's duties to better align with those of the City Administrator. She also discussed proposed revisions related to revenue bond authority.

Member Pendleton asked about the language requiring approval by a majority of registered voters, suggesting that authority to issue revenue bonds could instead rest with the Board. Duncan explained that Oregon law already requires a public notice and petition process before revenue bonds may be issued. Member Westcott noted that the existing charter provision originated from historical concerns surrounding the Washington Public Power Supply System (WPPSS). Duncan stated that she had prepared two alternative versions of the proposed charter amendments for the Board's consideration before forwarding a recommendation to the City.

Member LeBlanc asked how a Water Infrastructure Finance and Innovation Act (WIFIA) loan would be addressed under the proposed charter revisions. Duncan explained that a WIFIA loan is a form of debt issuance and would be treated similarly to revenue bonds. She noted that staff is working to retain bond counsel to review the proposed charter language and ensure the revisions appropriately address financing authority. Duncan further stated that the City Council intends to review the Board's requested amendments and that additional revisions, including replacing references to "bond" issuance with the broader term "debt," remain under consideration. Board members expressed concerns regarding the proposed voter approval requirement, and Duncan stated that legal counsel would review the language and provide additional guidance.

Duncan also reviewed the City Council's proposed revisions to Section 7 - Annual Accounting and Budget. She explained that the Council added language requiring Canby Utility to prepare and submit a quarterly operations report in accordance with a mutually agreed-upon policy to be adopted by the City Council and the Canby Utility Board. Duncan stated that she anticipates the report would be similar in format and content to the quarterly operational reports that staff currently provides to the Board.

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

The meeting adjourned at 8:18 p.m.

John Molamphy, Chair	Ron Yarbrough, Member
Ron LeBlanc, Member	Jack Pendleton, Member
Robert Westcott, Member	Barbara Benson, Board Secretary

CANBY UTILITY
REGULAR BOARD MEETING MINUTES
JULY 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 Jason Peterson, Operations Field Supervisor

Others Present: Brian Hutchins, Veolia Water North America; Daniel Stearns, City Council Liaison; Matt Dale and Mark Johnston, Canby Fire Department; Joe Brennan; and Melody Thompson

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

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

Chair Molamphy presented the consent agenda for approval. Member Westcott made the *MOTION to approve the consent agenda, consisting of the meeting agenda, regular meeting minutes of June 9, 2026, as presented, and payment of water and electric bills in the amount of $1,342,737.94. Member Yarbrough seconded, and the motion passed 5-0.

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

Chair Molamphy recognized Melody Thompson in honor of her six years of service and leadership, thanking her for her dedication to the Canby Utility Board. Thompson was presented with a meter lamp in recognition of her service.

Canby Fire Chief Matt Dale and Fire Inspector Mark Johnston presented an update on the Kittyhawk explosion that occurred in February. Johnston, who is serving as the lead investigator, explained that the explosion occurred when a pressure vessel ruptured during the cooldown process while a crane was positioned over the vessel. He said the vessel fractured into large sections, indicating a pressure-related failure rather than a fire or gas explosion. Because of the crane's position at the time of the event, debris was deflected in multiple directions. One vessel plug, weighing more than 15,000 pounds, was propelled approximately 800 vertical feet before landing near the adjacent RV storage lot. Johnston reported that investigators are conducting metallurgical testing to determine the cause of the failure and that Kittyhawk has cooperated fully with the investigation. He noted that the company has expressed interest in rebuilding, although the plans remain uncertain.

Member Westcott asked about the pressure relief system. Johnston explained that the pressure relief alarm activated immediately before the vessel failed and that investigators are evaluating several possible causes, including a material defect. He noted that the vessel was in its seventh year of a ten-year inspection cycle and that Oregon OSHA is evaluating whether inspection intervals should be shortened.

Member Yarbrough asked whether similar incidents had resulted in fatalities. Johnston explained that fatalities have occurred in historical pressure vessel explosions at other locations, but no lives were lost in the Canby incident. He also discussed the Oregon State Fire Marshal's Community Right to Know program (CR2K), which provides information about facilities that store regulated quantities of hazardous materials. The program was referenced in connection with concerns about the argon gas stored at Kittyhawk.

Johnston thanked Canby Utility staff for their assistance during the emergency response, recognizing employees for their prompt actions in disconnecting electrical service and supporting emergency operations.

General Manager Kari Duncan thanked Chief Dale, Assistant Chief English, and Fire Inspector Johnston for speaking with utility employees and the Board. She stated that employees appreciated the opportunity to ask questions following the incident and noted that staff continues to have concerns regarding any future rebuilding of the facility. Duncan said that employee concerns have not been shared with Kittyhawk directly and that she would discuss it further with the Board to determine if a letter of comment is supported.

Member Yarbrough asked about the City's review process should Kittyhawk rebuild. Johnston explained that land use and zoning decisions fall under the City's authority, while the Fire Department is responsible for enforcing applicable fire codes. A discussion ensued regarding the City's review process that involves pre-application and pre-construction meetings to review project requirements.

General Manager Kari Duncan presented a proposed Memorandum of Understanding (MOU) for prospective large electric load customers. She explained that recent requests from potential large commercial customers have triggered requirements from the Bonneville Power Administration (BPA) and Portland General Electric (PGE) to conduct feasibility, system impact, and facilities studies to determine whether sufficient transmission capacity is available to serve the customer's requested load. The requirement to conduct studies is relatively new, and currently policy does not have a method to assign fees and expenses associated with the studies, noting that the deposits for each study can range between $50,000 and $75,000.

Duncan stated that staff worked with special legal counsel to develop an MOU that would serve as a template agreement for electric service requests of one megawatt or greater. The agreement would require developers to reimburse Canby Utility for all costs associated with the BPA and PGE studies, as well as any cost that the utility incurred as a result of the request. She noted that staff plans to present the Board with a resolution and policy update to formally implement the

process in August.

Member Pendleton asked whether developers would be required to pay a deposit. Duncan explained that deposits are not currently required unless requested by BPA or PGE. Discussion ensued regarding requiring deposits or other financial assurances to protect the utility if a project does not move forward. Member Westcott suggested the possibility of a bond, while Member LeBlanc expressed a preference for cash deposits and recommended periodically reviewing study costs to ensure they remain aligned with BPA and PGE fee schedules. Human Resources/Administration Manager Barbara Benson noted that study costs may increase if both substations are affected by a proposed development.

Discussion also followed regarding the allocation of future infrastructure costs associated with large developments. Operations Manager Jason Berning explained that infrastructure costs can be allocated among multiple developments when appropriate. Duncan stated that the proposed MOU is intended to ensure the utility is prepared to respond to future large load requests. The proposed agreement applies only to electric service requests but could be adapted for water service if needed.

For the Board Report, Chair Molamphy thanked Duncan for coordinating the Canby Fire Department's presentation regarding the Kittyhawk incident and potential future plans.

Member Pendleton asked about the City's Urban Growth Boundary (UGB) planning efforts and whether Stantec had identified a preferred location for the new water treatment plant. Duncan stated that staff is currently focused on the alternatives analysis and that Site 10, which is owned by Canby Utility, remains the primary location under evaluation, although the alternate site has not been eliminated.

Member Pendleton also referenced a recent public meeting regarding the UGB, expressing concern that potential boundary changes could affect the proposed plant locations. Duncan stated that she serves on the Project Advisory Committee for the UGB planning effort and explained that the proposed treatment plant sites are not located within the areas currently being considered for expansion. She added that the County has indicated the placement of a water treatment plant in Site 11 is an allowed use at that location. Discussion followed regarding rural reserve designations and the potential impacts of future land use decisions.

No further comments were made during the Board Report.

Operations Manager Jason Berning presented the quarterly reliability report, noting that two outages occurred during the quarter. One outage was caused by an overhead transformer failure on the north side of town, and the second occurred when a squirrel damaged a fuse near Locust and 3rd. Berning reported that service was restored quickly in both instances.

General Manager Kari Duncan provided a staff report, thanking staff for their participation in the Fourth of July parade. She also provided an update on the City of Canby's UGB planning efforts,

noting that she continues to participate on the Advisory Committee. Staff is monitoring the potential impacts of future growth as the City plans to incorporate a significant amount of land for both commercial and residential development into the UGB.

Duncan reported that Stantec is preparing responses to Board questions from the June 30 Special Board meeting that discussed the Canby Water Supply Program alternatives analysis, including questions related to reliability, operating costs, and life-cycle costs. Stantec will return at a future meeting to present the information. She noted that community outreach on the project continues, including presentations to the Rotary Club and an upcoming presentation to the Kiwanis Club.

Duncan stated that commissioning of the electric vehicle charging station is scheduled to begin on July 20. She also announced that Canby Utility plans to participate in the Molalla River Symposium in September, which will focus on recent significant events affecting the river. In addition, SDAO ethics training has been scheduled for September 29, with Canby Utility serving as the host.

Duncan reported that several organizations have submitted a letter of concern to the Oregon Government Ethics Commission regarding ambiguity in certain ethics rules and related guidance. She stated that she would share the letter with the Board. The letter was signed by both the League of Oregon Cities and the Special Districts Association of Oregon.

Lastly, Duncan reported that the Canby City Council is expected to take final action on the proposed Chapter X - Utilities City Charter amendment, which will be on the November ballot.

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

The meeting adjourned at 8:05 p.m.

John Molamphy, Chair	Ron Yarbrough, Member
Ron LeBlanc, Member	Jack Pendleton, Member
Robert Westcott, Member	Barbara Benson, Board Secretary

MEMORANDUM

To: Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott

From: Kari Duncan, General Manager and Mike Schelske, Finance Manager

Date: August 5, 2026

Subject: Professional Services Letter of Engagement for Bond Counsel

Recommended Motion: I move to affirm the General Manager's approval of the letter of engagement for Bond Counsel Services with Hawkins Delafield & Wood LLP.

Background:

Overview of Selection

Staff conducted an informal solicitation process to select a law firm to serve as bond counsel for the Canby Water Supply Project (CWSP). Staff recommends selecting Hawkins Delafield & Wood LLP to serve as bond counsel for Canby Utility.

The Solicitation Process

Two law firms with bond counsel specialties and offices in the Portland Metro area were contacted, and both firms submitted statements of qualifications and proposals.

Evaluation

The statements of qualifications were reviewed along with estimated fees and billing terms. Both firms have strong credentials and experience in all types of debt issuance. Both have provided bond counsel services to numerous cities, counties, schools, and municipal utilities in Oregon. Both have been involved in debt issues of over $100 million.

Fees were comparable, although charges for miscellaneous or "out-of-scope" work were not detailed.

The last consideration was the firms' prior history with Canby Utility and/or the City of Canby. Hawkins was bond counsel for the 2004 and 2007 bond issues by the City of Canby (for Canby Utility) and the 2014 and 2017 refunding bonds.

Selection Decision

After careful review and evaluation, and consideration of prior work history, Hawkins was selected as the staff recommendation to the Board to serve as bond counsel for the CWSP.

Budget Considerations

The total fees for services will depend on the final project cost of the CWSP and, therefore, the scope of financial services to support the application for bonds, loans, grants, and other funding resources. The specific budget allocation for this service has not been designated and will need to be designated as part of the more detailed CWSP budget once a final project budget is determined.

MEMORANDUM

To: Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott

From: Kari Duncan, General Manager, and Mike Schelske, Finance Manager

Date: August 5, 2026

Subject: Professional Services Letter of Engagement for Financial Advisor

Recommended Motion: I move to authorize the General Manager to sign the letter of engagement for Financial Advisory Services with PFM Financial Advisors, LLC.

Background

Overview of Selection

The Evaluation Committee, comprised of Canby Utility Staff, conducted a competitive solicitation process to select a firm to serve as the financial advisor for the Canby Water Supply Project financing efforts.

The Solicitation Process

Three firms were contacted, and the utility received two proposals. Results are shown below:

Firm	Result
#1	SOQs and Proposal rec'd 6/30/25
#2	Declined to propose
#3	SOQs and Proposal rec'd 7/02/26

Evaluation

The committee reviewed each firm's statement of qualifications along with their proposed fees and billing terms. Both firms demonstrated strong credentials and extensive experience across multiple types of debt issuance. Each has provided financial advisory services to numerous Oregon cities, counties, school districts, and municipal utilities, and both have participated in transactions exceeding $100 million.

Fee structures were difficult to compare directly. Firm #1 proposed a tiered fee schedule that included a base fee plus incremental amounts above that base. Firm #3's tiered schedule provided minimum and maximum fees at various debt levels; however, the tiers used by each firm did not align, making a precise comparison impractical.

Despite these differences, the committee concluded that overall fees would likely be comparable once the final size of the debt issuance is determined.

The last consideration was the firms' prior history with Canby Utility and/or the City of Canby. Firm #1 was the financial advisor for the 2007 bond issue by the City of Canby (for Canby Utility) and the 2017 refunding bond issue.

Staff Recommendation:

After careful review and evaluation, and consideration of prior work history, staff recommends Firm #1, PFM Financial Advisors, to be the financial advisor for the CWSP financing.

Budget Considerations:

The total fees for services will depend on the final project cost of the Canby Water Supply Program, and therefore the scope of financial services to support the application for bonds, loans, grants, and other funding resources. For example, the fee for supporting a bond of $75 million is $75,000, and the fee for supporting a bond of $150 million would be $108,000.

MEMORANDUM

To: Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott

From: Kari Duncan, General Manager

Date: August 6th 2026

Subject: Staff Report – MOU Large Customer Template Policy Resolution

Recommended Motion: Move to approve Resolution number 346 updating the Customer Service Policy Manual to add Section C Large Customer Study – Memorandum of Understanding.

Background

In recent years, Canby Utility has received multiple customer requests for large electric service connections, above 1 MW in capacity. Due to the potential constraints on PGE's transmission system lines feeding Canby Utility's substations, the Utility's power and transmission provider, Bonneville Power Administration (BPA) and Portland General Electric (PGE) now require large loads above 1 MW to undergo transmission interconnection studies to confirm sufficient capacity to serve prospective new customer loads in Canby.

At the July Board meeting, the Board reviewed and supported an MOU template that will allow the Utility to pass the cost of studies to the customer. Enclosed for the Board review and consideration is Resolution No. 346 and attachment with a proposed update to the Customer Service Policy to require an MOU for new and expanding customer connections equal to or greater than 1 MW. A new Section C Large Customer Study- Memorandum of Understanding section has been added on page 7 of the Customer Service Policies.

Please note that some formatting to correct the numbering will be completed if the Board approves the policy update.

RESOLUTION NO. 346

A RESOLUTION UPDATING CUSTOMER SERVICE POLICIES AND PROCEDURES TO REQUIRE A MEMORANDUM OF UNDERSTANDING FOR LARGE CUSTOMER ELECTRIC STUDIES; REPEALING RESOLUTION NO. 338

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

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

WHEREAS, the City of Canby Charter requires the Board to adopt rates that are fair, reasonable and compensatory, and must be sufficient to pay all operating and maintenance costs as well as all bond interest and bond redemption costs; and

WHEREAS, the Charter allows the Board to adopt regulations governing extension of services of the Electric Department and such regulations shall be made to render them compensatory; and

WHEREAS, the Canby Utility Board may be subject to fees from its wholesale power and transmission provider to conduct studies to determine if power supply and transmission capacity is sufficient for new or expanding customer connections equal to or greater than 1 megawatt (MW); and

WHEREAS, the Canby Utility Board desires to transfer such fees to the customer requesting the service connection; and

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

SECTION 1. GENERAL

A. A new or expanding Large Customer Study Memorandum of Understanding is established.

B. Resolution No. 338 and any Resolutions or provisions thereof that conflict with the terms of this Resolution are repealed.

C. This Resolution and Exhibit "A", attached and incorporated by reference, will serve as a general source of authority for more specific policies, which may be adopted by the General Manager of the Canby Utility Board or their designee, with Board Attorney's consent.

SECTION 2. MISCELLANEOUS

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

This Resolution is effective on August 12, 2026.

ADOPTED by the Canby Utility Board this _____day of _____, 2026.

_____
John Molamphy, Chair

_____
Ron Yarbrough, Member

_____
Ron LeBlanc, Member

_____
Jack Pendleton, Member

_____
Robert Westcott, Member

_____
Barbara Benson, Board Secretary

CANBY UTILITY

CUSTOMER SERVICE POLICIES & PROCEDURES

AUGUST 2026

I. PREFACE

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

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

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

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

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

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A. Conditions of Service

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

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

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

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

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

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

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

B. Application for Service

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Changes on Existing Accounts

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

   b) Removing a name: The customer retaining service must notify CU stating that they will become the sole account owner and take full responsibility of account. The account must be current. If the account has been established for less than one year, a deposit may be required if the primary applicant is removed. The deposit will be determined as stated in section C.1 in this procedure. If a deposit is required, one-third of the deposit will be collected at the time the name is removed, and the balance will be billed in two (2) equal payments as stated for new deposits in section C.1.

c) Removing a co-signer: When a co-signer requests to have their name removed from the account, the account balance must be current. If the account was established less than one year, a deposit will be required according to the deposit requirements listed in section C.1. Payment history for accounts that have been established more than one year will be reviewed; payment history must not have more than one (1) delinquency notice and zero (0) disconnect notices issued in the past twelve (12) months. If payment history meets requirements, services will be changed under single owner. If account history does not meet requirements, co- signer will be removed and a deposit will be added according to deposit requirements listed in section C.1 in this procedure.

d) Deceased Customers with one account owner: Responsibility for billing must be assumed by the deceased's estate, an individual or a personal representative. A copy of the death certificate, letters testamentary or court appointed documents must be provided to make changes on account. CU may use confirmation of death from a published source, such as obituary from newspaper or internet.

e) Name Change: An account owner may request a name change by phone, email or in person for reasons such as marriage and, divorce, etc. No documentation will be required. The balance on the account must be current.

C. Large Customer Study, Memorandum of Understanding

1. Customer Responsibility for Capacity and Transmission Studies. A customer that requests a new or expanding large load connection greater or equal to 1 MW in capacity will be required to enter into a Memorandum of Understanding (MOU) with CU to assign the cost of all required studies including, but not limited to, one or more of the following: a feasibility study, a system impact study, a facilities study, an affected system study, and other studies. A study deposit will be required prior to commencement of such studies.

D. Security Deposit

1. Residential Customer

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

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

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

a) Provide a letter from another electric utility establishing a favorable credit history, verifying that payments have remained current during the previous twelve (12) months.

b) CU may access a customer's credit history from a recognized credit bureau and will determine if a deposit is required.

c) Provide a Guarantor to co-sign for security. Co-signer must be a CU customer for a minimum of two (2) years, with no more than one (1) delinquency in a twelve (12) month period. The Guarantor may not co-sign for more than one active CU account. Only customers responsible for residential accounts may co-sign for residential accounts.

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

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

Any remainder of the deposit and any allowable interest shall be refunded to the customer. All refunds will be made within thirty (30) days from the date the deposit refund is posted to the account.

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

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

CU will maintain confidential credit history on customers.

2. General Service, High-Density Load Service, and New or Expanding Large Load (NELL) Customers

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

CU, at its discretion, may waive a security deposit for a General Service, High-Density Load Service, or NELL customer who has previously established favorable CU credit history, or who can provide a letter from another electric utility establishing a favorable credit history, verifying that payments have remained current during the previous twelve (12) months.

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

Any account that requires a deposit will be reviewed one (1) year from when the final payment of the deposit was made to the account. If the customer demonstrates a favorable payment history with payments being made in full, by the billing due date for the prior twelve (12) month rolling period, the deposit plus interest will be credited to the account. If a favorable payment history has not been established, the deposit will be held until the account shows a rolling twelve (12) month favorable payment history; the account will be reviewed monthly until the favorable payment history is established. At that time, CU will refund the deposit and interest

back to the customer's account. The security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account held by the same customer. Upon termination of the account the security deposit and accrued interest may be applied, at CU's discretion, to any unpaid balance or transferred to another account held by the same customer.

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

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

CU will maintain confidential credit history on customers.

3. Bankruptcy

Customers who file for bankruptcy will be subject to the bankruptcy laws in effect at the time of their filing. When a legal notification of bankruptcy on an established account is received, CU will close the existing account, and a new account will be set up. The new account will be set up with the date the bankruptcy notice was received. The new account set up fee will be waived. If a deposit was required on the established account, the new account will require the same deposit. If no deposit was held on the established account a deposit will be added to the new account 30 days after the filing of the bankruptcy. The deposit on the established account may not be used against any outstanding balance on the account that existed prior to the bankruptcy. The deposit may be transferred and held as a deposit on the newly established account.

E. Installation or Change of Service

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

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

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

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

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

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

F. Release of Information Concerning Customers

1. Inquiry on customer accounts

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

2. Collection of Information

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

3. Custodian of Records

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

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

4. Customer Account Information

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

5. Request for Inspection of Records and Furnishing Copies

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

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

6. Denial in Whole or in Part

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

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

7. Search Fees and Costs

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

G. Billing

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

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

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

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

1. Customer Billing Process

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

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

If there is a past due balance still owing after the extended date, a disconnect notice will be issued the following week to all accounts with a balance of $100.00 or more. A disconnect notice may be issued any time to an account with a balance of less than $100.00, if the

balance includes any unpaid deposit billed at the time service was established. A fee will be charged to the account for issuance of a disconnect notice. All accounts are subject to the disconnect notice fee once the disconnect notice has left the business office for delivery. The disconnect notice will extend the due date until the following Monday end of business. If a payment is not received or a payment arrangement has not been granted, services may be disconnected without further notice.

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

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

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

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

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

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

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

H. Bill Payment

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

1. Bill Payment Options

   Payments may be:

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

2. Payment Allocation

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

3. Non-Sufficient Funds Payments

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

   When a payment is returned for non-sufficient funds on an account that has been noticed for disconnection, CU reserves the right to require payment in full plus fees

within 24 hours to avoid disconnection of services. Payment must be verifiable funds such as cash, money order, cashier's check, credit card, or debit card. Service charges established by CU may be added to a customer's account to cover the costs of collection efforts in the processing of dishonored checks, hand-delivered notices by field representatives, and the disconnection/reconnection of services. (See Master Fee Schedule)

4. Counterfeit Currency

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

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

5. Adjustment of Utility Bill

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

A) A written request that includes date(s) of high usage, date when the leak was fixed, name, address and account number.
B) To be considered "excessive", the water use must be at least 50% of normal range for the month when compared to historical water use at the property in the records of CU.

C) The water bill shall not be reduced to below the average amount for comparable months, nor shall it be reduced to less than 50% of the amount billed.
D) The reduction shall not be granted for longer than 3 consecutive months, thereby encouraging prompt attention to necessary repairs.
E) A water service leak credit will be limited to one leak credit per year. The General Manager may approve an additional leak credit on a case-by-case basis.

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

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

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

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

I. Financial Assistance

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

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

J. Levelized Payment Plan

CU offers a voluntary Levelized Payment Plan as a convenience for qualifying residential customers. The customer must have a minimum of twelve (12) consecutive months of established service. A customer will not be eligible for a levelized payment plan if they

have received a disconnection notice in the preceding 12 months, and a customer who receives a disconnect notice will be removed from the levelized payment plan for 12 months. Under this plan, the customer pays the average monthly cost of all utilities based on previous billings for the service address.

The customer's account must be at a zero (-0-) balance before signing up for this service. If the customer becomes delinquent on the Levelized Payment Plan, the account may be removed from the Levelized Payment Plan and returned to a regular payment status. Delinquencies may result in further collection actions as described in these Policies and Procedures.

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

K. Appeals

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

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

1. Upon receipt by CU of a written appeal from a customer or applicant, CU shall investigate the appeal and report the results, in writing, of its investigation to the customer or applicant within ten (10) business days from CU's receipt of the written appeal. CU shall prepare a written record showing the name and address of the customer of applicant involved, the date and nature of the appeal and the disposition of the matter. CU shall retain records of the appeal pursuant to CU's record retention policy.

2. Pending resolution of the appeal, the customer's obligation to pay undisputed and subsequent charges continues.

3. A customer or applicant who has an appeal pending with CU may receive continued service provided:

    a) No evidence of theft of service, tampering or fraud is discovered, and

    b) A bona fide appeal exists in which the facts asserted by the customer or applicant may entitle the customer or applicant to service.

4. If the conditions in subsection (3) of this rule are not satisfied, CU has no obligation to provide continued service. CU will give the customer or applicant notice in accordance with CU's Policies and Procedures prior to disconnecting service because of a failure to meet the conditions of subsection (3).

5. If the customer refuses to accept delivery of the written decision or fails to comply with the decision, CU may proceed with immediate collection efforts without further notice including, but not limited to, restriction or disconnection of the customer's service. The written decision of CU is final when issued.

6. Appeals are only accepted from CU customers, applicants, or their authorized agents.

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

1. Disconnection by CU

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

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

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

2. Tampering/Diversion

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

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

3. Fraud

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

4. Code Violations

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

5. Resumption of Service after CU Action

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

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

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

6. Emergency Situations

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

7. Application for Medical Equipment Exemption for Residential Utility Service

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

   b) The written request must include:

      1) The name of the person to whom the equipment exemption applies and relationship to the customer;

      2) Nature of illness;

      3) An explanation of how the lack of service will affect this person;

      4) A statement indicating how long the health condition is expected to require a medical exemption for utility service;

      5) A statement specifying the type of utility service and medical equipment required (for example, electricity for respirator); and

      6) The printed name, signature and phone number of the qualified medical professional certifying the medical need.

   c) If a medical equipment exemption is not submitted in compliance with this policy, CU may disconnect service after providing notice to the customer, in accordance with CU's policies and procedures.

   d) A medical equipment exemption shall be valid only for the length of time the health endangerment is certified to exist, but no longer than twelve (12) months without renewal. At least 15 days before disconnection due to the expiration of the medical equipment exemption, CU will give the customer written notice.

   e) A customer obtaining a medical equipment exemption is not excused from paying for utility service:

1) Customers are required to enter into a written payment agreement with CU when an overdue balance exists.

2) Time-payment arrangements in effect when a medical equipment exemption terminates, remain in effect for the balance then owing.

f) If a customer with a medical equipment exemption fails to enter into a written time-payment agreement, or to abide by its terms, and fails to bring the account current, CU will disconnect service after providing notice in advance of disconnection for non-payment in accordance with CU's Policies and Procedures.

g) If CU determines a customer does not qualify or no longer qualifies for a medical equipment exemption, CU will terminate the medical equipment exemption after providing notice and the customer will be subject to service in accordance with CU's Policies and Procedures.

8. CU's Options

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

M. Temporary Service

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

N. Resale of Utility Service

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

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

CU shall be granted, at no cost, all rights-of-way, rights of access, and easements necessary to serve the customer for the installation, maintenance, repair, replacement, removal or use of any or all equipment or materials used to supply and deliver utility services to the customer.
The customer is required to provide safe and timely access, as determined by CU, to the premises of the customer for the purpose of reading meters, testing, repairing, removing or exchanging any or all equipment belonging to CU.

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

The customer may be charged for clearing or trimming activities in the vicinity of CU's facilities. When access to any of CU's facilities is impaired by the customer's actions, animals, trees, shrubs, changes of grades, fences, locked doors, or other obstructions, CU shall notify the customer and/or property owner, as determined by Clackamas County records, of the impairment to access. The customer is responsible for safely resolving the impairment or eliminating the interference preventing timely access to CU's facilities. If access remains impaired, the property owner, as determined by Clackamas County records, is subject to one of the following actions: Service will be stopped, or CU's facilities will be relocated and the customer shall reimburse CU for actual costs. (See Service Charges and Rates, Electric Section, and Water Section.) For meters that are in an area that is locked or in a gated area, the customer must provide key access or permit CU to install remote meter reading equipment, if required.

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

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

1. Causes beyond CU's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, action of the elements, court orders, litigation, breakdown of or damage to facilities of CU or of third parties, acts of nature, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which CU's system is interconnected, and acts or omissions of third parties.

2. Repair, maintenance, improvement, renewal or replacement of facilities, or any discontinuance of service (which in CU's judgment, is necessary) to permit repairs or changes to be made in CU's source of supply, transmission or distribution facilities, or to eliminate the possibility of damage to CU's property or to the persons or property of others. Whenever CU schedules maintenance in advance which will require customers to be without utility service for more than one hour, CU will notify customers as follows:

    a) At CU's discretion, customers may be contacted in person, by phone or by written notice, either mailed or left at the location scheduled for temporary interruption.

    b) The oral or written notice will include the following:
        1. Reason for interruption
        2. Date and approximate time which the interruption will begin
        3. Expected duration of interruption

    c) Whenever possible, customers expected to be without service beyond one hour will be notified as least one day in advance.

3. CU may take automatic or manual actions (which in its sole judgment are necessary or prudent) to protect the performance, integrity, reliability, or stability of CU's systems or any system with which it is interconnected. Such actions shall include but shall not be limited to, the operation of automatic or manual protection equipment installed in CU's systems including, without limitation, such equipment as relays, circuit breakers, switches, valves and pumps.

4. CU may take action with respect to any plan or course of action to conserve utilities at times of anticipated deficiency of resources, including, but not limited to, non-voluntary curtailment or suspension of utility services. CU has adopted a Water Supply Shortage Contingency Plan that details voluntary and non-voluntary actions to be taken in the event of a water shortage. Refer to Water Utility, Water Shortages and Curtailments, for a description of customer responsibilities during a curtailment declaration.

Q. Metering Service

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

A record will be kept by CU of all meter readings (according to the applicable records retention requirements). These records shall be accepted and received at all times and places, and in courts, as prima facie evidence of the use of utility services by the customer.

The records shall be the basis on which bills are calculated, except for those customers having un-metered service.
CU shall own, install and maintain all necessary meters for measuring the amount of utility services used by the customer. Where a master meter is used, CU shall not furnish or read auxiliary or sub-meters used for the customer's convenience, except under special contracts.
For a customer-requested meter change, the customer shall pay the cost based on CU's current rate schedules.

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

When additional metering is installed to serve a customer's premises, each additional meter shall be served under the same rate as the existing meter if such meter serves load that is an integral part of the customer's existing use and is of the same phase and voltage. Each meter shall be billed separately, including any applicable basic customer charge or minimum charge.

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

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

R. Rate Adjustment, Revision of Policies and Procedures

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

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

S. Conflict

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

T. Unauthorized Attachments Prohibited

Written consent shall be obtained from CU before any equipment or material of any description may be attached to any facility or property owned by CU. CU shall not be responsible for loss, injury, or damage to life or property resulting from customer-owned installed and maintained facilities on, adjacent to, or connected to CU's facilities, and the customer shall assume all liability.

U. Grades and Locations within Private Property

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

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

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

V. Locating – Underground Facilities

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

CALL BEFORE YOU DIG – FOR ALL UTILITY LOCATIONS CALL:
OREGON UTILITY NOTIFICATION CENTER 1-800-332-2344 or 811

W. Damage

Damages or alterations to CU's property and/or facilities due to any activity associated with improvements or changes for individual properties shall be the responsibility of the owner of the property or principle of any third-party agreement to reimburse CU all costs to repair or replace the damaged property and/or facilities to original condition. In the event any of CU's property and/or facilities is required to be altered or moved because of the changed configuration or usage of any properties, the property owner, as determined by Clackamas County records, shall be responsible for the full cost of the alteration or relocation.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

CU: Canby Utility

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

High-Density Load Service: An electric utility service used for data centers, hosting or operating cryptocurrency mining activities, artificial intelligence (A.I.) hosting centers, web hosting centers, or other similar facilities or operations. CU retains sole discretion in evaluating and classifying customers under this definition. Classification decisions will be based on a holistic assessment of the customer's operations, energy usage patterns, business model, and other relevant characteristics. Customers classified as High-Density Load Service must take service under the designated Data Center Rate Schedule. These customers are not eligible to receive service under any other general service tariff offered by CU.

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

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

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

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

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

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

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

New or Expanding Large Load (NELL): A New Load is any service that is first connected to the electrical distribution system after October 1, 2013, and that is expected to have a load of greater than or equal to 3.1 average megawatts (aMW) or peak of 3.1 MW. An Expanding Load means any service currently connected to the electrical distribution system and that is expected to increase average annual load greater than or equal to 3.1 aMW or additional peak of 3.1 MW when compared to that service's monthly energy and demand consumption history during the immediately preceding calendar year.

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

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

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

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

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

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

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

Residential Service: Service furnished to a living unit that is separately metered and is primarily used for domestic purposes. It further includes duplexes, triplexes, quads, any second service determined to be domestic use and billed on the same residential account, and common use

facilities associated with those structures. It excludes dwellings where tenancy is typically of a transient nature such as hotels, motels, and lodges. Also excluded are sororities, fraternities, and apartment complexes served through a shared meter.

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

Living units used jointly for both domestic and business purposes shall be considered residential services, if more than 50% of the square footage of all enclosed structures served is devoted to domestic use. However, CU reserves the right to exclude combined business/residential services from the residential rate where a disproportionate amount of either the monthly kW or kWh load is consumed by the business portion, as determined by CU. The customer has the option of separating the wiring such that the residential portion may be metered and billed separately.

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

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

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

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

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

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

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

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

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

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

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

MEMORANDUM

To: Chair 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: August 6, 2026

Subject: Financial Results for the Quarter and Twelve Months Ending June 30, 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 $15.7 million was 1% under budget.
- Total expenses (purchased power and operating expenses) were under budget with 96% of the budget spent after 100% of the year.
- Purchased power of $9.5 million was 3% above budget.
- The operating profit of $260,000 was 239% above budget.
- Change in Net Assets of $2.3 million was 53% above budget, driven by higher operating profit and higher contributed capital.

Water Highlights

- Operating revenue of $5.8 million was on budget.
- Operating expenses were under budget with 90% of the budget spent after 100% of the year.
- Operating profit of $1.6 million was 39% above budget.
- Change in Net Assets of $4.0 million was 8% above budget due to higher operating profit.

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

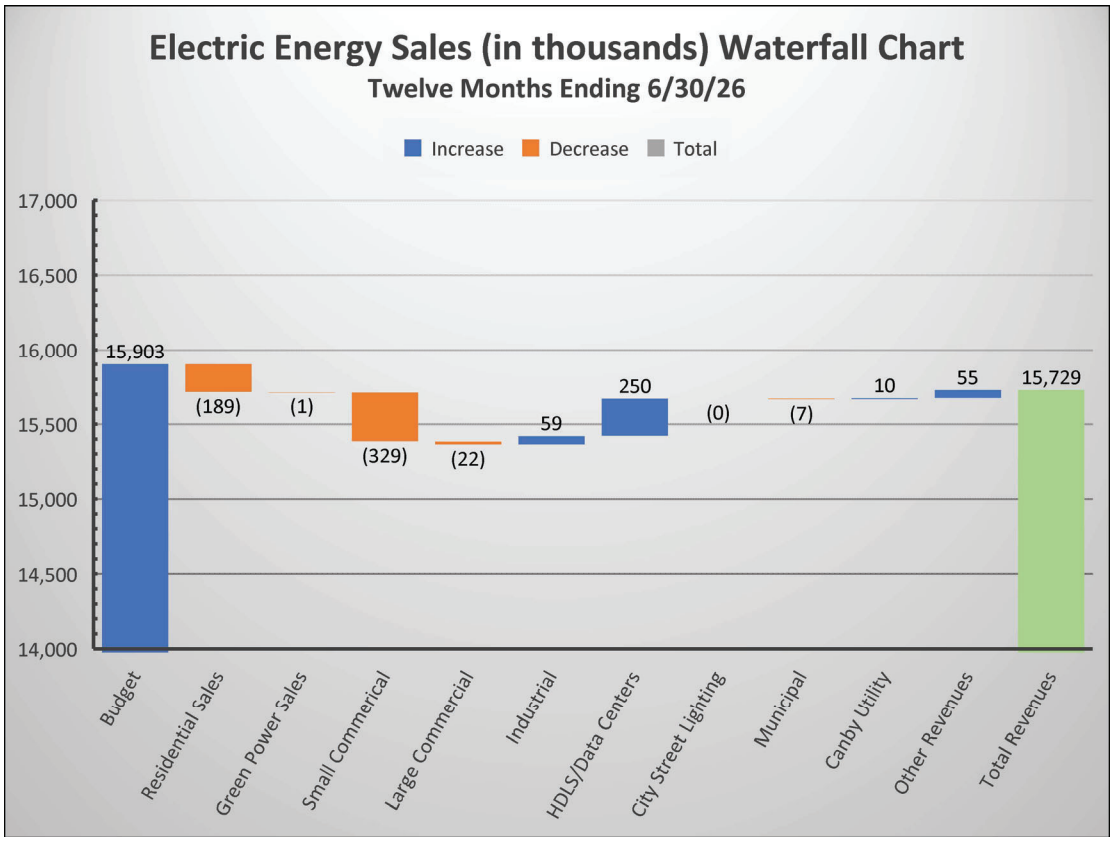
Charts on following pages:

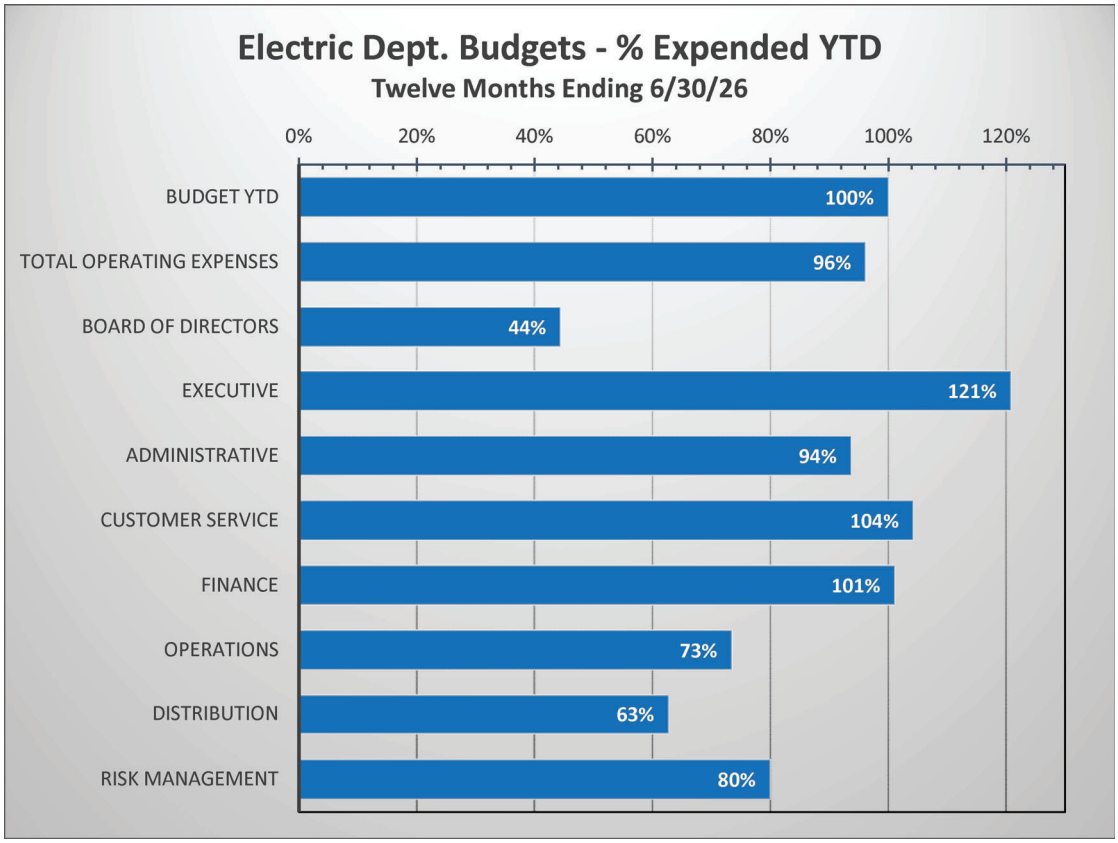
- Electric Revenue Waterfall Chart
- Electric Department Budgets – Percentage Expended YTD
- Water Revenue Waterfall Chart
- Water Department Budgets – Percentage Expended YTD

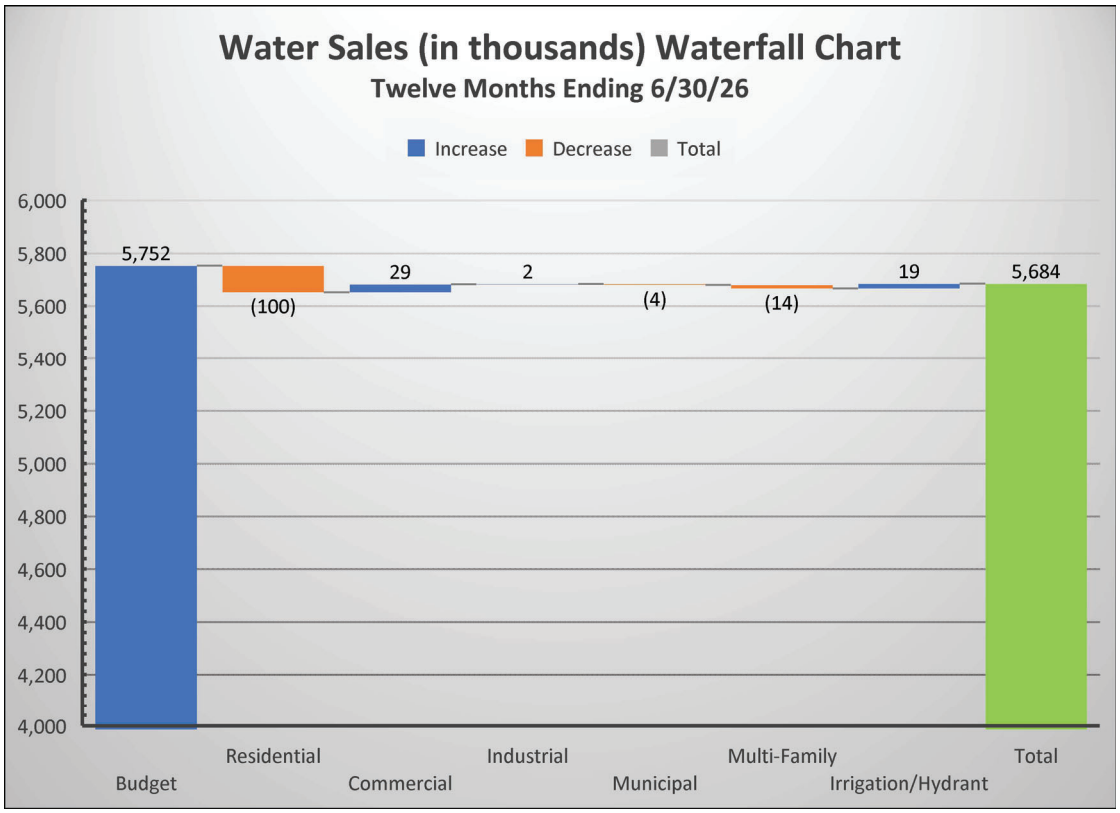
Canby Utility
Financial Highlights
Quarter and YTD Ending
June 30, 2026

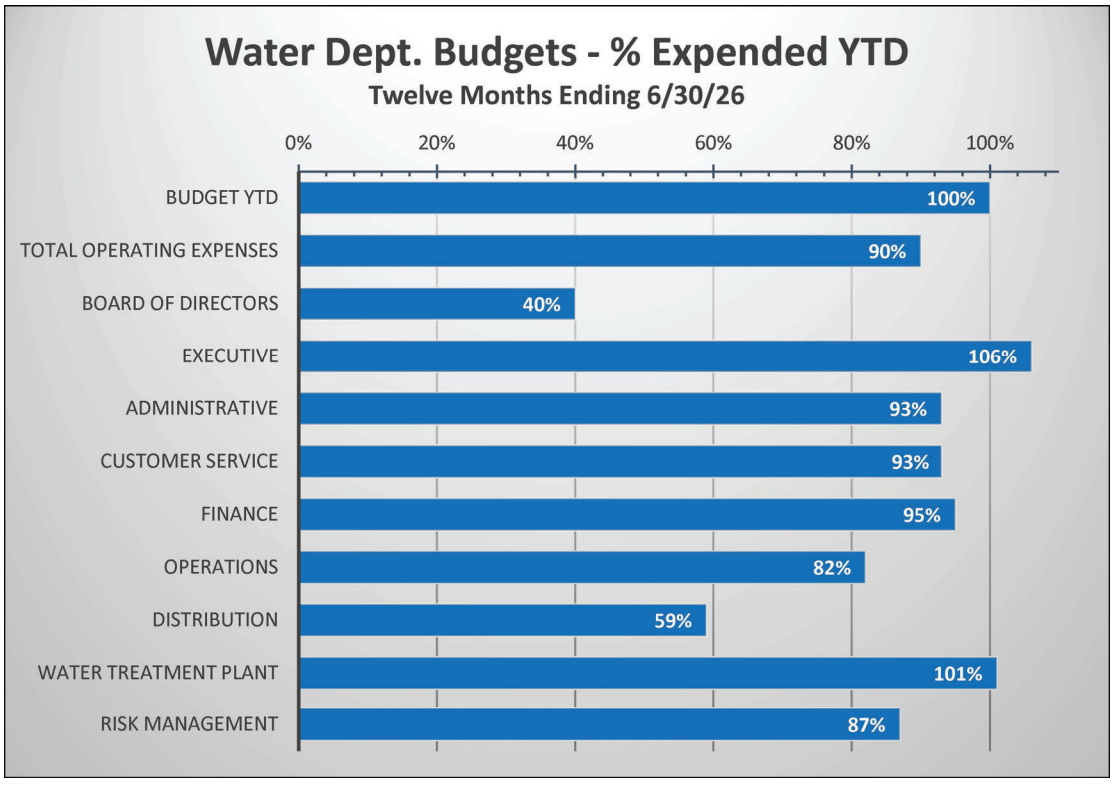
Electric Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
Balance Sheet						
Cash & Investments			$ 19,129,095			
Statement of Operations & Change in Net Assets						
Operating Revenue	$ 3,738,993	$ 3,670,058	$ 15,729,065	$ 15,903,087	$ (174,022)	Within Budget
Purchased Power	2,167,128	2,071,981	9,476,034	9,239,029	237,005	Unfavorable
Operating Expenses	1,340,674	1,658,671	5,993,290	6,851,221	(857,930)	Favorable
Operating Profit (Loss)	231,191	(60,594)	259,741	(187,162)	446,904	Favorable
Operating Margin	6.2%	-1.7%	1.7%	-1.2%		
Other Rev. (Exp.)	(167,225)	219,581	824,983	842,948	(17,965)	Within Budget
Capital Contributions	620,334	211,073	1,213,150	844,298	368,852	Favorable
Change in Net Assets	$ 684,301	$ 370,060	$ 2,297,873	$ 1,500,084	$ 797,790	Favorable
Sales Data						
kWh Sold	43,459,273		194,822,433			
kWh Purchased	45,229,567		200,791,932			

Water Operations	Quarter		YTD		YTD	
	Actual	Budget	Actual	Budget	Over (Under) Budget	Budget Status
Balance Sheet						
Cash & Investments			$ 13,670,341			
Statement of Operations & Change in Net Assets						
Operating Revenue	$ 1,434,040	$ 1,414,768	$ 5,752,694	$ 5,752,178	$ 516	Within Budget
Operating Expenses	1,021,697	1,144,084	4,119,521	4,578,200	(458,679)	Favorable
Operating Profit (Loss)	412,342	270,684	1,633,173	1,173,978	459,195	Favorable
Operating Margin	28.8%	19.1%	28.4%	20.4%		
Other Rev. (Exp.)	(3,400)	188,407	560,733	641,003	(80,270)	Unfavorable
Capital Contributions	1,180,659	$ 473,006	$ 1,818,940	1,892,018	(73,078)	Unfavorable
Change in Net Assets	$ 1,589,602	$ 932,097	$ 4,012,845	$ 3,706,999	$ 305,846	Favorable
Sales Data						
Cu. Ft. Sold	22,325,700		103,778,123			


Electric Energy Sales (in thousands) Waterfall Chart
Twelve Months Ending 6/30/26
Increase
Decrease
Total
17,000
16,500
16,000
15,500
15,000
14,500
14,000
15,903
(189)
(1)
(329)
(22)
59
250
(0)
(7)
10
55
15,729
Budget
Residential Sales
Green Power Sales
Small Commerical
Large Commercial
Industrial
HDLS/Data Centers
City Street Lighting
Municipal
Canby Utility
Other Revenues
Total Revenues


Electric Dept. Budgets - % Expended YTD
Twelve Months Ending 6/30/26
0%
20%
40%
60%
80%
100%
120%
BUDGET YTD
100%
TOTAL OPERATING EXPENSES
96%
BOARD OF DIRECTORS
44%
EXECUTIVE
121%
ADMINISTRATIVE
94%
CUSTOMER SERVICE
104%
FINANCE
101%
OPERATIONS
73%
DISTRIBUTION
63%
RISK MANAGEMENT
80%


Water Sales (in thousands) Waterfall Chart
Twelve Months Ending 6/30/26
Increase
Decrease
Total
6,000
5,800
5,600
5,400
5,200
5,000
4,800
4,600
4,400
4,200
4,000
5,752
(100)
29
2
(4)
(14)
19
5,684
Budget
Residential
Commercial
Industrial
Municipal
Multi-Family
Irrigation/Hydrant
Total


Water Dept. Budgets - % Expended YTD
Twelve Months Ending 6/30/26
0%
20%
40%
60%
80%
100%
BUDGET YTD
100%
TOTAL OPERATING EXPENSES
90%
BOARD OF DIRECTORS
40%
EXECUTIVE
106%
ADMINISTRATIVE
93%
CUSTOMER SERVICE
93%
FINANCE
95%
OPERATIONS
82%
DISTRIBUTION
59%
WATER TREATMENT PLANT
101%
RISK MANAGEMENT
87%

Balance Sheet - Electric

June 30, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
Assets				
Current Assets				
Cash	428,944.22	386,602.58	42,341.64	10.95%
Allocate Cash to Reserves	(17,123,174.53)	(17,123,174.53)	0.00	0.00%
Local Government Investment Pool	18,700,150.40	16,151,268.11	2,548,882.29	15.78%
Current Accounts Receivable	1,525,152.87	1,687,524.87	(162,372.00)	-9.62%
Plant Materials & Operating Supplies	2,366,123.95	2,487,005.02	(120,881.07)	-4.86%
Prepayments	65,166.97	48,683.56	16,483.41	33.86%
Total Current Assets	**5,962,363.88**	**3,637,909.61**	**2,324,454.27**	**63.90%**
Noncurrent Assets				
Other Deferred Charges	1,426,396.54	1,367,494.72	58,901.82	4.31%
Total Noncurrent Assets	**1,426,396.54**	**1,367,494.72**	**58,901.82**	**4.31%**
Property Plant and Equipment				
Property Plant & Equipment in Service	54,362,530.36	52,724,707.54	1,637,822.82	3.11%
Accumulated Depreciation	(21,099,744.60)	(19,659,676.36)	(1,440,068.24)	7.32%
Construction Work in Progress	676,790.13	264,745.89	412,044.24	155.64%
Total Property Plant and Equipment	**33,939,575.89**	**33,329,777.07**	**609,798.82**	**1.83%**
Cash Designated for Future Use				
Reserve-Emergency	107,834.00	0.00	107,834.00	na
Reserve-Capital Improvement	0.00	0.00	0.00	na
Reserve-Capital Replacement	0.00	0.00	0.00	na
Rate Stabilization	0.00	0.00	0.00	na
Future Improvement/Replacement	17,123,174.53	17,123,174.53	0.00	0.00%
Total Cash Designated for Future Use	**17,231,008.53**	**17,123,174.53**	**107,834.00**	**0.63%**
Total Assets	**58,559,344.84**	**55,458,355.93**	**3,100,988.91**	**5.59%**
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	1,061,876.06	992,626.44	69,249.62	6.98%
Customer Deposits	420,567.53	443,735.93	(23,168.40)	-5.22%
Accrued Payroll Taxes Payable	(27,292.27)	(24,936.79)	(2,355.48)	9.45%
Accrued Payroll	92,840.59	87,845.32	4,995.27	5.69%
Accrued Employee Leave	137,714.45	221,056.27	(83,341.82)	-37.70%
Other Current & Accrued Liabilities	1,571,168.22	881,994.87	689,173.35	78.14%
Total Current Liabilities	**3,256,874.58**	**2,602,322.04**	**654,552.54**	**25.15%**
Noncurrent Liabilities				
Noncurrent Liabilities	3,562,053.31	3,521,324.25	40,729.06	1.16%
Total Noncurrent Liabilities	**3,562,053.31**	**3,521,324.25**	**40,729.06**	**1.16%**
Total Liabilities	**6,818,927.89**	**6,123,646.29**	**695,281.60**	**11.35%**
Net Assets - Unrestricted				
Reserves	107,834.00	0.00	107,834.00	na

Balance Sheet - Electric

June 30, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
Liabilities and Net Assets				
Unappropriated Retained Earnings	50,816,264.64	48,814,624.51	2,001,640.13	4.10%
YTD Net Income(Loss)	2,298,573.31	2,001,640.13	296,933.18	14.83%
Other Equities	(1,481,555.00)	(1,481,555.00)	0.00	0.00%
Less PP&E, Net	(33,939,575.89)	(33,329,777.07)	609,798.82	1.83%
Total Net Assets - Unrestricted	**17,801,541.06**	**16,004,932.57**	**1,796,608.49**	**11.23%**
Investment in Capital Assets	**33,939,575.89**	**33,329,777.07**	**609,798.82**	**1.83%**
Total Net Assets	**51,741,116.95**	**49,334,709.64**	**2,406,407.31**	**4.88%**
Total Liabilities and Net Assets	**58,560,044.84**	**55,458,355.93**	**3,101,688.91**	**5.59%**

Balance Sheet - Water

June 30, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
Assets				
Current Assets				
Cash	35,041.76	500.00	34,541.76	6,908.35%
Allocate Cash to Reserves	(13,437,708.98)	(12,504,489.00)	(933,219.98)	7.46%
Local Government Investment Pool	13,635,299.32	11,755,044.13	1,880,255.19	16.00%
Current Accounts Receivable	887,245.83	795,296.97	91,948.86	11.56%
Plant Materials & Operating Supplies	346,245.25	451,016.77	(104,771.52)	-23.23%
Prepayments	35,186.87	25,209.51	9,977.36	39.58%
Total Current Assets	**1,501,310.05**	**522,578.38**	**978,731.67**	**187.29%**
Noncurrent Assets				
Other Deferred Charges	464,841.92	505,245.00	(40,403.08)	-8.00%
Total Noncurrent Assets	**464,841.92**	**505,245.00**	**(40,403.08)**	**-8.00%**
Property Plant and Equipment				
Property Plant & Equipment in Service	44,929,212.62	43,649,920.72	1,279,291.90	2.93%
Accumulated Depreciation	(16,994,547.41)	(16,094,023.40)	(900,524.01)	5.60%
Construction Work in Progress	2,101,561.37	598,161.58	1,503,399.79	251.34%
Total Property Plant and Equipment	**30,036,226.58**	**28,154,058.90**	**1,882,167.68**	**6.69%**
Cash Designated for Future Use				
Bond Reserve Requirement	0.00	0.00	0.00	na
Reserve-SDC	933,219.98	0.00	933,219.98	na
Reserve-Capital Improvement	0.00	0.00	0.00	na
Reserve-Capital Replacement	0.00	0.00	0.00	na
Future Improvement/Replacement	12,504,489.00	12,504,489.00	0.00	0.00%
Total Cash Designated for Future Use	**13,437,708.98**	**12,504,489.00**	**933,219.98**	**7.46%**
Total Assets	**45,440,087.53**	**41,686,371.28**	**3,753,716.25**	**9.00%**
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	164,798.64	289,696.97	(124,898.33)	-43.11%
Customer Deposits	0.00	0.00	0.00	na
Sewer Collections Payable	0.00	0.00	0.00	na
Accrued Interest	2,251.95	3,364.87	(1,112.92)	-33.07%
Accrued Payroll Taxes Payable	(5,202.19)	(4,448.43)	(753.76)	16.94%
Accrued Payroll	37,266.23	32,783.12	4,483.11	13.68%
Accrued Employee Leave	18,853.32	44,532.14	(25,678.82)	-57.66%
Other Current & Accrued Liabilities	101,576.25	(255.40)	101,831.65	-39,871.44%
Total Current Liabilities	**319,544.20**	**365,673.27**	**(46,129.07)**	**-12.61%**
Noncurrent Liabilities				
Noncurrent Liabilities	1,748,162.39	1,961,162.39	(213,000.00)	-10.86%
Total Noncurrent Liabilities	**1,748,162.39**	**1,961,162.39**	**(213,000.00)**	**-10.86%**
Total Liabilities	**2,067,706.59**	**2,326,835.66**	**(259,129.07)**	**-11.14%**

Balance Sheet - Water

June 30, 2026

	This Year YTD	Last Year YTD	Variance Dollar	Variance Percent
Liabilities and Net Assets				
Net Assets - Unrestricted				
Reserves	100,139.98	76,619.57	23,520.41	30.70%
Unappropriated Retained Earnings	37,873,962.55	34,665,421.61	3,208,540.94	9.26%
YTD Net Income(Loss)	4,012,845.32	3,208,540.94	804,304.38	25.07%
Other Equities	1,385,433.09	1,408,953.50	(23,520.41)	-1.67%
Less PP&E, Net	(30,036,226.58)	(28,154,058.90)	1,882,167.68	6.69%
Total Net Assets - Unrestricted	**13,336,154.36**	**11,205,476.72**	**2,130,677.64**	**19.01%**
Investment in Capital Assets	**30,036,226.58**	**28,154,058.90**	**1,882,167.68**	**6.69%**
Total Net Assets	**43,372,380.94**	**39,359,535.62**	**4,012,845.32**	**10.20%**
Total Liabilities and Net Assets	**45,440,087.53**	**41,686,371.28**	**3,753,716.25**	**9.00%**

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

June 30, 2026

	Month Totals				Year to Date Totals			
	This Year June	Budget June	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Operating Revenues								
Residential Sales	522,668.33	530,894.68	(8,226.35)	-1.55%	7,604,825.16	7,794,072.32	(189,247.16)	-2.43%
Unbilled Electric Revenue	2,678.26	0.00	2,678.26	na	2,678.26	0.00	2,678.26	na
Green Power Sales	617.32	1,170.38	(553.06)	-47.25%	12,094.32	13,299.04	(1,204.72)	-9.06%
Small Commercial	55,013.44	125,358.52	(70,345.08)	-56.12%	1,234,222.76	1,563,468.52	(329,245.76)	-21.06%
Large Commercial	297,673.63	300,950.64	(3,277.01)	-1.09%	3,512,522.42	3,534,047.12	(21,524.70)	-0.61%
Industrial	207,388.28	183,341.82	24,046.46	13.12%	2,280,832.00	2,221,768.70	59,063.30	2.66%
HDLS/Data Centers	62,136.85	0.00	62,136.85	na	250,417.14	0.00	250,417.14	na
City Street Lighting	4,003.56	4,033.05	(29.49)	-0.73%	45,769.90	46,235.70	(465.80)	-1.01%
Municipal	16,974.01	18,280.22	(1,306.21)	-7.15%	213,438.58	220,497.14	(7,058.56)	-3.20%
Canby Utility	20,032.54	16,847.74	3,184.80	18.90%	201,564.92	191,686.42	9,878.50	5.15%
Total Electric Energy Sales	**1,189,186.22**	**1,180,877.05**	**8,309.17**	**0.70%**	**15,358,365.46**	**15,585,074.96**	**(226,709.50)**	**-1.45%**
NSF Check Fees	33.00	100.00	(67.00)	-67.00%	1,188.00	1,200.00	(12.00)	-1.00%
Reconnect Fees	675.00	1,167.00	(492.00)	-42.16%	16,250.00	14,004.00	2,246.00	16.04%
Account Set-up Fee	2,050.00	2,333.00	(283.00)	-12.13%	23,300.00	27,996.00	(4,696.00)	-16.77%
Failed Payment Arrangement Fee	25.00	50.00	(25.00)	-50.00%	275.00	600.00	(325.00)	-54.17%
Disconnect Notice	6,075.00	6,000.00	75.00	1.25%	79,150.00	72,000.00	7,150.00	9.93%
Other Electric Revenues	3,165.22	16,851.00	(13,685.78)	-81.22%	250,536.71	202,212.00	48,324.71	23.90%
Total Other Electric Energy Revenues	**12,023.22**	**26,501.00**	**(14,477.78)**	**-54.63%**	**370,699.71**	**318,012.00**	**52,687.71**	**16.57%**
Total Operating Revenues	**1,201,209.44**	**1,207,378.05**	**(6,168.61)**	**-0.51%**	**15,729,065.17**	**15,903,086.96**	**(174,021.79)**	**-1.09%**
Operating Expenses								
Board Of Directors	502.64	730.00	(227.36)	-31.15%	5,658.77	12,744.00	(7,085.23)	-55.60%
Executive	19,862.53	20,623.00	(760.47)	-3.69%	371,409.38	307,365.00	64,044.38	20.84%
Administrative	35,765.60	34,884.00	881.60	2.53%	387,287.94	413,363.00	(26,075.06)	-6.31%
Customer Service	33,041.17	74,109.00	(41,067.83)	-55.42%	814,062.83	780,966.00	33,096.83	4.24%
Finance	949,439.98	905,912.39	43,527.59	4.80%	12,246,937.17	12,114,188.44	132,748.73	1.10%
Operations	32,830.41	65,744.00	(32,913.59)	-50.06%	579,455.33	788,928.00	(209,472.67)	-26.55%
Distribution	67,481.98	130,972.00	(63,490.02)	-48.48%	993,947.93	1,584,434.00	(590,486.07)	-37.27%
Risk Management	0.00	7,293.00	(7,293.00)	-100.00%	70,564.79	88,261.00	(17,696.21)	-20.05%
Total Operating Expenses	**1,138,924.31**	**1,240,267.39**	**(101,343.08)**	**-8.17%**	**15,469,324.14**	**16,090,249.44**	**(620,925.30)**	**-3.86%**
Operating Income/(Loss)	**62,285.13**	**(32,889.34)**	**95,174.47**	**289.38%**	**259,741.03**	**(187,162.48)**	**446,903.51**	**238.78%**

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

June 30, 2026

	Month Totals				Year to Date Totals			
	This Year June	Budget June	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Operating Margin	**5.19%**	**-2.72%**			**1.65%**	**-1.18%**		
Non-Operating Revenues & Expenses								
Rental Lights	2,767.89	2,833.00	(65.11)	-2.30%	33,204.45	33,996.00	(791.55)	-2.33%
St. Light Maint. Sales	457.97	2,000.00	(1,542.03)	-77.10%	26,918.88	24,000.00	2,918.88	12.16%
Billed For Dig In's	0.00	500.00	(500.00)	-100.00%	1,806.12	6,000.00	(4,193.88)	-69.90%
Public St. Lights Sold	20,583.96	2,333.00	18,250.96	782.30%	39,586.46	27,996.00	11,590.46	41.40%
Misc. Other Sales & Income	(296,487.84)	5,000.00	(301,487.84)	-6,029.76%	188,342.35	60,000.00	128,342.35	213.90%
St. Light Maint. Costs	(21,041.93)	(5,000.00)	(16,041.93)	320.84%	(72,121.26)	(60,000.00)	(12,121.26)	20.20%
Misc. Other Costs & Expenses	(14.03)	0.00	(14.03)	na	(2,583.17)	0.00	(2,583.17)	na
Temporary Service	(646.45)	0.00	(646.45)	na	2,188.43	0.00	2,188.43	na
Interest Income	53,207.53	68,261.00	(15,053.47)	-22.05%	678,882.29	770,960.00	(92,077.71)	-11.94%
Gain On Disposition of Property	0.00	0.00	0.00	na	554.00	0.00	554.00	na
Loss On Disposition of Property	(53,307.99)	0.00	(53,307.99)	na	(53,307.99)	0.00	(53,307.99)	na
Other Interest Expense	(1,343.70)	(1,667.00)	323.30	-19.39%	(18,487.82)	(20,004.00)	1,516.18	-7.58%
Total Non-Operating Revenues & Expenses	**(295,824.59)**	**74,260.00**	**(370,084.59)**	**-498.36%**	**824,982.74**	**842,948.00**	**(17,965.26)**	**-2.13%**
Net Income/(Loss) before Capital Contributions	**(233,539.46)**	**41,370.66**	**(274,910.12)**	**-664.51%**	**1,084,723.77**	**655,785.52**	**428,938.25**	**65.41%**
Capital Contributions								
Electric Hook-up Fees	6,400.00	11,773.00	(5,373.00)	-45.64%	524,404.65	141,322.00	383,082.65	271.07%
Contributed by Others	96,966.90	0.00	96,966.90	na	96,966.90	0.00	96,966.90	na
Line Extension Fees	493,430.28	58,584.00	434,846.28	742.26%	591,777.99	702,976.00	(111,198.01)	-15.82%
Total Capital Contributions	**596,797.18**	**70,357.00**	**526,440.18**	**748.24%**	**1,213,149.54**	**844,298.00**	**368,851.54**	**43.69%**
Change in Net Assets	**363,257.72**	**111,727.66**	**251,530.06**	**225.13%**	**2,297,873.31**	**1,500,083.52**	**797,789.79**	**53.18%**

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

June 30, 2026

	Month Totals				Year to Date Totals			
	This Year June	Budget June	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Operating Revenues								
Unbilled Water Revenue	68,559.99	0.00	68,559.99	na	68,559.99	0.00	68,559.99	na
Residential	379,222.41	447,340.45	(68,118.04)	-15.23%	3,725,049.82	3,825,474.93	(100,425.11)	-2.63%
Commercial	79,499.90	66,107.64	13,392.26	20.26%	718,798.48	689,548.24	29,250.24	4.24%
Industrial	8,476.33	8,779.14	(302.81)	-3.45%	72,395.70	70,596.60	1,799.10	2.55%
Municipal	7,156.68	7,964.46	(807.78)	-10.14%	62,846.78	66,497.22	(3,650.44)	-5.49%
Multi-Family	81,441.71	81,964.47	(522.76)	-0.64%	911,243.13	925,046.88	(13,803.75)	-1.49%
Irrigation/Hydrant	21,158.22	19,765.88	1,392.34	7.04%	193,800.22	175,014.09	18,786.13	10.73%
Total Water Usage Sales	**645,515.24**	**631,922.04**	**13,593.20**	**2.15%**	**5,752,694.12**	**5,752,177.96**	**516.16**	**0.01%**
Total Other Water Revenues	**0.00**	**0.00**	**0.00**	**na**	**0.00**	**0.00**	**0.00**	**na**
Total Operating Revenues	**645,515.24**	**631,922.04**	**13,593.20**	**2.15%**	**5,752,694.12**	**5,752,177.96**	**516.16**	**0.01%**
Operating Expenses								
Board Of Directors	108.60	235.00	(126.40)	-53.79%	1,664.10	4,148.00	(2,483.90)	-59.88%
Executive	7,918.70	7,249.00	669.70	9.24%	96,313.60	91,244.00	5,069.60	5.56%
Administrative	18,366.54	18,782.00	(415.46)	-2.21%	207,632.86	224,016.00	(16,383.14)	-7.31%
Customer Service	9,353.65	18,332.00	(8,978.35)	-48.98%	188,738.59	202,182.00	(13,443.41)	-6.65%
Finance	113,809.82	129,080.00	(15,270.18)	-11.83%	1,392,805.19	1,462,961.00	(70,155.81)	-4.80%
Operations	12,714.78	19,648.00	(6,933.22)	-35.29%	192,329.64	235,764.00	(43,434.36)	-18.42%
Distribution	42,146.23	67,780.00	(25,633.77)	-37.82%	483,644.12	813,360.00	(329,715.88)	-40.54%
Water Treatment Plant	128,377.22	126,053.00	2,324.22	1.84%	1,499,410.54	1,478,924.00	20,486.54	1.39%
Risk Management	0.00	5,413.00	(5,413.00)	-100.00%	56,982.72	65,601.00	(8,618.28)	-13.14%
Total Operating Expenses	**332,795.54**	**392,572.00**	**(59,776.46)**	**-15.23%**	**4,119,521.36**	**4,578,200.00**	**(458,678.64)**	**-10.02%**
Operating Income/(Loss)	**312,719.70**	**239,350.04**	**73,369.66**	**30.65%**	**1,633,172.76**	**1,173,977.96**	**459,194.80**	**39.11%**
Operating Margin	**48.44%**	**37.88%**			**28.39%**	**20.41%**		
Non-Operating Revenues & Expenses								
Billed For Dig In's	0.00	353.00	(353.00)	-100.00%	0.00	3,923.00	(3,923.00)	-100.00%
Misc. Other Sales & Income	(100,495.94)	46,000.00	(146,495.94)	-318.47%	5,958.49	46,000.00	(40,041.51)	-87.05%
Inspection Fees	1,552.50	3,675.00	(2,122.50)	-57.76%	59,646.04	44,133.00	15,513.04	35.15%
Misc. Other Costs & Expenses	0.00	0.00	0.00	na	(148.86)	0.00	(148.86)	na
Inspection Fees Cost	(25,133.55)	(3,675.00)	(21,458.55)	583.91%	(32,245.89)	(44,133.00)	11,887.11	-26.93%

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

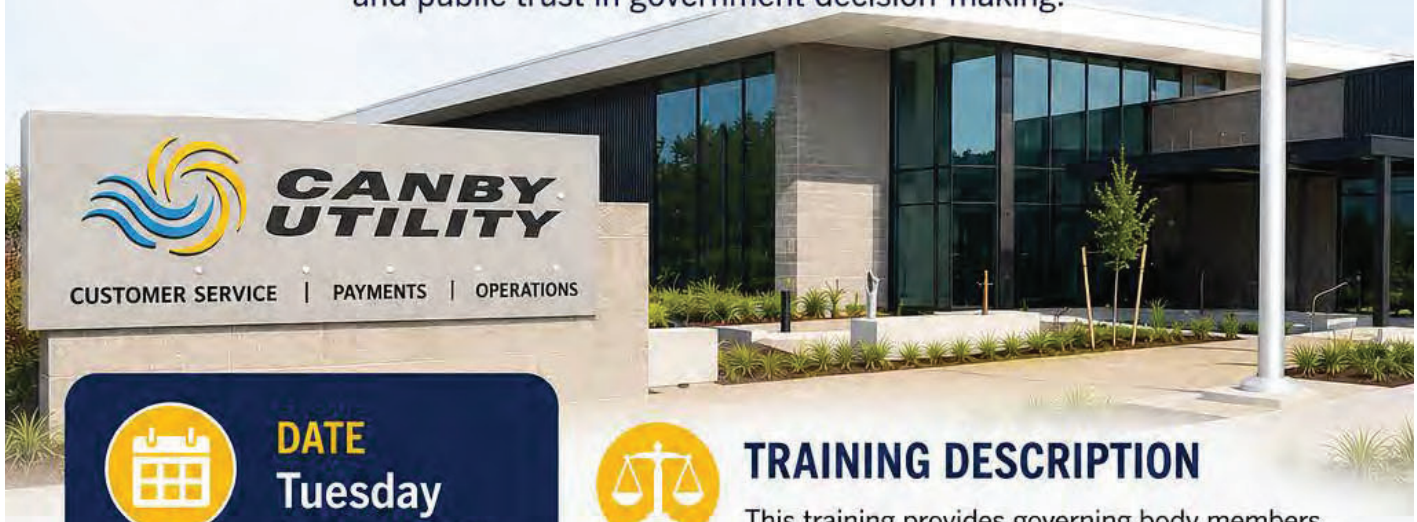
June 30, 2026

	Month Totals				Year to Date Totals			
	This Year June	Budget June	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Interest Income	49,315.21	48,040.00	1,275.21	2.65%	570,255.19	587,316.00	(17,060.81)	-2.90%
Gain On Disposition of Property	0.00	0.00	0.00	na	20.00	15,000.00	(14,980.00)	-99.87%
Loss On Disposition of Property	(32,631.53)	0.00	(32,631.53)	na	(32,631.53)	0.00	(32,631.53)	na
Interest Expense	(750.66)	(940.00)	189.34	-20.14%	(10,120.83)	(11,236.00)	1,115.17	-9.92%
Total Non-Operating Revenues & Expenses	**(108,143.97)**	**93,453.00**	**(201,596.97)**	**-215.72%**	**560,732.61**	**641,003.00**	**(80,270.39)**	**-12.52%**
Net Income/(Loss) before Capital Contributions	**204,575.73**	**332,803.04**	**(128,227.31)**	**-38.53%**	**2,193,905.37**	**1,814,980.96**	**378,924.41**	**20.88%**
Capital Contributions								
Water Hook-up Fees	1,440.00	2,517.00	(1,077.00)	-42.79%	6,458.19	30,204.00	(23,745.81)	-78.62%
Contributed by Others	864,513.09	95,766.00	768,747.09	802.73%	902,782.19	1,149,159.00	(246,376.81)	-21.44%
SDC Fees	45,804.00	59,387.00	(13,583.00)	-22.87%	909,699.57	712,655.00	197,044.57	27.65%
Total Capital Contributions	**911,757.09**	**157,670.00**	**754,087.09**	**478.27%**	**1,818,939.95**	**1,892,018.00**	**(73,078.05)**	**-3.86%**
Change in Net Assets	**1,116,332.82**	**490,473.04**	**625,859.78**	**127.60%**	**4,012,845.32**	**3,706,998.96**	**305,846.36**	**8.25%**

Oregon Government Ethics Commission-approved

PUBLIC MEETINGS LAW ETHICS TRAINING

Oregon's Public Meetings Law is designed to ensure transparency and public trust in government decision-making.



DATE
Tuesday
9/29/2026

TIME
6:00 – 8:00 p.m.

SEATING LIMITED, RSVP REQUIRED
to reserve a spot

ETHICS MATTER

Promoting transparency. Building trust. Serving our community.

TRAINING DESCRIPTION

This training provides governing body members, management staff, and district leaders with a practical understanding of their responsibilities under the law.

The session satisfies the Public Meetings Law training requirement for qualifying governing body members.

HOSTED BY CANBY UTILITY
at no cost

TRAINING PROVIDED BY
Special Districts Association of Oregon

TRAINING LOCATION
Canby Utility
1265 SE Third Avenue
Canby, OR 97013

TO REGISTER
Call **503-263-4327**
or email:
ssavory@canbyutility.org
RSVP required to reserve a spot.

QUESTIONS?
Contact Barbara Benson
503-263-4312

MEMORANDUM

To: Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott

From: Kari Duncan, General Manager

Date: August 6th 2026

Subject: Staff Report – Political Advocacy Primer

Background

The City of Canby Council approved proposed updates to the City Charter for inclusion in the November election. Chapter X – Utilities is included in the proposed amendments.

Staff and the Board are subject to ORS 260.432, which prohibits public employees, including appointed officials, from engaging in certain political activities "while on the job during working hours." Canby Utility General Counsel Emily Guimont with Beery Elsner & Hammond has provided the enclosed primer, reviewing the considerations for both employees and board members.

Board members are welcome to pose questions regarding the requirements on political activities, and staff will follow up with answers from Counsel.

ORS 260.432 prohibits public employees, including appointed officials, from engaging in certain political advocacy activities "while on the job during working hours" or while otherwise acting in their "official capacity." Political advocacy activities include advocating for or against a ballot measure, such as the proposed Charter updates that have been referred to the voters.

1. *"On the job during working hours" and "acting your official capacity"*

As appointed officials, you are "on the job during working hours" or "acting in your official capacity" when you:

- Attend a Board meeting.
- Attend another public meeting, a community gathering, or other event **on behalf of the Board.**
- Make statements, spoken or written, **on behalf of the Board**.

You are "on the job during working hours" when you attend a Board meeting or meet with staff for Board business.

You act in your official capacity when you act **on behalf of the Board.** You act on behalf of the Board when you act under the authority of the Board. For example, if the Board authorized you to make a statement as the spokesperson for the Board, then you would be acting on behalf of the Board when making that statement. If the Board authorized you to attend another jurisdiction's public meeting on the Board's behalf, you would be acting on behalf of the Board. If you were appointed by the Board to serve as a liaison to a neighborhood organization, then you would be acting on behalf of the Board by attending a meeting of that organization even if the Board didn't directly authorize you to attend that meeting.

While on the job during working hours or otherwise acting in your official capacity, you cannot engage in any political advocacy. This means that any statements that you make must be purely informational, must be impartial, and must be balanced. For example, at a Board meeting, you cannot urge, persuade, or advocate for yes or no on the ballot measures. Similarly, the Board cannot issue a statement, verbal or written, that urges, persuades, or advocates for a yes or no vote on the ballot measures. You also cannot endorse a ballot measure while you are at a Board meeting.

2. *Acting in your individual capacity*

On the other hand, you are not "on the job during working hours" or "acting in your official capacity" when you:

- Attend another public meeting, a community gathering, or other event **as an individual.**
- Make statements, spoken or written, **as an individual.**

You are acting **as an individual** when you do not act in your official capacity as a Board member and you do not act on behalf of the Board. For example, if you make a statement that the Board did not authorize you to make on its behalf, you do not present your statement as the official position of the Board, and you clearly state that your statement is your own and not the Board's, then you are acting as an individual. If you attend a community event that the Board did not authorize you to attend on its behalf, you do not present your attendance as representative of the Board, and you make it clear through your statements (if any), that you represent only yourself, then you are acting as an individual.

You may identify yourself as a member of the Board while acting as an individual. For example, you may issue a statement and sign it with your name and "Member of the Canby Utility Board." However, if you identify yourself as a member of the Board, then you should also clearly state that you are acting in your individual capacity and your statements and actions are not representative of the Board. In the earlier example, you should include a statement to the effect of "However, my statement is my own and does not represent the official position of the Canby Utility Board."

You may engage in political advocacy when acting as an individual – your statements on a political matter can be persuasive and you do not have to be impartial or balanced.

3. *Hypotheticals:*

Can the Board author a letter in support of the Charter amendment ballot measures?

> No. A letter that supports the Charter amendment ballot measures is political advocacy that the Board cannot undertake.

Can individual Board members sign a letter in support of the Charter amendment ballot measures?

> Yes, so long as the individual Board members do so as individuals and not in their official capacity or on Board time. If the individual members will sign their names to include their positions as Board members, then they should also clearly state that they are acting as individuals and their letter does not represent the Board's official position.

Can individual Board members discuss the logistics of signing such a letter while at a Board meeting?

> No. Individual Board members are "on the job during working hours" while attending a Board meeting and cannot engage in political advocacy. Discussing a letter of support of the ballot measures is political advocacy. However, to change the facts slightly, if the letter was simply a neutral, balanced, and impartial statement of the facts, then that would not be political advocacy and the Board could discuss such a letter at its meeting.

Can a Board member, acting as an individual, direct staff to help with the logistics of drafting a letter in support of the Charter amendment ballot measures during work?

No. While the Board member, as an individual, can engage in political advocacy activities such as authoring or signing a letter in support of the ballot measures, staff may not engage in political advocacy activities while on the job during working hours, even if directed to do so.

Can the Board authorize a Board member to present information about the Charter ballot measures to a community organization's meeting?

Yes, as long as the information is neutral, fair, and balanced because the Board member would be acting on behalf of the Board.

Can a Board member attend a City Council meeting to give public comment about the Charter amendment ballot measures?

Yes and the Board member can engage in advocacy as long as the Board member makes it clear that the Board member is speaking as an individual and not a representative of the Board.

MEMORANDUM

To: Chair Molamphy, Members Pendleton, Yarbrough, LeBlanc, and Westcott

From: Kari Duncan, General Manager

Date: August 6, 2026

Subject: Staff Report – August 11th Board Meeting

City of Canby Urban Growth Boundary Questions

At the July Board Meeting, there was discussion about the City's proposed urban growth boundary (UGB) expansion and how it may impact Canby Utility, including the Canby Water Supply Program's (CWSP) planned Water Treatment Plant (WTP) site selection. One of the potential WTP sites under consideration, Site 11, is located outside of the City's existing UGB, near the City Shops and Wastewater Treatment Plant. Board members inquired about the possibility of including this site in the City's proposed UGB expansion. I made inquiries with the City's Planning Director Don Hardy and the CWSP permitting consultant, Winterbrook, about this possibility. Both inquiries led to the same answer. Site 11 is located within an area zoned as Rural Reserve. The 'Rural Reserves' designation was first established by Clackamas, Washington, and Multnomah counties, as well as Metro back in 2011, and serves as a type of 'overlay' of additional regulations to the underlying zoning. It identifies lands intended to remain protected from urban development for a fifty-year period. As a result, the earliest any portion of this rural reserve land could potentially be eligible for inclusion into the UGB is 2061. Although the rural reserve designation cannot be changed in the near future and cannot be included in the City's UGB expansion, it does not prevent the use of the land for a public WTP facility.

Canby Water Supply Program – (CWSP) Project Update

The Board held a special meeting on June 30th to review the results of the CWSP alternatives analysis. The alternatives analysis has been the focus of the staff team during April and May. The Board asked for follow-up information on resiliency, operational, and lifecycle costs for the options. Staff and the project consultants will provide a brief progress update to the Board at the August meeting and are preparing to present more detailed responses at the September Board meeting.

Infrastructure Finance Authority Board Presentation

The CWSP will present the planned project's objectives to the State of Oregon Infrastructure Finance Authority (IFA) Board, along with a request for $3,570,000 in forgivable loan funding through the State Drinking Water Revolving Loan Fund, Bipartisan Infrastructure Law- Emerging

Contaminants funding. Canby Utility has been placed on the project priority list for this funding, which is intended to support the design phase of the CWSP project. Approval by the IFA Board is the next step in securing these funds. Once the funding is approved, the State and Canby Utility will develop a funding agreement for the forgivable loan, and this is one of the first tasks that the Bond Counsel and Financial Advisor contracts, proposed for approval at the August Board meeting, will be needed to support the development and review of the funding agreement.

Kiwanis Presentation August 3rd

I attended the Canby Kiwanis lunch on August 3rd and provided a 30-minute presentation on the Canby Water Supply Program and a brief overview of the proposed City Charter Amendments for Chapter X Utilities. I answered questions about water system cybersecurity given recent cyber attacks on water systems in the US, CWSP project cost and the site selection process for the new facilities, and whether we were considering groundwater as part of our future planning efforts.

Electric Vehicle Charger

The commissioning process for the newly installed Level 3 EV Charger began in July. Charge Point identified some corrections for the contractor to complete prior to approving the system for use, and the parties are in communication regarding the needed corrections.

Molalla River Symposium

No rescheduled date has been set for a Molalla River Symposium. As soon as the date is announced, I will share this with the Board. The Symposium is being organized by the Molalla River Partners, in collaboration with Clackamas County Disaster Management and Clackamas Community College. The focus of the event is to engage with the local community to learn more about the watershed and recent impacts from the 2020 wildfires and the December 2025 floods. Board members are invited to attend.