

**SPECIAL CALLED CANBY CITY COUNCIL &
CANBY UTILITY BOARD JOINT MEETING MINUTES
April 8, 2026**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Brian Hodson, Mayor, James Davis, City Councilor; Traci Hensley, City Council President; Daniel Stearns, City Councilor; Paul Waterman, City Councilor; and Jason Padden, City Councilor (attended virtually).

COUNCIL ABSENT: Herman Maldonado, City Councilor

CANBY UTILITY BOARD PRESENT: John Molamphy, Board Chair; Ron LeBlanc, Board Member; Robert Westcott, Board Member; Jack Pendleton; Board Member; Mike Schelske, Finance Manager; Barbara Benson, Board Secretary; Ron Yarbrough, Board Member; Kari Duncan, General Manager; Brian Hutchins, Veolia WTP Manager; and Eric Ward, Stantech Project Manager.

STAFF PRESENT: Randy Ealy, Interim City Administrator; Maya Benham, Administrative Director/City Recorder; Emily Guimont, City Attorney; Jamie Stickel, Economic Development Director/Communications Specialist; Peter Wood, Human Resources Director; Denise LaRue, Finance Director; Ryan Potter, Planning Manager; Steve Gering, Environmental Compliance Coordinator; and Patrick Mahoney, Waste Water Treatment Supervisor.

CALL TO ORDER: Mayor Hodson called the meeting to order at 6:00 p.m.

CANBY WATER SUPPLY PROGRAM UPDATE:

- a. Project background and history – Kari Duncan, Canby Utility General Manager, gave a background on her experience with these types of projects. She then presented a comprehensive update on the Water Supply Program. She discussed Canby's current water system, how they had an excellent history of reinvesting in reliable water sources, planning for a reliable water future and looking at the Willamette River for the next source of supply, need for a new water supply, discharge trends from the Molalla River, how Canby's existing treatment facilities were aging, not earthquake resilient, and difficult to upgrade, emerging contaminants including cyanotoxins, historic cyanotoxin, taste and odor detections in the Molalla River, water provider obligation and project need, Canby Utility's water system capacity needs, water demand forecast and Water Treatment Plant phasing, water supply analysis update, alternatives analysis and sites, river intake options, Water Treatment Plant site considerations, and project timeline.
- b. Site review and selection status – Ms. Duncan discussed site selection between two options (Site 10 and Site 11), with Site 11 offering more space for future expansion but requiring utility service outside the Urban Growth Boundary.
- c. Cost estimates – Ms. Duncan reviewed the project cost and budgeting. She explained the intake structure which had to be 80 feet underground due to the river depth and fluctuations, pipeline tunnel to the river, Water Treatment Plant elements that would be similar to

Wilsonville's, key treatment steps that provided multi-barrier protection, preliminary site plan, and similar size regional water treatment plant projects and construction costs. The cost estimates for a class IV-V plant with a 50% / -30% range was \$250,390,000. This estimate was prior to cost reduction efforts.

- d. Funding strategy – Ms. Duncan explained budgeting considerations including supplementing the Molalla treatment plant and building a smaller Willamette plant or replacing the Molalla plant with a new plant on the Willamette but using different treatment technology.

Mike Schelske, Canby Utility Finance Manager, discussed the proposed average monthly water bills with the 2023 master plant project cost and proposed rate increases.

Ms. Duncan gave a regional water bill comparison from 2025 and discussed the funding plan with several possible funding opportunities. She noted the current City Charter did not allow Canby Utility alone to issue debt for the water system. She also explained the next steps for the project.

- e. Discussion/ Questions – There were questions about water rights on the Willamette, if the cost to retire the current plant and convert it to private use was in the finance option calculations, how site #10 was adjacent to Eco Park, cost per meter, average millions of gallons per day and capacity, Canby Utility Board's position on the price and planning for the future, scale of other cities' projects, taking into account the updated Comprehensive Plan and growth projections, emergency water supply and meeting seismic code for the new plant, having two water tanks to be able to take down one for maintenance, the best intake option for the City, considering the Willamette River Wayside Property Master Plan in the options, property adjacent to the Wastewater Treatment Plant and future expansion, Wayside Property parking, phasing in and risk of prices going up, building the facility to extra capacity, water levels and intake design, which site the Canby Utility Board preferred, challenges to the sites, including the property in the UGB expansion process, and City and County owned property.

The Board thought they were doing the best they could. A new plant would benefit the City and bring better livability to citizens. There was sticker shock for the cost of the new plant, but it would be paid for over several years and provide more water than they had now.

CITY CHARTER UPDATES: Emily Guimont, City Attorney, said currently the Charter did not allow Canby Utility to issue bonds itself for water projects. It must be the City to issue the bond. To change it, there would need to be a Charter amendment.

Council President Hensley said the Charter subcommittee had been talking about making a clear division between the City and Canby Utility in the Charter.

Ms. Guimont discussed putting the water department on the same footing as the electric department, where Canby Utility would have all authority over the department and infrastructure, including issuing bonds.

Ms. Duncan said the Canby Utility Board had not had a chance to talk about this issue yet. There was discussion regarding the pros and cons of making the change.

Mayor Hodson adjourned the meeting at 8:05 p.m.



Maya Benham, CMC
City Recorder



Traci Hensley
Council President

Assisted with Preparation of Minutes – Susan Wood