

RESOLUTION NO. 1466

A RESOLUTION REFERRING A MEASURE PROPOSING AN AMENDMENT TO CHAPTER X OF THE CITY CHARTER TO THE VOTERS FOR THE NOVEMBER 3, 2026, ELECTION

WHEREAS, the Oregon Constitution gives city voters the right to adopt and revise charters to grant cities legal authority, establish their form of government, and to create and assign duties and requirements to city official positions;

WHEREAS, since 1970, Chapter X of City Charter has established the utility department of electric service for the City of Canby ("electric department"), the utility department of water service of the City of Canby ("water department"), and the Canby Utility Board ("Board");

WHEREAS, before 1982, Chapter X of the City Charter granted exclusive authority and control over both the electric department and the water department to the Board;

WHEREAS, on November 2, 1982, the voters amended the City Charter to transfer the exclusive authority and control over the water department from the Board to the City Council while allowing the City Council the option to delegate all or a portion of its authority and control over the water department to the Board;

WHEREAS, since 1982, the City Council has delegated all of its authority and control over the water department to the Board so that the Board has exercised exclusive authority and control over both the water department and the electric department for more than forty years;

WHEREAS, despite this delegation of authority and control over the water department to the Board, Chapter X of the City Charter prevents the Board from issuing revenue bonds for the water department;

WHEREAS, additionally, Chapter X of the City Charter prevents the Board from issuing revenue bonds, incurring other forms of debt, or making expenditures for the electric department in amounts more than the department's gross revenues for the preceding fiscal year without voter approval; and from incurring more than 50% of the department's gross revenues for the preceding fiscal year in short-term loans;

WHEREAS, the Board has begun the process to design, secure funding for, and construct the development of a new water treatment plant that is necessary to continue to serve the Canby population now and in the future and such process will require the Board to issue debt to fund the development, including issuing revenue bonds and procuring other types of loans;

WHEREAS, in December of 2025, the Council convened a Charter Review Subcommittee to review the City Charter for the purposes of recommending potential changes to the Charter;

WHEREAS, the Board and the City Council have been in consistent communication regarding options and opportunities for the Board to secure funding to develop the new water treatment plant;

WHEREAS, in light of the above, and in consultation with the Board and the City Council, the Subcommittee recommended that Chapter X of the City Charter be revised to delegate exclusive authority over both electric and water utilities in the City to the Board and to permit the Board to issue revenue bonds, make expenditures, and otherwise incur debt for both the water department and the electric department without the restrictions and limitations currently imposed by Chapter X of the City Charter and subject to applicable state law; and that Chapter X of the Charter be further revised to modernize certain language, to increase the number of successive terms that members of the Board may hold; and to clarify the role of the General Manager position; and

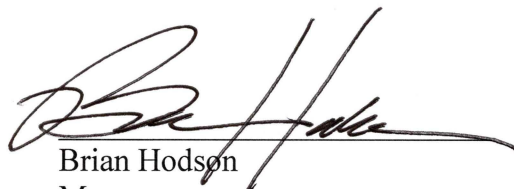
WHEREAS, the City Council approves this recommendation and has directed City staff to draft such revisions to Chapter X of the Charter to refer to the voters of Canby at the November 3, 2026, election.

NOW THEREFORE, IT IS HEREBY RESOLVED by the City of Canby City Council as follows:

1. A measure election is hereby called on November 3, 2026, for the purpose of submitting to the electors of the City of Canby a measure amending Chapter X of the City Charter, for which the text amendment, ballot title, and explanatory statement certified and filed by the City Council shall be as set forth in Exhibit A and incorporated by reference herein; and
2. The Clackamas County Elections Office will conduct the election, and the precincts for said election shall be and constitute all of the territory included within the corporate limits of the City of Canby; and
3. The Interim City Administrator, City Recorder, and City Attorney are hereby authorized, empowered, and directed for and on behalf of the City to do and perform all acts and things necessary or appropriate to cause the ballot measure to appear on the ballot for the November 3, 2026, election and to otherwise carry out the purposes and intent of this resolution.

This resolution shall take effect immediately upon its adoption.

ADOPTED this 15th day of July, 2026, by the City Council.


Brian Hodson
Mayor

ATTEST:


Maya Benham, CMC
City Recorder

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BALLOT MEASURE

CAPTION: Amend City of Canby City Charter Chapter X

QUESTION: Shall Canby amend Charter Chapter X, regarding Canby Utility Board?

CAPTION: This measure would amend Chapter X of the City's Charter. Chapter X currently establishes a water department and electric department. It grants the Canby Utility Board ("Board") exclusive authority over the electric department and grants the City Council exclusive authority over the water department. It restricts the Board's ability to issue bonds, incur debt, and make expenditures for the electric department and the water department. If adopted, this measure would amend Chapter X to create a single water and electric department, grant the Board exclusive authority over the department, and remove certain existing restrictions on the Board's ability to issue revenue bonds, incur debt, and make expenditures for the department. If adopted, this measure would also modernize language and grammar within Chapter X, increase the number of successive terms that members of the Board may hold, and clarify the General Manager position's role. If this measure is not adopted, the City's Charter would remain the same.

EXPLANATORY STATEMENT

This measure would amend Chapter X of the City's existing Charter. Chapter X establishes a water department and an electric department that are responsible for providing water and electric utilities to Canby. Chapter X also establishes the Canby Utility Board ("Board").

Before 1982, the Charter granted the Board exclusive jurisdiction, control, and management of the electric department and the water department. In 1982, the voters amended the Charter to transfer exclusive jurisdiction, control, and management of the water department from the Board to the City Council and gave City Council the option to delegate all or a portion of its control of the water department back to the Board. In 1982, the City Council delegated its exclusive jurisdiction, control, and management of the water department to the Board. Since then, the Board has exercised exclusive jurisdiction, control, and management of both departments.

Chapter X does not allow the Board to issue revenue bonds for the water department. Additionally, Chapter X requires the Board to obtain voter approval before issuing revenue bonds, incurring other forms of debt, or making expenditures for the electric department in amounts greater than the department's gross revenues from the prior fiscal year. Chapter X further prohibits the Board from having outstanding short-term loans in an amount more than 50% of the electric department's gross revenues from the prior fiscal year.

The Board is developing a new water treatment plant facility to provide water for Canby's current and future water needs. These restrictions impact the Board's ability to obtain funding, including issuing bonds, for this facility. The Board and the City Council have been in consistent communication about funding options.

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In December of 2025, the City Council convened a Charter Review Subcommittee to review the City's Charter for revisions to propose to the voters. In consultation with the City Council and the Board, the Subcommittee recommended that Chapter X be amended as follows:

- Combine the electric and water departments into a Department of Water and Electric Services ("Department")
- Grant the Board exclusive authority and control over the Department and authority to issue water revenue bonds
- Remove language requiring the voters to approve certain electric department costs that exceed the department's gross revenue for the prior fiscal year
- Clarifies existing voter rights under state law about bond issuance
- Change language limiting the Board's total of outstanding short-term loan for the electric department from 50% to 100% of the electric department's gross revenue for the prior fiscal year
- Modernize language and grammar
- Increase Board members' maximum number of successive terms of office from two to three
- Clarify General Manager position's role
- Require the Board to provide quarterly operation reports to the City Council

The City Council approved sending the Subcommittee's recommendations to the voters. If this measure is approved, the Charter would be amended as explained above. The full text of the proposed amendments can be found at the City's website.

If this measure is not approved, then Chapter X would not change.

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TEXT CHANGES

CHAPTER X

UTILITIES

Section 1.— ~~UTILITY DEPARTMENTS~~DEPARTMENT: There is hereby created ~~a utility department~~the Department of ~~electric service~~Water and Electric Services of the City of Canby and ~~a utility department of water service of the City of Canby. Each department~~(hereinafter referred to as the Department), which shall be responsible for the development, production, purchase, and distribution of all water ~~or~~and electric ~~revenue producing utilities~~utility services of the City.

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

Section 3.—~~2.~~ CANBY UTILITY BOARD. There is hereby created the Canby Utility Board of the City (hereinafter referred to as the Board), which shall have exclusive jurisdiction, control, and management of the ~~Electric~~ Department and all its operations and facilities. The Board shall have all the powers and duties possessed by the City to construct, acquire, expand, and operate the water and electric system~~utility services~~, and to do any and all acts or things that are necessary, convenient, or desirable in order to operate, maintain, enlarge, extend, preserve, and promote an orderly, economical, and businesslike administration of the water and electric system~~utility systems of the Department~~. The Board shall operate as a separate unit of City government; and, except as provided in this Charter, both the Board and the ~~Electric~~ Department shall be free from the jurisdiction, direction, and control of other City Officers and of the City Council. The Board may sue and be sued in its own name. All damage claims arising from the operation of the Board and the ~~Electric Department shall be the responsibility of and be liquidated by the Board~~Department shall be the responsibility of and be liquidated by the Board from the appropriated funds of the respective water and electric utility systems of the Department. The Board shall ensure that the Department is properly insured against liabilities and such insurance shall be paid for from the appropriated funds of the Department. Without consent of the City Council, the Board shall have no authority to obligate any City funds, property, or rights except for those of the Department, and no other funds or property of the City shall be used as collateral for or to pay for any debts of the Board or Department.

Section 4.—~~3.~~ ORGANIZATION OF THE CANBY UTILITY BOARD.—

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(a)— **Number and Qualification of Board Members.**— There shall be five (5) members of the Canby Utility Board appointed by the Mayor and confirmed by a majority of the Canby City Council. They shall hold office until their successors are appointed and qualified. They are ~~subject~~ to removal at any time by the Mayor and with the approval of a majority of the Council members with or without cause and with or without notice. At the first Council meeting after the first of the next month after this Charter takes effect, two (2) Board members shall be appointed to serve terms of three years, two (2) Board members shall be appointed to serve terms of two years, and one (1) Board member shall be appointed to serve a term of one year. Their successors shall be appointed for terms of three years. No Board member may serve more than ~~twethree~~ successive terms. No person shall be eligible for appointment as a Board member or entitled to hold such office unless at the time of appointment and continuing thereafter, such person is a qualified elector within the meaning of the State Constitution and has resided in the City of Canby during the six months immediately preceding appointment and continues to reside in the City for the term of the appointment. The City Council shall be the final judge of the qualifications and appointment of Board members, but no Councilmember or Mayor (during their term of office) shall be eligible to appointment as a member of that Board.

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

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

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

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

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

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

~~—Section 5.—~~4. ORGANIZATION OF THE ~~ELECTRIC~~ DEPARTMENT.—

- (a) ~~(a)—Employees.~~ The Canby Utility Board shall have the authority to employ a General Manager who shall be the administrative head of the Department and who shall be supervised and report to the Canby Utility Board.
- (b) The General Manager shall have the following duties and powers:
- (1) Hire and remove all other employees of the Department and have general supervision and control over them and their work, except for the Secretary-Clerk.
 - (2) Enforce all policies, resolutions, franchises, leases, contracts, permits, and privileges of the Department.
 - (3) Act as the purchasing agent for the Department.
 - (4) Prepare and submit to the Canby Utility Board the Department's annual budget.
 - (5) Perform other such duties as may be prescribed from time to time by the Canby Utility Board. and such supervisors, bookkeepers, attorneys, laborers, mechanics and other employees, as may be determined, and fix compensation thereof, and discharge the same at pleasure, and for any reason.

~~—(b)—Compensation.~~ The Board shall have the authority to fix compensation of the Clerk and other employees of the Board and change the same from time to time.

~~—~~ ~~Section 6.—~~5. POWERS AND DUTIES OF THE CANBY UTILITY BOARD.—

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

~~—(1)—~~ purchase and sell water, electric power, and energy ~~and~~ services to public and private corporations and to other consumers;

~~—(2)—~~ construct necessary plants, transmission lines, and other facilities;÷

~~—(3)—~~ purchase real estate and franchises in its name; and

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~~—(4)—~~ enter into all contracts, leases, and agreements in furtherance thereof.

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

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

~~—(1)—~~ for the joint use of poles and other property belonging either to the ~~Electric~~ Department or to the other contracting party or jointly to both parties;

~~—(2)—~~ for the joint acquisition of real property and franchises and the joint financing, construction, and operation of plants, transmission lines, and other facilities, whereby any property acquired may become the property of both the ~~Electric~~ Department and the other contracting party; and

~~—(3)—~~ for the purchase of energy.

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

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

~~—(f)—~~ **Rates.** The Board shall fix rates to be charged for water and electricity utility services sold and services rendered by the ~~Electric~~ Department. Rates shall be fair, reasonable, and compensatory and shall be uniform for all consumers within the same class, but different rate schedules may be applied to different classes of consumers as determined by the Board. Rates shall be sufficient to pay all operating and maintenance costs of the ~~Electric~~ water and electric utility services of the Department ~~and~~, its operations, and all bond interest and bond redemption costs. The Board may require reasonable deposits for security for payment of charges for water and electric utility services and may provide for the return of deposits when satisfactory consumer credit has been established. Any proposed change in rates and the notice of a public hearing thereon shall be advertised once a week for two successive weeks in a newspaper having a general circulation in the City of Canby. Such notice shall state the proposed rate change, the reasons therefor, and the time and place of the public hearing which shall be held within ten (10) days after the last publication of such notice. At the public hearing the Board shall discuss the

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matter and consider any objections or recommendations. The Board is not bound, however, by any public remonstrances or objections to its proposed rate change.

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

(h)— **Bond Debt Issues.**— Subject to the voter review process under applicable state law, tThe Board may authorize the sale and issuance of revenue bonds, or otherwise issue debt, necessary to finance the acquisition, construction, reconstruction, improvements, replacement, and extensions of the water and electric utility systemservices system. The Board has the power to provide funding for the operation, maintenance, or expansion of existing facilities. ~~A vote of the registered voters will be required for any exploration, construction or development of energy sources over the amount of that department's gross revenues for the preceding fiscal year.~~

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

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

Section 67.— ANNUAL ACCOUNTING AND BUDGET-; QUARTERLY OPERATIONS REPORTS.

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

(b) The Canby Utility Board shall prepare a report of Department operations and file a copy of such report with the City Council for each quarter of each fiscal year. The contents of such report shall be established by policy that shall be mutually agreed upon and adopted by the Canby Utility Board and the City Council.

Section 78.— GENERAL PROVISIONS.—

(a)— **Disposition of ~~Public Utilities.~~ Water and Electric Utility Services.** The Canby Utility Board shall have no authority to cease to operate or to sell, lease, or abandon, or in any other way dispose of the water or electric utility systemservices and ~~department controlled by~~

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~~it, the Department~~ without the prior express written approval of the City Council and the approving vote of a majority of the votes cast by the registered voters of the City at a general or special election called by the Council and held for that purpose.

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