

and E on Page 2 of the resolution were part of the original IGA language.

Board Member Neeley expressed concerns about entering into anything new that requires expenditures because any increases in service fees would fall under Oregon City's water rate policy, which was the City's only restricted policy, and could require going to the voters.

Mr. Collins stated South Fork pays an annual CRWP membership fee of about \$130,000. Partnering with CRW replaced South Fork's conservation program, which had one full-time position and related program expenses. Joining CRW saved South Fork about \$55,000 per year. Division 386 rules require South Fork to have a Water Management and Conservation Plan that outlines SFWB's conservation activities. The conservation program is essential for South Fork to maintain its water rights. He noted the Board had the option to withdraw its membership at anytime, although SF is obligated for the current fiscal year. Additionally, as Vice-Chair of the CRWP Board, he approves their budget, and if that budget is grossly out of balance given the dues charged, would cause hardship, or increase in wages, and he is outvoted, he would return to South Fork's Board to discuss whether South Fork would continue its participation with CRW. Every water provider is facing tough economic times, and the CRWP is frugal with its budget and working to add new members.

Board Member Neeley stated he was more comfortable knowing that Board Member Smith, given his experience on the Board, had no concerns. He noted a typo in Section 1 of the resolution.

Board Member Carson believed this has been a very beneficial agreement; not only did South Fork save a lot of money over time, the CRWP's programs were more robust than could be accomplished by a single staff person.

Board Member Carson moved to adopt Resolution 11-02, approving the intergovernmental agreement establishing the Clackamas River Water Providers pursuant to ORS 190.085. Board Member Smith seconded the motion, which passed unanimously.

Business from the Manager

Special Districts Association of Oregon Longevity Credit and Rate Lock

Agreement

John Collins, SFWB General Manager, stated South Fork had been offered a

two-year rate lock on insurance with a maximum 5% cap, adding the details of the agreement were in the materials provided to the Board. South Fork had a good working relationship with Special Districts Association of Oregon (SDAO) and had received one security grant and has received safety training for staff members. The agreement would essentially keep South Fork's insurance rate at or less than existing rates. At this point, SFWB had realized a 7.4% savings by the rebate checks. South Fork's insurance broker, JBL&K, believed the agreement was a good deal. Rates quoted from the CIS Association had been higher. Being owned by two cities was rare, but SDAO has allowed SFWB to participate as a member in that group.

Board Member Carson moved to authorize the General Manager to enter into the rate lock agreement with SDAO. The motion was seconded by Board Member Mumm and passed unanimously.

Request for Proposals for General Consulting Services

John Collins, SFWB General Manager, noted that South Fork currently had no contract for general consulting services. The previous agreement with CH2M Hill had expired. He was drafting an RFP that would be sent via email to the Board and Mr. Crean for review and comment. Rather than simply renewing the existing contract, he believed now was a good time to get quotes and see what other companies might be able to offer South Fork. He confirmed the consulting contract was more cost effective than having an engineer on staff; some years, South Fork used as little as \$15,000 for general consulting services.

(6) Business from the Board

Board Member Neeley requested information about what specific improvements the water treatment plant would need over the next 5- to 10-year period, so Oregon City would know what to consider as City staff determined how to work through the upcoming water rate restriction.

Mr. Collins offered to review the Master Plan, which outlined the capital improvement projects over the next few years.

Board Member Neeley suggested reviewing the Master Plan with City staff present as well.

(7) Executive Session –Adjourn regular meeting and convene Executive Session.

The October 13, 2011 regular meeting of the South Fork Water Board adjourned at 6:33 p.m.

- (a) To consider information or records that are exempt by law from public inspection pursuant to ORS 192.660 (2)(f)
- (b) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed pursuant to ORS 192.660 (2)(h).

Respectfully Submitted,

By Paula Pinyerd, ABC Transcription
Services, Inc.
for John Collins, SFWB General
Manager

South Fork Water Board
Minutes of Meeting
October 13, 2011