

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
November 21, 2013

Board Members Present: John Kovash, West Linn Mayor, Chair
 Doug Neeley, Oregon City Mayor Vice Chair
 Jody Carson, West Linn Councilor
 Rocky Smith, Oregon City Commissioner
 Betty Mumm, Oregon City Commissioner
 Mike Jones, West Linn Councilor

Staff Present: John Collins, SFWB General Manager
 Christopher Crean, SFWB Legal Counsel

Others Present: Alice Richmond, West Linn Resident

General Board Meeting

(1) Call to Order

Chair Kovash called the meeting of the South Fork Water Board to order at 6:09 p.m.

(2) Public Comments

There were none.

(3) Consent Agenda

(A). Approval of the Minutes of the September 12, 2013 Board Meeting

Board Member Mumm moved to approve the Consent Agenda. Board Member Jones seconded the motion, which passed 5 to 0 to 1 with Vice Chair Neeley abstaining.

(4) Energy Management agreement with ENERNOC

John Collins, SFWB General Manager, reminded the Board of last month's discussion and the favorable direction he received about working with PGE and ENERNOC, which would save South Fork some money. As discussed, Mr. Crean had reviewed the contract and they would like to move forward with the contract. ENERNOC would begin installing the meters after the first of December and starting the program. He asked that the Board formally approve entering into the agreement with ENEROC.

Board Member Jones asked Mr. Collins to send a memorandum to both two cities so Board Members could explain during their city work sessions exactly what South Fork was doing, the costs, if any, and the benefits to South Fork. **Mr. Collins** added South Fork was hosting the West Linn Utility Advisory Board on February 11th so he would also reiterate the program and anticipated savings to that board.

Board Member Carson moved to authorize the General Manager to enter into the Energy Management agreement with ENEROC. Board Member Mumm seconded the motion, which passed unanimously.

Chair Kovash also requested putting something in writing for West Linn's staff that could be included in the Water Bill Bulletin. **Mr. Collins** replied he would work something out.

(5) **Business from the Manager**

- 1) SDAO Annual Conference scheduled for February 7-9th 2014 in Seaside OR

John Collins, SFWB General Manager, stated the Special Districts' Annual Conference would be February 7-9 in Seaside, OR. He planned on attending, adding it would be great to have one or two Board members attend as well. It was a good conference. Although South Fork is owned by cities, being a member of Special Districts had so many advantages for training, insurance, etc. He reminded Board members attending to wear their South Fork jackets.

He explained how points are earned through an SDAO Best Practices survey and noted there were only two categories in which South Fork had earned full points and those were for board member training and having an official driving policy for treatment plant staff. Staff is currently in the process of developing a driving policy and board member will be attending the annual SDAO conference in 2014. Every point earned calculates in the formula for savings.

Board Members Carson and Smith said they would attend the conference in 2014.

- 2) Clackamas River Water Providers 2014 Conservation Calendar

John Collins, SFWB General Manager, said the Clackamas River Water Providers did a conservation calendar every year but this year, [they also added](#) an informative calendar about the water districts and service areas. Christine Hollenbeck did a wonderful job with the calendars, which were distributed for the Board and were also available at both city halls and public works departments.

Alice Richmond asked if the squares on the calendar could be larger. **Mr. Collins** said he would provide her the phone number of the person that puts the calendar together.

- 3) Hypochlorite Storage Tank Failure

John Collins, SFWB General Manager, stated the large tank with white coating seen when driving onto the property stored South Fork's sodium hypochlorite and had failed. Because the insulated wrap started to bubble, the product was able to be drained over a few days and used. A small tank was being used to generate it now which was labor-intensive and would work for about 90-120 days, so the onsite generation storage tank had to be replaced. He met Tuesday with City of Oregon City and South Fork Finance Director Wyatt Parno. SFWB had \$90,000 in the budget to replace the rectifier and was in the second year of a three-year complete rebuild of the system. Mr. Parno was very comfortable with replacing the tank instead of doing the rectifier in this fiscal year. No budget meeting needed to be reconvened, they would just swap out the projects. The good news was the tank that failed would not have worked in the new chemical storage building, so they were value engineering a fiberglass tank that would sit outside and be updated, but it would also be retrofitted into the new building. South Fork would save about \$75,000 when the new chemical building that was in the Master Plan is constructed in the next three to five years. So it was the best-case scenario. The failed tank was only 94 days beyond its warranty period, which was a shock because the tank had failed once before and was promptly replaced, but the five-year warranty was not extended to the new

tank. The old tank was made of high-density cross-poly HDPE/high-density poly ethylene HDPE and touted as the best way to handle on-site generated sodium hypochlorite, but there were a lot of problems with the tanks. The new tank would be fiberglass and was twice the price of the black tank because SFWB had to buy it from a company with a certification to build tanks that hold 15 parts per million sodium hypochlorite. South Fork only used a solution strength of 0.8% but having a tank that would do 15% would provide options for SFWB if its system ever failed. South Fork will have a tank that can address the worst-case scenario for volume and storage.

Board Member Carson asked what the life expectancy was of the new fiberglass tank. **Mr. Collins** responded that the full replacement warranty on the new tank will be 10 years, with a life expectancy of 50 years.

Board Member Jones asked how thick was the fiberglass. **Mr. Collins** demonstrated about 2½-in thick, adding that another chemical-resistant bonding wrap would be in the middle, so if any degradation occurred on the inside, there would be a secondary wrap. That was why SFWB wanted a certified tank. Non-certified tanks could be purchased for 30% cheaper, but a certified tank ensured that the proper specifications were used. CH2M Hill was writing the specifications for the tank, so everyone submitting a quote would have the same specifications. South Fork would insist on a proven, MAA certified tank for sodium hypochlorite from a company with three references.

Mr. Collins confirmed there was no leakage, South Fork employees were able to drain the tank before it leaked, which was paramount. The backup system was fairly ingenious, using the sealed catch basin and a pump to take it into a recovery mode with the chlorination products. They did not have to go to that, but were set up and prepared for it.

4) Intergovernmental Cooperative Agreement for Water System Intertie

John Collins, SFWB General Manager, apologized to the Oregon City Board members for bringing this item to their attention without any prior notice. Monday night, the City of West Linn approved an intergovernmental agreement (IGA) with the Cities of Lake Oswego and Tigard for their emergency intertie in their city, so they were the three principals in the agreement. South Fork was involved because in 2001, South Fork pledged \$100,000 when upsizing the intake between Lake Oswego and West Linn because only about 1 million gallons of water a day could be taken from the old system. SFWB invested \$100,000 because the piping system was being upgraded to convey a larger amount of water, in excess of 4 million gallons a day. Because South Fork invested in the upgrade, they were a stakeholder in the intertie.

Mr. Crean said he was asked if South Fork should be a party, and he said certainly as the water provider for West Linn because that intertie effectively becomes a part of South Fork's system as the emergency backup if service to West Linn was lost.

Board Member Jones believed that was the stronger argument. It was not really history, but the fact that once that intertie was open, South Fork would be part of that water system. **Mr. Collins** clarified the reason South Fork got involved and invested \$100,000 was to increase the capacity of the water system. **Mr. Crean** said it worked both ways, if Lake Oswego's system went down, South Fork would be providing water to Lake Oswego through the intertie and so needed to be on that agreement.

Mr. Collins added that with a larger intertie, it was not an easy procedure, but water could actually come back to Oregon City as well, so it was a lifeline for Oregon City to some extent. The agreement is benign in that SFWB is not financially obligated to anything. If the entities wanted to talk about making it bigger, adding a pump station, or doing something in capital improvements, and if South Fork wanted to participate, only then would they be making some sort of a monetary commitment. The day-to-day portion of this agreement had absolutely no monetary impact on South Fork. The 4 million gallons per day was an incredible amount of water to be able to receive from a city. Also, he had never seen any intertie agreement that guaranteed any amount of water for anytime. A standard intertie agreement had a commitment to help with the volume they could afford to give. For West Linn to be able to secure 4 million gallons a day if needed for a considerable amount of time, was unusual. West Linn negotiated well.

Vice Chair Neeley said Oregon City did not have to be a part of the agreement. **Mr. Collins** agreed, but noted Oregon City was a de facto part of the agreement in that Oregon City could benefit. He recommended that the Board approve the agreement, noting the Board could meet next month if more time was needed to review the contract. He hoped the Board could have a discussion and possibly move it forward to avoid needing a December meeting.

Board Member Jones noted that as the contract was written, there was clearly no financial obligation for SFWB and Clause 14 stated the contract could not be amended in any way without the agreement of all four parties. Nor could the contract be terminated without the consent of all four parties, so it was a perpetual contract. He asked when West Linn's pipe was constructed under the bridge. Board Member Carson recalled that it was recently upgraded. **Mr. Collins** stated the upgrade was in 2001/2002 and was one reason why the intertie needed to be upsized to be able to facilitate West Linn's water needs.

Vice Chair Neeley confirmed that he would be signing for Oregon City and Chair Kovash would sign for West Linn.

Board Member Jones asked if the seismic upgrade was to a given standard. **Mr. Collins** replied he was sure it was, adding the upgrade was needed because the pipe was moving and flexing and causing leaks. There was a huge reduction in the amount of leaking after the upgrade. He did not know the seismic standard used and deferred to Jim Whynot because he was a big part of that project.

Chair Kovash asked if the Board wanted to proceed with the IGA. **Board Members Carson** and **Jones** stated said that was up to Oregon City.

Vice Chair Neeley did not believe he had any issues with the IGA, and asked when the contract actually had to be signed. **Mr. Collins** stated South Fork was the last party that needed to sign, so he hoped to be able to execute the contract soon. He had asked Mr. Crean to formally review the IGA and make a recommendation as well. **Mr. Crean** said he had worked on the agreement off and on over the last year. He was not present at the very end; that was handled by West Linn's in house counsel.

Vice Chair Neeley stated he had no problem with the agreement since Oregon City would not be a party to it other than [\[inaudible 22:13\]](#).

Board Member Mumm moved to approve the Intergovernmental Cooperative Agreement for Water System Intertie. Board Member Smith seconded the motion.

Board Member Mumm stated the issue she had was that she did not like things last minute. **Mr. Collins** replied that he understood, and that was why he apologized. **Board Member Mumm** explained she was sure it was totally fine, but that was why she was hesitant.

The motion passed unanimously.

(6) Business from the Board

There was none.

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

The November 21, 2013 regular meeting of the South Fork Water Board adjourned at 6:33 p.m. to convene the Executive Session.

- a. To review and evaluate, pursuant to standards, criteria, and policy directive adopted by the South Fork Water Board, the employment related performance of the General manager pursuant to ORS 192.660(2)(i).
- b. To consider information or records that are exempt by law from public inspection pursuant to ORS 192.660 (2)(f).
- c. 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).

(9) Reconvene Regular Meeting if needed to take any action necessary as determined in Executive Session.

Respectfully Submitted,

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