

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
July 27, 2022

Board Members Present: Denyse McGriff, Oregon City Mayor, Vice Chair
Rocky Smith, Oregon City Commissioner
Bill Relyea, West Linn Councilor
Rory Bialostosky, West Linn Councilor

Board Members Excused: Jules Walters, West Linn Mayor, Chair
Frank O'Donnell, Oregon City Commissioner

Staff Present: Wyatt Parno, CEO
Ashley Driscoll, SFWB Legal Counsel
Matt Zook, Finance Director, SFWB/Oregon City

Others Present: William Becker, SFWB Citizens Advisory Board
Lee Odell, Principal Engineer, Murraysmith

General Board Meeting

(1) **Call to Order**

Vice Chair McGriff called the meeting of the South Fork Water Board to order at 7:07 pm.

(2) **Roll Call**

(3) **Public Comments**

There were none.

(4) **Consent Agenda**

(A) Approval of the Minutes of the May 25, 2022, Board Meeting.

Board Member Smith moved to approve the Consent Agenda. Board Member Relyea seconded the motion, which passed unanimously.

(5) **Appoint Representative for Regional Water Providers Consortium**

Wyatt Parno, CEO, presented the Staff report on the appointment of a SFWB representative to the Regional Water Providers Consortium. His Staff report included background information about the consortium, its purpose, membership, and meeting schedule. The current representative, Chair Walters, was relinquishing her position as primary representative since she was running for Oregon House of Representatives. Mr. Parno recommended the replacement be from West Linn since the secondary, Board Member Smith, was from Oregon City.

Vice Chair McGriff noted that alternatively, Board Member Smith could serve as the primary representative, and the secondary representative could be from West Linn.

Board Member Smith stated he was fine with remaining the secondary representative.

Board Member Relyea volunteered to fill the position.

Board Member Bialostosky moved to nominate Board Member Relyea as South Fork's Representative for the Regional Water Providers Consortium. Board Member Smith seconded the nomination, which passed unanimously.

(6) **Approve Personal Services Agreement for Financial Audit Services**

Wyatt Parno, CEO, presented the Staff report on SFWB's contract for financial audit services. His report explained the need for a new contract, details of the proposed contract, and details of a significant price reduction that Finance Director Zook successfully negotiated with Aldrich CPA. He noted that the contract would be administered by Oregon City's Finance Department, so no action would be required by the Board.

Vice Chair McGriff asked why Merina & Co. was no longer providing audit services.

Matt Zook, Finance Director, explained that the company had decided to focus on consulting. The profit margins for audits were low, and the company did not want to raise their prices for those services.

(7) **Chemical Feed Building Update and Engineering Contract Addendum**

Wyatt Parno, CEO, presented a brief update on the new chemical feed building project and the proposed addendum to the engineering contract.

Lee Odell, Principal Engineer, Murraysmith, gave a detailed update on the chemical feed building project via PowerPoint, which was included in the agenda packet, and highlighted the proposed building and site improvements, building features, neighborhood impacts, land use changes, the budget and project costs, the proposed contract amendment, project timeline, and next steps. He noted that there were unanticipated requirements in the plan review process. He also noted that to minimize the financial impacts of the engineering costs, he would work at the Plant during construction at no charge. He assured Murraysmith would complete the project even if the contract amendment was not approved.

Board Member Relyea said, regarding the planning process, Portland was using a permit process called an Early Assistance Program to meet with all the City's stakeholders and all the permitting authorities to discuss the impacts and formulate cost estimates. If Oregon City did not have the program, he suggested the Commissioners direct the Planning Department to implement the program and possibly use Portland's program as a model.

Vice Chair McGriff stated that since Murraysmith was following the Master Plan, there should not have been any surprises about the requirements. She did not believe the Code had been changed substantially enough to cause the additional delay. She asked if the delays were caused by inconsistencies in the Community Development Department.

Mr. Odell explained that Murraysmith had a land use expert on the team from Winterbrook Planning. Based on the Master Plan, Murraysmith believed they knew what would be required when they put the scope together. The concept seemed simple in 2010, and the plan is now being implemented 12 years later. Codes and the State's stormwater discharge permitting process have changed, which were not foreseeable 12 years ago. Some of the changes were beyond the Community Development Department's control or knowledge, so he did not believe the City was trying to make the process difficult.

Board Member Smith asked if the project budget could absorb an additional \$150,000.

CEO Parno said the increase was within the budget because the budget contained a healthy contingency. He also explained that when the project goes out to bid, the team would do another assessment of the construction costs, considering what was happening with inflation. Then, the Board could decide what direction the project should go.

Board Member Smith asked if CEO Parno recommended the Board approve this contract adjustment now or wait to see what the construction bids looked like first.

Vice Chair McGriff explained that the drawings were necessary before going out for bids because the contractors needed something to bid on, and the additional funds would pay for those drawings.

Board Member Relyea moved to authorize the CEO to approve an addendum with Murraysmith to increase the contract amount not to exceed more than \$150,000. Board Member Smith seconded the motion, which passed unanimously.

(8) **Business from the CEO**

Wyatt Parno, CEO, reported the following:

- Staff recently found a leak in the alum tank. The new operations manager did a great job welding the tank, which still needs three coats of epoxy seal. The tank would be back in service early next week. He enjoyed working with Staff on the leak repair, and he was proud of Staff for being so effective. He noted the existing facilities were 50 years old, but the alum tank and other subsystems would be included in the new chemical feed building.
- He recently completed an assessment of plant processes, which revealed that the plant had backup systems for most aspects of operations. Additionally, the plant had essential equipment on hand in case rebuilds were necessary. However, he discovered that if the pump for the backwash filter went down, the plant would not

be able to make water. The pump manufacturer was brought in to access the pump and found that some repair work needed to be done. The plant already had the necessary parts on hand, so the pump would be fixed this week. He also requested a cost estimate for a new pump and backup parts.

- The plant participates in an energy savings program with Portland General Electric (PGE) which allows South Fork to get a rebate if processes are slowed down during peak times. Yesterday, the South Fork plant was the only plant in the region to participate in energy reduction because although PGE's system for requesting program participants to slow down their processes had failed, South Fork has its own system to know when PGE was doing a reduction request. The rebate for yesterday would be about \$10,000.

(9) **Business from the Board**

Vice Chair McGriff confirmed there were no reports.

(10) **Executive Session –Recess regular meeting and convene Executive Session**

The July 27, 2022, regular meeting was recessed at 7:50 pm.

To review and evaluate the performance of the Chief Executive Officer pursuant to ORS 192.660 (2)(i)

(11) **Reconvene Regular Meeting to take any action necessary as determined in Executive Session**

Vice Chair McGriff reconvened the regular meeting at 8:31 pm.

Wyatt Parno, CEO, thanked the Board for reviewing and discussing his accomplishments and goals for next year. He was honored and grateful to serve the Board and the citizens. He requested that the Board consider granting him a one-time merit bonus of 5 percent, which was included as an option in his contract.

Board Member Relyea moved that the South Fork Water Board award a one-time merit bonus of 5 percent plus a 5 percent cost of living increase to CEO Parno's salary.

CEO Parno noted that a cost-of-living increase was not necessary. He would receive a cost of living increase consistent with the annual percentage staff receives, which was automatic.

Board Member Relyea amended his motion that the South Fork Water Board award a one-time merit bonus of 5 percent to CEO Wyatt Parno. Board Member Bialostosky seconded the motion.

Vice Chair McGriff said she wished the other two Board members were able to participate in the discussion, adding she believed it would strengthen the position if all members were involved; however, Board Member O'Donnell was on leave.

Board Member Bialostosky stated Chair Walters had texted that she was supportive of CEO Parno's merit bonus.

The motion was seconded by Board Member Bialostosky and passed 3 to 0 to 1 with Vice Chair McGriff abstaining.

Vice Chair McGriff explained that she abstained from voting not because she did not support Mr. Parno, but because this was only her second meeting, and she did not feel like she had enough information yet about South Fork's operations to make an informed decision.

CEO Parno requested that the effective date of his bonus be August 1, 2022, noting past practice.

Ashley Driscoll, SFWB Legal Counsel, clarified the bonus would generally be effective at the next pay period once approved.

Wyatt Parno, CEO, noted that the next meeting will be October 26th unless an urgent matter arises. This is consistent annually as the plant is very busy during the summer months.

Vice Chair McGriff adjourned the regular meeting of the SFWB at 8:40 pm.

Respectfully Submitted,

By Paula Pinyerd, ABC Transcription Services, LLC.
for Wyatt Parno, SFWB CEO