

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
February 28, 2024

Board Members Present: Rory Bialostosky, Chair, West Linn Mayor
Denyse McGriff, Vice Chair, Oregon City Mayor
Frank O'Donnell, Oregon City Commissioner
Mary Baumgardner, West Linn Councilor
Rocky Smith, Oregon City Commissioner

Board Members Excused: Carol Bryck, West Linn Councilor

Staff Present: Wyatt Parno, Chief Executive Officer
Ashleigh Dougill, Legal Counsel (via Zoom)
Matt Zook, Finance Director
Trevor Cook, Operator

Others Present: Alice Richmond, West Linn Resident
David and Sophie Curley, Salem Residents
Mike Mitchell, Oregon City Commissioner

General Board Meeting

(1) **Call to Order**

Chair Bialostosky called the meeting of the South Fork Water Board to order at 7:14 pm.

(2) **Roll Call**

(3) **Public Comments**

Alice Richmond, West Linn Resident, thanked Board Members for their service, noting it was too bad the meetings were not televised because the people being served could not see the Board Members volunteering their time. She spoke about the importance of water as an essential substance and said the community depended on SFWB to prevent problems and maintain service. People have no clue about the process, the costs, and everything else necessary to provide good quality water. She reminded the Board it could be time to raise the water rates to make improvements. In West Linn, the pipes were getting older. Minor earthquakes that shuffle everything and heavy trucks driving over the pipes damage the pipes. She wanted to hear Oregon City's City Council talk to their people about what they were going to do about their water system and for West Linn's City Council to talk about what they were doing to protect their system.

(4) **Consent Agenda**

(A) Approval of the Minutes of the January 24, 2024 Board Meeting.

Vice Chair McGriff confirmed the changes to the November 22, 2023 minutes that had been discussed at the January meeting had been made.

Vice Chair McGriff moved to approve the Consent Agenda as presented. Board Member Smith seconded the motion, which passed unanimously.

(5) Annual Financial Report for the Fiscal Year Ended June 30, 2023

Wyatt Parno, CEO, noted the audit report was provided to Board Members last month so they would have time to review it. Additional information related to the Board's goals discussions would be provided after the presentation.

Matt Zook, Finance Director, distributed copies of the Annual Financial Report, the distribution memorandum and a letter from the auditor that provided the required independent, direct communication to the Board. Production of the financial statements and the audit were good experiences this year. This was the second year Aldrich CPAs + Advisors provided the audit, issuing a clean opinion with no modifications. The reports showed ending fund balances and revenues, which were very strong. All Funds were in the black, with credit due to the South Fork staff and Board for setting and managing policies. The ending cash balances put SFWB in a strong position moving forward. All spending was within budget, complying with Oregon Revised Standards (ORS).

Board Member O'Donnell asked why the SDCs had a significant decrease in 2023, as seen on Page 40. **Mr. Zook** explained that SDCs were driven by development, which may have declined that year. It could also be a timing issue, as the budget would have been projected on anticipated development activity, but sometimes those slid based on interest rates or costs. **Vice Chair McGriff** noted SDC payment could also be delayed, causing the funds to come in later than anticipated.

Vice Chair McGriff asked what the term "original budget" on Page 40 meant. **Mr. Zook** replied "original" referred to the adopted budget approved by the Board in June 2021, as SFWB used a biennial budget. He did not recall any amendments to the budget, but if amendments had been made, the column marked "final" would reflect the revised amounts. **CEO Parno** added standard reports were promulgated by the auditors' associations. The final column was required in case budgetary amendments were made throughout the year. **Mr. Zook** clarified that the third, fourth, and fifth columns contained actual results. Because the report date was for the end of the biennium, the third column under the actual results was the combined sum of both fiscal years.

Board Member O'Donnell asked if delayed payments from a developer electing to make time payments on the SDCs was reflected in accounts receivable. **Mr. Zook** explained the revenue would be recognized when payment was received, and the unpaid portion was held in accounts receivable.

Mr. Zook confirmed he had finished the presentation, and Chair Bialostosky confirmed no one had any questions about the financial audit.

CEO Parno noted Generally Accepted Accounting Principles (GAAP) prescribed particular audit report formats and audit requirements, and to receive a clean opinion, all of the rules had

to be followed. The SDCs were absolutely the hardest thing to forecast, as developers often changed their minds about projects, even though discussions were held about the timing of development projects. **Chair Bialostosky** added Bancroft's law would also affect timing of receipts. **CEO Parno** agreed, explaining Bancroft's law was a legal requirement allowing developers to finance the SDCs and defer payment.

CEO Parno confirmed the auditors found strong cash reserves, positive revenues, and spending within budget, with the audit having no findings. He directed the Board to the Annual Comprehensive Financial Report, and the Cash on Hand on June 30, 2023, as broken down on Page 2. He reminded the Board that at the last meeting, Chair Bialostosky had mentioned that cash was available if the Board decided to do a major project, such as the chemical feed building or raw water line. He had asked Mr. Zook for a breakdown of the available cash on hand in each of the three Funds and SFWB's borrowing capacity should the Board decide to move forward on a project sooner, which the Board would talk about in the next few months.

Mr. Zook summarized the projected cash on hand balances for each Fund as of June 30, 2024, and as found on Page 2 of the handout. He explained the anticipated cash-on-hand budget was calculated using the 2023-24 budget, projecting it out and accounting for minor events which would not happen. A pool of \$12.5 million across all three funds would be available as cash on hand. The General Operating Fund had a recommended working capital of \$2.5 million to have on hand for operations and emergencies, leaving roughly \$10 million available for projects as SFWB moved into discussions about capital projects.

CEO Parno noted SFWB had a smart business practice of keeping working capital in the General Operating Fund for contingency. The \$10 million in cash on hand came from SDCs, money set aside in the Capital Fund, and maximizing the General Operating Fund revenue.

Board Member O'Donnell asked what the sources of revenue were for the General Operating and Capital Replacement Funds. **CEO Parno** explained the General Operating Fund was funded by rate revenues received from utility bill payments, while the Capital Replacement Fund was sourced by savings over time of those same revenues. Past Boards and former CEO Collins had decided to put excess funds into the Capital Replacement Fund, after paying down debt, to have working cash for capital projects. Each year, anything more than operations was moved to the Capital Replacement Fund. This past year, the water rate increased by five percent, the highest in a long time, because of anticipated inflation, with two percent of the increase dedicated completely to the Capital Replacement Fund.

Vice Chair McGriff noted that, the cash on hand seemed like a lot of money, but knowing the cost of the projects, the amount seemed almost like a drop in the bucket. A balance of \$2.5 million would not go as far as it used to go because they were now at the mercy of supply-chain issues.

Mr. Zook reviewed Page 3, SFWB's borrowing capacity based off current revenue streams as of June 30, 2024. Annual operating revenue from utility bills, interest, and other earnings was about \$4.6 million. SFWB currently provided Clackamas River Water (CRW) water for resale, but if CRW ever decided to provide more of its own water to customers, SFWB would lose about \$0.5 million in revenue, decreasing net operating revenue to \$4.1 million. Operating

expenses were about \$3.8 million, giving a net of about \$300,000 for debt service. Borrowing capacity based on that revenue was about \$5 million, including principal and interest for a 30-year loan at four percent interest.

Vice Chair McGriff asked if a four percent interest rate was realistic and if SFWB's good credit rating would allow them to receive a reduction in fees. She believed the four percent interest rate seemed optimistic. **Mr. Zook** explained the rate would depend on the timing of the loan and provided an example of Oregon City closing a Water Infrastructure Finance and Innovation Act (WIFIA) loan at 3.92 percent last July, when rates were increasing. The loans were generally tied to an index used for state and local governments, and hopefully rates would decrease as the Board considered its decisions.

Chair Bialostosky asked if the amount of cash on hand affected interest rates. **Mr. Zook** replied that depended on the lender, but probably not as much as one would think. Some lenders would require a certain amount of excess reserve cash on hand, but some did not. The WIFIA loan for Oregon City did not have a cash-on-hand requirement. Bonding companies and the Federal government generally provided more favorable terms than other lenders.

CEO Parno stated Mr. Zook had been working on a forecasting model and this summary was just to provide a general idea of the current cash status. Generally, loan covenants required the borrower to hold cash on hand and organizations traditionally borrowed from investors through agencies by issuing bonds. Within the last several years, the WIFIA program had provided more favorable terms from the Federal government, circumventing a lot of the bond issuance requirements done in the past. Because the terms were favorable with this loan program, now was a good time to consider borrowing options.

Board Member O'Donnell confirmed borrowing capacity was \$5 million because currently, the \$300,000 excess revenue allowed financing of \$5 million for 30 years.

CEO Parno discussed the Board's goals and priorities for the upcoming year. He noted the Board had asked to have an outline of the Master Plan, which was covered at the last meeting. He then distributed special copies of the 2016 Master Plan, and he called the Board's attention to Page 7-5. He noted the good news is that the Board is in a strong position to accomplish the objectives of the Master Plan in terms of capital projects. Recently, the economy went haywire, but he was not dissuaded from the mission to get things done for the future.

He reviewed the high priority projects at the top of Page 7-5, including the chemical feed building; SCADA upgrades; condition assessment of the finished pipelines from the plant to the two cities; raw water pipeline; emergency treatment trailers; and the finished 42" waterline from Hunter Avenue to Cleveland. In 2016, the total projected cost for these projects was about \$14 million. The next highest priority projects included another \$14 million to expand capacity to 30 million gallons per day (MGD). As discussed in January, the factors used to prioritize the projects included improved water quality, meeting the state's 50-year plan for resiliency, and increasing capacity to serve residents and incoming development, which hopefully would be funded by SDCs. In 2016, SFWB had almost \$30 million in projects to complete, yet here in 2024, \$10 million was in the bank, and borrowing capacity was another \$5 million, providing about half of what was needed to complete the projects in dollars from eight years ago.

Vice Chair McGriff asked if the projects in Table 7-3 had been completed. **CEO Parno** replied that of the high priority projects, most of the SCADA upgrades had been completed, although PLC upgrades at a couple of pump stations still needed to be installed. Emergency treatment trailers had been purchased including the use of grant funds, and the 42” pipeline on Hunter Avenue had been completed. The Board was then focused on the chemical feed building, the raw water pipeline, and the condition assessments of the finished pipeline. The 30 MGD expansion was discussed in January. He reiterated that \$10 million in cash and \$5 million in financing options were available, with a Capital Plan of about \$30 million in 2016 dollars.

Understanding CRW’s backbone project, revenue from CRW had been subtracted from SFWB’s projected revenue. CRW intended to complete the backbone project and serve their own customers around 2025. The date could change because the project had been postponed previously, but to be conservative, the CRW revenue was omitted starting in 2025 because it could not be counted on. He mentioned that he was also meeting with engineers to discuss the fastest way to get some of the projects completed now, if possible, such as getting started with the raw water line or rebidding the chemical feed building, including design/build options while staying within the Oregon Administrative Rules. Three companies were identified that could complete large parts of the work – Slayden Constructors, Rocchi, and Sundt, though some of them were busy because of projects like the Willamette River project in Hillsboro. He would bring more information later in the year.

Board Member Baumgardner asked why projects had not gone forward earlier when a bigger budget was available. **CEO Parno** explained he had asked that question of several people, including the operations manager and the engineer that helped design the Master Plan, and he received different answers. He had settled into the understanding that there just wasn’t the political will to address rates and potential borrowing to make the necessary improvements. He did not like to discuss what had not been done in the past because he was forward focused, but as noted during the Board’s goal setting session, some projects identified in the 2004 Capital Plan were still outstanding 20 years later. He wanted to move forward and get this done. He was grateful for the opportunity the Board has now to ensure the future of water for the two communities.

Vice Chair McGriff asked if the grant for emergency treatment trailers changed the numbers and if the grant paid for the entire expense. **CEO Parno** confirmed the grant paid for one trailer and SFWB paid for the other. **Vice Chair McGriff** noted the expenses of \$126,923 and \$173,007 were not reflective of the true from SFWB. **CEO Parno** added the engineers were updating cost estimates for the remaining high-priority projects and confirmed the completed 42” finished water line had cost more than 2016 projections.

Chair Bialostosky asked how much extra revenue would be generated if utility bill rates were raised by one percent, as increasing available revenue would also increase borrowing capacity. **CEO Parno** recalled that in January, Board Member Baumgardner had asked for a breakdown of the financing options. An analysis to answer both questions would be completed this year.

Board Member O’Donnell noted talk about 2016 rates was misleading because the costs were elevated now, with some bids coming in at over 100 percent of projected estimates. The question was how could the two revenue streams, rates and SDCs, be impacted most favorably

and who should pay. The rates were for existing and future users but would especially impact existing users. The SDCs were costs that would be borne by new users. When talking about expansions, they need to be very careful about who paid and who benefited. Oregon City had several major, 400-plus home developments waiting to come in. The time to move on SDCs was immediately. They needed to address how to impact revenue streams most favorably with a minimum knee-jerk reaction from the existing population while letting everyone pay their fair share in the interest of fairness.

Sophie Curley commented she was surprised the Board did not have scheduled rate increases.

Vice Chair McGriff responded the Board had been having scheduled rate increases.

Board Member O'Donnell added an SDC review to make the rates reflect current costs had been added to the goals.

(6) **South Fork Water Board Goals & 2023-25 Priorities**

Chair Bialostosky noted Board Member Bryck was absent and suggested not approving the goals until next month so she could provide feedback. **Vice Chair McGriff** suggested an approval tonight, noting Board Member Bryck could suggest changes at a later time.

CEO Parno provided a high-level summary of the South Fork Water Board Strategic Goals and 2023-25 Priorities (Page 9, Agenda Packet, and handout). He reviewed the “Big Five” goals or categories for policy making guidelines: water quality; infrastructure investment; water supply, meaning the source of water and associated rights; stakeholder support; and enterprise management, meaning the remaining aspects of running the business.

Priorities were identified with milestones for the accomplishment of the goals. The intent was to bring quarterly updates on the priorities, especially with these highest goals. He briefly described and provided updates on the status of the Water Quality and Infrastructure Investment goals (Page 9 of the packet) with these key comments:

Water Quality

- The water being produced was excellent, exceeding State application standards for temperature, pH, chlorine residual, turbidity, and alkalinity. For turbidity, one of the highest measured factors, the State required 0.3 nephelometric turbidity units (NTUs). SFWB protocols at the plant required 0.1 NTUs, but most often 0.03 NTUs was achieved, ten times better than the State standard. Logs were updated every two hours instead of the State-required four hours. Logs measured the application standards, equipment usage, filter performance, and the distribution system requirements of the two partner cities. The protocols and monitoring were top-notch. He wanted to continue meeting requirements for the outstanding performance rating, the highest rating from the Oregon Health Authority (OHA). Therefore, it was important to keep employees happy and make sure they were well trained and informed.

Infrastructure Investment

- Infrastructure Investment included two components: 1) the new capital projects within the Master Plan's Capital Improvement Plan, and 2) proactive maintenance on existing infrastructure. Infrastructure Investment was putting into place new assets that were needed and maintaining what already existed. A projected timeline to plan for CIP projects was provided, and he was working with consultants to tighten up the calendar. The Board met with Consor Engineers in January, and the next step was updating the CIP with prioritization, including input from Oregon City and West Linn stakeholders. He and Consor had met with the Public Works directors and operations crews from both cities. A work session was planned to go through the CIP and inform the process, and he would bring the results back to the Board.
- Updating SDCs was very critical because of potential development and because it was important for SDCs to pay for the growth component of new projects. The last SDC update included rate increases every year to account for inflation, but the Engineering-News Record's Construction Cost Index was not keeping up with what staff had seen in capital project bids.

Vice Chair McGriff believed it would be better to say SDCs were being updated to keep current with actual costs and to capture known future projects. It was a matter of semantics, as checking SDCs and how they were keeping track of inflation was something an agency should be doing on a regular basis. **CEO Parno** agreed.

Board Member O'Donnell noted the timetable showed updating the SDCs ten months out. He asked what the process was and if it could be accelerated because he believed time was of the essence. **CEO Parno** agreed it was critical to get the SDCs updated as quickly as possible and explained the process under State law first began with prioritizing the CIP, which the Board would work on in the next month or two. Costs had to be updated from 2016 to 2024 dollars. Engineers were working on the cost updates, and he would meet with the operations teams from the two cities to prioritize. Consultants would then put together the SDC study following the procedure required by law, such as giving the development community notice. SDCs had to be aligned with known incoming projects. His biggest challenge was that the consultants working on the SDCs for Oregon City and West Linn did not have availability until July, but the timeline was not all that absurd because of the other work that had to be completed first. Finance Director Zook had provided an inside track to another company, so a Request for Proposal (RFP) on the SDC update project would be sent out to see who could finish it as quickly as possible. The short answer was the consultants were busy; it's been a theme in moving forward on a lot of things.

Board Member O'Donnell asked at what point the developer locked in the SDCs for a project. **Vice Chair McGriff** replied the rate was locked in at the time an application was filed. **Board Member O'Donnell** noted it would come as no surprise that if a developer anticipated SDC hikes, they would file their applications more immediately. **Vice Chair McGriff** added that even if the developer was not ready, the application would be filed, which had happened in Oregon City.

CEO Parno confirmed the importance of SDCs noting some concern about whether there was enough future development to cover the growth component of the large capital project list. In addition to the SDC work, the Board would be developing a broader funding strategy. When the SDC and rate analyses were done, the question was if money was borrowed, what was the impact on the rate payers? The WIFIA terms were extraordinary, and there hadn't been a program like that in the past, not since the Federal government assisted with infrastructure projects decades ago. Staff would also look for anything that could be done to help with grant funding as well.

Board Member O'Donnall pointed out that assessing the current raw water line was valuable because if the assessment showed the line was in imminent danger, they would be in a better position to approach the federal government for funding because nobody wanted to see a community devoid of water.

- Regarding proactive maintenance, the Operations Manager and Lead Engineer would present an overview of the maintenance review and prioritization in March. Because Chair Bialostosky and Board Member O'Donnell had both asked about and taken a particular interest in maintenance, he had invited them to take a tour to get a visual on maintenance requirements to support the March Board discussion. The tour would be in early March, and all Board members were welcome to attend.

Regarding the tour, **Legal Counsel Dougill** confirmed the meeting would be legal without notice being sent. **Chair Bialostosky** quoted from the public meeting law, noting, "a meeting does not include any onsite inspection of any project."

- The top three maintenance issues that continued to come up were: the raw water line; the hypochlorite system, including the flooring under it; and the backwash pump. This is because these are critical systems with less-than-ideal redundancy. In addition, the alum tank needed to be upsized and replaced. The hypochlorite system, the floor underneath it, and the alum tank needed to be addressed if the chemical feed building was not going to be constructed.

The Board would make these decisions with a strong recommendation from staff. An important takeaway was that this plant was built 60 years ago. Every 20 years, some significant investments had been made in it. The Board was at the forefront of an opportunity to support their communities with water for the next 60 to 100 years. While there isn't an immediate emergency, these maintenance issues would need to be addressed promptly, along with the capital improvement plan. This was the most important work for the Board this year.

- Regarding infrastructure investment, the raw water line had a history of maintenance problems dating back to 1997. Replacing the 27-inch concrete pipe with a 48-inch steel pipe had been a documented priority as far back as 1997, as it had already been experiencing failure of the steel wire raft and pipe wall caused by corrosion at that time. Concrete cylinder piping at 27-inch was not readily made any more. If a spring occurred on that pipe, they had some piping in the yard, but not at a large capacity. Recently, one of SFWB's partners had a pipe break that took longer to fix because the parts had to be fabricated.

He planned to talk with Emery & Sons, the contractors that did the last repair on Anchor Way a few years ago, to ask how a break in the raw water line would be repaired, walking the site during the conversation. He would provide the Board with a condition assessment of the pipe and what would take to repair it.

In a Cascadia event, the raw water line would break, 100 percent, but most everything else in the basin would break as well. However, the line is so old, that the Board needed to address it irrespective of an earthquake. The game plan for the CIP was to lay another 42-inch (or smaller) pipe down next to it, and the new pipe would be seismically resilient. Resiliency was the highest priority.

Vice Chair McGriff asked if Maintenance Projects and Costs could be divided into short- and long-term project lists to give the Board a clearer indication of where SFWB needs to go. **CEO Parno** noted that was a good idea and confirmed the Board would discuss proactive maintenance in March, and Consor Engineering would talk about the CIP, including the prioritized list and updated costs, in May. The Board would make the decisions but would be informed by the engineers.

Vice Chair McGriff asked if the priority (listed on the goals handout) of “Developing Asset Management Framework” was the same as the systems audit. **CEO Parno** explained those were different projects and confirmed the systems audit fell under the “Enterprise Management” goal. The “Develop Asset Management Framework” priority involved installing asset management software on existing infrastructure and equipment to receive upgrade notifications for predictive maintenance. Some improvements needed to be addressed now, however, a long-term asset management framework needed to be implemented as well.

CEO Parno concluded the presentation, noting South Fork had a direction thanks to the goal-setting session, and noted updating the rates, funding strategies, hiring contractors, etc. would be discussed at future meetings.

Board Member O'Donnell noted the maintenance survey would always come down to repair versus replace, with cost and life expectancy of either of those two approaches part of the calculation because incrementally, replacing could be better than repairing. South Fork's mission was to deliver potable water to clients. The only two things that could disrupt that were an infrastructure failure, specifically the raw water pipeline, and failing to meet State standards, especially regarding the hypochlorite system, backwash pumps, and alum tank.

The thing that caught his engineering attention was increasing the pipeline from 27 inches to 42 inches gave an increase of over 2.42 times the amount of liquid that could be delivered. He asked why that was necessary if the 27-inch pipeline served existing customers. The replacement cost for a 27-inch line could be paid for by existing customers, but who would pay for the additional 15 inches and why?

CEO Parno agreed with the concise summary regarding maintenance. He noting the 42-inch line was conceived of in the Master Plan for full build out, and it may not be the engineering solution that is used. A plan existed to build out to a capacity of 52 MGD, but realistically, they

were not required to build to 52 MGD right now. The 42-inch pipe could be smaller, and the capacity component would be funded by SDCs to the extent possible.

Board Member O'Donnell anticipated incremental solutions, such as 27- to 35- to 42-inches, along with the incremental costs and benefits.

Vice Chair McGriff added under stakeholder support, she wanted to be clear that Oregon City and West Linn coordination referred to the cities' technical advisory team because the current wording was general. SFWB had the committee under its enabling legislation and requested acknowledgement of that, whether the verbiage was replaced or added to. She believed the inclusion of the committee needed to be spelled out in the priority list.

CEO Parno agreed to update the stakeholder support priority to include the Advisory Committee for clarity, along with general stakeholder engagement.

Vice Chair McGriff suggested moving up the timeline for the cyber security audit, especially considering recent events with AT&T. The audit had been discussed for at least six months, and October 2024 was a little late for the party. It wasn't as important to get grants.

Board Member O'Donnell believed the cost was small considering the implications of being successfully attacked. He suggested talking with Oregon City IT Director Michael Dobaj to get the cost for Oregon City's cyber security audit so he would have a starting framework.

CEO Parno noted the SCADA system did not have an external connection. He had worked with both the Information Technology and Operations Technology consultants to create networking diagrams to show how locked down the systems were. In addition, South Fork has the most sophisticated software for SCADA security, Ignition. The two cities were moving to that system to have security like South Fork.

External access to the SCADA system was not allowed other than the consultant who had dual-factor authentication and a firewall that only he can gain access through. The system was close to non-penetrable; however, an external consultant would be hired to look at it. If he believed the system was vulnerable, the system audit would have already been completed. The cyber security audit would be completed within this biennium, and he would move up the timeline to the extent possible for sure.

Board Member O'Donnell noted the troubling point with the Oregon City attack was the point of entry was so remote it was not even considered. The Oregon City attack was from the remote control of a heating or billing system or something of that nature.

Vice Chair McGriff commented that if other Board members did not place as high a priority on the audit as she did, she would be okay with that. **Board Member Baumgardner** noted she was comfortable with the timeline.

Vice Chair McGriff moved to approve the SFWB Goals & 2023-25 Priorities including the Advisory Committee. Board Member Baumgardner seconded the motion.

The motion passed unanimously.

Vice Chair McGriff noted the motion did not negate any input from Board Member Bryck, as other amendments could be made after she reviewed the document.

(7) Regional Water Providers Consortium Intergovernmental Agreement

Chair Bialostosky clarified the updated Intergovernmental Agreement (IGA) would not increase SFWB's financial commitment to the Consortium.

Vice Chair McGriff commented that the Consortium partners should be named in an appendix, with the IGA referencing the appendix. She was able to look up the information and now knew who the partners would be, but not everyone would do that. She believed the final IGA should include the signatory pages of every single provider.

CEO Parno noted the Consortium would include 26 providers, and he distributed the list to the Board. According to Rebecca Geisen from the Regional Water Providers Consortium, 10 of the 26 providers had approved the IGA so far, and approval by all partners was anticipated.

Vice Chair McGriff moved to approve the Regional Water Providers Consortium Intergovernmental Agreement with the suggested amendments. Board Member O'Donnell seconded the motion.

CEO Parno confirmed the Board's direction, asking if it was to attach the list of Consortium members to the document as an appendix, and that the Consortium would not be required to distribute it to everyone. He suggested amending the motion to approve the IGA as presented, and he would ask Rebecca Geisen to consider providing a list of partner entities on the final document.

Vice Chair McGriff amended the motion to approve the Regional Water Providers Consortium Intergovernmental Agreement as presented. Board Member O'Donnell seconded the motion.

The motion passed unanimously.

(8) Membership Requests from Civic Organizations

Wyatt Parno, CEO, briefly explained Oregon City Business Alliance (OCBA) and Rotary Club of Oregon City – Satellite Water Club (Rotary) had invited SFWB to participate as paid members, as explained on Page 27 of the meeting packet. He believed it was reasonable to participate in water-related activities applicable to SFWB. SFWB was neutral with membership in general, broader organizations, but he wanted Board insight and direction, especially for Rotary. He was not able to participate and asked if any Board members were interested in participating.

Vice Chair McGriff believed South Fork should attend events as needed but would say no to membership because the organizations did not directly relate to SFWB and capacity to participate was not available. If something directly related came up, they could make time in

their schedule to attend meetings and events, but these organizations were not in the Board's wheelhouse. CEO Parno already participated in the coalitions and consortiums that were directly related to what SFWB did.

Board Member O'Donnell agreed because he did not want the Board to be perceived as aligning with any particular group's interests. **Board Member Smith** agreed, adding that was true, especially for any political organization.

Board Member O'Donnell suggested attending to present as a guest speaker if the subject matter related to SFWB, but he did not want to see alignment with any one group in terms of having to make decisions.

Board Member Baumgardner asked if there was any ethical line on the requests or if it was just up to the Board. **CEO Parno** replied that there was not an ethical concern as long as participation related to water or general business understanding. **Board Member Baumgardner** agreed with not being a paying member of OCBA or Rotary and that it was okay to attend activities as appropriate.

(9) **AWWA Annual Conference & Expo 2024 (ACE24)**

Wyatt Parno, CEO, noted the American Water Works Association's (AWWA) Annual Conference & Expo (ACE) was being held in Anaheim, CA on June 9-14, 2024. He had sent Board members an email with links to the programs. The budget included funds for four Board members to attend and he asked who was interested in going. Pre-conference activities included workshops that were applicable to South Fork's current mission, on asset management, capital project delivery, and a public official's program.

Vice Chair McGriff noticed two of the pre-conference sessions were on the same day and asked if that was a typographical error. **Board Member O'Donnell** noted multiple sessions were being held on the same topics.

Vice Chair McGriff confirmed that Board Member Bryck had expressed interest at the last meeting and the Board reached consensus for her to attend since she was new to the Board.

The Board Members discussed who was interested in attending, who had attended in the past, and sessions they had interest in attending.

Vice Chair McGriff noted she would ask Oregon City to send her if four SFWB members wanted to attend.

The Board reached consensus for Chair Bialostosky, Vice Chair McGriff, and Board Members Bryck and O'Donnell to attend the conference.

(10) **Business from the CEO**

1) Operations Update

CEO Parno provided an operations update, noting the team was doing an amazing job and the culture was good. In March, the team would prep for summer flows, cleaning the basins and repairing troughs that had inefficiencies.

2) Water Sales to Clackamas River Water for Filter Valves Replacement Project (March)

CEO Parno reported that Clackamas River Water (CRW) approached SFWB about providing water through interties so they could replace their valves in March. He was comfortable with doing that. This would also be a good opportunity to test the intertie between the agencies. CRW would be charged under a pre-existing agreement that they could not get a better deal than current SFWB customers. CRW had provided water for SFWB during the winter storm, and he believed providing the water was a good diplomacy move and noted it would also provide revenue.

(11) **Business from the Board**

There was none.

(12) **Executive Session –Adjourn regular meeting and convene Executive Session if needed.**

No Executive Session was held.

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).

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

Chair Bialostosky adjourned the regular meeting at 8:57 pm.

Respectfully Submitted,

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