

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
June 26, 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
Carol Bryck, West Linn Councilor

Board Members Excused: Rocky Smith, Oregon City Commissioner

Staff Present: Wyatt Parno, Chief Executive Officer
Christa Britton, Business Manager
Mark Cage, Operations Manager
Trevor Cook, Plant Operator

Others Present: Alice Richmond

General Board Meeting

(1) **Call to Order**

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

(2) **Roll Call**

(3) **Public Comments**

Alice Richmond spoke about disturbances in and sabotage of the water supply and water sources across the country and around the world. She acknowledged the costs of taking precautions and that the water rates may need to increase to ensure water safety and availability. She believed the Board was taking too long to protect South Fork's water system and water sources, which was a matter for the Cities, and encouraged them to make it a more urgent priority. She urged the Board to discuss and share these issues with constituents wherever South Fork sold water.

(4) **Consent Agenda**

- A. Approval of the Minutes of the April 24, 2024 Board Meeting.
- B. Approval of the Minutes of the May 22, 2024 Board Meeting.

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

(5) **Information and Operational Technology Overview**

Wyatt Parno, CEO, noted cybersecurity was the focus of tonight's business portion of the agenda and acknowledged Vice Chair McGriff for her early recognition of making cybersecurity a priority within the Board's goals for this biennium. He noted tonight's technology overview would be rather generic for security reasons, adding those with a public records request for the meeting video would be asked to come to the plant.

Trevor Cook, Plant Operator, presented via PowerPoint an overview of the plant's information technology (IT) and operational technology (OT), defining each term and explaining that the IT system ran the business computers, e-mail, and network file storage. Because the plant did not have its own in-house IT department, those functions were outsourced to TeamLogic. The OT ran the supervisory control and data acquisition (SCADA) network. He provided diagrams of each system, including high-level overviews of the IT and OT networks, as well as the network layouts. He noted no sensitive information was stored on the plant's IT system as Oregon City handled most of the Human Resources (HR) and utility billing functions, and the OT system was safe as well because the plant could not be operated remotely.

Key questions from the Board were addressed as follows:

- While SCADA was often used as the acronym for the plant, it really applied to the entire equipment operating network. The graphics package was under a separate name that would not be stated publicly for security purposes.
- South Fork's SCADA network had a redundant on location server, but not an off-site backup server. The SCADA contractor was establishing an off-site backup as well as a backup of the SCADA graphics software. The IT network had an onsite backup server and was also backed up in the cloud.

CEO Parno noted the IT consultant took care of the network, but all staff could run the plant, even without the SCADA system. Emergency management tabletop drills could include a no-SCADA day to practice manual operation of the system.

- The IT system was backed up to the cloud, but the SCADA system was not, with redundancies and multiple servers stored on-site.
- A common practice was to have backup servers at a separate location, and Mr. Cook was working with the OT consultant to put that in place.

Board Member Bryck noted storing backup SCADA in the cloud could create vulnerability and supported having a backup server stored on site to swap in the event the SCADA system went down. **Operator Cook** noted there is a backup server on site.

(6) **Cybersecurity Audit Update**

Wyatt Parno, CEO, noted the cybersecurity audit was included in South Fork Water Board Goal 5 and a high priority for this biennium.

Christa Britton, Business Manager, presented an update on the work done to secure a cybersecurity audit, noting while Staff believed South Fork had few vulnerabilities, a professional assessment from third-party experts was expected to find areas for improvement. Cybersecurity threats were increasing across both public and private sectors, with attacks increasing each of the last four to five years. Cybersecurity was especially important for agencies providing critical services to communities. She shared examples of infrastructure attacks across the country, dating back to 2019. Topics to be assessed through the audit process included security assessments, technology updates, policies, employee training, access controls, and an incident response plan.

- The Cybersecurity and Infrastructure Security Agency (CISA) provided a wide range of free tools and resources, including penetration testing, vulnerability scanning, external dependency or supply chain assessment, incident management review, and training. The starting point would be the Cybersecurity Performance Goals Assessment, a detailed questionnaire about existing

technology, safeguards, and policies, leading to a report on areas for improvement prioritized by likelihood of occurrence and severity of potential harm.

- Introductory meetings had been held with three private security consultants, including MOXFIVE as recommended by Oregon City IT Director Mike Dobaj. One firm came on-site for a follow-up meeting, with the consultant asking questions and helping Staff determine what questions they should be asking and providing a very detailed proposal.
- Three proposals for the initial assessment, ranging from \$10,000 to \$15,000, had been received.
- Next steps included using CISA's free services before hiring a private consultant. The Cybersecurity Performance Goals Assessment had been scheduled. The CISA liaison was scheduled to return, and representatives from the IT and OT management providers would be available to answer questions.
- SFWB was registered and in the queue for weekly vulnerability scans, which would start as soon as CISA could fit them in. Penetration testing would also be conducted.
- Audit work would continue through the summer, with the goal of having the CISA reports in hand by the fall. The CISA reports would provide more information and direction and would be used to determine whether a private audit was needed.
- SFWB was awarded a \$5,000 grant from the Special Districts Association of Oregon (SDAO) for audit enhancements. No decisions had been reached yet on South Fork's applications for a \$25,000 grant from the State and Local Cybersecurity Grant Program and a \$5,000 grant to support domain migration.

Vice Chair McGriff recommended bringing in a third party from Oregon City IT staff to provide input and tips regarding the assessment because the City had been through the process.

Mr. Cook left the meeting at this time, as he had to operate the plant the next morning.

(7) **Business from the CEO**

1) **Operations & Maintenance**

Wyatt Parno, CEO, reported Staff had switched to the summer schedule, working longer hours to maintain 24/7 operations. The average production rate in the fall was about 4 to 6 million gallons per day (mgd), and current production was 12 to 15 mgd.

- He confirmed the Board would not meet in July or August unless something urgent came up. The Staff and Board Appreciation Picnic was tentatively scheduled for August 22, 2024.
- Following questions by **Vice Chair McGriff** about when and why the Board started taking summers off for meetings, he demonstrated Staff's summer workload by drawing a graph, describing the increase in production and additional tasks related to producing larger volumes of water 24/7. **Board Member O'Donnell** noted he was not in favor of holding meetings just for the sake of meeting.

The Board discussed the impact of summer and winter production schedules on Board meeting schedules and whether summer vacations would create quorum issues.

2) **Pipeline B Valve Repair**

Operations Manager Mark Cage explained what was thought to be a small leak in Pipeline B was ground saturation. Investigation revealed a cross connection, which occurs when a raw water source could flow into the finished water pipe. Although a valve was present, no threat existed

because the valve held everything in unless the valve was opened. To his knowledge, the valve had never been opened. The 24-inch intertie going to the Clackamas River had pressure. At the same time, the Clackamas River water was at a higher pressure, so raw water would never be allowed to go into their drinking water. For a true cross connection to happen, the valve would have to fail at the same time the line was draining. However, the cross connection was sealed quickly as part of a project earlier in the month. The blow-off on the 24-inch intertie could be used later if needed, and the raw water line was completely sealed off with a wide flange.

Wyatt Parno, CEO, appreciated Mr. Cage's thoroughness, noting he had reached out to prior plant operators about the cross connection. One theory was that there was a desire to have the raw water line run to another treatment plant, but the pipe was small, so the theory did not make sense. However, the problem was now fixed.

3) Website Updates

Wyatt Parno, CEO, reported that Business Manager Britton had worked with Oregon City Staff to update the information about SFWB on the Oregon City website.

4) Funding Strategy

Wyatt Parno, CEO, provided an update on the funding strategy, noting he would bring a full goals update in September. He had released a Request for Proposals (RFP) to update the system development charges (SDC) this week. He hoped the work would be completed over the fall so requirements for public notices could be met.

5) Communications Strategy

Wyatt Parno, CEO, reported he wanted to hold a work session for the Board and key city staff, such as Information Officers, to discuss how the public could be supported. He would ask Libby Bakke, Consor Engineering, to facilitate the discussion. The work session would include an open forum to talk about strategies and impacts from a city leader's perspective.

The Board agreed to personally invite appropriate city Staff members to attend the work session and discussed possible locations for the workshop.

(8) **Business from the Board**

Board members shared information and experiences from the American Water Works Association (AWWA) Annual Conference & Expo (ACE) as follows:

Board Member Bryck reported the National Resources Defense Council (NRDC) had a tool for affordability, and she attended a session making the business case for offering discounts to low-income customers, which could apply to the cities as costs go up. If bonding or some other borrowing was part of South Fork's funding strategy, rating agencies would consider affordability as a major factor. She also attended a session on communication about rate increases.

Board Member Baumgardner reported her biggest takeaway was the emergency preparedness and resiliency session, covering different scenarios for earthquakes, flood, and fires. Infrastructure and Jobs Act funding was still available but would sunset soon. She suggested checking into whether available funding could apply to work South Fork was doing.

Board Member O'Donnell said he had focused on resiliency sessions because of his operations background. Key words he noted were customer expectations, cyber-attacks, disaster reactions, and the importance of collaboration. He believed South Fork did a lot of things well. Other key areas included simultaneous emergencies, planning and investments, personnel training, collective resilience, vulnerability assessments, the effects of long-term lack of investment, water leaks and power sources, and understanding the distribution system. Because of forest fire threats, he had inquired about volatile chemicals in the water source, but the speakers did not have major concerns over volatile chemicals.

- Interties came up several times, but the one constraint striking home for him was the power generation needed to bring water lines back online. One suggestion was to contact the Federal Emergency Management Agency (FEMA) about the availability of portable generators or funding for generators. He believed SFWB needed to assess its power generation needs and how long the plant would need to function with alternate power generation because FEMA would also provide the fuel to power the generators during that time.

Vice Chair McGriff noted that her biggest takeaways were that the purpose of the plant was to provide high quality water service, ensuring enough water supply was available consistently and without risk. Profits were not the priority, but most providers were in the process of raising rates. Water was an essential service and compared to the monthly rates for entertainment or cell phones, water utility bills were small. Another takeaway was the difficulty of finding personnel to fill vacant positions because of education and compensation, with younger workers wanting to come in at the top, not work weekends, and work remotely instead of on-site. She had also attended a session on resiliency.

Chair Bialostosky attended a session on contractor engagement and how to deal with the contractor shortage. The key was to get to know the local contractors and get them excited about the project and to coordinate with neighboring utilities on major projects. **Vice Chair McGriff** added contractors were experiencing the same personnel issues as the utility providers with not having enough staff to bid on projects.

Board Member O'Donnell believed the contract document discussion was important, as using boilerplate language could lead to higher costs as contractors looked at the assumed risk and risk mitigation.

CEO Parno thanked the Board for being engaged. He agreed that to deal with the contractor issues, South Fork needs to use collaborative project management using an owner’s representative or agent (OA), design engineer, and contractor. He wanted to develop a delivery package using a program approach, and discuss packages with the OA, engineer, and contractors. The contract would allow for things such as open books to help mitigate contractor risk.

He also encouraged the Board to focus with their constituents on the positive aspects of the water partnership. The mindset needed to shift from “why didn’t we build that out ten years ago” to “what an amazing asset West Linn and Oregon City share with the number one prioritized right to a pristine water source, and how cool is it that our cities have worked together so well. We’re going to make a generational investment now because we have served you so well for the past 60 years.” Another priority was building a 10-year game plan and giving the project its own identity so new Board members could easily understand and support long-term goals.

Board Member O’Donnell noted limitations on risk liability was not a new concept in the private sector and agreed knowing the OA was a necessity. Oregon City had better results in controlling costs and bringing projects in on schedule when using an owner’s representative.

Vice Chair McGriff expressed concern about too much meat in the meeting meals, as well as onions in the salad. She suggested using West Linn or Oregon City vendors for food orders.

(9) **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).

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

Chair Bialostosky adjourned the regular meeting at 8:40 pm.

Respectfully Submitted,

By Paula Pinyerd, ABC Transcription Services, LLC.
for Wyatt Parno, SFWB Chief Executive Officer