

**South Fork Water Board
General Board Meeting Minutes**

October 23, 2024

Conference Room & Remote Video Conferencing
<https://sfwb.org/about-us/board-meetings>

CALL TO ORDER

Chair Bialostosky called the meeting to order at 7:07 pm.

ROLL CALL

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

Excused: None

Staff Present: Wyatt Parno, Chief Executive Officer, and Christa Britton, Business Manager

Others Present: Emily Guimont, SFWB Legal Counsel; Patrick Foiles, HR Director, Oregon City; Oregon City Commissioners Mike Mitchel and Adam Marl; Alice Richmond, West Linn resident

Vice Chair McGriff noted for the record that a quorum of the Oregon City Commission was present, but no business of the City of Oregon City was being conducted.

PUBLIC COMMENTS

Alice Richmond noted that despite challenges, the water operation had been successful because of CEO Parno's efforts, adding the public might not fully understand the complex process required to ensure water delivery to homes. She suggested televising or publicizing the operation to raise awareness of the benefits residents receive and recommended that the Board publish articles to inform the community about the process, costs, and value of water services.

Chair Bialostosky noted that the Board had been discussing ways to improve communication and was working on getting the word out.

CONSENT AGENDA

No items on the Consent Agenda

PUBLIC MEETING TRAINING VIDEO (INSURANCE DISCOUNT)

Wyatt Parno, CEO, explained that the Special Districts Association of Oregon, of which SFWB was a member, provided an insurance pool offering a discount for following best practices. One of the discount items this year required the entire Board to watch a public meetings law training video. The Board had previously agreed to watch the video together, as it would be easier than logging in individually.

The public meetings training video was played.

SOUTH FORK WATER BOARD GOALS UPDATE (ACHIEVEMENTS & LOOKING AHEAD)

CEO Parno presented the SFWB Goals Update via PowerPoint, focusing on two top priorities: capital project delivery and water rights development. He reviewed the utility's history and master planning and highlighted the Board's commitment to long-term resilience. For capital project completion, he

highlighted the need for funding and for water rights development as well as the importance of proving water use to secure permits for South Fork's senior water rights. He also discussed the next steps for both priorities.

CEO Parno addressed clarifying questions from the Board Members about certifying permits, the legal process necessary to transfer water rights, the difference between certified rights and permitted rights, and South Fork's position and process if the State mandated water use curtailment. His key responses to comments and questions were as follows:

- He confirmed prior discussions on geographic distance and certification costs, noting the need to transfer water rights from Memaloose Creek, where the original pipeline was, to the current intake. Further research would assess any benefits of retaining rights at the original location, though the intent remained to use the original rights.
- He confirmed that SFWB was currently locked into 4 million gallons per day (MGD), but their permits extended to 2038, allowing time to certify additional rights. South Fork had permitted rights of 75 MGD and highlighted the importance of locking in these rights for future growth, referencing Metro's 2020 and 2025 Growth Plans. South Fork could always share the rights. The approach to take as a Board was to assert SFWB's legal right to expand over time while protecting that right. South Fork would aim to lock in the uses as much as possible to comply with the State's requirement for actual usage.

CEO Parno asked the Board to consider providing policy direction to formalize the initiation of the capital program through a declaration in a resolution highlighting the importance of memorializing their commitment as generational investment for the community. He noted this formal action would benefit future Staff and Board Members by providing clarity on ongoing projects and proposed scheduling the resolution for either December or the new year.

Board members discussed moving forward on the capital projects in the upcoming year, leveraging federal programs to help fund the projects, and the need to emphasize water conservation. There were concerns about the plant projects being overdue and working on multiple complex projects simultaneously. It was noted that securing financial resources must be accomplished first. The Board also discussed communicating its goals and priorities to the public as soon as possible to ensure public support amid upcoming tax increases and other ballot measures.

The Board and Staff discussed potential meeting dates when consultants could be present to discuss upcoming projects and key staff members from both Cities could attend to coordinate public communications. There was also conversation about discussing a resolution/declaration on the Board's goals at an upcoming meeting. The consensus was to prioritize the resolution/declaration.

Business Manager Britton agreed to reach out to Board Members to get some dates for the upcoming meeting, adding coordination would also be made with the consultant and both City Managers.

CEO Parno offered to update the Board on the achievements of the established priorities and goals over the last year, but noted much of the material had been discussed in recent months.

The Board agreed to conclude the agenda item.

Chair Bialostosky adjourned the regular meeting at 8:29 pm to convene the Executive Session.

EXECUTIVE SESSION –ADJOURN REGULAR MEETING AND CONVENE EXECUTIVE SESSION

Chair Bialostosky adjourned the regular meeting at 8:29 pm to convene the Executive Session.

To consider information or records that are exempt by law from public inspection pursuant to ORS 192.660 (2)(i).

RECONVENE REGULAR MEETING TO TAKE ANY ACTION NECESSARY AS DETERMINED IN EXECUTIVE SESSION

Chair Bialostosky reconvened the regular meeting at 9:22 pm

Chair Bialostosky stated that the Executive Session agenda included a discussion on the merit bonus issue, which differed from a merit increase. CEO Parno's contract allowed the Board to award up to a 5% merit bonus as a one-time payment at its discretion, which is not a salary increase, following the annual performance evaluation.

Board Member Bryck moved to award a 5% merit bonus of CEO Parno's annual salary for this year, amounting to \$9,206. **Board Member Baumgardner** seconded the motion.

Board Members asked Staff clarifying questions about CEO Parno's salary and some shared why they believed the bonus was appropriate. It was noted that SFWB was in a strong position to execute and accomplish major capital projects and address various concerns, , it was important to remain competitive as an employer, CEO Parno's qualifications were unique compared to other system operators and he was progressing in his operational and management experience. It was important to maintain the CEO and the value of his knowledge and recognize the difficulty of replacing him.

Board Member O'Donnell believed approving the maximum award would imply that the CEO had reached the peak of his performance, and that further growth was still needed. Therefore, he would not support the 5% merit bonus.

Board Members responded, explaining that the CEO was not eligible for a merit increase and the position did not follow a step system in which one moved up each year due to gained knowledge. A brief discussion followed about reevaluating the CEO's salary structure to ensure the bonus was not used as a method of compensation, and that SFWB's salary structure and pay grades remained competitive. Review of the salary structure was a project to be addressed at another time.

Board Members Smith and **O'Donnell** stated that they were comfortable with a 3% bonus.

Chair Bialostosky confirmed that last year's bonus was 3.5%.

Ayes: Board Members Baumgardner, Bryck, and Chair Bialostosky.

Nays: Board Members Smith, O'Donnell, and Vice Chair McGriff.

Motion Failed: 3 to 3

Chair Bialostosky moved to approve a one-time merit bonus of 4% of the 2024 CEO's annual salary to CEO Wyatt Parno. **Board Member Baumgardner** seconded the motion.

Ayes: Board Members Bryck, Baumgardner, and Chair Bialostosky.

Nays: Board Members O'Donnell, Smith, and Vice Chair McGriff.

Motion Failed: 3 to 3

Board Member Baumgartner moved to approve a one-time merit bonus of 4% of the 2024 CEO's annual salary to CEO Wyatt Parno. Board Member Bryck seconded the motion.

Ayes: Board Members Baumgardner, Bryck, Vice Chair McGriff, and Chair Bialostosky.

Nays: Board Members Smith and O'Donnell.

Motion Carried: 4 to 2.

The Board returned to the regular meeting agenda item Business from the CEO at this time.

BUSINESS FROM THE CEO

This item continued after the Executive Session action items were concluded.

CEO Parno reported the following:

- A maintenance vehicle from another agency had crashed on the Barton Bridge, spilling 20 gallons of oil into the Clackamas River. In response, the SFWB Staff quickly shut down the plant for eight hours as a precaution. The spill was minor compared to the river's flow rate of 7,000 gallons per second and he commended the Staff's prompt reaction.
- The crew was currently installing the valve actuators recently approved by the Board in a contract.
- Portland General Electric (PGE) planned to replace the pole and trim the tree in November, following the recent power outage. The VFD rebuild was also scheduled for November.
- Business Manager Britton had already collaborated with the federal Cybersecurity and Infrastructure Security Agency (CISA) on a cyber review and would begin additional work with a private consultant next week to obtain more service.

BUSINESS FROM THE BOARD

Board Member McGriff stated that it was not necessary to be overly formal when introducing topics in meetings, noting she was comfortable being addressed by her first name given the small size of the group.

Chair Bialostosky thanked everyone for a productive meeting, Executive Session, and great presentation.

The Board continued to Adjournment of the regular meeting at this time.

ADJOURNMENT

The regular meeting adjourned at 9:38 pm.