

**GENERAL BOARD MEETING**

**CALL TO ORDER**

**Chair Bialostosky** called the meeting to order at 7:05 pm.

**ROLL CALL**

Present: Rory Bialostosky, Chair, West Linn Mayor; Mike Mitchell, Oregon City Commissioner; Carol Bryck, West Linn Councilor; Rocky Smith, Oregon City Commissioner; Mary Baumgardner, West Linn Councilor; Denyse McGriff, Vice-Chair, Oregon City Mayor arrived at 7:11 pm

Excused: None

Staff Present: Wyatt Parno, Chief Executive Officer; Christa Britton, Business Manager; Mark Cage, Operations Manager

Others Present: Ashleigh Dougill, SFWB Legal Counsel; Steve Donovan, Donovan Enterprises; Erich Lais, West Linn Public Works Director

**PUBLIC COMMENTS**

There were none.

**CONSENT AGENDA**

- A. Approve Minutes of the December 19, 2024 Work Session
- B. Approve Minutes of the December 19, 2024 Board Meeting

**Board Member Baumgardner moved to approve the Consent Agenda as presented. Board Member Smith seconded the motion.**

**Ayes: Board Members Baumgardner, Smith, Bryck, Mitchell, and Chair Bialostosky.**

**Nays: None.**

**Motion Carried: 5 to 0**

**RESOLUTION 25-01 — SYSTEM DEVELOPMENT CHARGE UPDATE (STEVE DONOVAN)**

Vice Chair McGriff arrived at this time.

**Wyatt Parno, CEO,** explained the Board directed Staff to update system development charges (SDCs) to address the growth-related component of increased construction costs. Resolution

25-01 updates the SDC rates with no change to the methodology and complies with legal requirements. Oregon City and West Linn Staff requested implementation on March 1st to allow time to update their systems. He asked that the Board approve the resolution or provide further direction.

**Steve Donovan, Donovan Enterprises**, reported that since the Board's review of the current rate and draft proposal on December 19<sup>th</sup>, the numbers have been refined, incorporating the Capital Improvement Plan (CIP) as the main driver, with the final recommendation being to raise the SDC to \$4,218 per equivalent residential unit.

- He answered questions from Board members, confirming the increase is modest compared to other agencies, noting that South Fork has world-class assets. He clarified SFWB's modest adjustment will not shock the development community whose main concern is unexpected surprises. SFWB has a well-thought-out, phased plan over 20 years. Unlike other agencies facing urgent projects, SFWB is in a fortunate position.

**Vice Chair McGriff moved to approve Resolution 25-01, a Resolution updating the System Development Charges of the South Fork Water Board. Board Member Baumgardner seconded the motion.**

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

**Nays: None**

**Motion Carried: 6 to 0**

#### **ELECTION OF CHAIR AND VICE CHAIR FOR 2025**

**Wyatt Parno, CEO**, explained the election process, noting that for 2025, the Board was required to elect a Chair from Oregon City and a Vice Chair from West Linn.

**Mayor Rory Bialostosky nominated Mayor Denyse McGriff for SFWB Chair for 2025 and Mayor Denyse McGriff nominated Mayor Rory Bialostosky for SFWB Vice Chair for 2025. Board Member Smith seconded the nominations.**

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

**Nays: None**

**Motion Carried: 6 to 0**

**Mayor Denyse McGriff was unanimously elected as 2025 SFWB Chair and Mayor Rory Bialostosky was unanimously elected as 2025 SFWB Vice Chair.**

## **APPROVAL OF ON-CALL CONSTRUCTION CONTRACTS**

**Wyatt Parno, CEO**, explained that the Board had previously approved the procurement process for establishing on-call construction contracts to address immediate repair issues. These contracts will help protect the system while the Board implements the long-term capital program.

**Christa Britton, Business Manager**, reported that in September, the Board approved a procurement exemption to move forward with a request for proposals (RFP) for on-call construction contracts. After issuing the RFP and evaluating three proposals, contracts were awarded to Emery & Sons and Landis & Landis Construction, both offering similar pricing and strong experience in public construction. Portions of the contracts were provided to the Board in the packet, with the full terms available electronically. The contract templates were accepted without changes by the contractors, and Staff was requesting approval to move forward with the contracts.

Comments were made regarding the benefits of the procurement exemption and the ability to choose between multiple contractors. Chair McGriff expressed the importance of broadening the pool of providers to include those who may have been overlooked in the past to continue work on equity goals.

**Chair McGriff moved to approve on-call construction contracts. Board Member Baumgardner seconded the motion.**

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

**Nays: None**

**Motion Carried: 6 to 0**

## **CAPITAL IMPROVEMENT PLAN PROJECT DELIVERY UPDATE**

**Wyatt Parno, CEO**, highlighted the Board's unanimous commitment to advancing the Capital Improvement Plan (CIP) and outlined three key factors for success: funding, communication, and project delivery. He provided an update on the CIP, stating that the 2016 cost estimates had been updated with 2024 numbers, as well as projected to future years. The two highest priorities, which have been delayed due to lack of funding, are the chemical feed building and the raw water pipeline. He shared optional timelines for the remaining projects.

CEO Parno requested the Board's direction, via consensus or a vote, to proceed with preparing the budget to address capital projects. Specifically, the budget would include rate adjustments and allocation of funds to hire an internal project manager or owner's representative, or both, depending on the timing of project delivery. The budget would also include funding to support communications.

**CEO Parno** answered clarifying questions about the finished water pipeline condition assessment and lining project, the sufficiency of the 20 percent contingency, plans to discuss funding options with the Board, inflation adjustments for the chemical building and raw water pipeline projects, and the impact of potential building Code changes.

As the Board discussed the plan, it was noted that borrowing funds will allow costs to be spread among current and future customers, rather than having current customers bear the full cost.

**CEO Parno** suggested moving forward with the new chemical building and raw water pipeline projects, while preparing for the 30 MGD expansion. He also noted the importance of involving the citizen members of the Budget Committee to see the unity and direction of the Board.

There was a discussion about the Condition Assessment performed on existing facilities that was completed and reviewed with the Board in the prior year, including site visits by Board members. The budget will address high-priority projects as well as ongoing proactive maintenance for existing facilities.

The consensus among the Board members was to move forward with preparation of the budget as proposed.

**Chair McGriff moved to direct Staff to move forward with the preparation of the biennial budget to address project delivery, in alignment with the objectives outlined in the Master Plan. Board Member Mitchell seconded the motion, which passed unanimously.**

**CEO Parno** highlighted the need to keep City staff and constituents informed about the significant steps being taken for the communities. He acknowledged that decisions are upcoming, projects will begin, and careful consideration will be given to rate impacts for community members.

**Mr. Donovan** noted the 10-year plan will be updated annually along with the Budget and Capital Plan to balance construction costs and rates.

**Chair McGriff** acknowledged that projecting future rates had been one of the missing components at SFWB. She highlighted Water Environment Service's progress in setting a five-year projection, noting that its advisory committee will not be subject to any surprises. While future costs, such as material prices, cannot be fully predicted, the approach is the right path.

#### **BUSINESS FROM THE CEO**

1. AWWA ACE25 in Denver, CO June 8-11, 2025

**Wyatt Parno, CEO**, stated the budget allows for four board members to attend the annual American Water Works Association (AWWA) conference, and noting that conference attendance should be determined by February, with any adjustments finalized in March.

The Board discussed attendance at the AWWA conference, accommodation arrangements, and potential costs, including the possibility of City contributions if more members wished to attend.

**CEO Parno** informed the Board about a capital improvement project delivery workshop scheduled for the day before the AWWA conference and advocated for attendance.

## 2. Budget Committee Appointments

**Wyatt Parno, CEO**, stated that in February, he will request that the Board adopt the budget calendar and appoint Budget Committee members. There are three positions to appoint on the Committee. The Board agreed that the existing appointment process was to be used.

## 3. Annual Comprehensive Financial Report Distribution

**Wyatt Parno, CEO**, distributed the Annual Audit and Comprehensive Financial Report for review, noting that Matt Zook, the Oregon City/South Fork Finance Director, will present the report in February.

## **BUSINESS FROM THE BOARD**

**Chair McGriff** requested to be excused from the February meeting as she will be out of the country.

## **ADJOURNMENT**

The meeting adjourned at 8:06 pm.