

Meeting Minutes

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GENERAL BOARD MEETING

CALL TO ORDER

Chair McGriff called the meeting to order at 7:04 pm.

ROLL CALL

Present: Denyse McGriff, Chair, Oregon City Mayor; Rory Bialostosky, Vice Chair, West Linn Mayor; Mike Mitchell, 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; Christa Britton, Business Manager, Mark Cage, Operations Manager

Others Present: Libby Bakke, Consor Engineers; Steve Donovan, Donovan Enterprises; Mark Knudson, Special Districts Association of Oregon (SDAO); Patty Nelson, Senior Engineer, Oregon City

PUBLIC COMMENTS

There were none.

CONSENT AGENDA

A. Approval of the Minutes of the February 26, 2025 Board Meeting

Board Member Baumgardner moved to approve the Consent Agenda as presented. Vice Chair Bialostosky seconded the motion, which passed 6 to 0. (Ayes: Bryck, Mitchell, Baumgardner, Smith, Bialostosky, McGriff; Nays: None.)

GOALS UPDATE: INFRASTRUCTURE INVESTMENT PROGRESS

Wyatt Parno, CEO, presented an update on South Fork Water Board Goal 2 – Infrastructure Investment, focusing on long-term water reliability for Oregon City and West Linn. He outlined a specific plan to address immediate challenges, including the Clackamas River Water withdrawal and potential service interruptions related to the ODOT bridge expansion. He also described how to complete two high priority projects: the chemical feed building and raw water line and lay the foundation for the Board’s Long-Term Water Reliability Program. The Program would achieve safe water quality, system repairs & resilience, and reasonable capacity goals.

CEO Parno then provided an overview of the meeting agenda, which was focused on two of the three key drivers of capital program success, Project Delivery and Funding. The third driver,

Communication, was addressed in previous meetings, and all three were interrelated and ongoing. He provided the Board with recommended actions for the meeting and then introduced the consultant speakers.

Questions from the Board were addressed.

CAPITAL PROJECT PLANNING AND DELIVERY PERSPECTIVES

Mark Knudson, Special Districts Association of Oregon (SDAO), clarified the services he could provide to SFWB and presented his perspectives on capital project planning and delivery via PowerPoint. His presentation included an overview of SDAO, its consulting and advisory services, and consulting options to support SFWB's plan to achieve infrastructure investment goals. He made the following recommendations regarding implementation of the CIP:

- Address the chemical feed building and raw water pipeline projects first as Design Bid Build projects overseen by a dedicated project manager.
- Address the water treatment plant and long-term finished pipeline projects together as part of a long-term water reliability program delivered by the Construction Manager/General Contractor method.
- Develop a risk management strategy for each project.
- Update the financial plan regularly, as new financial information becomes available.
- Start early on near-term projects.
- Consider engaging SDAO Advisory Services for assistance with financial management.

There was discussion about the benefits of hiring an internal project manager on staff, as well as utilizing consulting firms as needed, communication with the public, the need for federal and state funding to ensure existing infrastructure could provide a reliable water supply to customers, and how to implement the plan so that the effects of inflation are minimized as much as possible over the 10-year period.

WATER RATES FORECAST

Steve Donovan, Donovan Enterprises, presented a water rates forecast which included an analysis of the current water rates, planning assumptions and revenue requirements for projects included in the CIP, two potential funding options for CIP projects, and 10-year water rate profiles for each of the proposed funding options. He recommended Option 2, which included an average residential water rate increase of \$1.41 per month over 10 years.

Questions from the Board were addressed. The Board discussed concerns about whether the proposed rate increases were high enough, the pros and cons of each funding option, the impacts of inflation and unknown variables, and the complexities of the Long-Term Water Reliability Program.

CEO Parno reviewed the recommended actions and requested direction from the Board. **Vice Chair Bialostosky moved to pursue Option 2 as presented. Board Member Mitchell seconded the motion, which passed 6 to 0. (Ayes: Bryck, Mitchell, Baumgardner, Smith, Bialostosky, McGriff; Nays: None.)**

Vice Chair Bialostosky moved to reaffirm the Board's commitment to prioritize completion of the chemical feed building and raw water line and establish a path forward for the Long-Term Water Reliability Program. Board Member Bryck seconded the motion, which passed 6 to 0. (Ayes: Bryck, Mitchell, Baumgardner, Smith, Bialostosky, McGriff; Nays: None.)

Vice Chair Bialostosky moved to direct the CEO to engage the Special Districts Association of Oregon for support in capital project planning and delivery. Chair McGriff seconded the motion, which passed 6 to 0. (Ayes: Bryck, Mitchell, Baumgardner, Smith, Bialostosky, McGriff; Nays: None.)

CEO Parno confirmed he had clear directions and thanked the Board.

APPROVAL OF ON-CALL CONTRACT WITH TEAM ELECTRIC

CEO Parno and Business Manager Britton presented the Staff report on the approval of an on-call contract with Team Electric Company for electrical maintenance and repairs at the filter plant and intake facilities.

Questions from the Board were addressed.

Vice Chair Bialostosky moved to approve the on-call contract with Team Electric. Board Member Baumgardner seconded the motion, which passed 6-0. (Ayes: Bryck, Mitchell, Baumgardner, Smith, Bialostosky, McGriff; Nays: None.)

BUSINESS FROM THE CEO

1. Board Room Upgrades
Wyatt Parno, CEO, reported on the installation of the Owl Labs video conferencing equipment and new electrical outlets that were installed by staff.
2. Oregon Legislative Activity
Wyatt Parno, CEO, reported on the legislature's water-related initiatives, the Oregon Water Caucus, and bills being introduced regarding point of diversion water rights transfers.
3. AWWA ACE25 Conference in Denver, CO, June 8-11, 2025
Wyatt Parno, CEO, reported on training that would be available at the upcoming conference.

BUSINESS FROM THE BOARD

Vice Chair Bialostosky recognized the efforts of the Board, Staff, and consultants to prioritize completion of the capital improvement projects.

Chair McGriff commented that it was necessary to make decisions today so that critical projects could be completed in the future.

CEO Parno thanked each Board Member and former Board Member O'Donnell for their leadership.

ADJOURNMENT

The meeting adjourned at 9:10 pm.