

SOUTH FORK WATER BOARD  
MINUTES OF BOARD MEETING  
May 24, 2017

Board Members Present: Dan Holladay, Oregon City Mayor, Chair  
Russ Axelrod, West Linn Mayor, Vice Chair  
Richard Sakelik, West Linn Councilor  
Brian Shaw, Oregon City Commissioner  
Bob Martin, West Linn Councilor

Board Members Excused: Frank O'Donnell, Oregon City Commissioner

Staff Present: John Collins, SFWB General Manager  
Spencer Parsons, SFWB Legal Counsel  
Wyatt Parno, OC/SFWB Finance Director  
Kim Brown, SFWB

Others Present: Lee Odell, CH2M  
John Cook, Mayor, City of Tigard  
Kent Studebaker, Mayor, Lake Oswego  
John Goodhouse  
Dennis Koellermeier  
Jason Snider  
Theresa Kohlhoff  
Jackie Manz

**General Board Meeting**

(1) **Call to Order**

**Chair Holladay** called the meeting of the South Fork Water Board to order at 6:07 pm.

(2) **Public Comments** There were none.

(3) **Consent Agenda**

a. Approval of the Minutes of the February 22, 2017 Board Meeting.

**Board Member Shaw moved to approve the Consent Agenda. Vice Chair Axelrod seconded the motion, which passed unanimously.**

(4) **Public Hearing – Resolution 17-01**

**Discussion and Adoption of Approved 2017 – 2019 Biennial Budget**

**Chair Holladay** opened the public hearing and called for public testimony. Seeing none, he closed the public hearing.

**Wyatt Parno, OC/SFWB Finance Director**, explained the changes made at the Budget Committee's request included adding a footnote on Page 7 to describe how

contingencies were defined in terms of this budget and highlighting the columns on Pages 8 and 9 to make it easier to compare the biennium budget years. He noted that Mr. Collins was researching different options for bank fees, which was also requested.

**John Collins, General Manager**, assured South Fork would get a better price and added that Staff recommended approval of Resolution 17-01.

**Board Member Martin moved to approve Resolution 17-01, the 2017 – 2019 Biennial Budget. Vice Chair Axelrod seconded the motion, which passed unanimously.**

(5) **Public Hearing – Resolution 17-02**  
**Discussion and Adoption of Modifications to SFWB System Development Charges**

**Chair Holladay** opened the public hearing and called for public testimony. Seeing none, he closed the public hearing.

**John Collins, General Manager**, reminded that the Master Plan was updated in November which resulted in modifying system development charge (SDC) rates. He stated that the public notification requirements had been met, as well as all state and local statutes. Staff recommended approval of the resolution, which would put the new SDC fees into effect on July 1, 2017. He confirmed that the residential meter fees were \$1,658, and the new fee would put them at was \$2,061.

**Board Member Shaw moved to approve Resolution 17-02. Board Member Martin seconded the motion, which passed unanimously.**

**Mr. Collins** thanked the Board, noting that the SDCs would capture \$59 million of the \$77 million in capital expenditures needed for the future expansion of the treatment plant.

**Chair Holladay** asked how much debt was carried. **Mr. Collins** replied that in six weeks, SFWB would have zero debt. He noted South Fork's debt had been restructured three times in the last fourteen years, which resulted in the debt being paid off three years ahead of schedule.

(6) **Business from the Manager**

1) Rate Study for Clackamas River Water

**John Collins, General Manager**, reminded that at the last meeting, the Board authorized him to enter into an agreement with CH2M to do a rate recalculation for CRW not to exceed \$12,000. However, the scope of work without a model would exceed \$12,000. Joe Heeley, a former employee at HDR who had done SFWB's rate studies in the past, referred him to a HDR rate analyst out of Seattle and a \$5,700 contract was negotiated with the possibility of extra fees incurred for the

analyst to physically attend meetings. Fortunately, HDR had done the rate study three times using this same model, and CRW was still using the same consultant and model as in the past. He wanted to make the Board aware of this change and requested the Board's direction and authorization to move forward for the record.

**The Board consented to authorize the General Manager to move forward with the rate study with HDR not to exceed \$10,000.**

2) Mountain Line Easement Update

**John Collins, General Manager**, summarized SFWB's desire to release any easements obtained in the 1913 to 1915 period from the upper part of the watershed through the Estacada area and to preserve anything the City of Oregon City might need here and through the urban growth boundary (UGB). He reported that he and John Lewis had been in communication and had met last Tuesday. They were working on the easement issue and believed they were coming to a resolution. He confirmed that the easements being considered for release were not any that had any chance of being utilized by the City of Oregon City in the future.

3) June SFWB Cancellation

**General Manager Collins** reported that due to potential scheduling conflicts no June SFWB meeting would be held. He added that unless progress was made on the water rights case, the Board would proceed with its normal summer schedule of having no meetings in July or August, which was SFWB highest water production period. The Board would reconvene in September.

**Mr. Collins** explained that guests from the City of Tigard and the City of Lake Oswego were present to observe how the SFWB functioned and worked together. Both cities have a joint venture water treatment system. The Cities were considering a governance policy allowed under the ORS 190 structure that was similar to SFWB. SFWB's critical mission is to purify drinking water, maintain regulatory compliance, and work in an efficient and cost-effective manner. And, throughout the years, the Board had maintained that critical path, in spite of different personalities and opinions, and the diversity between Oregon City and West Linn.

(7) **Business from the Board**

**Chair Holladay** reported on the Mayors' Water Conference. He briefly discussed and answered questions about the desalination plant in Santa Barbara, which was almost operational. The intake to the plant was about 10 miles out in the bay. He also had good meetings with people from HDR about the Tri-City Service District. Overall, it was a good opportunity to meet with other mayors to learn about what was being done in their areas. He returned with some information on transmitters that go on fire hydrants that were able to detect and communicate when and where there were leaks in the system.

**Vice Chair Axelrod** announced that the Regional Water Providers Consortium would meet on June 7, 2017 to start work on the 5-Year Strategic Plan. Work had also started on the Consortium's upcoming 20<sup>th</sup> Anniversary. The Executive Committee would meet twice in June, at the special meeting a consultant to help with the organization of the Strategic Plan. **Mr. Collins** added it should be a good meeting with the election of a new chair, vice chair, and Executive Committee members.

**Board Member Sakelik** commended Staff for their swift handling of a recent water issue. While on Nextdoor, a social media app he read approximately five to eight complaints from residents about cloudy water and was impressed that the issue had been resolved within two hours. **Mr. Collins** noted that had only happened twice in two decades. The cloudy water was caused by a surge tank compressor valve failure, which filled the entire tank with air causing it to go into the system. The issue was addressed and resolved immediately.

Board members responded to questions about the governance of SFWB and why they believed it worked so well.

**Chair Holladay** recessed the regular meeting at 6:37 pm to convene the Executive Session.

(8) **Executive Session –Adjourn regular meeting and convene Executive Session.**

- 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).
- c. To review and evaluate, pursuant to standards, criteria, and policy directive adopted by the South Fork Water Board, the employment related performance of the General Manager pursuant to ORS 192.660 (2)(i)

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

**Chair Holladay** reconvened the Regular Meeting at 7:13 pm. He summarized the discussion in the Executive Session, noting that Mr. Collins had done an exceptional and outstanding job as General Manager. The Board could find no faults in his performance.

**Vice Chair Axelrod** added the Board could only find praise in the efficiencies General Manager Collins brought to SFWB and for his exemplary management and style.

**Vice Chair Axelrod** moved to approve a 2 percent COLA increase and a one-time, 5 percent bonus for SFWB General Manager John Collins, effective July 1, 2017. **Board Member Sakelik** seconded the motion, which passed unanimously.

**Chair Holladay** adjourned the regular meeting of the SFWB at 7:17 pm.

Respectfully Submitted,

By Paula Pinyerd, ABC Transcription Services, Inc.  
for John Collins, SFWB General Manager