

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
May 22, 2024

Board Members 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

Board Members Excused: Mary Baumgardner, West Linn Councilor

Staff Present: Wyatt Parno, CEO
Christa Britton, Business Manager, SFWB
Mark Cage, Operations Manager, SFWB

Others Present: Libby Bakke, Consor Engineers
Lee Odell, Consor Engineers
Patty Nelson, Water Engineer, Oregon City

General Board Meeting

(1) **Call to Order**

Chair Bialostosky called the meeting of the South Fork Water Board to order at 7:09 pm.

(2) **Roll Call**

(3) **Public Comments**

(4) **Consent Agenda**

(A) No items on Consent Agenda

(5) **Capital Projects Update**

Wyatt Parno, CEO, provided an update on Goal 2, Infrastructure Investment, and the Capital Improvement Plan (CIP) projects via PowerPoint, included in the agenda packet. He provided a summary of the Board's actions to date, including reviewing the Master Plan history and giving direction to move forward expeditiously with capital projects.

- On May 9, South Fork Staff met with Consor Engineers and technical staff from West Linn and Oregon City, including Public Works Directors, engineers, and Operations Managers for the water distribution systems. The meeting overviewed the combined water systems and reviewed SFWB's project plans, seeking input from both cities' teams. Understanding all three Master Plans is important due to the integration of the two municipal systems and South Fork.
- West Linn was updating its Master Plan, focusing on rehabilitating existing infrastructure. Oregon City was implementing its 2012 Master Plan, with a similar focus on rehabilitation, strengthening capacity, and preparing for development on the south end of the city. South Fork provided quality water to both systems, with a project list addressing water quality, resilience, and capacity.

- Discussion focused on South Fork's plans, with consensus on moving forward. Oregon City emphasized the importance of addressing the finished water line from the Division Street pump station up to the Mountain View reservoir to meet future capacity needs. The group also discussed South Fork's non-sharing capacity in the Mountain View reservoir and system redundancies. All stakeholders were aligned.

Vice Chair McGriff arrived at 7:16 pm.

Lee Odell, Consor Engineers, continued the PowerPoint presentation, reviewing South Fork's existing water system, highlighting the aging infrastructure and the need for seismic resilience. The plant was running at capacity, reaching 22 million gallons per day (mgd) on peak days, indicating a need for capacity improvements. The system also required improvements to meet the Oregon Resilience Criteria and ensure capacity during seismic events. Backup systems included Pipeline B, an intertie between West Linn and Lake Oswego, and a well from Clackamas River Water South. He reviewed the facility's age, Master Plan goals, completed and ongoing investments, and current needs. Capacity improvements were needed to protect water rights and ensure system resilience.

- At the May 9 meeting, the group discussed various options for building resiliency, ultimately recommending Option 3, expanding to 30 mgd to meet future needs and address resiliency and water quality standards. Planned upgrades included enhancing the intake system, ensuring seismic compliance for critical infrastructure, and adopting state-of-the-art treatment technologies, similar to other cities upgrading to ozone biological filtration.

Libby Bakke, Consor Engineers, concluded the PowerPoint presentation, outlining the next steps, emphasizing the need to delve into details and make crucial decisions regarding costs, system development charges (SDC), and rates. Updates were needed for these financial elements, along with decisions about timing, phasing options, funding strategies, Board engagement, and partnerships with West Linn and Oregon City. A holistic approach was necessary to avoid future struggles.

CEO Parno reported on discussions with three consultants about costs, SDCs, and rates, with someone lined up to conduct the SDC study. Accuracy was important, as the rates would impact the overall funding strategy. Cost figures were being finalized.

Ms. Bakke presented the timeline for the Willamette Water Supply project, indicating these projects required significant time. **Mr. Odell** added that while South Fork's project would be less complex, it would still take time due to factors like easement issues. The next steps involved detailed planning and identifying projects that could be expedited, such as the chemical feed building and the raw water line, estimating five to ten years for full completion. **Ms. Bakke** reviewed funding strategies to manage rate increases effectively, stressing early decisions to use a variety of funding sources, including Water Infrastructure Finance and Innovation Act (WIFIA) loans, to minimize customer impact. Communication strategies were needed to build community ownership and awareness and could take a year to engage the public and plan solutions.

Board Member Bryck noted a concern was the Clackamas River was the primary source of all of regional water systems, so if something happened to the river, another water source would be needed. It could be done, but some of the routes would be circuitous, had not been used in a long time, and might not be functioning.

Questions from the Board were addressed as follows, with additional comments as noted:

- The new chemical feed building would have ADA accessible meeting spaces and would serve a backup control system in the event the current treatment plant was destroyed. The new treatment plant would meet the new seismic criteria, be ADA compliant, and improve water quality treatment capabilities.
- All costs in the 2016 Master Plan were being updated, including the raw water line, treatment plant expansion, finished water line, and capacity expansion from 30 mgd to 40 mgd.
- A table in the Oregon Resiliency Plan showed water utilities should have 70 to 80 percent of the average day demand available three days after an earthquake. Currently, the benchmark would not be met, but could be after the proposed improvements were completed.
- Regarding community outreach, messaging about needing secondary water sources if the primary system failed catastrophically could be useful to build public support for the proposed improvements.
- Each project would be built out to the full extent possible with available funding. The overall cost and affordability would be considered, as well as how to communicate to the public. A work session on public communication, emphasizing the importance of understanding customer perspectives, would be held.
- Completing the rate study and SDC evaluation were the next steps to giving the Board information about project costs, allowing investment decisions so infrastructure could catch up to current standards while staying fiscally responsible.

Vice Chair McGriff asked for a column to be added to the funding strategy chart showing what could be done with current resources without going out to the rate payers.

The Board discussed communication strategies, noting customers preferred consistency and knowing what will happen, which was almost as important as the actual rate increases. Presentation was everything, and noting who would pay and who would benefit was an important piece of the strategy. Future growth was supported through SDCs and needed to be coupled with a conservation program.

Board Member Bryck noted when she was CFO for Sunrise Water Authority, 400 to 600 new homes were added annually, but overall consumption barely went up because the new homes were typically on smaller lots with water saving devices installed.

Vice Chair McGriff noted older homes did not use water-saving devices on a consistent basis and no good way to track their use was available.

Board Member O'Donnell added that even though the new homes were using water efficiently, capacity was still being absorbed, leaving a future Board to deal with capacity issues. SFWB needed to be introduced to the community because residents were unaware of who supplied their water.

Ms. Bakke offered that although specific details of the proposed improvements were not known and therefore could not be communicated to the public at this time, consistent messaging in each city could be done now to build awareness about South Fork and its partnerships with both Cities. SFWB should always be the source of information, communicating the issues being faced as well as the solutions.

Patty Nelson, Oregon City noted when Oregon City started its water projects, she began a messaging campaign with the “Keep Your Water Flowing” theme used in every article. She suggested adding some inset articles within the campaign to introduce SFWB as Oregon City’s water source.

Chair Bialostosky believed part of the issue was an apathetic electorate, making community engagement difficult. **Ms. Bakke** suggested tying the communication strategy to items of interest such as resiliency week, earthquake awareness, or Public Works week.

CEO Parno noted that in preparing for tonight's meeting, he and Chair Bialostosky had lengthy discussions about implementing community engagement over the next year, confirming that coordinating with both cities was part of the communication plan. However, individual articles about South Fork should not be distributed without first having an overall strategy discussion.

Chair Bialostosky suggested benchmarks, such as when to communicate about specific elements of capital project development, should be established so everyone was on the same page.

Vice Chair McGriff noted a strategic plan was not needed to introduce and communicate about SFWB overall.

Board Member O'Donnell agreed, noting surveys and asks needed to follow after generating an appreciation for how water was produced and delivered.

CEO Parno summarized his understanding of the discussion, noting communication about utility bills should be strategic. Raising awareness about the value of water and SFWB's partnership with West Linn and Oregon City should precede making an ask for surveys or funding. A work session to discuss communication strategy would be held with the partner cities.

CEO Parno confirmed he would contact Oregon City's public information officer about updating information on the City's website about SFWB meetings.

Board Member Smith believed the last several SFWB meetings had been good, and the Board was on the right track.

Board Member O'Donnell believed at some point, an assignment of who would do what and when needed to be made. He questioned how and who would pursue funding sources, including writing grants.

Vice Chair McGriff noted the following questions to address:

- How could South Fork catch up and get to where it needs to be in 2024 and beyond?
- How could critical needs be accelerated in a fiscally responsible way without excessive increases for rate payers?
- What could be done to move some of the issues forward and show the public that SFWB funds were being utilized in addition to asking for increases?

She agreed with several critical points discussed during the meeting, especially that policy makers needed to be kept informed, and a strategic communication plan needed to be developed. South Fork's story should be told and repeated over time with a consistent message, and she liked the theme "Keep the Water Flowing." The Board did not need to wait until the communication plan was 100% perfect, but it also needed to be nimble to pivot if an opportunity arises. Since the two cities already met together on a consistent basis, a SFWB communication strategy would be a perfect topic for a joint work session.

Chair Bialostosky said he preferred leaning on financial experts to break down funding strategy options and make recommendations because he was not familiar with the different funding opportunities, especially sources not requiring payment until after project completion. He asked if the chemical feed building and raw water line could be packaged together into a single design/build bid process, and if doing so would save money.

CEO Parno responded that he would discuss options with other experts such as Business Oregon. SFWB would need to hire an owner's representative program manager, whether a retired engineer or a firm to oversee the project.

Board Member O'Donnell noted all three partners needed to be in contact with State and Federal representatives to learn about funding opportunities.

Vice Chair McGriff suggested contacting and keeping pressure on the Governor's office for promised infrastructure funding. A list of priority improvements created by Tony (Oregon City Manager) included South Fork improvements, so continuing to contact the State Representatives and Senators was important.

(6) **Business from the CEO**

1) Operations & Maintenance Update

Wyatt Parno, CEO, noted PGE would replace a pole and line affected by a power outage several months ago. Clackamas River Water had completed its valve replacement project, creating about \$350,000 in revenue for South Fork providing water. The operations teams had shifted schedules and worked longer hours to accommodate the higher capacity.

2) Succession Planning Update & New Employees

CEO Parno thanked the Board for approving the special assignments for regulatory compliance and so forth for succession planning. Three staff members had started assuming responsibilities and would rotate through each focus area. He introduced the new SFWB Business Manager, Christa Britton.

3) Cybersecurity Audit Update

CEO Parno thanked Vice Chair McGriff for the cybersecurity focus, especially as more and more stories were coming out in the news. He had asked Ms. Britton to manage the cybersecurity audit. The Special Districts Association of Oregon (SDAO) grant had been awarded to SFWB, but he had not heard a definitive answer about two State grants. The Federal and State governments were being more responsive to cybersecurity needs, and a federal agency had been created that might do cybersecurity penetration audits for free. He had also talked with Michael Dobaj, Oregon City IT Manager.

Business Manager Christa Britton added she would meet with the cybersecurity audit group in a couple of weeks. The Board will receive a summary report.

4) AWWA Annual Conference & Expo 2024 (ACE24)

CEO Parno thanked those who sent in their airline information. He would send Christa's email address to Board members so reimbursement requests could be sent to her.

(7) **Business from the Board**

Vice Chair McGriff suggested presenting on SFWB at a joint work session with West Linn and Oregon City.

(8) **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).

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

Chair Bialostosky adjourned the regular meeting at 8:17 pm.

Respectfully Submitted,

By Paula Pinyerd, ABC Transcription Services, LLC.
for Wyatt Parno, SFWB CEO