

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
May 12, 2011

Board Members Present: John Kovash, West Linn Mayor, Chair
 Rocky Smith, Oregon City Commissioner, Vice
 Chair
 Doug Neeley, Oregon City Mayor
 Mike Jones, West Linn Councilor
 Jody Carson, West Linn Councilor (*arrived after
Agenda Item 4*)

Board Members Absent: Betty Mumm, Oregon City Commissioner

Staff Present: John Collins, SFWB General Manager
 Christopher Crean, SFWB Legal Counsel
 David Wimmer, Finance Director

Others Present: Alice Richmond, West Linn Resident

General Board Meeting

Call to Order

Chair Kovash called the meeting of the South Fork Water Board to order at 6:07 p.m.

Public Comments

Alice Richmond noted Item 4 under Background of the proposed budget/ Clackamas River Water Providers IGA and asked if West Linn needed to be concerned about the 4% increase.

Chair Kovash explained that the 4% increase was not connected to West Linn's 5% water rate increase. The 4% increase would affect both cities as a separate expense. West Linn would have that much less to spend for South Fork.

Consent Agenda

(A) Approval of the Minutes of the March 10, 2011 Board Meeting

Vice Chair Smith moved to approve the Consent Agenda. Board Member Jones seconded the motion, which passed unanimously.

Public Hearing – Resolution 11-01

Adoption of Fiscal Year 2011/12 Approved Budget

John Collins, SFWB General Manager, stated the Budget Committee reviewed, discussed and unanimously approved the 2011/12 SFWB Budget. He recommended approval of Resolution 11-01 adopting the \$4,000,772 budget.

Chair Kovash opened the public hearing for Resolution 11-01. There being no discussion or public comment, he closed the public hearing.

Board Member Neeley moved to approve Resolution 11-01. Vice Chair Smith seconded the motion, which passed unanimously.

Jody Carson, West Linn Councilor arrived at this time.

CRW Board Request for Joint Worksession with SFWB Board

John Collins, SFWB General Manager, provided a brief background regarding the relationship between the CRW and SFWB Boards and CRW's request to hold a joint meeting of the Boards to discuss the Joint Operators Plan (JOP) at a Board or policy decision making level. He emphasized the Board would not be involved in the details of implementing the JOP, copies of which were provided to the Board. CRW also wanted to discuss purchasing winter water for their ASR system. The Board had previously approved having Mr. Collins negotiate that purchase with CRW's general manager. He sensed that CRW wanted to extend the olive branch to South Fork and understood the meeting would provide opportunity to broadly discuss a number of issues, not to focus on one or two specific items.

The Board discussed concerns about how divided the CRW Board was, noting newspaper articles reporting the activities and legal actions amongst CRW Board members and the presence of a paid security guard at their Board meetings. A joint meeting could occur given the right meeting structure and a crisply defined agenda.

Mr. Collins explained the JOP was a commitment for the parties to discuss how to distribute water to each other, and certainly there was a lot of benefit in coordinating resources to prepare for any emergency situation. If CRW wanted to use the JOP as a vehicle to serve water to the south side, or potentially Oregon City customers under the protection of authority with CRW's partnering with Sunrise Water Authority, then legal counsel Chris Crean would become involved. He briefly indicated the areas served by SFWB and CRW on the displayed Major Facilities Map. SFWB supplies a majority of the water for Oregon City and also supplements

CRW's well on the south side of the river creating a mix of 30% to 40% well water and 60% South Fork water.

Mr. Crean noted CRW's greatest area for growth potential was south of the river. CRW wanted to form a water authority to continue to grow to the south, and avoid facing withdraw issues. CRW failed in their argument that they were a rural water provider at the court of appeals.

Chair Kovash said he was uneasy about the boards discussing the requested items for two reasons. One, he was not sure such matters should be discussed amongst the Boards. Secondly, not all the Board members knew enough to have those discussions. He suggested more staff work be done to inform the Board about what CRW wanted to discuss and South Fork's position so the Board could come up to speed before meeting with CRW.

Mr. Collins understood the Board was not philosophically opposed to meeting with CRW, but wanted a defined agenda and some time to educate new Board members so they could have intelligent conversation about the noted issues.

Board Member Carson noted if CRW was successful in becoming a water authority it would change the game completely. Currently, properties annexed into Oregon City came under SFWB jurisdiction; however, if CRW became a water authority that would not automatically occur and was a huge unresolved issue. She was very concerned about having a joint meeting while this matter was still an issue.

Mr. Crean added that CRW continues to consider the water authority avenue because as CRW's customer base diminishes due to fewer annexations, their revenue stream shrinks causing serious financial issues, especially because CRW has capital expenditures they plan to bond. He agreed substantial issues exist between the two organizations.

Chair Kovash summarized that Mr. Collins was to work with CRW's general manager on a set agenda and defining the issues, and provide the Board with direction about what could and could not be done.

Business from the Manager

Clackamas River Water Providers IGA Update

John Collins, SFWB General Manager, stated he was apprehensive about bringing the IGA before the Board until two other entities had presented it to their boards given the likelihood of further changes. Once the language was

finalized, and Mr. Crean had reviewed the IGA, it would be brought to the Board for review and discussion. The IGA would likely be seen in about a month.

General Manager's Annual Performance Evaluation

John Collins, SFWB General Manager, stated the standard review evaluation form would be emailed to the Board members. Upon completion, the forms should be emailed to Chair Kovash, who would create a consensus and meet with Mr. Collins. His annual evaluation before the Board would occur next month in Executive Session.

September 2011 SFWB Meeting Schedule

John Collins, SFWB General Manager, noted a conflict in the September meeting schedule and asked that the Board meet the third Thursday in September. Traditionally, the Board did not hold a regular meeting in September, but usually held South Fork's Appreciation Dinner instead.

The Board consented to meet on September 15, 2011.

Update on FEMA Claim for Damages to Clackamas River Intake Structure

John Collins, SFWB General Manager, announced that South Fork had received two approvals for the FEMA contracts. Staff was now preparing all the required bid and spec documents for the project, in hopes of beginning the in-water work July 1. The project was 100% FEMA compliant and SF wanted it to stay that way.

(7) **Business from the Board**

There was none.

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

The May 12, 2011 regular meeting of the South Fork Water Board adjourned at 6:35 p.m.

- (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).

Respectfully Submitted,

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

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