

SOUTH FORK WATER BOARD
MINUTES OF BOARD MEETING
May 10, 2012

Board Members Present: Doug Neeley, Oregon City Mayor, Chair
John Kovash, West Linn Mayor, Vice Chair
Jody Carson, West Linn Councilor
Mike Jones, West Linn Councilor

Board Members Absent: Rocky Smith, Oregon City Commissioner
Betty Mumm, Oregon City Commissioner

Staff Present: John Collins, SFWB General Manager
David Wimmer, Finance Director, Oregon City
Heather Martin, SFWB Legal Counsel

Others Present: None

General Board Meeting

(1) Call to Order

Chair Neeley called the meeting of the South Fork Water Board to order at 6:06 p.m.

(2) Public Comments

(3) Consent Agenda

(A). Approval of the Minutes of the February 9, 2012 Board Meeting

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

(4) Grove, Mueller & Swank, P.C. Auditing Services for South Fork Water Board

John Collins, SFWB General Manager, stated the City of Oregon City had modified its direction after the staff report was prepared, and was now proposing a one-year extension with Grove, Mueller & Swank, or a competitor. The staff report needed to be modified to reflect a one-year extension of the contract to an auditing firm selected by the City of Oregon City.

David Wimmer, Oregon City Finance Director, explained the City had been in this contract for several years and decided to go with a one-year contract, given there would be a new finance director. Three oral quotes had been received as well as a written quote from the existing auditors to ensure the fees were still in the ballpark. The current fee charged by Grove, Mueller & Swank was about \$10,000 less than most firms charged several years ago.

Mr. Collins added that SFWB uses the same auditing firm as Oregon City, piggybacking on to Oregon City's contract allows a cost savings to South Fork. He confirmed the contract would go out to bid next year.

Board Member Jones moved to authorize the General Manager to enter into a one-year contract for auditing services with the firm selected by the City of Oregon City for those services. Board Member Carson seconded the motion, which passed unanimously.

**(5) Public Hearing – Resolution 12-01
Adoption of Fiscal Year 2012/13 Approved Budget**

Chair Neeley opened the public hearing at 6:15 p.m. and called for public comment. Hearing none, he closed the public hearing.

Board Member Carson moved to approve Resolution 12-01 adoption of Fiscal Year 2012/13 Approved Budget. Board Member Jones seconded the motion, which passed unanimously.

Chair Neeley commented that Damon Mabee raised concern about SFWB's small contingency fund should an emergency occur. He understood South Fork received substantial FEMA funding support for the recent incident, but suggested that a budget meeting be scheduled before the end of calendar year to discuss the matter further. He was not suggesting anything be done for the 2012/13 Budget.

John Collins, SFWB General Manager, clarified the FEMA funding was specifically for the bank restoration work that occurred over the last year and a half; repair of the fish screens was paid for by South Fork with funds available within the budget.

Board Member Jones agreed a meeting should be held.

(6) Resolution 12-02 Adopting the Memorandum of Agreement between the SFWB and SFWB Employees Effective July 1, 2012 and ending June 30, 2015

John Collins, SFWB General Manager, reminded the Board that some language changes were discussed in Executive Session in February, which had been cleared up. The agreement was essentially a straightforward extension of the prior contract. The monetary compensation negotiated with the employees was to increase on-call pay from \$200 to \$250 per week. That rate had not been adjusted in more than 10 years. Other compensation increases were based on percentages that adjust automatically with COLAs. As far as the negotiation process, he explained that staff meetings are held monthly where information is provided about what is coming up, including the MOU so employees can begin thinking about it and be prepared to discuss the contract terms. General discussions about any issues and what is fair are held as a group, and then the employees are allowed time for discussion without his presence. The process continues until an agreement is reached. South Fork is very fortunate to have a collaborative relationship with its employees and not have a union involved. He confirmed the contract amounts were incorporated into the budget that was presented.

Board Member Kovash moved to approve Resolution 12-02, adopting the Memorandum of Agreement between the SFWB and SFWB Employees effective July 1, 2012 and ending June 30, 2015. The motion was seconded by Board Member Jones and passed unanimously.

(7) Business from the Manager

1) SFWB June board meeting schedule change

John Collins, SFWB General Manager, requested that the June SFWB meeting be changed to June 21, 2012 as Chair Neeley, Board Member Smith and he would be attending the ACE Conference in Dallas, TX June 10 through June 14, 2012. The Board consented to meet on June 21, 2012.

2) Engineering consultant RFP update

John Collins, SFWB General Manager, stated the selection committee was evaluating the six qualified firms that responded to the RFP. The RFP was written to allow South Fork to contract with more than one consultant, so at the next meeting, he would likely recommend multiple firms to the Board. Having more than one contract enables South Fork to capitalize on the many talents and specialties available in the marketplace by having the best people working for them.

The selection committee included Mr. Collins and Mark Cage, both of South Fork. Kim Swan, Manager of Clackamas River Water Providers and Oak Lodge Water District GM Dan Bradley also agreed to be on the committee.

3) West Linn/Lake Oswego/SFWB intertie

John Collins, SFWB General Manager, noted the letter sent to West Linn City Manager Chris Jordan was provided to the Board; copies would also be provided to Board Members Smith and Mumm. Lake Oswego was in the process of creating a joint venture with Tigard for a new intertie. South Fork currently has a vested interest in the intertie between Lake Oswego and West Linn, having invested \$100,000 in the intertie's infrastructure, and South Fork was on that agreement.

Chris Crean has kept him updated on what was happening, but he was uncertain which direction the agreement between West Linn, Lake Oswego and Tigard might go. Because South Fork is vested in that intertie, he would stay involved in meetings. If the existing property and intertie were being abandoned and a new one created, the agreement could simply be between West Linn and Lake Oswego, absent SFWB.

Chair Neeley asked if former SFWB employee Dan Bradley was hired as a consultant to Tigard on the intertie. The issue was raised during an Oregon City Commission meeting; a Commissioner believed this would be a conflict of interest.

Mr. Collins stated he was not familiar with Mr. Bradley being hired as a consultant. He had worked as a interim manager for the Oak Lodge Water District, who paid SFWB a stipend of some kind for his time.

Chair Neeley stated he would be more comfortable if West Linn sold water to Tigard that they had received and paid for, rather than South Fork being a direct beneficiary.

Board Member Kovash believed the Board was way ahead of game. No agreement existed with Tigard; they were in the middle of a land use issue; nothing could be decided until all that was resolved. The Board should not engage in the matter now because no parameters had been set.

Board Member Jones added it could be years before an actual agreement was reached.

4) ACE – June 10-14th 2012 in Dallas, Texas

John Collins, SFWB General Manager, reminded the Board of the upcoming ACE conference. He confirmed he had taken care of all the travel arrangements.

5) SFWB General Manager's annual performance review

John Collins, SFWB General Manager, stated his review was on the agenda for the June 21 meeting. He explained that historically, he has sent Board members a form and a list of accomplishments. Last year, Board Member Kovash had suggested a different format, but he had not done anything with that yet.

Board Member Kovash stated at this stage, being so close to the review, the same format should be maintained. The Board could consider better evaluation methods for the next review.

Mr. Collins stated he would send the review materials to the Board electronically and noted Chair Neeley would need to compile the statements and scores received from the Board.

(8) Business from the Board

There was none.

(9) Executive Session –Adjourn regular meeting and convene Executive Session, if needed.

The March 10, 2011 regular meeting of the South Fork Water Board adjourned at 6:37 p.m.

No Executive Session was held.

Respectfully Submitted,

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