

SOUTH FORK WATER BOARD  
MINUTES OF BOARD MEETING  
**March 13, 2014**

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

Staff Present:                                 John Collins, SFWB General Manager  
Kim Brown, SFWB.  
Christopher Crean, SFWB Legal Counsel

Others Present:                             Alice Richmond, West Linn Resident  
Ernie Platt, Sunrise Water Authority

**General Board Meeting**

(1)         **Call to Order**

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

(2)         **Public Comments**

There were none.

(3)         **Consent Agenda**

(A)         Approval of the Minutes of the February 13, 2014 Board Meeting

**Board Member Carson moved to approve the Consent Agenda. Board Member Jones seconded the motion, which passed unanimously.**

(4)         **South Fork Surplus Property**

**John Collins, SFWB General Manager**, explained that to officially remove items from South Fork's fixed asset allocations, the Board had to declare the items as surplus property. He requested that an old copy machine, which had not been used for 10 years, and a 16-inch, Sensus water meter be declared as surplus property. The meter was originally purchased for use at the Mountain View Reservoir, but meter capacity was increased after the seismic upgrades, so the meter was now too small for SFWB's current system. Additionally, the Department of Public Health no longer allowed meters with a certain percentage of brass to be used for drinking water applications. The meter's

inner workings could be used in another 16-inch meter, but the body had some consider scrap value, so the brass component would be sold and the money received shown as Miscellaneous Income in the budget.

**Board Member Jones moved to accept the General Manager's recommendation and declare the copier and Sensus water meter as surplus property. Board Member Smith seconded the motion, which passed unanimously.**

(5) **Business from the Manager**

1) Review of SFWB Resolution 02-04 'Conduct of Meetings'

**John Collins, SFWB General Manager**, noted the packet included a resolution adopted in May 2002 that regarded the conduct of meeting rules. The SFWB was doing a good job, but he wanted to provide the document for the Board Members' review. He also distributed a synopsis of Robert's Rules of Order to each Board Member.

2) Leak Forgiveness

**John Collins, SFWB General Manager**, stated that a property manager in Oregon City had a substantial leak and called to see if South Fork had a leak forgiveness policy similar to the City of Oregon City. Before expending Staff time to develop such a policy, he requested guidance from the Board about whether SFWB should have a policy. He clarified that unlike West Linn, Oregon City identified South Fork's charge separately on the utility bill, and so while Oregon City offered leak forgiveness on the water portion of the leak, the City could not forgive the portion of the SFWB charge. He described how the policy would work financially, noting the issue was whether the Board wanted to grant leak forgiveness.

Board discussion included comments that leak forgiveness should be a function of each City; citizens who have a problem with their City's leak forgiveness policy should contact the City; and that the Board should not be dictated by one City's decisions.

The Board consented that SFWB would not have a leak forgiveness policy.

3) Board Member Training through Special Districts Insurance Services

**John Collins, SFWB General Manager**, stated that Special Districts Association of Oregon (SDAO) was changing how they evaluate Board Member training. Fortunately, a utility that complies with all five elements would save 10%, or about \$6,000, which was almost double what SFWB currently saved on insurance through best practices. One element is Board Member training. Board Member Carson was covered having attended the Annual SDAO Conference. Realizing that having all people come to all the meetings and training sessions was not practical, SDAO created a DVD library for Board Member training. Having the Board Members review one DVD course over the next three months would constitute Board Member training. Once the training was complete, Chair Neeley would sign an affidavit acknowledging that the Board Members had received the training in this form.

Several Board Members checked out the SDAO training DVDs.

4) General Manager's Vacation

**John Collins, SFWB General Manager**, noted he would be on vacation April 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> and Kim Brown should be contacted about any administrative needs while he was gone.

5) Budget Meeting Reminder – April 10, 2014

**John Collins, SFWB General Manager**, stated the Board was provided a condensed version of the Oregon Budget Manual as a reference in case any Board Members had questions about the budget.

He explained that although the Board gave general direction at last month's meeting to accept the strategy he formulated to cover the Oregon City right-of-way fee, he sensed concerns about using South Fork's reserves. Therefore, as Budget Officer, he would present two options at the budget meeting: one, a 5.5% increase that would cover the fee entirely and two, a 3.5% increase this year

and 1% increase for the next two years. Without the right-of-way fee, the budget would have shown 2.5% increase.

Philosophically, he understood the water department needs of both City's, but SFWB needed to maintain a healthy bottom line. This new approach was motivated by a recent incident involving a leak in the alum tank, which was purchased in 1957. SFWB's Capital Improvement Plan included a new chemical feed building with about 60% of it being funded by SDCs and 40% from South Fork's reserves structure. His original strategy was to use a greater reimbursement portion of SDCs, but this would take money from capital needs. Everything affecting South Fork's bottom line would push out the timeline for that building and SFWB needed to move forward with replacing that infrastructure.

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He wanted to present both options for discussion at the Budget Committee, but did not want to blindside the Board with a different budget message would be different with both options to consider.

The Board agreed to Mr. Collin's approach.

He reminded that in lieu of the regular April Board meeting, the Budget Committee meeting would be held. He would notify the Board whether a regular meeting needed to be convened prior to the Budget Committee meeting. The budget should be mailed the first week of April. He confirmed that he would send the new two options and figures to Chris Jordan, West Linn's City Manager, and Richard Seals, West Linn Finance Director. Wyatt Parno, Oregon City Finance Director would be at the budget meeting to help explain the options as well.

**(6) Business from the Board**

There was none.

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

The March 13, 2014 regular meeting of the South Fork Water Board adjourned at 6:30 pm 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).

(8) **Reconvene Regular Meeting if needed to take any action necessary as determined in Executive Session.** The regular meeting was not reconvened.

Respectfully Submitted,

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