



10602 S.E. 129th Avenue
Happy Valley, OR 97086
PHONE: (503) 761-0220
FAX: (503) 761-7406

MINUTES

A Work Session of the Sunrise Water Authority Board of Commissioners was held on Wednesday, August 11, 2010 at 6:00 PM at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon, 97086.

BOARD PRESENT: Bob Frentress, Chair; Ron Blake, Vice Chair; Jeanne Anspach, Secretary; Judy Grycko, Bob Garbarino, Terry Roskey, and Ernie Platt.

STAFF PRESENT: John Thomas, General Manager; Daryl Zinser, Assistant Manager; Lin Rigutto, Finance Director;.

VISITORS PRESENT: Janelle Sisson, citizen.

1. CALL MEETING TO ORDER

The meeting was called to order at 6:01 PM.

2. INTRODUCTIONS & WELCOME OF VISITORS

3. FLAG SALUTE

4. PUBLIC COMMENT

5. SUCCESSION PLANNING

Thomas suggested that the Board enter executive session prior to addressing the remainder of the issues. Frentress asked how long the executive session would last. Thomas stated that it would take about 20 to 25 minutes and that there would not be an executive session at the end of the meeting.

The Board entered executive session per ORS 192.660 (2) (a) to consider the employment of a public officer, employee, staff member or individual agent at 6:05 PM.

The Board returned to regular session at 6:42 PM.

5.1 Process Discussion

5.2 Job Description

Frentress asked if the Board members had any additional comments regarding this item. Thomas commented that previously recommended changes had been incorporated. Grycko suggested that it is necessary to list the specific employees supervised, but that it would suffice to state that the manager supervises all employees. Blake concurred. Frentress stated that the proposed language infers direct supervision of all employees. The Board discussed the language at some length and determined that it would be acceptable to retain the current language but that the direct report titles need to be updated to match current position titles in use.

Grycko expressed the opinion that there are several managers in the area that do not have college degrees, but that they have actual experience and that the educational requirements may preclude them from applying. The Board discussed that the language related to this requirement and Frentress suggested that the first sentence be modified. The suggestion was made that the four year degree be identified as preferred but not required.

Grycko suggested that the ability to analyze complex problems should be simplified to ability to analyze problems.

It was suggested that, "other duties as required by the Board", be added to the description.

Ernie commented that third line up from the bottom on the second page should be changed from who to whom.

5.3 Compensation Package

Blake commented that he still believes that the low end of the range is still too high. Blake asked what an HRA was. Staff explained the function of a Health Reimbursement Account. Anspach asked if provision of cancer insurance was typical of water Districts. Blake commented that a lot of the items on the compensation list were things that Thomas had earned over the period of his employment. Staff stated that all Staff receives the life insurance, cancer insurance and HRA, that they were not unique to Thomas. Rigutto explained that the amounts shown are for a maximum amount presuming coverage for an entire family. If the employee did not have children or was unmarried the amounts attributable to insurance costs would go down.

Platt asked that Staff tell him which components of the package would show up on the employee's paycheck and which would be attributable to other funds. A conversation ensued regarding the auto allowance and employees expensing of mileage. Platt asserted that it should be one or another. If there is an allowance, there should be no expensing or expenses are paid directly and the employee deducts them.

The point Platt was attempting to make was what the employee would actually see as salary. Blake asked about how deferred comp works. Thomas explained that it is a matching program where SWA would match contributions made into a special account made by the employee up to the maximum amount of \$15,000 per year, so the employee would have to have the \$5,000 employee contribution deducted from their check. Blake went on to ask why SWA would pay PERS in addition to deferred comp. Thomas stated that it is simply a local industry standard for the employer to pay the Manager's PERS. Blake asked why Sunrise would offer all of this at the outset instead of waiting until the Manager had been in place for a while. Thomas stated that it is necessary to be competitive in the region. Blake stated that he feels that the compensation package is too high. Roskey concurred.

For comparative purposes, Frentress asked where Thomas' compensation package fell within the proposed range. He commented that it was higher than the upper end of the range being discussed, \$180,000.

Blake is concerned that by not setting the range lower, there will be difficulties if the Manager does a good job and there is no room to salary adjustments. Frentress suggested that the concern could be addressed by expanding the range from top to bottom, by dropping the bottom end of the range. Thomas suggested that the low end of the range be dropped to \$100,000 and the top end increased to \$150,000. He went on to comment that the Board needs to be cognizant that this range will set your candidate field and that pinching pennies here could cost the organization substantially down the road.

Platt stated that he was concerned that the direction of the conversation was sending a very negative message. He stated that he would not want to hire a manager that would be willing to come to work here for \$100,000, because there must be something wrong with that candidate, unless they are green behind the ears. He shared his recent experiences as part of the interview committee for the Washington County Director of Development Services, and the salary range was \$95,000 to \$107,000 and none of the professional requirements listed here were part of that process. Anspach commented that she would find it difficult to imagine a candidate with the level of experience and qualifications being requested for \$110,000.

A discussion ensued comparing Oak Lodges Manager's package with what is being sought. Thomas commented that the Board is automatically looking above \$110,000 for this position because the skill level and experience set specified is such that those candidates are already working for more. He cited the example of a 35 year old engineer with ten years of experience that is making \$135,000 today at a local engineering firm. Roskey stated that the position does not require an engineer. Anspach commented that it doesn't matter the background of the individual, be it financial or operational, will be in the same range. Platt stated that he is fine with range as presented, and in fact would like to see the range go higher.

Five of the Commissioners stated that they would like to see the bottom end of the range set at a higher level. Frentress stated that the bottom end should not go below the proposed number of \$110,000. A discussion took place regarding the top end of the range. By consensus the Board set the top end of the range at \$150,000.

5.4 Required Skill Set

There were no suggested changes.

5.5 Strategic Plan

Grycko stated that it was her impression that dates should have been removed from the Action Plans and that wasn't done. Thomas commented that it would be addressed.

As an example, Thomas suggested that Action Plan 1 would read "Prepare a five year human resource plan that would be updated annually". Grycko asked if that had been completed. Thomas stated that it had not. Thomas suggested that the Action plans should have no dates at all and the Board could use it as a guide in talking to the candidates about the work to be done. The Board concurred with that suggestion.

Grycko suggested that Page 13, Action Plan 5 specifies creating a wellhead protection program, which she thought Sunrise had already done. Thomas stated that it had not.

5.6 Proposed Committees

Frentress addressed the Screening Committee purpose first, asking if the Board agreed with the committee narrowing the field to the top ten candidates. Platt asked who was involved in determining that it would be the top ten. Staff commented that this committee would see all applications and narrow it down to the top five and five additional candidates. Roskey stated that the make-up of the committee should be three Board members and two Staff members, not two Board and three Staff. Platt stated that he would be reluctant to eliminate any of the three Staff members proposed as they all have something substantial to contribute at this level. The Board agreed by consensus to add an additional Board member to the Committee, bringing the total to six.

Roskey stated that he had the same issue with the Technical Interview Committee. Grycko suggested that the committee be expanded to include a manager from an outside agency and reduce the Board member component to one. Blake asked why, when the Board bears ultimate responsibility for the hiring decision, that she would suggest reducing the Board presence on the Committee. Grycko stated that the Board members, with the exception of perhaps Blake and Roskey, were not technically educated in regards to water systems. Blake commented that the Board has educated members on it. Blake expressed his concern that the committee would be sending candidates forward for consideration by the Board and that the Board needs to have more input on who is being sent forward. Platt and Grycko commented that it is the purpose of the Committee to eliminate candidates and send forward only the best for additional consideration.

Roskey stated that he wanted to see the committee structured with two Board, two Staff and one manager from an outside agency. Frentress asked which portion of the Staff would be dropped. Platt commented that there is one position that is unidentified except as a "Staff" member. Thomas stated that it was intended that the position be filled by a member of the Staff is that not on the management team.

Platt pointed out that the various committees operate independently of one another, that all of the ten finalists will be seen by each committee. Platt stated that the non-management employee may have valuable insight from a different perspective and that they will not have enough influence to carry the committee.

Thomas commented that how he envisioned each committee rating each candidate and that those would be compared to trim down the candidate pool.

Platt stated that now that he has thought through it more it is fine the way it was presented. Roskey stated that he would be fine with making the committee six people, with two Board members, and outside manager, operations manager, finance director and a non-management staff.

Blake asked why the Board will not be seeing all five of the candidates. Thomas stated that the intent of the committees was to allow for the candidates to be reviewed by a broader group of people that have specialized technical experience or unique perspectives. By doing this the candidates will be subjected to a broader array of questions than the seven member Board would be likely to come up with on their own. In addition, each of the committees has Board

members on it. Blake viewed it as a manner in which to gather more background information but that the Board should see all five candidates forwarded by the screening committee. Roskey concurred. Thomas stated if that was the preferred path, then the intervening committees are not needed.

Thomas stated that even after the Board has the interview with the three finalists, there is still the due diligence to complete, which is essentially interviewing the people associated with the candidate to find out if the person is what they represent themselves to be.

Frentress recapped the proposal for Screening Committee to have a manager from an outside agency added. Thomas recommended that the position be left as a representative from an outside agency, rather than specifying management. That way it would allow for participants such as Director of Engineering or Finance. Frentress asked who will make the decision on who the outside representatives will be. Thomas stated that Staff will make recommendations and the Board will make the final selection, which will also be the case with the unspecified Staff position and that the Board will have to make the recommendation for who the two Board members will be also.

Frentress recapped the proposal for the Policy Committee; with a make-up of three Board members, the current General Manager, a Manager from an outside organization, and a representative from an elected Board of an outside agency.

Frentress asked if the Board was in agreement with the proposal for the make-up of the due diligence committee. Thomas stated that the original committee structures included seven Board members, but that changes made would mean that some Board members will serve on more than one committee. Anspach asked if the intention is for the technical and policy committee to function at the same time. Thomas stated that it was intended that each candidate would be interviewed by those committees on the same day so they wouldn't have to come back.

Platt stated that the one component he sees missing is the point at which the scores coming out of the two committees are combined and a ranking assigned. Frentress stated that the Board would have to do that. Thomas stated that there are a couple of steps missing. One in which the recommendations of the Committees are consolidated and the finalist interview with the Board prior to the due diligence piece.

Thomas suggested that the actual Board assignments to committees can be handled at the next meeting. Thomas stated that the next step in the process is for Staff to work on the Recruitment Brochure and have it available at the meeting on the 25th. Roskey asked where the position would be advertised. Thomas suggested SDOA, PNWS-AWWA, League of Oregon Cities, potentially Engineering magazines, maybe AWWA nationally.

6. DISCUSSION ITEMS

6.1 Permit Extension

Grycko asked if there will be another appeal to the applications. Thomas stated that it is possible. Thomas commented that the only change to the PFO's made by the Hearings Officer was to add verbiage about how disagreements at the required annual meeting would be handled. If it is appealed the first one would be to the Water Resources Commission. From there the next appeal would go to the Court of Appeals. Platt suggested that Thomas confirm

that, as in certain circumstances the hearings officer essentially serves as the circuit court level and the next appeal would be referred to appellate court. Thomas stated he would confirm that process. Platt stated that moving to appellate court is a whole different level than circuit court.

Thomas stated that any appeal would be based on the record that was a part of the first step in the process. Thomas commented that WaterWatch did not perform in the manner that they anticipated, actually rather poorly. Blake asked how much the process had cost. Thomas stated that the overall cost was about \$500,000 and that Sunrise's portion was about \$100,000, and the river was not improved one bit by the expenditure.

A motion to adjourn was made by Grycko and seconded by Anspach. Motion carried. The meeting was adjourned at about 8:30 PM.

Thomas stated that for Board information, the City Council of Damascus will be taking action on the IGA on September 7th.

ROBERT FRENTRESS, CHAIR

JEANNE ANSPACH, SECRETARY