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MINUTES

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on Wednesday, February 23, 2011 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; Bob Garbarino, and Terry Roskey,

Staff Present: Wade Hathhorn, General Manager; Lin Rigutto, Finance Director; Kim Anderson, Government Relations Manager; Christin House, Customer Service Supervisor; Dan Fraijo, Water Distribution Superintendent

Visitors Present: Myron Martwick, Oak Lodge Water District

1. CALL MEETING TO ORDER

The meeting was called to order at 6:08 PM.

2. INTRODUCTIONS & WELCOME OF VISITORS

3. FLAG SALUTE

4. PUBLIC COMMENT

5. CONSENT CALENDAR

A motion to approve the consent calendar consisting of the items listed below was made by Anspach and seconded by Garbarino. Motion carried unanimously

- 5.1 Approval of Meeting Minutes of January 12 and January 26, 2011
- 5.2 Approval of Expense Report for January 2010
- 5.3 Approval of Pay Estimate #43, to GSI Water Solutions for Work Related to ASR

Blake asked about the charges for fuel on Meyers' card. He asked if there is still fuel available at the yard. Staff stated that it is available and that this has been handled since the charge on the card.

6. DISCUSSION

6.1 Cross Connection Ordinance

Roskey stated that he still has an issue with the language on the last page related to the Authority's discretion in allowing ten days before discontinuing water service, because if an actual health hazard is discovered it needs to be addressed immediately.

The Board suggested a couple of other minor language edits.

Staff will make modifications to the language of the ordinance.

6.2 Request for Class Special Procurement

Hathorn explained that the model rules for public contracting are now operating as the public contracting rules for the Authority. The item presented to the Board outlines a process that will allow the Authority to procure several goods and services using a class specific exemption. In the case of on-call contracting services, he explained that the contract review Board would need to adopt the findings related to the process.

The Board of Commissioners convened as the Contract Review Board at 6:25 PM to consider a request for a Class Special Procurement for On-Call Construction Services.

A motion for the Contract Review Board to adopt the findings presented related to a Class Special Procurement for On-Call Construction Services and grant Staff the authority to utilize the process proposed was made by Blake and seconded by Anspach. Motion carried unanimously.

The Contract Review Board adjourned at 6:32

6.3 CRW Intertie at Carver Bridge

Hathorn commented on the discussions related to installing a feed to CRW across the Carver Bridge and developing an agreement with CRW to supply water through that line to their south end customers. An agreement related to moving water between the agencies would need to be developed that would anticipate exchanging water, with appropriate adjustments for additional power, pumping, and use of water lines. Hathorn commented that there are implications of this agreement related to the Joint Operating Agreement for Pipeline B and others.

Blake commented that this could also possibly provide an emergency water supply back from CRW as well.

Frentress asked about the sizing on the pipe. Hathorn commented that the size of the pipe is related to the anticipation that larger line sizes are always needed in the future and that there are limited opportunities to hang lines on a bridge.

7. BUSINESS FROM THE BOARD

7.1 Calendar of Meetings

7.2 Liaison Reports

Garbarino reported that Tom Ellis will be the new Councilor for Happy Valley and that he will be on the Sunrise Advisory Committee.

Roskey reported that Chris Olsen resigned from the Boring Water District Board and a replacement was appointed.

Blake commented that the CRBC has two possibilities for a new location and that they are starting the budget process.

Blake reported that the C-4 process has been modified to meet quarterly as a group and that the interim meetings will be between "like" groups.

Frentress stated that he and Blake went and met with the Mayor and City Manager of Happy Valley and that it went well; assuring them that Sunrise Water believes that Happy Valley and Sunrise are partners.

7.3 Future Agenda Items

Frentress commented that the next Board meeting may require the election of a new chair and vice-chair if his residency changes. Hathhorn commented that the Secretary of State is probably going to have to provide clarification on the issue, as nothing clearly addresses this in statute.

8. BUSINESS FROM THE MANAGER

8.1 Financial Reports

A motion to accept the financial reports as presented was made by Anspach and seconded by Roskey. Motion carried unanimously.

8.2 Cash Flow Report

8.3 Advisory Committee

Hathhorn commented that this is a continuation of the discussion regarding the Advisory Committee. He stated that the City of Happy Valley has expressed unwillingness to extend formal participation to the City of Damascus by revision of the IGA that formed the Authority. There is recognition that the at large positions can be filled by the Authority at will, including by filling the positions with individuals from the City of Damascus. Hathhorn indicated to the City of Happy Valley has been told that it is the intent of the Board to do so.

Hathhorn reported on his progress to date with filling the positions on the Advisory Committee and his intent to invite the City of Damascus to submit another name for the remaining unfilled position.

8.4 Water Permit Extension Update

Hathhorn reported that there has been a change between the Administrative Law Judge (ALJ) hearing and the proposed final order. The ALJ had set aside the issue of climate change and that has been brought back to the table in the amended proposed final order.

There is also a conflict between ODFW and WRD as to who has the final say in determining the persistence of fish issue. WRD is standing firm that the final say on the water rights and related persistence issues rests with them. Fish and Wildlife disagrees.

The question is if the Court of Appeals is likely to remand the proposed final order back to the WRD to incorporate the climate change data into the evidence guiding their decision on the final order.

According to our attorney the court of Appeals tends to deal with fairness issues and that based on that it may remand the PFO back to WRD for incorporation of the Climate Change issue. The problem is that there is no data or evidence available to provide certainty as to how climate change will affect the persistence of fish.

8.5 Building Maintenance and Upgrade

Hathhorn commented that there is a need to make changes in the office space in order to improve work flow and productivity, consolidate work teams, add private work space for the Water Distribution Superintendent, and improve the professional appearance of the customer service area. Frentress asked if the amount of money requested was sufficient. Hathhorn commented that money requested makes minimal changes for immediate impact, but that there are others that need to be considered based on how long operations will need to remain in this facility. Anspach asked if a comprehensive facilities plan can be completed that looks at a phased approach to dealing with facilities.

As a companion conversation, there are a couple of bona fide potential buyers looking at the property on Armstrong Circle. Hathhorn went on to comment that there are several properties in the 172nd area that are smaller that might be available for a reasonable price that could accommodate Sunrise's needs for facilities into the future.

Frentress asked if we should consider including funds in the upcoming budget to migrate our records to another file format. Hathhorn stated that it will be a part of the budget conversation.

A motion to approve the expenditure of \$10,000 on facilities upgrades was made by Blake and seconded by Anspach.

Hathhorn commented that if it is possible to get a substantial amount for the Armstrong property it might be possible to buy a new property and have funds left over for construction of new facilities.

Motion carried unanimously.

9. MONTHLY REPORTS

9.1 Operational Reports

9.2 Engineering and Construction Reports

Hathhorn commented that at the time that Zinser left, he had discussed the capacity of the Staff to respond to different levels of emergencies. The Staff has since responded to several main breaks. Since then it has been discovered that three of the four pipelines going through the pump station wall at the Sunnyside Reservoir have been sheared off. There are no finished construction drawings showing where the connection was made between the pump station and the reservoir, necessitating digging up the entire length of the pipes between the reservoir and the pump station. The fix will involve replacing the cast iron pipes with ductile iron, injecting grout around the remaining cast iron under the tank, and back filling with material with compaction properties. The original hope was that the fix would be around \$50,000 but it looks like it will come closer to \$100,000. Hathhorn praised Jannsen and Fraijo regarding their efforts in addressing the issues that keep sprouting up and in maintaining service to customers in the area. He commented that this would have been significantly more difficult to deal with if it had occurred in the summer months when it would have been difficult to reduce the water stored at the reservoir. Roskey commented that Staff should be concerned about high pressures on Sunnyside resulting from feeding customers from the 610 zone. Hathhorn stated that there is a PRV between 610 and the lower zone that is modifying that pressure.

The Board discussed the nature of reservoir construction and construction materials.

Blake asked if insurance covers any of the repairs. Hathhorn stated that there hasn't been time to investigate that yet, but that it will be done.

9.3 Government Relations Report

Anderson stated that the budget for the Oregon Health Authority has been released and that there is a line item dictating that \$3 million of general fund resources to the Drinking Water Program be replaced by fees. It is unknown at this point what form those fees will take or how they will be assessed.

10. INFORMATIONAL ITEMS

Frentress stated that if it is determined that he can not serve out his term he has discussed with Platt the possibility of his replacing Frentress in the ongoing conversations with CRW. The Board was in concurrence with that idea.

A motion to adjourn was made by Anspach and seconded by Garbarino. Motion carried unanimously.

The meeting was adjourned at 7:37 PM.

ROBERT FRENTRESS, CHAIR

JEANNE ANSPACH, SECRETARY