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MINUTES

A regular meeting of the Sunrise Water Authority Board of Commissioners, was held on Wednesday, October 27, 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; Bob Garbarino, Judy Grycko, Ernie Platt and Terry Roskey.

Staff Present: Wade Hathhorn, General Manager; Lin Rigutto, Finance Director; Tim Jannsen, Staff Engineer; Kim Anderson, Government Relations Manager; Dan Fraijo, Field Operations Supervisor, and Christin House, Billing and Customer Service Supervisor

Visitors Present: Barbara Kemper, CRW.

1. CALL MEETING TO ORDER

Call to order at 6:02 PM

2. INTRODUCTIONS & WELCOME OF VISITORS

3. FLAG SALUTE

4. PUBLIC COMMENT

5. CONSENT CALENDAR

Roskey pulled item 5.2, Approval of Expense Report for September 2010, for individual consideration.

Blake pulled item 5.5, Adoption of Resolution 2010-11, Designating Ranger Pick-up as Surplus Property and Authorizing Disposal, for individual consideration

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

5.1 Approval of Meeting Minutes of:

5.1.1 September 7, 2010

5.1.2 September 27, 2010

- 5.3 Approval of Pay Estimate #17 to GSI Water Solutions for Work Related to Water Right Transfers
- 5.4 Acceptance of Water Mains and Related Facilities for Waterford Park Subdivision

5.2 Approval of Expense Report for September 2010

Roskey stated that Staff used to pick up chlorine tabs and that the delivery charge shown was excessive. Jannsen stated that the company had delivered the wrong type of tabs and that they then used expedited shipping to deliver the right ones. Staff had followed up on the issue, pointing out that the mistake was theirs, so the delivery charge will be credited on the next billing cycle. A motion to approve the Expense Report for September 2010, was made by Roskey and seconded by Anspach. Motion carried unanimously.

5.5 Adoption of Resolution 2010-11, Designating Ranger Pick-up as Surplus Property and Authorizing Disposal

Blake asked if we were no longer required to send surplus to public auction. Rigutto stated that the law allows for other mechanisms for disposal if the disposal cost for using public auction will exceed the value expected to be gained by the sale of the item. A motion to adopt Resolution 2010-11, Designating Ranger Pick-up as Surplus Property and Authorizing Disposal, was made by Blake and seconded by Garbarino. Motion carried unanimously.

6. DISCUSSION

6.1 Spending Authority for General Manager

A motion to reaffirm that the General Manager has the authorization to expend up to \$10,000 without seeking prior Board approval was made by Platt and seconded by Grycko. Motion carried unanimously.

6.2 Check Signing Authority for General Manager

A motion to authorize Wade Hathhorn to sign checks on behalf of Sunrise Water Authority was made by Platt and seconded by Grycko. Motion carried unanimously.

6.3 Assistance Programs

6.3.1 Adoption of Resolution 2010-09, Low Income Financial Assistance Program

6.3.2 Adoption of Resolution 2010-10, Financial Crisis Assistance Program

Rigutto commented that the original concept had been presented to the Board in August for their consideration. Staff has revised the proposals in order to assure Board issues previously discussed were addressed. The proposed programs were brought to a vote at the September meeting and the vote was a tie. The Board directed Staff to bring the programs back to the October meeting when the full Board would be present.

Blake commented that he still feels that the amount of benefit created for participants is minimal and that it is unfair that other ratepayers are being expected to subsidize this program. He is also concerned that there is already a program that addresses the issue.

The Board engaged in a discussion regarding the issue. Platt suggested that he is concerned about the standards being implemented consistently, stating that by adopting such a policy Sunrise may be creating liability for themselves to be bound to this specific standard, which would infringe on the flexibility to provide alternative arrangements specific to a customer's unique circumstances.

Blake moved to table action on the programs pending a Staff investigation into whether or not the Board ever adopted a policy providing for the current practice of working with clients in distress to develop customized payment options. Motion died for lack of a second.

Anderson stated that to her knowledge the current practice has never been reduced to a written policy, but was handled as a management directive.

Platt suggested that he would be willing to forgo action on this item until a parallel program that encompasses the current process can be provided.

A motion to table 6.3.1 and 6.3.2 until Staff can provide the Board with an alternative plan that incorporates the current practices concerning payment plans for customers requiring assistance was made by Blake and seconded by Platt. Motion carried unanimously.

6.4 Contract with Water Resources Department

Jannsen commented that this request relates to the process for transferring water rights from the rhododendron nursery to Sunrise. He commented that the Water Resources Department is chronically understaffed and this process allows Sunrise to subsidize the staffing necessary to assure that this is moved through the system in 3-6 months rather than placing it in a backlog that may be ten years long.

A motion to approve the reimbursement agreement with Water Resources Department and authorize the General Manager to execute the agreement was made by Grycko and seconded by Roskey. Motion carried unanimously.

6.5 Leak Adjustment Calculations

This item presents information that was previously requested by Board members. Blake asked for clarification on the calculations shown on page 2 of the packet materials.

Roskey stated that he was uncomfortable with the situation where Sunrise was bearing more cost of the leak than the customer. He commented that it would be more equitable to split the leak 50/50 with the homeowner. Rigutto stated that Staff can bring the leak adjustment policy back to the Board at a later meeting for consideration.

7. BUSINESS FROM THE BOARD

7.1 Calendar of Meetings

In light of the approaching holiday season, the November meeting date was moved to the 23rd, and the December meeting date was moved to 21st.

A motion to provide \$25 gift certificates to employees for Thanksgiving and Christmas was made by Roskey and seconded by Anspach. Motion carried unanimously.

7.2 Liaison Reports

Blake commented on the activities related to reconstituting the Clackamas County Special Districts MPAC Committee and that there will be another meeting on November 1st.

Blake also commented that CRBC has finished cleaning up after the large wood placement project and that Oak Lodge is about done with the remodel of their office building.

Platt commented that the Damascus City Council had approved the Interim Comprehensive plan map. The Planning Commission has received that map and has started the hearings process. Anderson commented that Sunrise had submitted a letter to request designation of parcels owned by Sunrise as Public Facility and included the request that public facilities be identified as an outright permitted use in particular areas of interest to Sunrise as future reservoir locations. Platt commented that the process is underway and the Planning Commission hopes that it will be done by December.

7.3 Future Agenda Items

Roskey asked if the process off winterizing vehicles is underway. Staff stated that it is.

Frentress stated that the Board needs to discuss the short term future with the current and past general manager.

8. BUSINESS FROM THE MANAGER

8.1 Financial Reports

Roskey asked about the vehicle replacement fund. A motion to accept the financial report as submitted was made by Anspach and seconded by Grycko. Motion carried unanimously.

8.2 Cash Flow Report

Rigutto stated that Sunrise is staying within the projected ranges. She commented that there some expenditures that are coming up related to computer purchases and a financial software upgrade as the current version will no longer be supported in a few months time.

8.3 Strategic Plan

Hathhorn asked that this item be moved to the end of the meeting and the Board concurred with the request.

9. MONTHLY REPORTS

9.1 Operational Reports

Information only

9.2 Engineering and Construction Reports

Information only

9.3 Government Relations Report

Information only

Hathhorn commented that he had asked Anderson to work with him on developing a strategic plan for the Government Relations position and making sure that the position integrates with the overarching organizational strategies and objectives and that the best use is made up Anderson's time.

10. INFORMATIONAL ITEMS

8.3 Strategic Plan

Hathhorn commented that this is intended as an opportunity to talk with the Board and to start the thought processes regarding aligning Board expectations and his objectives for the organization. He stated that alignment of Board and management objectives are important to have and that it is also necessary to have that in place while he works with the Staff. The change of management creates an environment of uncertainty and an opportunity for change.

He discussed how the balanced scorecard approach is unique and how a key element of the approach is the defining of performance metrics and measurements.

Platt commented that the existing Strategic Plan predates at least four of the Board Members and that the recent update was largely confined to revising target dates. He suggested that the process would probably function best if it is broken into segments to be addressed in a series of workshops.

Hathhorn stated that he had envisioned a similar approach. He added that he has facilitated several of these processes in the past. He suggested that it might be

advisable to wait until after the first of the year to begin the process. He indicated that he intends to spend the intervening time meeting with the Board members individually to get to know them on a personal level. Frentress stated that the December meeting might be an appropriate time to discuss the schedule for the process.

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

The meeting was adjourned at 7:28 PM.

ROBERT FRENTRESS, CHAIR

JEANNE ANSPACH, SECRETARY