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MINUTES

A SPECIAL MEETING of the Sunrise Water Authority Board of Commissioners, was held on **WEDNESDAY, FEBRUARY 10, 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, Ron Blake, Bob Garbarino and Terry Roskey.

Staff Present: John Thomas, General Manager; Daryl Zinser, Assistant Manager; Lin Rigutto, Finance Director; Tim Janssen, Staff Engineer, and Kim Anderson, Special Projects.

Visitors Present: Patricia Holloway, Kami Kehoe and Barbara Kemper, CRW; Myron Marwick, Oak Lodge Water District; and Janelle Sisson, citizen

1. CALL MEETING TO ORDER

The meeting was called to order at 6:00 PM.

2. INTRODUCTIONS & WELCOME OF VISITORS

3. FLAG SALUTE

The Board dispensed with the flag salute.

4. PUBLIC COMMENT

5. DISCUSSION ITEMS

5.1 Well 1 Decommissioning

5.1.1 Award of Contract

Frentress asked why the requested amount is \$20,000, when the bid is significantly lower. Janssen stated that the Bids were based on a 250 sacks of grout, although the final quantity is not known and is likely to be quite a bit higher based on statements made by the bidders. This allowed for a more exact comparison across the bids. Grycko asked what the price differential per sack of grout across the bidders. Janssen stated that the per sack price from Olsen was quoted at \$20 per sack and Steinman quoted \$32, and that all of the others were up in the \$30 range.

Grycko stated that she realizes that Sunrise needs to go with the lowest bid, but her biggest concern is that Olsen was rated the lowest for experience. Jannsen stated that at 8 years of experience Olsen may have the least experience as a company, but that crew itself has members that have 20 years or more. Grycko stated that the evaluation of experience seems to be fairly subjective. Jannsen stated that Olsen's lower score on approach was a result of the fact that Olsen's write-up on approach was not as extensive as the others, although they essentially said the same thing as the others, so in fairness, he had to grade them down on that. Since 60% of the score was based on price.

A motion to approve the selection of Olsen Well Drilling as the contractor for the decommissioning of Well 1E and to authorize the General Manager to sign a contract for a not-to-exceed value of \$20,000 was made by Anspach and seconded by Roskey. Motion carried unanimously.

Commissioner Blake left the meeting at 6:14 PM.

5.1.2 Site Preparation and Restoration

Zinser explained the nature of the work being done.

A motion to approve the work for site preparation and restoration of facilities at the Damascus Lane site for a not-to-exceed value of \$5,000, was made by Grycko and seconded by Anspach. Motion carried unanimously.

5.2 Rate Increase Scenarios

Thomas presented information regarding previous discussions of potential rate increases, failure of the current service charge to capture increased actual costs, proposed budgetary changes, and cash flow projections for the benefit of Garbarino, due to his absence at previous meetings.

Thomas and Rigutto presented scenarios that demonstrated various combinations of rate increases and service charge increases to produce revenue increases of \$200,000, \$300,000, and \$400,000. Thomas discussed the relative impacts of increasing rate versus service charges. He commented that increasing unit costs will impact lower end customers less as a percentage increase than would an increase in Service Charge, but that it was not as reliable or predictable in terms of meeting revenue projections.

Thomas stated that Staff is seeking direction from the Board on the preferred scenario that Staff is to pursue; whether that is a rate increase, service charge increase, or a combination. He stated that the Board also needs to consider how to move the service charge to a point where full cost recovery is met, potentially through graduated increases, stepped increases, or splitting it equally over a set time period.

The Board engaged in a discussion of what the target should be for the revenue increase and how they would prefer to implement that increase. The Board agreed that Staff should pursue a \$300,000 revenue increase with the establishment of the service charge at \$9.50. Thomas stated that Staff would bring back more detailed information regarding the impacts of this proposal at the next meeting.

Staff stated that the commercial accounts would see an increase in their rates that would be proportional to the increase in residential rates and fees.

5.3 Meter Costs

A motion to approve the change in the Meter Installation Charge to \$839, effective February 1, 2010, was made by Grycko and seconded by Anspach. Motion carried unanimously.

For the Good of the Order

Roskey stated that he had attended the Boring Water District meeting and that they had encountered an issue where customers had pre-purchased meters and the customers were insisting that the meter be installed at the old price and that Boring had no policy in place to address the issue. He suggested that Staff may want to consider if that is a potential issue for Sunrise in the old Damascus Water District service area.

6. EXECUTIVE SESSION

The Board entered Executive Session at 6:42 PM.

AN EXECUTIVE SESSION OF THE SUNRISE WATER AUTHORITY BOARD OF COMMISSIONERS to be held per ORS 192.660 (2) (f) To consider information or records that are exempt by law from public inspection, ORS 192.502 (9)(a) Public records or information the disclosure of which is prohibited or restricted or otherwise made confidential or privileged under Oregon law, and under ORS 192.502 (1) Communications within a public body or between public bodies of an advisory nature.

The Board returned to Regular Session at 7:56 PM.

7. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

No action was taken on items discussed during executive session.

A motion to adjourn at 7:57 p.m. was made by Grycko and seconded by Anspach. Motion carried unanimously.

ROBERT FRENTRESS, CHAIR

JEANNE ANSPACH, SECRETARY