



MINUTES

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, April 26, 2017 at 6:00 p.m.** at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon, 97086.

Board Present: Ron Blake, Chair; Ernie Platt, Vice Chair; Kevin Bailey, Secretary; Steve Gaschler; Eric Hofeld

Board Absent: Terry Roskey

Staff Present: Wade Hathhorn, General Manager; Tim Jannsen, Engineering Manager; Carol Bryck, CFO; Cindy Richards, Administrative Assistant

Visitors Present: Robert F P Ludwick, citizen; Heather Campbell, citizen

CALL MEETING TO ORDER

The regular meeting of the Sunrise Water Authority Board of Commissioners followed the Budget Committee Meeting. Blake called the regular meeting to order at 7:02 p.m.

APPROVAL OF THE AGENDA

A motion to approve the agenda was made by Platt and seconded by Hofeld. The motion carried unanimously.

OUTSTANDING ITEMS

PUBLIC COMMENT

SECOND READING AND PUBLIC HEARING ON ORDINANCE 2016-03, AMENDING RULES AND REGULATIONS FOR WATER SERVICE

Blake opened the public hearing for the second reading of Ordinance 2016-03, Amending Rules and Regulations for Water Service. Blake directed the General Manager to read the Ordinance by title only. Blake asked for public comment. There was no public comment. Blake closed the public hearing.

ADOPTION OF ORDINANCE 2016-03, AMENDING RULES AND REGULATIONS FOR WATER SERVICE

A motion to adopt Ordinance 2016-03, Amending the Rules and Regulations for Water Service, was made by Platt and seconded by Bailey. The motion carried unanimously.

1. CONSENT AGENDA

1.1 Approval of Minutes of March 22, 2017

A motion to approve the minutes as presented was made by Gaschler and seconded by Hofeld. The motion carried unanimously.

2. DISCUSSION ITEMS

2.1 Financial Statements – March 2017

A motion to accept the financial statements as presented was made by Platt and seconded by Gaschler. The motion carried unanimously.

2.2 Adoption of Resolution 2017-07, 152nd Avenue Reservoir IGA

Hathhorn summarized that this item seeks the approval of an IGA with CRW to share the 152nd Avenue Reservoir. There was discussion about each agency's service territory in the vicinity of the new reservoir. The IGA was approved by CRW at a special meeting earlier in the week. Hathhorn estimated the cost to Sunrise to be about \$2.5 million with a three year option to repay. Jannsen noted it would be hard to know the total cost until the reservoir is built.

A motion to adopt Resolution 2017-07, approving an IGA between CRW and Sunrise regarding the 152nd Avenue Reservoir was made by Platt and seconded by Bailey. The motion carried unanimously.

2.3 Financial Policies

Hathhorn stated that this has been an ongoing discussion over the last two meetings and he didn't expect there to be a resolution tonight. The questions on the table are whether to break the capital out into its own fund, and what amount the agency should keep in reserves. There was an in depth discussion about the two questions at hand. The group went on to discuss the purpose of the SDC fund. Hathhorn noted that these questions were not relevant previously when the agency didn't have any money.

Hofeld asked about policies surrounding the bond covenants and Staff noted that the policy exists outside of Sunrise; it isn't Sunrise's policy to make. The bond covenants are established in the bond agreement.

Bryck noted that if an additional fund is added now, after the budget has been approved, there is a requirement to hold two additional budget hearings and advertise them in the paper. Hofeld replied that he isn't advocating for the additional fund in this budget cycle. Hathhorn summarized the financial history of Sunrise, including the loss of staff following the crash of the housing market.

Hathhorn asked if the Board would be interested in creating a work group on financial policies. There was discussion about what that would look like and who would be involved. Blake, Platt and Hofeld agreed to be on the committee.

2.4 Approving IGA with NCCWC for Management and Engineering Services

Hathhorn summarized that the General Manager of Oak Lodge Water Services District (OLWSD) also served as the General Manager of the NCCWC. That General Manager is no longer with OLWSD, so at a special meeting on April 4 the decision was made to place Hathhorn in that position. The NCCWC Board agreed to have a contract in the form of an IGA for that service. Jannsen has provided engineering services for the NCCWC, but that service is being formalized as a part of this IGA.

A motion to approve an IGA with the NCCWC to provide management and engineering services was made by Hofeld and seconded by Platt.

Gaschler noted his concern that staff are already busy with their work at Sunrise. Jannsen commented that it wouldn't affect his work any as he has already been serving in this role for 10 years. Hathhorn added that this won't relieve him of his work at Sunrise; he will be doing this work in addition to his duties at Sunrise. He noted that the finance person for the NCCWC is an OLWSD employee.

The motion carried unanimously.

3. STAFF REPORTS

3.1 Manager's Update

Hathhorn reported on the final removal of Zone 2 from the system; the agency receiving the CAFR Award for the 2015-16 Audit; the planned recruitment of a Finance Director; the plans and timeline for the General Manager's review; the potential to reduce rates after the third of three incremental rate increases this summer; the possibility of reducing or outsourcing Board meeting minutes; and the cost of employee benefits to the agency, noting that Staff is examining various options for plan changes in the coming year.

3.2 Engineering & Construction Reports

3.3 Operational Reports

4. BOARD BUSINESS

4.1 Board Calendar

Blake asked if anyone needed their liaison meetings covered. Bailey said he won't be at the regular meeting in May but will try to conference in.

4.2 Liaison Reports

Hofeld reported that OLWSD changed its registered agent to Jason Rice, and approved minutes and financials then convened an executive session.

Gaschler said that CRW's Board discussed the 152nd Avenue Reservoir and Backbone projects.

Blake reported that CRBC has been planting trees and opening 2,500 feet of streamside channel that had been closed since 1996 floods.

Bailey noted that he missed the last Happy Valley meeting, but Metro gave a presentation at the penultimate meeting.

4.3 Information Items

Blake adjourned the meeting at 8:35 p.m.



RON BLAKE, CHAIR



KEVIN BAILEY, SECRETARY