

M I N U T E S

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, July 26, 2017 at 5:30 p.m.** at Clackamas Fire District Station 5, 9339 SE Causey Ave., Happy Valley, Oregon 97086.

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

Board Absent: none

Staff Present: Wade Hathhorn, General Manager; Christin House, Customer Service Manager; Kim Anderson, Government Relations Manager; Cindy Richards, Administrative Assistant

Visitors Present: Bill Blanas, CRW Board; Ken Humberston, Clackamas County Commissioner; Graciela Humberston, Citizen; Clint Jones, Citizen/Boy Scouts; Zach Dullum, Citizen/Boy Scouts; Brock Egbert, Citizen/Boy Scouts; Quinn Jones, Citizen/Boy Scouts; Justin Bennett, Citizen/Boy Scouts; Aaron Tillmann, Citizen/Boy Scouts

CALL MEETING TO ORDER

Current Board Chair Blake's term ended June 30. Though he was re-elected, he needed to take the Oath of Office for his new term prior to participation on the Board. For that reason, Gaschler assumed control of the meeting until the Oaths of Office could be performed.

Gaschler called the meeting to order at 5:37 p.m.

OATHS OF OFFICE

Gaschler led the Oaths of Office for Blake, Hawes, Henson and Hofeld in tandem.

APPROVAL OF THE AGENDA

Blake made a motion to move the Election of Officers to the top of the agenda. Hofeld seconded. The motion carried unanimously.

OUTSTANDING ITEMS

None.

2.2 Election of Officers and Liaison Assignments

Gaschler thanked Blake for his year serving as Board Chair. Gaschler nominated Platt to serve as Chair. Bailey seconded the motion.

Hofeld nominated Blake to continue as Chair. Blake seconded the motion. There were no other nominations for Chair.

Richards performed a roll call vote. Henson, Gaschler, Platt and Bailey voted for Platt as Chair. Blake, Hawes and Hofeld voted for Blake as Chair. Platt assumed the role of Chair by a simple majority vote.

Platt opened the floor for nominations for Vice Chair. Bailey nominated Blake for Vice Chair. Gaschler seconded the nomination. The motion carried unanimously.

Platt opened the floor for nominations for Secretary. Blake nominated Bailey for Secretary. The nomination was seconded by Hawes. The motion carried unanimously.

Gaschler noted that this item also addresses liaison assignments for the new fiscal year. Platt said he would like to keep the liaison assignments in the original place on the agenda, if the Board agreed. No one expressed preference.

PUBLIC COMMENT

None.

1. CONSENT AGENDA

Hofeld pulled item 1.6, Appointing Professional Services of Record, for individual consideration.

A motion to approve the consent agenda as amended, consisting of the items listed below, was made by Blake and seconded by Gaschler. The motion carried unanimously.

- 1.1 Approval of Minutes of June 28, 2017
- 1.2 Approval of Waterline Easement for Jason Lane
- 1.3 Approval of Waterline Easement for Mitchell Park Subdivision
- 1.4 Acceptance of Water Mains and Related Facilities for Mitchell Park Subdivision
- 1.5 Authorization of Recurring Purchases in Excess of \$50,000

1.6 Appointing Professional Services of Record

Hofeld asked if the audit contract should be added to the list of appointments for professional services of record. There was a discussion about whether it should be added since it was approved at the last meeting.

A motion to add Merina and Company, LLC to the list of approved professional services of record was made by Hofeld and seconded by Blake. The motion carried unanimously.

Ken and Graciela Humberston entered at 5:51 p.m.

Ken Humberston administered the Oaths of Office for Blake, Hawes, Henson and Hofeld in tandem.

2. DISCUSSION ITEMS

2.1 Financial Statements – June 2017

A motion to accept the Financial Statements as presented was made by Blake and seconded by Henson. The motion carried unanimously.

2.2 Election of Officers and Liaison Assignments

Platt stated that the CRWSC and NCCWC representatives needed to be elected by vote of the Board as the representatives to those commissions would be voting members.

A motion to appoint Platt, Bailey and Blake to continue as representation to the NCCWC Board was made by Hawes and seconded by Hofeld. The motion carried unanimously. A motion to appoint Hofeld as the alternate was made by Blake and seconded by Henson. The motion carried unanimously.

A motion to appoint Blake, Gaschler and Platt to continue as representation to the CRWSC Board was made by Bailey and seconded by Hawes. The motion carried unanimously. A motion to nominate Hawes to serve as the alternate was made by Platt and seconded by Gaschler. The motion carried unanimously.

The following liaison assignments were made:

AGENCY	REGULAR	ALTERNATE
Oak Lodge Water Services District	Hofeld	Blake
Clackamas River Water	Gaschler	Henson

AGENCY	REGULAR	ALTERNATE
Boring Water District	Hawes	<i>none</i>
City of Happy Valley	Bailey	Hawes
Clackamas River Basin Council	Blake	<i>none</i>
Regional Water Providers Consortium*	Platt	Bailey/Henson
North Clackamas Chamber of Commerce	Platt	<i>none</i>
Sunnyside CPO	Hofeld	<i>none</i>
South Fork Water Board	<i>Platt to monitor the agendas</i>	

*Platt noted that the meeting time is now 6:30 p.m.

The Boy Scouts group exited at 6:12 p.m.

2.3 Preliminary Site Plan for New Facility

Hathhorn summarized the historical conversations regarding a new office facility and yard. The target now is Sunrise's property on 172nd and Armstrong Circle. The property needs to be re-zoned and partitioned. He noted that up for discussion this night is the possible layout of the new facility, and he referred to a map in the Board packet. He described the area and summarized that Staff needs authorization from the Board for the partition.

Hofeld asked if this partition (six acres) is big enough. Hathhorn stated that based on previous studies, the recommended target for a build-out staff of 45 is six acres. Hawes asked about the feasibility of constructing a roadway over the wetland. Hathhorn replied that that part of the plan can't be determined yet, at this point a proposed layout is required in order to move forward but the details aren't set in stone. There was a discussion about how to handle the wetland and accessing the site from 172nd.

The Humberstons exited at 6:20pm

There was a discussion about the process going forward. Anderson explained that this just allows Staff to begin having conversations with the City.

Platt summarized that the requested action is approval of the partition, and asked if re-zoning should be included as part of the motion. Staff agreed.

A motion to approve the recommended partition and proceed with the land use application and zoning was made by Blake and seconded by Hofeld. The motion carried unanimously.

Hathhorn reiterated that Staff will have more detailed information as the process continues.

2.4 Condition Assessment of Class 50 Ductile Iron Pipe (Convene LCRB)

Hathhorn summarized an assessment of corroded class 50 ductile iron pipe that was performed two years ago. The company that performed the assessment will be back in the area working for another local agency and Staff wants to take advantage of their presence and conduct another assessment of four to four-and-a-half miles of pipe. Hathhorn noted that the cost is already in the budget. A third assessment of the same scale would be performed at some point in the future.

Platt recessed the regular meeting at 6:27 p.m. and convened the Local Contract Review Board.

Staff is asking the Board to authorize the budgeted amount of \$100,000 to conduct the assessment. Hathhorn explained that the technology used for the assessment is unique as well as proprietary, so using the same company would be consistent and preserve the data from the first assessment. He noted that Staff did sampling following the last assessment and found that the results of the assessment were relatively accurate.

Hofeld asked if the assessment will be performed in the same area. Hathhorn explained that the first assessment was in the vicinity of Stevens and 110th Court. Hofeld asked if it was designated as high risk in the event of an earthquake. Hathhorn said no, the more immediate concern is the high risk for main breaks and leaks which leaves customers without water service. He noted that about 50% of the pipe needs to be replaced immediately and the agency is attempting to get to those projects as time and money permit.

A motion to authorize the General Manager to enter into a sole-source contract with Echologics, LLC to perform condition assessment on approximately 4.75 miles of class 50 ductile iron pipe, for a not-to-exceed amount of \$100,000, was made by Hofeld and seconded by Blake. The motion carried unanimously.

Platt reconvened the regular Board meeting at 6:33 p.m.

Hathhorn explained the purpose of the Local Contract Review Board (LCRB) for the new Commissioners to the Board. Hawes asked about the threshold. Hathhorn said he believed it was \$10,000 for goods and services but it is much higher for professional services.

3. STAFF REPORTS

3.1 Manager's Update

Hathhorn provided updates an update on the search for a Finance Director. He asked for Board volunteers for interviews. Hofeld and Platt expressed interest.

Hathhorn summarized House Bill 2099 which deals with the persistence of fish.

He noted that the healthcare benefit changes previously approved by the Board went into effect July 1.

Hathhorn recalled an incident in late spring which resulted in the death of a construction worker on a jobsite. The donation fund that was created for the worker's family was recently closed and the check was delivered.

Hathhorn noted that the budget calls for about 65-times the capital projects budget the agency has had previously and Staff is preparing to take on those projects.

He noted key traffic changes being made in August due to the Street of Dreams.

Hathhorn reported on a major main break that occurred just before the 4th of July holiday. A boil water notice was issued for the entire pressure zone. At meetings Hawes attended in Damascus, he had heard positive comments regarding the agency's response to the main break. Hofeld asked Platt what the Board can do to thank the staff and vendors involved in the event. Platt directed Hathhorn to write a letter on behalf of the Board. Hathhorn described another break that occurred soon after.

The agency will be switching over to the new phone system on Friday.

Hathhorn noted that several operations personnel will be parking at CRW for the month of August and have been given authorization to use their p-cards for gas as a result.

Hathhorn explained that Staff is working on extending contracts with RH2 for the next phase of reservoir design and engaging FCS Group for an SDC study. Both proposals will be brought to the Board.

3.2 Engineering & Construction Reports

3.3 Operational Reports

3.4 Top 25 Customers

Platt asked if anything has changed. Hathhorn commented the order has changed some.

4. BOARD BUSINESS

4.1 Board Calendar

Gaschler asked for an alternate for the August CRW meeting. Platt would be available if Henson is unable to attend.

4.2 Liaison Reports

Gaschler reported that the CRW Board discussed an approval of the Carver Bridge which will be voted on at the next meeting. They also assigned officers and liaisons, accepted projects, and heard a backbone project update. They assigned the same representatives to the CRWSC. The new president is Dave McNeel, the secretary is Naomi Angier, and the treasurer is Bill Blanas.

Hofeld missed the OLWSD meeting but the Board approved consumption based sanitary service policy and procedures and held an executive session.

Bailey reported that the City of Happy Valley only had one meeting during the last month and they addressed an IGA to receive grants from the County.

Blake reported that the CRBC has received grant money and currently has about \$20,000 in a new building fund.

Platt provided an update of the City of Gladstone regarding the two councilmen who were previously recalled. There were seven applicants for the seats, including one of the recalled councilmen who applied to serve in a different position than his previous, which the City Attorney said is allowed. The Council appointed Michael Mills and Matt Tracy.

Hofeld asked about re-visiting the conversation about the reserve fund requirements. The Board agreed that a new fund was never approved. Hathhorn added that the work group did not decide on any financial policies other than agreeing not to establish an additional account. There was a discussion about where that work group left off in conversations.

4.3 Information Items

5. EXECUTIVE SESSION

Platt recessed the regular meeting at 7:18 p.m. and called for a five minute break before entering executive session.

At 7:23 p.m., the Board entered executive session, pursuant to ORS 192.660 (2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

The Board returned to the regular meeting at 7:50 p.m. and adjourned at 7:51 p.m.

ERNIE PLATT, CHAIR

KEVIN BAILEY, SECRETARY