

M I N U T E S

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, August 23, 2017 at 6:00 p.m.** at Sunrise Water Authority 10602 SE 129th Avenue, Happy Valley, Oregon 97086.

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

Board Absent: Ron Blake, Vice Chair; Steve Gaschler

Staff Present: Wade Hathhorn, General Manager; Tim Jannsen, Engineering Manager; Christin House, Customer Service Manager; Dan Fraijo, Operations Manager; Cindy Richards, Administrative Assistant

Visitors Present: Jim Martin, OLWSD Board

CALL MEETING TO ORDER

The meeting was called to order at 6:00 p.m.

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

OUTSTANDING ITEMS

PUBLIC COMMENT

1. CONSENT AGENDA

Platt said there were questions on both items so they should be taken individually.

1.1 Approval of Minutes of July 26, 2017

Platt asked Hawes for clarification on his votes for Chair and Vice Chair. Hawes noted that the minutes were incorrect as he voted for Platt for Chair and Blake for Vice Chair.

Platt noted that the last name of a new councilman for the City of Gladstone was Milch rather than Mills.

A motion to approve the minutes as amended was made by Hawes and seconded by Bailey. The motion carried unanimously.

Martin entered at 6:06 p.m.

1.2 Adoption of Resolution 2017-09, Annexation of Service Territory

Platt asked for the property's location to be clarified. Jannsen said it was formerly Tallina's Dollhouse. Hofeld suggested changing the language of the staff report to read "can be served."

A motion to adopt Resolution 2017-09, Annexation of Service Territory, as amended was made by Hawes and seconded by Hofeld. The motion carried unanimously.

2. DISCUSSION ITEMS

2.1 Financial Statements – June 2017

There was a question and subsequent discussion about the number of meter sales. Hofeld asked if the checking account balance has decreased. Bryck reported that the balance was down to about \$5 million and expected it would decrease further due to projected spending, a possible transfer and other factors.

A motion to approve the financial statements as presented was made by Hofeld and seconded by Bailey. The motion carried unanimously.

2.2 Extend Funding for Structural Design of Reservoir 11

Hathhorn provided a summary of items 2.2 and 2.3 as both are design funding extensions for Reservoir 11. He explained that contract selection will take place in November. There was a discussion about the original funds approved for the project and the remaining funds available for the project. Hathhorn discussed task orders and tracking.

A motion to authorize the General Manager to spend up to \$250K to complete the construction-ready structural and civil design for Reservoir 11 was made by Hofeld and seconded by Henson. The motion carried unanimously.

2.3 Extend Funding for Geotechnical Design of Reservoir 11

There was a discussion about the authorized funds approved for the projects and the remaining funds available. Hathhorn explained that this is a bid for finishing the design work.

A motion to authorize the General Manager to spend up to \$70K to complete the construction-ready geotechnical design was made by Bailey and seconded by Hofeld. The motion carried unanimously.

2.4 Rules of Order (Meetings)

Platt noted that the purpose of this item is to clarify the conduct of meetings and get all commissioners up to speed. He started by commenting on the importance of letting presenters finish a presentation rather than interrupting.

The second discussion centered on when discussion should occur (before or after a motion). Hofeld shared his preference for discussion before a motion. Next the Board discussed voting by voice. That followed with the rule that once the Board has acted on an item, the commissioners should individually act as “one voice” standing for the outcome of the vote regardless of their individual vote.

Platt listed the various opportunities to add an item to the agenda: during “outstanding items” on the agenda, during liaison assignments, or by bringing the item up during the meeting. If an item should arise between meetings, commissioners should call the Chair or the General Manager. Platt recalled that there had previously been an item for “future agenda items” and asked that it be added back to the agenda.

Lastly, Platt reminded the commissioners that all meetings are recorded and the recording is a public record which can be accessed by any member of the public, and the Board should act accordingly.

2.5 Notice of Intent to Modify (Update) SDCs

Hathhorn described the history of SDC modification, specifically noting that the process began a year ago and was tabled. He explained the meeting and publication requirements that are dictated by state statute. There was a discussion about when the Board meetings would need to be in accordance with the posting requirements. Hathhorn noted that the letters to “interested parties” would be going out the following week. The list of “interested parties” is compiled based on who has purchased meters from Sunrise in the past. Platt added that it should include parties who have filed a request with the state to receive *any* SDC notification.

There was a discussion about whether the current SDC methodology is on the web and the history behind the current methodology.

There was further discussion about the October, November and December meeting dates. Hawes, Hofeld, Platt and Henson all commented that they would be available for the regular meeting on

December 27. No decisions were made but it was noted that a final decision should be made at the September 27 meeting.

3. STAFF REPORTS

3.1 Manager's Update

Hathhorn reported that seven applications had been received for the Finance Director position. The first set of interviews will begin in two weeks. Following that will be a second set of interviews with one to two representatives from the Board. Hofeld commented that he will be out of the town until October 5.

Hathhorn commented that the preliminary audit went well and was quick and painless. Hofeld asked if Staff has executed the three year extension approved by the Board in a previous meeting. Hathhorn said not yet, but Staff needs to work on that. Hofeld asked about the cost associated with the audit. Bryck replied that it's just under \$30,000 and added that this year's audit is being conducted on a one-year extension with a three-year contract to follow.

Hathhorn provided a background of the Employee of the Year award and announced that this year's winner was Elizabeth Edgar. He commented that Edgar had grown in her career and taken on new responsibility in the past year. He noted the plaque and bonus that go along with the award. Platt asked for Edgar's status in getting her PE. Hathhorn replied that she achieved it last year, which contributed to Edgar's noted professional growth in the last year.

Hathhorn briefly noted the high temperatures and subsequent increase in water usage. He reminded the Board that the agency's annual picnic is Friday and all commissioners are invited to attend.

Hathhorn went back to the topic of an update in the SDC methodology. Staff is looking to use a consultant, namely FCS Group, to conduct an SDC study. He explained that the associated cost is within the General Manager's spending authority. Hofeld asked if three quotes were needed. Hathhorn said not for a sole-source contract.

Hathhorn informed the commissioners of an environmental "watch dog" group that is causing undue concern. He noted that the group recommends using a filter to treat tap water. The group received a reported "kick back" for the sale of filters.

There was a discussion about the final costs of the main break that occurred on July 2.

Fraijo explained that Staff looks for opportunities for system improvements during plan reviews. He provided a presentation on a recent project at Happy Valley Crossroads which permitted Staff to add isolation valves and interties between two pressure zones.

3.2 Engineering & Construction Reports

Jannsen noted several changes to the report. Hofeld said he'd like to see what was in the budget for each of these projects. Jannsen said that could be done but the report would be misleading. Hofeld expressed concern that the aggressive project budget isn't being met year to year. Bryck shared the reason for budgeted funds that went unused on two projects. One was a "placeholder" for the purchase of property for a new office site. The Board and Staff ultimately decided to utilize Sunrise's own property on 172nd and Armstrong Circle. The other project relied, in part, on grant funds. The grant wasn't awarded to Sunrise so the project wasn't executed. Hofeld commented that if a project gets deferred it would be nice to know that.

Hawes asked for an 11x17 map of Sunrise facilities for quick reference.

3.3 Operational Reports

Hofeld asked for a graph of unclaimed water. Janssen said he could do that and noted that the best way to show it would be with a running 12 month total.

4. BOARD BUSINESS

4.1 Board Calendar

Hofeld commented that he will be out of town for the Oak Lodge and CPO meetings.

It was pointed out that Blake was erroneously listed as the regular AND the alternate for the NCCWC on the liaison list. Platt noted the need to add an alternate liaison to Oak Lodge and added that alternates were not needed for Boring Water or the CPO.

4.2 Liaison Reports

Bailey said he missed the Happy Valley meeting. Hofeld reported that Oak Lodge Water Services District discussed re-approving a resolution for billing sewer service. Hawes reported that Boring discussed infrastructure issues. Platt reported that CRW approved a three-year extension of its collective bargaining agreement, the CRWSC Planning Document, an extension of the General Manager's contract through June 30, 2021 and a final settlement agreement regarding the Carver Bridge.

4.3 Information Items

Platt asked for future agenda items. None were mentioned. Martin noted that the Board Calendar and Liaison Assignment List reflected an incorrect date for Oak Lodge Water Services District. The meetings occur during the third week of the month.

Platt adjourned the meeting at 7:30 p.m.

ERNIE PLATT, CHAIR

KEVIN BAILEY, SECRETARY