



## M I N U T E S

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, December 20, 2017 at 6:00 p.m.** at Sunrise Water Authority 10602 SE 129<sup>th</sup> Avenue, Happy Valley, Oregon 97086.

**Board Present:** Ernie Platt, Chair; Ron Blake, Vice Chair; Chris Hawes; Steve Gaschler; Eric Hofeld

**Board Absent:** Kevin Bailey, Secretary; Ron Henson

**Staff Present:** Wade Hathhorn, General Manager; Cindy Wolff, Administrative Assistant; Kim Anderson, Government Relations Manager

**Visitors Present:** Sharon Neal, citizen; Greg Neal, citizen; Tonya Moffitt, Merina and Company, LLP

### **CALL MEETING TO ORDER**

Platt called the meeting to order at 6:10 p.m.

### **APPROVAL OF AGENDA**

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

### **PUBLIC COMMENT**

Sunrise customer Sharon Neal requested that the Board temporarily suspend the payment arrangement on her account for a period of three to four months to give her time to settle some pending legal actions regarding her home. She summarized her history with Sunrise and the letter and account history that were included in the Board packet provided to the Board.

Platt shared his preference for upholding the existing payment arrangement, including potential disconnection of water service for non-payment, and asked the Board if there were any other proposals outside of his suggestion. Gaschler asked who has title to the property. Neal said her daughter-in-law, Natalia Neal. Gaschler commented that a lean could be placed against the property but since Natalia Neal is unresponsive it wouldn't be an option. Blake shared his opinion that going against Board policies [regarding payment arrangements and turn offs] would set a precedent for other customers.

The Board agreed by consensus to adhere to the existing policies and payment arrangement. The Neals exited at 6:26 p.m.

Hofeld said he wanted to review the leak adjustment and turn off policies. Platt noted that the leak adjustment policies was recently updated. Hofeld wanted a list of payment arrangements.

### **AUDIT PRESENTATION**

Tonya Moffitt provided the audit presentation for the 2016-2017 fiscal year audit. The agency received a "clean, unmodified opinion," which is the highest possible. No adjustments needed to be made and staff provided all requested documentation in a timely manner. There were no compliance findings or violations for public purchasing.

Moffitt took questions from the Board. Hofeld asked about footnote seven regarding pensions. Moffitt replied that it shows how much is required and how much Sunrise has paid and is only dependent on Sunrise making payments. She noted that the PERS rates are going to increase.

The Board thanks Moffitt for her presentation. Moffitt exited at 6:45 p.m.

## **1. CONSENT AGENDA**

Blake made a motion to approve the consent agenda consisting of the items listed below. Hawes seconded the motion. The motion carried unanimously.

- 1.1 Approval of Minutes of November 29, 2017
- 1.2 Approval of Intergovernmental Agreement with Clackamas County Communications for Emergency Communications Services

## **2. DISCUSSION ITEMS**

### **2.1 Financial Statements – November 2017**

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

### **2.2 Pressure Control and Regulation**

Hathhorn reminded the group that pressure control and regulation is an ongoing discussion which began in 2015. He summarized the history of the decision to “move out of the pressure business.” Most other water utilities have opted for pressure control to be a private plumbing issue left up to the property owner, meaning the pressure reducing valve (PRV) would be on the owners’ side of the meter. Meanwhile, Sunrise was installing PRVs on the agency’s side of the meter.

Following the initial series of discussions on the issue, the Board agreed to staff’s recommendation to work on transitioning the PRVs to the property owners’ side of the meter. To do this, operations staff ceased to install PRVs on any new services, leaving the home builder, property owner or a private plumber to install them on the customer side. Existing PRVs are handled one-by-one as pressure-related calls come in. At that time, operations staff will install a replacement PRV on the customer side within the meter box and a letter is sent to the customer explaining the transition of ownership.

Hathhorn moved on to discuss the current issue with PRVs. A new matter has arisen as staff has come across instances where the PRV is installed outside the meter box or may be buried. This is primarily coming up in Damascus. Given the special attention required by these PRVs, staff is recommending that a licensed plumber be required to make the repairs. Hathhorn estimated the cost to the customer to be roughly \$200 (\$100 PRV; \$90/hour plumbing labor), and suggested that the cost could be offset by offering the customer a rebate of \$200 to \$250. He added that consideration could also be given to a planned replacement program and a sunset period on the customer rebate program.

Platt suggested that staff continue to switch the PRVs out with a notice to the customer that they own the PRV. Gaschler asked for staff opinion about how well that process is currently going. Hathhorn said it has been working well and he reiterated the costs associated with the changes.

Platt said that staff will investigate pressure calls and if the PRV is on Sunrise’s side, staff will install a new PRV on the customer side inside the meter box. If the PRV is already on the customer side then staff will tell the customer to call a plumber and no rebate/credit will be given. Hawes added that plumbing code prevents staff from assisting with anything on the customer side of the meter anyway.

Platt and Hofeld each commented that the current actions being taken by staff make the most sense and should be continued. They also shared preference for not sending a broadcast announcement regarding PRVs before any actions are taken, as that might confuse customers who aren’t familiar with or don’t understand what it means unless they have a PRV that is actually failing. Hathhorn added that staff will tell developers.

Hathhorn said staff will come back with a policy statement to formalize the discussion.

### **3. STAFF REPORTS**

#### **3.1 Manager's Update**

With regard to conveyance documents, Hathhorn said he asked legal counsel what obligation Sunrise has in ensuring that the signer has legal authority to convey the documents. Legal counsel stated that a statement could be added to conveyance documents requiring the signer to affirm their authority.

Hathhorn summarized that staff is back on track in moving forward with the property for the new office site but that work won't pick up until after the new year. Staff has indicated to the interested party that Sunrise is not interested in giving up the six acres required for the office site, but that the other nine acres are for available for purchase.

Hathhorn said he wouldn't be at the January 25 NCCWC meeting, but a draft agreement would be presented and discussed at that meeting. He noted that he didn't expect the group to make any decisions at that time. The General Manager of Oak Lodge, Sarah Jo Chaplen, is currently reviewing the agreement for feedback. He noted his attempt to incorporate all that came out of the work group into the draft.

Blake, Hofeld, Hawes, Bailey and Platt indicated their interest to attend the SDAO Annual Conference.

#### **3.2 Engineering & Construction Reports**

Platt commented that he liked the new schedule. Hofeld said he'd like to see the total of actual costs to date and it should match the financial statements. Hawes shared his experience that you cannot manage a project by dollars and this report is more than enough information for the Board. Hofeld commented that the report is an indicator to the Board whether or not a project is going to cost more than was budgeted. There was a discussion about construction expenses versus budgeted numbers. Hofeld asked where the budgeted numbers come from. Hathhorn explained that they are engineers' estimates. Platt suggested that staff continue with the report in its current form to allow it to gain purpose. Hofeld commented on being able to address rate payers' questions based on the report. Hawes said the report is a good advancement on previous reports and agreed with Platt that it should be consistent for at least a year before any additional changes are made.

#### **3.3 Operational Reports**

### **4. BOARD BUSINESS**

#### **4.1 Board Calendar**

Platt noted that the NCCWC meeting was missing from the calendar. Hathhorn reminded the group that it's January 25 at the water treatment plant.

#### **4.2 Liaison Reports**

Hawes participated in the CRWSC Board for the first time, as an alternate for Platt. He shared that he enjoyed Janssen's presentation on the history of water treatment and suggested Janssen provide the same presentation to the Sunrise Board. Hawes went to the Boring Water meeting but found that it was just concluding when he arrived.

Hofeld attended the Oak Lodge meeting. The Board organized the budget process and arranged to have an alternate citizen member for the budget committee.

Blake attended CRBC.

#### **4.3 Information Items**

#### **4.4 Future Agenda Items**

Hofeld suggested a six-month update on Hathhorn's goals. There was a brief discussion and the Board agreed that wouldn't be necessary.

Platt adjourned the meeting at 8:00 p.m.

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ERNIE PLATT, CHAIR

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KEVIN BAILEY, SECRETARY