



M I N U T E S

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, June 27, 2018 at 6:00 p.m.** at Sunrise Water Authority 10602 SE 129th Avenue, Happy Valley, Oregon 97086.

Board Present: Ernie Platt, Chair; Ron Blake, Vice Chair; Kevin Bailey, Secretary; Chris Hawes; Eric Hofeld; Stan Tempchin

Board Absent: None

Staff Present: Wade Hathhorn, General Manager; Denise Bergstrom, Finance Director; Kim Anderson, Government Relations Manager; Cindy Wolff, Administrative Assistant

Visitors Present: None

CALL MEETING TO ORDER

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

APPROVAL OF AGENDA

Hathhorn asked the Board to consider two more items for discussion as items 2.3 and 2.4. Platt added a general discussion of Happy Valley as item 2.5. A motion to approve the agenda as amended was made by Hawes and seconded by Blake. The motion carried unanimously.

PUBLIC COMMENT

1. CONSENT AGENDA

Platt noted that Ron Henson was missing from the list of Board in attendance on the May 23 Minutes. A motion to approve the consent agenda consisting of the items listed below, with the noted correction, was made by Hawes and seconded by Hofeld. The motion carried unanimously.

- 1.1 Approval of Minutes of May 9, 2018
- 1.2 Approval of Minutes of May 23, 2018

2. DISCUSSION ITEMS

2.1 Financial Statements

There was a discussion about checks for the City of Happy Valley, one of which was for the Right of Way fee. Based on this check alone, Platt estimated Sunrise pays \$150,000 a year. Hofeld asked Bergstrom to indicate the LGIP interest rate in future reports. A motion to approve the financial statements as presented was made by Blake and seconded by Bailey. The motion carried unanimously.

2.2 General Manager's Performance Evaluation

Platt summarized that Hathhorn's performance evaluation can be done in executive session but Hathhorn chooses to have it done publically. Tempchin entered at 6:05 p.m. Hathhorn summarized the process, noting that his self-review was included in this packet.

2.3 Spending Authority for AKS Engineering Services Contract

AKS is engaged under direct appointment for the partition and zone change work for the Armstrong Circle property. Hathhorn commented that under state procurement rules the General Manager's spending authority is \$50,000 without Board approval. Current project costs are about \$47,500 to date and there is a need for additional spending. Hofeld asked if there will be additional requests later. Hathhorn replied that it's not expected. Hofeld asked why the request is slightly more than the expected costs.

Hawes made a motion to approve \$75,000. Tempchin seconded.

Hofeld asked why the motion is above the projected costs. Hathhorn said it's for contingency, and AKS isn't automatically authorized to spend that amount, it just gives us room to work so staff doesn't have to come back and ask for more money if something does come up.

The motion carried unanimously.

2.4 Hydrant Meter Exclusion for Ward-Henshaw and Reservoir 11 Project

Hathhorn described the standard process for renting hydrant meters from Sunrise and explained that since the hydrant meter is being requested for a Sunrise project the cost of the meter would just get billed back to us, so he is requesting that the Board agree to waive the fees for the contractor. A motion to waive the hydrant meter deposit for Ward-Henshaw on the Reservoir 11 Project was made by Hawes and seconded by Bailey. The motion carried unanimously.

2.5 Status with Happy Valley

Platt led a discussion regarding the status of the City's request for a performance bond from Sunrise. Updates from several Commissioners were included.

Platt summarized the fallout from the City's decision to secede from the County park's district. They placed a tax levy for city parks on the May ballot, with the intention that it would replace the county parks levy which passed by a large margin. Subsequent to that vote, the State Department of Revenue denied the de-annexation from the Parks District, as it was not done using the proper means and was never valid. This leaves city residents responsible for both the county parks tax and the city parks tax with no city provided park services.

Platt shared that the City is looking to develop a comprehensive plan for the lands that have been annexed into the city of Happy Valley along the 172nd Avenue corridor. The City is looking for a representative in that process from Sunrise. He shared that Hathhorn suggested both an elected representative and a staff member with the technical expertise. Michael Walters asked for names by tomorrow. Hathhorn elaborated that the staff member should be one of the staff engineers. Bailey volunteered as the Board representative and Hawes volunteered to be the backup.

There was a brief discussion about the potential for assessing a surcharge to Happy Valley residents in order to reimburse Sunrise for the deposit the City has demanded in lieu of a performance bond. Hofeld asked Bergstrom to calculate the interest lost by not having those funds in the LGIP. Other costs to Sunrise were discussed including contractor and staff time. Platt commented on the potential for the construction to delay into 2020 at which point there would be a moratorium of meter sales because Sunrise would be unable to provide water without the construction being complete.

3. STAFF REPORTS

3.1 Manager's Update

Hathhorn said the draft IGA will be presented at the next NCCWC meeting. Demolition of Reservoir 2 is beginning. Staff has been participating in training provided by Corona Consulting.

Hathhorn provided a handout on the recent blue-green algae issues in Salem and discussed the issue in detail. The State is proposing mandatory monitoring from May through October. Sunrise has already been participating in that testing through its relationship with PGE.

3.2 Engineering & Construction Reports

There were comments about growth and development in the area.

3.3 Operational Reports

Bailey commented on the increase in usage. Hofeld noted that unaccounted for water has dropped.

4. BOARD BUSINESS

4.1 Board Calendar

Platt noted that the CRBC meeting on July 4 is likely rescheduled for another date.

Platt commented that the Commissioners may or may not be discussing updates to liaison assignments in the coming months. He suggested waiting a month or two until the board has filled the vacant positions. Platt suggested that, in the meantime, Tempchin should attend one or two meetings a month of his choosing, beginning with the CRW meeting.

4.2 Liaison Reports

Bailey stated that the July 3 City Council Meeting is cancelled. Blake said CRBC had its annual fundraiser. Hawes reported that CRW discussed several easements, approved Sunrise's wholesale water rate and gave a construction report at its work session. Hofeld stated that OLWSD adopted its budget, hired a consultant for risk assessment, adopted policies, amended purchasing rules and approved contracts. Hawes added to the report on CRW, stating the Bill Blanas resigned from CRW. Platt added that OLWSD also lost Jim Martin from the Board. Platt reported that RWPC is revising its strategic plan and accepted the Cities of Cornelius and Troutdale as members.

4.3 Information Items

4.4 Future Agenda Items

5. EXECUTIVE SESSION (4 MATTERS FOR DISCUSSION)

At 7:41 p.m., Platt recessed the regular meeting and moved to executive session, pursuant to ORS 192.660 (2)(e) To conduct deliberations with persons designated by governing body to negotiate real property transactions.

Platt adjourned the executive session and reconvened the regular session at 8:29 p.m.

Platt asked for motions item by item.

Tempchin made a motion to enter a five year, non-transferrable lease agreement with Elaine Andrews at the current rate, permitting a request for re-negotiation with the Board when tenant numbers fluctuate. Hofeld seconded the motion. The motion carried unanimously.

A motion to approve the terms proposed for the lease with Crown Castle was made by Hawes and seconded by Bailey. The motion carried unanimously.

Hawes made a motion to approve the terms of the Silke lease as presented and authorize its execution. Tempchin seconded the motion. It carried unanimously.

Hawes made a motion to authorize the General Manager to seek a second appraisal for the potential future Reservoir 12 site and begin talks with the current owners within the spending limits discussed in the executive session. The motion was seconded by Hofeld and carried unanimously.

Platt summarized that the Board vacancy announcement went out and was on the website. Interviews will likely be conducted in early August with interviews of the full Board taking place at the regular August meeting.

Platt adjourned the meeting at 8:34 p.m.

ERNIE PLATT, CHAIR

KEVIN BAILEY, SECRETARY