

M I N U T E S

A meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, August 22, 2018 at 6:00 p.m.** at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon 97086.

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

Board Absent: none

Staff Present: Wade Hathhorn, General Manager; Tim Jannsen, Engineering Manager; Cindy Wolff, Administrative Assistant

Visitors Present: Paul Gornick, OLWSD Board; Wayne Barstow, Board Applicant; Tim Chairret, Board Applicant

CALL MEETING TO ORDER

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

APPROVAL OF AGENDA

Hofeld requested to pull items 1.2 and 1.3 for individual consideration. A motion to approve the agenda as amended was made by Hofeld and seconded by Tempchin. The motion carried unanimously.

Tempchin apologized for missing the last meeting.

PUBLIC COMMENT

BOARD CANDIDATE INTERVIEWS

Platt explained that the process for interviews would be the same as last time. He stated that Zone 4 is now vacant and will be addressed after Labor Day. He expected that the applications would be due around October 1 with interviews to be conducted at the regular meeting in October. In terms of tonight's interviews, Platt said that technically the meeting is public, but asked if the candidates would be agreeable to stepping out while the other candidate interviews. Barstow and Chairret nodded in agreement. Platt explained he would call each of them and inform them of the decision after the meeting concludes.

Barstow interviewed first, followed by Chairret. After they exited, the Board deliberated on the candidates. Each commissioner wrote their own name and their candidate choice on a piece of paper. Jannsen read the votes out loud; Barstow was the unanimous choice. Assuming he accepts the commissioner position, he will be sworn in at the September Board meeting.

FIRST READING AND PUBLIC HEARING OF ORDINANCE 2018-01, AN ORDINANCE RATIFYING RESOLUTION NO. 2018-07 AND APPROVING AN INTERGOVERNMENTAL AGREEMENT TO RECONSTITUTE THE NORTH CLACKAMAS COUNTY WATER COMMISSION (BY TITLE ONLY)

Platt opened the public hearing at 6:57 p.m. and directed Hathhorn to read the ordinance by title only. Hathhorn read the ordinance by title only. There was no public comment, so Platt closed the public hearing. Platt explained that a second reading and public hearing would take place at the next meeting and the Board will vote to adopt the ordinance afterward.

1. CONSENT AGENDA

1.1 Approval of Minutes of July 25, 2018

Hofeld referred to page two of four and noted that there was a motion but no record of the vote. Wolff said she would make the correction.

1.2 Sunnycreek Subdivision Main Replacement

Hofeld referred to page two of two, and asked which project this is on the CIP schedule and if an adjustment needs to be made to the budget to incorporate the additional money. Janssen explained there's \$1.6 million budgeted for corrosion projects, so this project is within that budget, but may prevent us from getting to other corrosion projects. Hathhorn added that there were two corrosion projects in the budget but this one will take most of the funds. A budget amendment isn't necessary.

Hofeld asked if the ductile iron pipe was class 52. Hathhorn said yes.

Tempchin referred to the map and asked if lines were going through private lots. Janssen said yes, by means of easements.

1.3 Scouter's Mountain 10-inch Main Replacement

Hofeld asked what engineering firm was hired for the project. Hathhorn said WSC (Water Systems Consulting firm). He explained that the only way to get this amount of work done is to use the engineering firms on the roster approved by the Board. Hofeld asked if we have the capability to do the work ourselves. Hathhorn said yes, staff has the capability to do the work, but not the capacity to handle the work load.

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

2. DISCUSSION ITEMS

2.1 Financial Statements – July 2018

Tempchin asked where we're at with the audit. Hathhorn said the preliminary audit was done last month and the auditors will be back in the fall to complete the audit.

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

2.2 Water Service to Willamette National Cemetery

Janssen said that areas around the county line are a bit "messy" in relation to service delivery by Sunrise and Portland. In some areas we serve their customers our water and in others they serve our customers their water. He explained that Willamette National Cemetery is expecting Portland to provide water service to the cemetery's expansion project but Portland doesn't have sufficient main capacity in that area, so it would make sense for Sunrise to serve them. Janssen referred to the wall map to illustrate the area and service lines. He briefly described how billing is handled between the two agencies where services are shared. Hofeld asked if we're pursuing annexation. Janssen said yes, though it's not guaranteed, Portland will support us in the effort.

A motion to approve providing water service to Willamette National Cemetery for the expansion of the cemetery was made by Hawes and seconded by Tempchin.

Hofeld referred to the letter included in the packet and quoted that Portland will “work actively on an agreeable resolution”, but noted there’s no guarantee. Jannsen replied that the lack of a guarantee is due in part to neither agency having researched what annexation would entail. Hawes commented that given that Sunrise has pipe there and Portland doesn’t, Sunrise is going to provide the water either way, though working toward annexation makes sense. Platt added that we don’t want to force Portland to build an extraterritorial main to provide water in our service area. Jannsen commented that’s why he feels the current motion is sufficient. Platt agreed.

The motion carried unanimously.

2.3 Representatives to NCCWC & CRWSC Boards

Hathhorn summarized that the NCCWC meeting in September will be the last under the NCCWC’s current IGA. One of the changes to the IGA is a reduction in commissioners on its Board (from seven to five), so OLWSD and Sunrise will each have only two representatives on the NCCWC Board after September. Given that change, Hathhorn suggested that the Board select two and an alternate tonight, with the idea that all three will be present to participate at the September meeting. Platt summarized that Bailey, Platt and Ron Blake (retired) have been the representatives with Hofeld as the alternate. He noted that the action needs to be by vote as it’s an elected position on another Board, not a liaison assignment.

A motion for Bailey and Platt to serve on the NCCWC Board for 2018-19, with Hofeld as the alternate, was made by Tempchin and seconded by Hawes. The motion carried unanimously.

Platt summarized that the CRWSC representatives were Ron Blake, Hawes and himself. At a minimum, a replacement representative for Ron Blake was needed, in addition to an alternate. Hawes made a motion for himself, Platt and Tempchin to serve as the representatives to the CRWSC Board with Hofeld as the alternate. Bailey seconded the motion. The motion carried unanimously.

Platt reminded the group that liaison assignments should be continued until Barstow is sworn in at the next meeting, at which point they would be re-considered.

3. STAFF REPORTS

3.1 Manager’s Update

Hathhorn provided routine updates. The topics were Reservoir 11, the future of the Reservoir 2 property, the Sunrise picnic, and the Employee of the Year award. The Board agreed to move the December meeting to December 19 due to the holiday.

Hathhorn said that at the last meeting he was asked to get legal advice on the rights of the City of Happy Valley in terms of requiring a performance bond. He said the advice he received was yes, the City is allowed to require that. There was a discussion about the excessive requirements of the City to Sunrise and other agencies, and whether or not they would take the same action if we were their water department rather than a separate agency.

Hathhorn introduced the need for a policy on how to handle under and overbilled accounts. There was a discussion about how far back to collect (or refund) and if there should be a limit on the amounts. Hathhorn will draft a policy and bring it back to the Board.

Hathhorn distributed a draft customer satisfaction survey.

3.2 Engineering & Construction Reports

There was a brief discussion about the amount of construction that is ongoing and the decrease in meter sales.

3.3 Operational Reports

4. BOARD BUSINESS

4.1 Board Calendar

Tempchin stated he had a conflict with the September 17 CRWSC meeting. Platt said the City of Happy Valley planning group meetings need to be added to the schedule.

4.2 Liaison Reports

Each commissioner shared updates from their assigned meetings.

4.3 Information Items

4.4 Future Agenda Items

5. CONVENE LOCAL CONTRACT REVIEW BOARD (LCRB)

Platt recessed the regular meeting and convened the Local Contract Review Board at 8:58 p.m.

5.1 Exempt Procurement of Meters and Related Equipment

Hathhorn explained that “exempt” means other factors can be used for consideration in addition to price. He said that while there are four or five major meter manufacturers, their prices are similar. He noted that they may offer different features on their meters, so you don’t want to base the decision to purchase on just price. He also pointed out we don’t necessarily want a large variety of meter makes to maintain and that another factor for consideration is how well each make integrates with the billing system.

Hofeld asked if Sunrise has a policy on using manual read or automated. Hathhorn said we are currently moving to remote reading by drive-by. There was a discussion about meter technology and Sunrise’s historical experiences. Hathhorn reiterated that the drive-by technology by Itron offers the most reliability right now.

A motion to adopt Resolution 2018-08, authorizing class-specific exemption from competitive bidding for the procurement of water meters and related meter reading equipment, was made by Hofeld and seconded by Tempchin. The motion carried unanimously.

5.2 Exempt Procurement of Bank and Payment Services from Competitive Bidding

Hathhorn explained that there are other factors that should be considered when selecting payment and banking services, outside of just cost. He stated that a resolution is not required on this item because the Board is asked to define banking and payment services as personal services contracts by rule. The designation will exempt them from competitive bidding.

A motion to designate the procurement of bank and payment services as a personal services contract and exempt them from competitive bidding was made by Hawes and seconded by Hofeld. The motion carried unanimously.

5.3 General Manager’s Spending Authority

Hathhorn summarized that the amount of his spending authority wasn’t the concern with regard to this item, the problem is that even when expenditures are approved in the budget the actual procurement is not approved. Hofeld explained the purpose of the General Manager having spending limits. Hathhorn reiterated that he would still be required to follow procurement rules, he just wouldn’t have to ask a second time to make purchases that were already approved initially in the budget approval. He stated, as an example, that the Budget Committee and the Board may approve

the purchase of two trucks in their approval of the budget, but he would still have to come to the Board at its next meeting – which could be up to a month away – in order to get approval again. Hawes summarized that Hathhorn has to come back and ask for the money that the board already told him he could spend.

A motion to adopt Resolution 2018-09, amending Resolution 2015-11 to restate the General Manager’s Spending Authority, was made by Hawes and seconded by Bailey. The motion carried unanimously.

Platt adjourned the Local Contract Review Board at 9:30 p.m. Platt adjourned the regular meeting at 9:30 p.m.

ERNIE PLATT, CHAIR

ERIC HOFELD, SECRETARY