



WORK SESSION MINUTES

A work session of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, March 13, 2019 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; Gary Barth; Wayne Barstow; Andy Coate.

Board Absent: none

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

Visitors Present: none

1. Call Meeting to Order

Platt called the meeting to order at 6:00 p.m.

2. Flag Salute

Platt announced that Coate would be here but was stuck in traffic. He reminded everyone that this is a public meeting.

Hathhorn explained that the purpose of the work session is to get everyone up to speed and talk a bit about the future. Coate entered at 6:04p.m. Hathhorn gave a history of how Sunrise Water Authority came to be, including the merger of Damascus and Mt Scott Water Districts; its authority status; the water supply agreements over time; non-potable water; the development of Damascus; and the restatement of the NCCWC IGA. Hathhorn explained the water rights, peak demand and MGD used by each NCCWC agency. He provided a background on the CRWSC.

3. Review of Strategic Plan

a. Future Source of Supply

Bergstrom distributed “NCCWC Related Water Systems” diagram. Hathhorn distributed “Existing Water Systems” schematic and “Current Supply-Demand” and “Future Supply-Demand” diagrams. He described the intricacies of the system and pumping water, referencing the “Existing Water Systems” schematic. He then referred to the Supply-Demand diagrams and described the various inter-ties and future needs of each agency.

Hathhorn distributed the “Build-Out with Rockcreek Pump Station” diagram. He pointed out all of the infrastructure that was labeled by elevation. He explained the infrastructure needs to serve the build-out between Sunnyside/172nd to the county line. He explained the issues with serving water to the elevations in which Happy Valley would like to build.

Hathhorn explained the upgrades that would be required on transmission lines to serve future demands. Barstow asked why another plant couldn’t be built. Hathhorn referred back to water rights, explaining that the state wouldn’t allow for another intake on the river. There was discussion about how to obtain the upgraded transmission lines. Barstow asked about the use of wells. Hathhorn explained that we have wells through Damascus, but groundwater is depleting. Coate asked how much time we have to build this infrastructure. Hathhorn said the need isn’t measured in time, it’s by connections and we’re about 7,000 connections from that.

Hathhorn explained that peak winter demand is about 3.5 MGD but summer is 12 MGD due to summer watering. He explained that if it weren't for summer watering we would have adequate water supply. Hawes commented that even if you continued to wash your car more often in the summer and fill a pool, you still won't get to the demand we're talking about with watering lawns.

Hathhorn distributed maps of current and future pressure zones. Hathhorn explained that the long term plan for Damascus is to build Reservoir 12 and knock Sunnyside Reservoir down, and anything above it would go to an expanded and rebuilt Sunridge Reservoir.

B. 20-Year Capital Plan

Hathhorn distributed a summary spreadsheet of the 20-Year Capital Improvement Plan, and explained that we're starting to prepare for Reservoir 12 and a pump station. Hawes asked if the capital plan is in today's dollars. Hathhorn said yes. Barth asked about financing. Hathhorn said it will be cash financing. Barstow asked if there's a plan to increase rates and SDCs. Hathhorn said yes, and he'd be discussing that next.

E. Financial Plan & Rates

Hathhorn distributed the rates and 20-Year Projection of Cash Reserves. Hathhorn explained that the difference between the two graphs is that one was with no rate increases and the other shows a \$.10/CCF increase each year. He noted the minor increase noted on the latter graph puts us in a much better position to get through the 20-year capital plan without taking out any bonds. Hathhorn noted that in four years the current debt service will be paid off, which will also help with the outcome. There was a discussion among the Board about financing versus rate increases. Platt asked what Hathhorn's recommendation was for how to re-evaluate the needs. Hathhorn summarized that ultimately the Board needs to decide. Hofeld brought up the prioritizing of replacing class 50 DI pipe, stating that he'd like to see the replacements broken out by year. Hathhorn said it isn't by year, it really depends on the ERUs – the increase in connections is what drives the need for system improvements.

Following a question from Hawes, there was a short discussion about ASR wells. Hathhorn explained that Sunrise has a license to do up to 600 million gallons in a total of five wells. He described the unpredictability of the ASR wells compared to a storage reservoir.

Hathhorn distributed "Alternate Water Supply Study."

C. Asset Management & Resiliency Planning

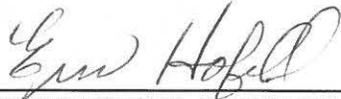
D. Technology Trends

Hathhorn distributed an article on technology for the Board's information.

Platt adjourned the meeting at 8:51 p.m.



ERNIE PLATT, CHAIR



ERIC HOFELD, SECRETARY