



M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, October 23, 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, Wayne Barstow; Andy Coate; Kevin Bailey

Board Absent: Gary Barth

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

Visitors Present: Robert Mills, SDAO; Sherry French, CRW Board; and Paul Gornick, OLWSD Board

CALL REGULAR MEETING TO ORDER

Platt called the meeting to order at 6:02 p.m.

APPROVAL OF THE AGENDA

Platt noted a place was reserved on the agenda for a work session on rates, but considering the full agenda the Board likely won't get to the work session. Hawes made a motion to approve the agenda as presented and Bailey seconded. The motion carried unanimously.

PUBLIC COMMENT

SDAO BOARD PRACTICES ASSESSMENT (90 min)

Anderson described the assessment and introduced Mills. Through an interactive discussion with the Board and staff, Mills conducted the Board Best Practices Assessment, evaluating the agency on how the Board addresses various processes and issues that may present risks to the agency. He provided a handout of the questions.

Mills exited at 7:20 p.m.

1. CONSENT AGENDA

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

- 1.1 Approval of Minutes
- 1.2 Approval of Waterline Easement for Clackamas County Fire District #1
Damascus Lane Station
- 1.3 Acceptance of Water Mains and Related Facilities for Willamette National Cemetery Expansion Project

2. DISCUSSION ITEMS

2.1 Financial Statements

Bergstrom briefly summarized the financial statements. Bailey made a motion to accept the Financial Statements as presented and Barstow seconded. The motion carried unanimously.

2.2 Board Recruitment Process

Platt explained that the procedure for the last few vacancies has been to put a notice in the bills for

that zone, asking for resumes. A sub-committee of commissioners will review the applications and select two or three to move forward for reviews by the full Board at the January meeting.

2.3 Adoption of Updated Public Records Policy

Anderson provided background on the policy update. Hawes made a motion to adopt amendments to Policy 9-02, Public Records. Coate seconded and the motion carried unanimously.

2.4 Convene as Local Contract Review Board – Notice of Intent to Award Construction Contract for the Highway 212 Main Abandonment

Platt recessed the regular meeting and convened the Local Contract Review Board at 7:33 p.m. Hathhorn summarized the cost, explaining that Staff scrutinized the bid and asked for additional detail. Platt commented that Sunrise is familiar with this contractor and has worked with them over the years. Coate asked Hathhorn if the questions about the bid created the obstacle for issuing the entirety of the contract. Hathhorn explained the infeasibility of doing the project around Foster and how expensive it would be for the limited amount of gain that would be derived. His recommendation as well as the district engineers' is to not do that. Hathhorn said the contractor is ready to begin work in two weeks and can work through the winter

Hawes made a motion to award a construction contract in the amount of \$494,715 for the revised Highway 212 Pipeline Abandonment Project. Bailey seconded the motion and it carried unanimously.

Platt adjourned the Local Contract Review Board and reconvened the regular meeting at 7:40 p.m.

2.5 PERS EIF Program

A chart titled "2019 PERS EIF Program Cost Vs Savings" graph was distributed prior to the meeting for discussion on this item. Hathhorn explained the unfunded liability of PERS and the State's proposed solution. He summarized that the plan would allow employers to "pay off" their portion up front and reduce steep annual increases. Hathhorn described the formula PERS would use, including investment in the LGIP, and referred to the chart illustrating the different options and returns. He summarized that if the Board doesn't agree to contribute the funds up front (about \$1.2 million by December 31), PERS will increase Sunrise's annual contribution. One way or another they're getting the money, but pre-paying would allow for a potential return on Sunrise's investment. Bergstrom commented that for this to not be worthwhile, there would have to be a zero return. Platt asked what happens to Sunrise's current contribution if the organization does participate. Bergstrom said the rate won't increase.

Hathhorn shared his and Bergstrom's opinion that this was a reasonable solution, and that they didn't see how Sunrise would lose in this. Hawes compared it to buying property for a future reservoir site in that it would be worse to wait. Hathhorn commented that this is nothing more than one or two small waterline replacement projects in comparison of cost. He added that, while the organization has competing needs for that cash, it's not significant enough to change the spending plan.

The Board agreed that they understand the solution and know it's the right decision to make, but don't appreciate it.

Hawes made a motion to direct staff to participate in the State of Oregon's PERS Employer Incentive Fund (EIF) and Coate seconded. The motion carried unanimously.

Gornick commented that Sunrise's growing workforce puts it at greater advantage compared to other agencies facing the same decision.

3. STAFF REPORTS

3.1 Manager's Update

Hathhorn provided updates on Reservoir 11; the future office facility; presented a rate calculator tool; addressed an onsite storm water easement; and moving the November and December meetings up a week to accommodate the holidays.

Platt noted that there is more discussion to be had on rates and a need to start the public hearing process. He suggested a work session on November 13 to discuss rates.

Anderson reported that she added insurance on the SE Youngs Lane (future Reservoir 12) property for the appraised value.

3.2 Engineering & Construction Reports

3.3 Operational Reports

Hathhorn described the consolidation of graphs that he and Tim Janssen worked on.

4. BOARD BUSINESS

4.2 Board Calendar

Platt explained that Barth had volunteered to take on the liaison appointment to OLWSD, unless any other commissioners were interested. Coate agreed to be the alternate. Platt volunteered to be the liaison to the CPO, though there has been discussion about whether or not the group will continue. They meet next in February.

4.1 Election of Secretary

Hawes made a motion to nominate and cast a unanimous ballot for Bailey for Secretary and close the nominations. Coate seconded the motion. The motion carried unanimously.

4.3 Liaison Reports

Bailey attended the City of Happy Valley. Hawes attended two CRW meetings. CRW voted unanimously to develop a water sales agreement with NCCWC. Barstow attended Boring Water. Platt attended RWPC, CPO, OLWSD, and a Clackamas County Transportation Projects meeting.

4.4 Information Items

4.5 Future Agenda Items

5. EXECUTIVE SESSION

At 9:05 p.m., Platt recessed the regular meeting and called to order an executive session of the Sunrise Water Authority Board of Commissioners pursuant to, ORS 192.660 (2)(f) and (2)(h), to consider information or records that are exempt by law from public inspection and to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Gornick and French exited at 9:05 p.m.

Platt adjourned the executive session and reconvened the regular meeting at 9:29 p.m. Platt adjourned the regular meeting at 9:30 p.m.

ERNIE PLATT, CHAIR

KEVIN BAILEY, SECRETARY