



## M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, January 22, 2020 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; Chris Hawes, Vice Chair; Kevin Bailey, Secretary; Wayne Barstow; Andy Coate; Gary Barth

**Board Absent:** none

**Staff Present:** Wade Hathhorn, General Manager; Tim Janssen, Engineering Manager; Christin House, Customer Service Manager; Kim Anderson, Government Relations Manager; Denise Bergstrom, Finance Director

**Visitors Present:** Paul Gornick, OLWSD Board; Sherry French, CRW Board; Matt Grady, Gramor Development

### CALL REGULAR MEETING TO ORDER

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

### APPROVAL OF THE AGENDA

The Zone 5 vacancy will be discussed under the Board Calendar.

A motion to approve the agenda was made by Hawes and seconded by Coate. Motion carried unanimously.

### PUBLIC COMMENT

Platt noted that the letter from Firestone and Hathhorn's response had been distributed to the Board.

### 1. CONSENT AGENDA

A motion to approve the consent agenda consisting of the items listed below was made by Hawes and seconded by Barth. Motion carried unanimously.

- 1.1 Approval of Minutes
- 1.2 2020 System Development Charges
- 1.3 Professional Services Contract for Wetland Mitigation off SE Armstrong Circle
- 1.4 Adoption of Resolution 2020-01, Amending Payment Arrangement Policy 26-11
- 1.5 Approval of Well 5 Refurbishments
- 1.6 Acceptance of Audit

### 2. DISCUSSION ITEMS

#### 2.1 Financial Statements

Bergstrom noted that the audit and the auditor's letter was provided to the Board members at their places. In order to provide the auditors with a formal record that the document had been received by the Board she is also distributing one to the recording secretary for entry into the public record of the meeting.

A motion to approve and accept the audit letter was made by Hawes seconded by Bailey. Motion carried unanimously.

## **2.2 Pro Rata Reimbursement Proposal for Happy Valley Crossroad East Development**

Janssen provided some background on pro-rata reimbursements in general and the specific rules for Oregon. He noted that the scenario under consideration meets the standard that triggers a pro-rata reimbursement, however Sunrise is allowed under rules to determine how those are assessed. He described the unique circumstances related to this development and the pipeline relocation that it necessitates.

A motion to adopt Staff's interpretation of pro-rata reimbursements and the proposal presented was made by Hawes and seconded by Barstow. Motion carried unanimously.

## **2.3 Rate Proposal Selection**

Hathhorn summarized the work the Board has done on establishing new rate structures for all customer classes. He stated that the new rate structures presented are based on his understanding of the Board's deliberations. He noted that to move the process forward the Board would need to review the options and take action to approve an option at this meeting.

Hathhorn described the proposal for the residential class rate structure, the commercial class, and one potentially for a new dedicated irrigation class, which are presented in the staff report.

A motion to approve the proposal for residential rates as presented was made by Barth and seconded by Bailey. Motion carried unanimously.

Coate moved to approve the non-residential water rates as presented. Seconded by Barstow.

The Board conversed at some length about the complications that might manifest by creating a specific irrigation class, as well as the possible benefit of being able to group users that would most likely be subject to curtailment in drought scenarios.

A motion to indefinitely table the discussion related to the irrigation class was made by Hawes and seconded by Coate. Motion carried unanimously.

Hathhorn distributed a draft of a notice letter that could potentially be distributed with the January bills. He also discussed an alternative option of crafting a much shorter billing insert limited to notifying customers of the pending rate hearing and directing them to where they can find more information and then following up by sending a full letter as a stuffer in the February bills. He noted that the Board can do whatever they choose as long as the minimum notice requirements in statute are met.

After a protracted discussion, the consensus of the Board was to direct staff to craft an abbreviated notice to be inserted in the January bills with a more expansive notice or fact sheet to be distributed with the bills in February.

A motion to send a short notice that the rate hearing will be conducted at the Sunrise Water Authority offices on March 18, 2020 at 6:00 p.m., was made by Hawes and seconded by Coate. Motion carried unanimously.

## **3. STAFF REPORTS**

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

Hathhorn reviewed the project costs and the outcome of the Highway 212 project. He addressed the process for handling the claims associated with vehicle damage that occurred as a result of that project.

Hathhorn explained the unique characteristics of procurement of financial services and the difficulties involved with getting useful proposals from banking institutions.

Hathhorn invited Board participation in the selection process for architecture services for the administration and operations facility. He outlined the process that has been established. Several board members indicated that while they would like to be involved, since much of the work will occur during business hours they would be unable to commit to regular participation. Hawes indicated that he'd like to be involved and Barth is interested but has concerns about his availability.

Hathhorn discussed the concept of adding a temporary structure for operations staff at our current site. He indicated that he will return with an actual proposal once the details related to siting, providing services, and cost are gathered.

The Board reviewed an internal memo summarizing the components of the low income assistance program that is in development with Clackamas County. Anderson stated that a draft contract with Clackamas County is anticipated to be ready at the end of February.

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

### **3.3 Operational Reports**

Janssen commented that the data for unaccounted for water may be more stable with monthly billing because he will be able to more accurately match the pump data to the unaccounted for water information.

## **4. BOARD BUSINESS**

### **4.1 Board Calendar**

Platt discussed the application process for filling the vacancy. He noted that he has some concern that since four of the existing Board members have a significant background in construction or project management and that both of the current applicants have the same background as well and that it may be tilting the influence of the Board too far in that direction. Several conversed about there being a void in financial knowledge on the Board. Hathhorn asked that the Board Chair be the person to contact the two current applicants to let them know that the process will be extended another 30 days. The Board indicated that another billing insert should be distributed.

### **4.2 Liaison Reports**

The Board reported on the various meetings that they had attended.

### **4.3 Information Items**

### **4.4 Future Agenda Items**

Adjourn at 7:55 p.m.

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ERNIE PLATT, CHAIR

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KEVIN BAILEY, SECRETARY