



M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, February 24, 2021 at 6:00 PM.** The meeting was held remotely, by teleconference through RingCentral.

Board Present: Chris Hawes, Chair; Andy Coate, Vice Chair; Kevin Bailey, Secretary; Gary Barth (Arrived at 6:29 PM); and Kevin O'Meara

Board Absent: None

Staff Present: Wade Hathhorn, General Manager; Denise Bergstrom, Finance Director; Tim Jannsen, Technical Services Manager; and Kim Anderson, Government Relations Manager

Visitors Present: Sherry French, CRW; Paul Gornick, OLWSD, Christine Rumi, Troy Ainsworth & Ian Gelbrich, FFA Architecture

CALL REGULAR MEETING TO ORDER

Hawes called the meeting to order at 6:05 p.m.

ROLL CALL

Hawes asked Anderson to perform the voice roll call of the Board.

APPROVAL OF AGENDA

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

PUBLIC COMMENT

LEAK ADJUSTMENT APPEAL

Anderson summarized the information related to the leak adjustment granted for the account for 14387 SE Aldridge Road. Mr. Ahmad, appearing on behalf of the property owner, his mother, presented the Board more information related to the leak and requested additional relief. He noted that this is a rental property and the COVID relief measures have resulted in their not being able to collect rent from the tenant. After consideration, the Board recommended no additional leak adjustment but referred him to Customer Service staff to arrange for a payment plan on the balance.

1. CONSENT AGENDA

A motion to approve the consent agenda consisting of the following items was made by O'Meara and seconded by Bailey. Motion carried unanimously.

- 1.1 Approval of Minutes from January 27, 2021 Regular Meeting
- 1.2 Approval of a Waterline Easement for Sunnyside Apartments
- 1.3 Acceptance of Water Mains and Related Facilities for Sunnyside Apartments

2. DISCUSSION ITEMS

2.1 Appoint Budget Officer and Budget Calendar

Hathhorn reviewed the proposed budget calendar and process.

A motion to appoint Denise Bergstrom as the Budget Officer for fiscal year 2021-2022 and approve the proposed budget calendar was made by Bailey and seconded by Coate. Motion carried unanimously.

2.2 Rate Discussion

Hathhorn noted the events that derailed the rate adjustment process in 2020. He discussed specifics of notice requirements for rate hearings and how that works in relation to billing inserts and special mailers. He commented that there may be a need for a special meeting and mailer in order to schedule a rate hearing prior to the budget committee meeting.

Hathhorn reviewed the discussions the Board had throughout 2019 and the 2020 memo on rate increases. He noted that the primary changes anticipated were the elimination of the current tier 1, originally designed to address “subsistence water” for lower income customers, reassessing the rates within the remaining tiers, and creation of some form of low income assistance outside of the rate structure. There were two options, one more aggressive and one less aggressive, considered in 2020. The Board determined to move ahead with Option 2, a rate increase of up to 5% annually on both rates and service charges for a three-year period and the creation of low income assistance program. He noted that Anderson and staff have created the low income assistance program in cooperation with Clackamas County and it is now active. There was a discussion about schedules required to hit various implementation dates, with a preference being shown for going through the process now with implementation of any rate adjustment in January.

Hathhorn noted that since Sunrise lost some key resources during COVID we were unable to complete as many projects as intended, which is what has kept us from falling behind financially, but if things ramp up rapidly we could find ourselves falling behind. Bailey asked if the costs of wholesale water has changed significantly over the time period we haven’t raised rates. Hathhorn noted that there’s multiple costs added beyond the wholesale rate and that the proposed rates will make us whole.

The Board discussed potential dates for scheduling a rate hearing prior to the budget process.

3. STAFF REPORTS

3.1 Manager’s Update

Hathhorn summarized the events during what was probably the worst storm in maybe 50 years. He noted that at one point all four plants that use the Clackamas as a source were not operational and that there was no interruption in water service due to massive efforts by so many people. He said that Tim Janssen was the pivotal person in orchestrating everything that happened behind the scenes. He also noted the cooperation between all the entities was essential. He discussed some of the major issues that were experienced during the event, such as running out of fuel in backup generators, Lake Oswego losing all power, manual operations required at some interconnections, massive amount of debris on roads, road conditions and falling ice limiting ability to receive additional fuel, fuel suppliers’ willingness or ability to deliver additional fuel, and plant operators having to stay on-site at the NCCWC plant for two nights due to road conditions. Janssen provided a timeline of events and some insights into operational actions required during the storm. There was discussion of the after action reviews and the type of things that came out of this event.

3.2 Engineering & Construction Reports – No comments

3.3 Operational Reports – No Comments

3.4 Finance Report

Hathhorn noted that the loan for the administration building was approved without questions.

4. BOARD BUSINESS

4.1 Board Calendar

Board members reported on meetings attended.

4.3 Information Items

4.4 Future Agenda Items

5. WORK SESSION – FFA Architecture design update presentation.

FFA Architecture walked the Board through updated renderings and a 3D model of the proposed administration facility design. The Board provided feedback on the timing of the construction process and on the proposed design plan.

6. ADJOURN

The meeting adjourned at 9:24 PM.

DocuSigned by:

Chris Hawes

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CHRIS HAWES, CHAIR

DocuSigned by:

Kevin Bailey

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KEVIN BAILEY, SECRETARY