



M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, March 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; Kevin O'Meara

Board Absent: None

Staff Present: Wade Hathhorn, General Manager; Denise Bergstrom, Finance Director; Tim Jannsen, Technical Services Manager; Cindy Wolff, Administrative Manager; Christin Roskey, Customer Service Manager; and Kim Anderson, Government Relations Manager

Visitors Present: Sherry French, CRW; Paul Gornick, OLWSD

CALL REGULAR MEETING TO ORDER

Hawes called the meeting to order at 6:00 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 Barth and seconded by O'Meara. Motion carried unanimously.

PUBLIC COMMENT

No public comment.

1. CONSENT AGENDA

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

1.1 Approval of Minutes from February 24, 2021 Regular Meeting

2. DISCUSSION ITEMS

2.1 Rate Hearing Information

Hathhorn noted that the Board has asked staff to prepare for a rate hearing, which has been scheduled for April 21st. Having set the date, the 30-day period for public notice begins. He noted that staff had resuscitated the notices that had been prepared a year ago before COVID derailed that process.

Hathhorn stated that the first issue for conversation is the rate increase itself. He recapped the original proposal, which he will refer to as "the fix". He noted that was the adjustment of the tiers plus an increase in water rates. He noted that the understanding that staff had coming out of recent discussions was that the Boards direction was to do a 5% plus 5% increase to offset the year during which rate increases were not collected, which is what is reflected in the materials. That will be the first item the Board is asked to discuss.

The Board has also considered issues around the social and politics around doing rate increases during low use periods. One thought to consider on timing the increases might be to deploy the fix in July and then initiate the increases in January of 2022 and subsequent years.

The Board discussed the timing of implementation if “the fix” had been approved in 2020 and implications for timing the proposed changes to be broken across the 2021-2022 fiscal year. The Board directed staff to proceed with implementing “the fix” at July 1, 2020 and adding a 5% increase as of January 2021, and for each year thereafter through 2024. Barth noted we need to be prepared for justification of forecasting a 5% increase over years in advance of the release of the annual CPI.

Hathhorn noted that the initial plan was to release the budget on the 16th, but current plans would be to release the budget after the rate hearing. The Board concurred with that decision.

Hathhorn noted that initially the intention was to deliver both a bill stuffer and a letter. The Board discussed the options and directed staff to include the 1/3 sheet bill stuffer with the next bills.

2.2 Preliminary Planning for Return to Work and Office

Hathhorn noted that item is essentially an update on the status of employers returning to on-site operations. He noted that there’s been considerable discussion in professional organizations and in legal venues regarding vaccinations and employer’s responsibilities and liabilities in relation to that. He noted that the consensus is that employers have the right to require vaccination for return to work, but that broadly most do not intend to enforce that. He noted that he is not looking for any particular outcome from the conversation today, but to start the thought processes around it, noting that Sunrise will need to return to onsite operations in some form in the not-too-distant future. Hathhorn noted that as vaccination rates have been increasing, there is the potential to get to the 50% vaccination rate will be sometime in the summer. Coate asked Hathhorn to identify the particular challenges that he will face in returning to operations. He stated that statistically there will be some portion of our staff who will refuse vaccination that will not meet any of the statutorily identified exemptions. Hathhorn commented that he still does not see a reason for us to “go first” in returning to work, since operations have been able to function effectively in remote format. Barth concurred, noting that numerous organizations have tried to open only to have to retreat.

3. STAFF REPORTS

3.1 Manager’s Update

Hathhorn highlighted a few House Bills active at the 2021 legislature and discussed impacts and implications for Sunrise.

O’Meara asked if, in light of the issues during the storm, Staff is discussing with PGE the need to keep the generator fuels topped off. Hathhorn indicated that it is a conversation that’s ongoing.

3.2 Engineering & Construction Reports – No comments

3.3 Operational Reports – No comments

3.4 Finance Report -

Bergstrom asked if the Board had read the note on her staff report about a new method for recording board attendance at meetings. She noted that Anderson would be doing a roll-call after the Board liaison reports to record prior months meeting attendance so it becomes part of the record. Hawes asked if the November-December payment noted to Ward Henshaw are the final checks. Hathhorn indicated that they are and Bergstrom noted that that there are still a few small RH2 invoices to clean up for finalization of the project.

4. BOARD BUSINESS

4.1 Board Calendar

4.2 Liaison Reports & Meeting Attendance

There was a short discussion in relation to implementing a new method for recording board member attendance at meetings.

4.3 Information Items

4.4 Future Agenda Items

5. EXECUTIVE SESSION

The Board entered executive session at 6:53 pm, pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

The Board returned to regular session at 7:27 pm.

6. ADJOURN REGULAR MEETING

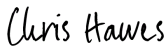
The regular meeting was adjourned at 7:28 pm.

7. WORK SESSION - NCCWC WATER SUPPLY AGREEMENT

The work session was opened at 7:28 pm.

Hathhorn shared with the Board a draft of a revised agreement. He noted that he believed all of the Board members have a copy of the 20-year old original NCCWC water supply agreement that will be expiring at the end of the year. He stated that several of the parties to the NCCWC had started negotiating with CRW independently and that he had asked the parties to suspend those conversations and bring them back within the NCCWC process in order to assure that there is one common agreement between the NCCWC and CRW. He commented that there are also conversations around abandonment of the CRWSC and that certain conditions coming out of that which will require incorporating certain provisions into the NCCWC agreement. He discussed in some detail the conditions of the water supply agreement between NCCWC and CRW that was assumed by Sunrise, how it is currently implemented, and how that is proposed to be changed in the new agreement. He specifically noted that the current agreement allows for established amounts and fixed locations. The intent would be to eliminate those restrictions to allow for a flexible arrangement under which the parties would develop a water supply plan that could be flexible to allow the parties to operate as partners, rather than vendor and customer. He discussed some of the issues the water supply plan might include, mentioning specifically preserving the minimum purchase volume. Board members broadly supported the intent to operate more as partners and to create added flexibility for operations. Hathhorn indicated that the next steps would be to negotiate a draft within the NCCWC to bring back out to the respective parties.

Work session adjourned at 7:44 pm.

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CHRIS HAWES, CHAIR

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KEVIN BAILEY, SECRETARY,