



## M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, May 26, 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, Engineering Manager, Christin House, Customer Service Manager, Cindy Wolff, Human Resources, and Kim Anderson, Government Relations Manager

**Visitors Present:** Sherry French, CRW; Paul Gornick, Oak Lodge Water Services, Diana Helm and Tim Chairet, commissioners elect; Ann Marie Tosoni, Epic Land Solutions; Michael Walters and Sally Curran (joined at 6:20 pm), City of Happy Valley; and Dan Houf and Robert Jacobson (joined at 6:23 pm), HHPR

### CALL MEETING TO ORDER

Hawes called the meeting to order at 6:03 p.m.

A motion to approve the agenda was made by Barth and seconded by Coate. The motion carried unanimously.

**ROLL CALL** - Anderson performed the voice roll call.

### BUDGET HEARING

The budget hearing was opened at 6:07 pm. Hawes called for any public comment on the approved budget. Seeing none, the hearing was closed at 6:08 pm.

### 1. CONSENT AGENDA

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

- 1.1 Approval of Minutes of April 21, 2021 Rate Hearing
- 1.2 Approval of Minutes of April 28, 2021 Regular Meeting

### 2. DISCUSSION ITEMS

2.1 Adopt Resolution 2021-04, Adopting the FY 2021-22 Budget and Authorizing Appropriations

Hathhorn noted that a date in the resolution would need to be corrected prior to execution.

A motion to adopt Resolution 2021-04, Adopting the FY 2021-22 Budget and Authorizing Appropriations was made by Coate and seconded by Barth. Motion carried unanimously.

2.2 Adopt Resolution 2021-05, Authorizing Interfund Loans

Hawes asked Hathhorn to provide a short background on the board philosophy on cash financing of capital projects for the benefit of the commissioners elect that were in attendance. Hathhorn did so and indicated that the resolution before the Board for consideration is the mechanism to facilitate the on-going series of interfund loans from the General Fund to the Construction (SDC) Fund.

A motion to adopt Resolution 2021-05, Authorizing Interfund Loans was made by O'Meara and seconded by Bailey. Motion carried unanimously.

### 2.3 City of Happy Valley Round About Presentation

Hathhorn provided an introduction to the both the Happy Valley Super Block project and the 129<sup>th</sup> improvements and invited the presenters to introduce themselves; Dan Houf of HHPR and Michael Walters of Happy Valley.

Dan Houf presented information on the design proposal for the Happy Valley roundabout at 129<sup>th</sup> Avenue and King Road. He discussed the proposed schedule to complete plans in 2021 and move to construction in 2022. He discussed the 30% design illustrations presented to the Board and the benefits of the compact roundabout design.

Michael Walters provided the perspective that the City Council gave direction to pursue the compact roundabout option and that the process underway is in response to that direction.

He posited that participation in the project would benefit Sunrise by off-setting the cost we would incur for future traffic capacity improvements Sunrise would be required to make as a part of any zone change effort to facilitate disposal of the property as other than IPU. He noted that Sunrise will receive payment for any property acquired for the project.

Helms asked if the compact roundabout design has the ability to handle double dump trucks. Houf stated that the turning templates from the traffic engineers indicate that they will, even if it requires some use of the drivable apron in the center.

Hawes asked presenters to address two issues. First, the proposed compensation is for the temporary construction easements, but those are later converted to permanent and there's no value presented for that, and second, routing customer traffic through our active operational yard is not a viable option.

Walters commented that the only acquisition being considered now is for the interim design. There was an extended discussion about how parking and customer movement could be addressed in the interim and long term. Hathhorn reiterated that under no condition was routing customer and public traffic through our active operations yard going to be considered an acceptable option.

Walters stated that if the 30% design before the Board isn't viable then there are two options; look for an alternative design or change the schedule of the project for construction to begin after operations are transitioned to the new Sunrise administration and operations facility. Barth asked about the intended time frame for construction. Walters indicated that the construction time frame presented is only a goal and there are no preconditions on loans or any other program that would prevent the schedule from being changed. Helms expressed the opinion that the plans should be tabled until construction on the Sunrise project has reached a phase where the schedule is known. Walters countered that moving forward with roundabout plans will provide additional certainty going forward.

Barth noted that the conversion of existing parking area to non-usable space in the long term plans creates lost value for Sunrise which is not accounted for. Walters asserted that as Sunrise will no longer be using the building by that point, Sunrise won't have a need for the parking area so there is no loss of functional value.

Barth asked if the acquisition is necessary for Happy Valley to move forward with planning. Walters stated planning can proceed without acquisition.

Houf asked that Sunrise share information on how the property is used to assist with their work to craft another alternative.

Coate asked if there were any restrictions on potential up-zoning of the property. Walters explained the various processes that would be required to change zoning on the property. Hawes thanked Houf and Walters for their time.

#### 2.4 Adopt Resolution 2021-06, Modify Employee Paid Time Off Policy (PTO)

Hathhorn provided background on the Sunrise transition from traditional vacation and sick time to PTO and how the original package was crafted. He stated that staff had shared with him concerns they had related to the current PTO package, specifically that granting leave purely on an accrual basis created real hardships for new employees that had not been on the job long enough to accrue sufficient time to cover illnesses and employees early in their careers with limited accruals who also have more substantial family obligations.

Hathhorn noted that proposed changes were developed in an iterative process between himself and staff. He directed the Board to the tables presented in the staff report. He went on to discuss the specific rules related to both sick leave and PTO.

Hathhorn noted that the conversion of vacation and sick to PTO was done at different rates and it resulted in some staff losing days from sick leave that has impacted their ability to meet family obligations, especially early in their careers with lower accruals and greater demands from their families.

He also commented that the Board at the time was adamant that there be no buyback provisions for unused time, as they wanted to make sure that people were taking leave for the purpose intended, rest and rejuvenation. He discussed how the proposal allows for conversion of some leave into a VEBA account, which is similar to FSA accounts, and how this would benefit the few employees with a consistent overage of leave accumulated. He also reiterated that this proposal was the result of negotiations with staff.

The Board asked questions about several aspects of the proposal, including confirmation that conversion would be limited to a maximum of half of the annual accrual per year, that conversion could only be triggered at the 400-hour accrual mark, and confirmation that an employee would have to be with the agency for a decade for conversion to even be an option.

Bailey asked if other conversion options had been considered. Wolff commented that the VEBA accounts allow for some options within the accounts.

Coate noted that this was a change to the compensation package offered by Sunrise and asked about the fiscal impacts of the proposal. Hathhorn responded that worst case, it would be five additional days per year. Coate asked if this should be part of a larger discussion about compensation overall. Hathhorn noted that had happened recently and the compensation and benefits summary is included in the meeting materials.

Barth commented that the front loaded 5 days is a gift, not an accrual. Hathhorn noted that young and new employees are looking for this benefit when they are weighing their options for employment. He conceded that a liability is created with no claw back. The board members briefly discussed scenarios where employees could take advantage of the leave. O'Meara stated that he doesn't see those types of scenarios as a likely problem. Coate qualified that he likes the incentive of accruing an additional day each year instead of having to wait for 5 years to see changes. Barth expressed that he would like to see an alternative with language that prohibit those scenarios with some form of claw back option.

Bailey asked if Sunrise offers comp time. Hathhorn noted that it does not and he is opposed to the option, citing (among other issues) the desire to avoid tracking yet another form of leave.

Hawes suggested that this item be placed on the agenda for next month and that Hathhorn address the Board's concerns in a new version. Hathhorn offered that a more detailed report on current benefits would also be provided.

#### 2.5 Adopt Resolution 2021-07, Variance to Main Extension Rules & Regulations

Jannsen explained the standing rules and regulations related to water main extensions and noted that in this circumstance it was not in the agency's best interests to adhere to those standards. Jannsen described the specific conditions related to the properties and their surroundings and discussed the option that he would prefer to propose to the developer.

A motion to adopt resolution 2021-07, Variance to Main Extension Rules & Regulations was made by Bailey and seconded by Coate. Motion carried unanimously.

### 3. STAFF REPORTS

#### 3.1 Manager's Update

Hathhorn noted that work is underway to solidify the rules that govern returning to in-person work at the office in the near term, potentially in June.

He noted that this is the 5<sup>th</sup> driest May on record so far. He commented that it could actually be an advantage that the flow restrictions that are being considered as part of the water rights extension are not legally in place this year, so won't be in effect later in the year when it could become an issue.

He extended his thanks to the new and returning board members for their willingness to participate on the Board.

He noted that the fire district is waiting for dryer conditions before resuming training at the Young's Lane property.

Hathhorn informed the Board that we are still struggling to get a wetlands permit approved and that he places the odds of beginning earthwork this year at about 30%. There was general discussion about how costs may shift due to a delay.

#### 3.2 Engineering & Construction Reports

Hathhorn asked Jannsen if this is the lowest buildable lots inventory in a decade. Jannsen confirmed that.

#### 3.3 Operational Reports – No comments

#### 3.4 Finance Report

### 4. BOARD BUSINESS

#### 4.2 Liaison Reports & Meeting Attendance

Coate noted that the Board for the NW Contractors Association is working with the Portland Water Bureau to hold an earthquake resistant pipe expo. It was noted that using this pipe takes extra engineering on the front end and that local contractors will need training on the installation of the product. Jannsen that Sunrise current standards require restrained joints in certain applications, but that it is not as good as the earthquake pipe.

Hawes noted that he attended the service for CRW commissioner Hugh Kalani and that CRW had also suffered another loss as Jason LaBrie was lost during a fishing expedition.

Hawes commented that the Board should be considering when to return to live meetings. The majority of the Board indicated that they had been vaccinated. Hathhorn stated that he thinks

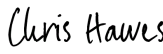
BOLI and OSHA will have new standards available this month or next and that it is being considered as returning to the office is being addressed.

5. EXECUTIVE SESSION

The Board entered an executive session held pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions at 8:06 pm.

6. ADJOURN

The Board returned to regular session and adjourned at 8:38 pm.

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CHRIS HAWES, CHAIR

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KEVIN BAILEY, SECRETARY