



## M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, January 25, 2023 at 6:00 p.m.** at Sunrise Water Authority, 10602 SE 129<sup>th</sup> Avenue, Happy Valley, Oregon 97086, and virtually via Zoom.

**Commissioners Present:** Chris Hawes, Chair; Andy Coate, Vice Chair; Kevin Bailey, Secretary; Tim Chairret; Diana Helm; Kevin O'Meara

**Attended Remotely:** Gary Barth

**Commissioners Absent:** none.

**Staff Present:** Wade Hathhorn, General Manager; Jamey Pietzold, Finance Director; Cindy Wolff, Administrative Manager

**Visitors Present:** Paul Gornick, OLWS; Sherry French, CRW

### CALL REGULAR MEETING TO ORDER

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

### VOICE ROLL CALL

### PLEDGE OF ALLEGIANCE

### APPROVAL OF THE AGENDA

Bailey made a motion to approve the agenda and Coate seconded. The motion carried unanimously.

### PUBLIC COMMENT

Hawes shared the news that CRW's Water Quality Manager passed away unexpectedly. Hawes expressed his condolences on behalf of Sunrise, and offered Sunrise's support to CRW.

### 1. CONSENT AGENDA

O'Meara made a motion to approve the consent agenda consisting of the items listed below, and Chairret seconded. The motion carried unanimously.

- 1.1 Approval of Minutes of December 21, 2022 Board Meeting
- 1.2 2023 System Development Charges
- 1.3 Acceptance of Water Mains and Related Facilities for Cobalt Apartments East Phase

### 2. DISCUSSION ITEMS

#### 2.1 Appoint Budget Officer and Adopt Calendar for FY2023-24 Budget

Hathhorn noted the proposed calendar in the Staff Report and recommendation to appoint Jamey Pietzold as the Budget Officer. Barth made a motion to appoint Jamey Pietzold as the FY2023-24 Budget Officer and approve the proposed budget calendar and Bailey seconded. The motion carried unanimously.

#### 2.2 Adopt Resolution 2023-01 Approving a Scheduled Rate Increase

Hathhorn stated that in 2021 the Board adopted a three-year rate plan that gave it the option to adjust rates each January by up to five percent; anything above that would require a public hearing. The current rates and Staff's proposed rates were presented in the staff report. Hathhorn explained that costs have gone up and are expected to continue to do so, leading Staff to recommend a full five percent increase. Coate asked about index changes last year. Hathhorn and Hawes estimated they were seven or eight percent. Hathhorn stated that the long-term debt service will be retired

next fiscal year. Coate supported the increase. Barth said he's still an advocate for the adopted indexing.

Helm made a motion to adopt resolution 2023-01, approving a scheduled rate increase of five percent for both water rates and service charges. Chairlet seconded the motion and it carried unanimously.

Barth asked for a reconciliation to be done based on the current index to determine if it's the right index.

### **2.3 Acceptance of FY2021-22 Annual Comprehensive Financial Report and Acknowledgement of Receipt of the AU-C 260 Letter**

Pietzold provided background on the Annual Comprehensive Financial Report. He explained that it was completed by Grove, Mueller and Swank LLP (GMS), and there were no findings.

A guest entered to make public comment on a cell tower lease. The guest exited after learning that the other involved party had informed Staff of their intention to make public comment at the February meeting.

Pietzold stated that there were learning curves due to the new auditors as well as himself being new to the position. Helm asked if he was happy with the process. There was a brief discussion about what it was like working with a new audit firm after Sunrise's previous auditors left the auditing business and the impact it had on a number of public agencies served by that audit firm. Hawes shared that the fire department had the same experience and believed there were probably a record number of audit extensions this year.

Pietzold summarized that the audit accurately represents financials. Hathhorn gave Pietzold kudos for his work on the audit.

Barth asked about a comment regarding classifying expenditures. Pietzold said he was also curious about that same comment and planned to ask GMS about it at the exit meeting. There was a brief discussion that there's some flexibility in spending that doesn't require a supplemental budget.

The Board acknowledged receipt of the Annual Comprehensive Financial Report for FY2021-22, and the communication letter from GMS.

### **2.4 Administration of Paid Leave Oregon**

Pietzold provided background on Paid Leave Oregon (PLO), specifically that Sunrise is considered a large employer due to the number of employees, and that, by the State's count, Commissioners count as employees. He explained the breakdown of employer and employee contributions and summarized the amount of leave provided by PLO and the allowed uses. O'Meara asked when the leave resets. Pietzold replied that the benefit year starts when the individual employee starts receiving benefits. He noted that contributions had started this month and the benefit becomes available September 3. Pietzold described the options available for administering the leave and any third party would have to be approved by the State. As of now, only The Standard has been approved. Hathhorn summarized the options, noting that if an organization wanted to change providers at a later date, it would be easier to move from the State program to a private insurer than in the other direction. There was discussion about the risks associated with selecting an insurer not yet approved by the State, given the possibility that the State may not approve the insurer's equivalent plan.

Pietzold concluded that Sunrise will pay the State in March for this quarter's payroll taxes and shared the deadlines to submit an equivalent plan. He said Staff is keeping an eye on PLO, monitoring

equivalent plans and there's no action needed from the Board at this time.

### 3. STAFF REPORTS

#### 3.1 Manager's Update

Hathhorn provided updates on the following items: construction of the new administrative and operations facility; damage to construction of the new facility during December's weather event; weather changes and its effect on water supply; cell tower leases. Hathhorn explained that Staff is working on the risk management program, including policies, insurance coverages, and health and safety. He noted that there may be a need to hire a consultant (industrial engineer) to help with the process. He reminded the Commissioners of the upcoming election.

#### 3.2 Engineering Report

#### 3.3 Construction Report

#### 3.4 Operational Report

#### 3.5 Financial Statements – December 2022

Hawes asked about a draw on the Oregon business loan. Pietzold said he requested it around January 10, but he hadn't heard back yet as a 30-day turnaround is expected.

### 4. BOARD BUSINESS

#### 4.1 Board Calendar

The Board agreed by consensus to reschedule the November and December meetings to the 29<sup>th</sup> and 20<sup>th</sup> respectively, due to the holidays.

#### 4.2 Meeting Attendance and Liaison Reports

COMMISSIONER	MEETING	IN PERSON/REMOTE
Barth	RWPC – December 11	Remote
O'Meara	None	N/A
Bailey	None	N/A
Helm	Chamber of Commerce	Remote
	Chamber WILMA Awards – January 19	In Person
Hawes	Chamber of Commerce	Remote
	Boring Water	In Person
	CRW	In Person
	OLWSD	Remote
	NCCWC	In Person


#### 4.3 Information Items

#### 4.4 Future Agenda Items

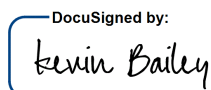
Barth requested future discussions on water redundancy and disaster recovery, and an ASR well update.

### 5. ADJOURN

Hawes adjourned the regular meeting at 7:25 p.m.

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CHRIS HAWES, CHAIR

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KEVIN BAILEY, SECRETARY