



## M I N U T E S

A regular meeting of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, June 28, 2023 at 6:00 p.m.** at Sunrise Water Authority's Administrative Office, 10602 SE 129<sup>th</sup> Ave, Happy Valley, OR 97086, and virtually via Zoom.

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

**Commissioners Attending Remotely:** Gary Barth

**Commissioners Absent:** Tim Chairret

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

**Visitors Present:** Paul Gornick, OLWS Board (in person); Sherry French, CRW Board (remote)

### CALL REGULAR MEETING TO ORDER

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

### PLEDGE OF ALLEGIANCE

### APPROVAL OF AGENDA

Coate made a motion to approve the agenda as presented and O'Meara seconded. The motion carried unanimously.

### PUBLIC COMMENT

#### 1. CONSENT AGENDA

##### 1.1 Approval of May 24, 2023 Minutes

O'Meara noted he was missing from the liaison reports and reminded Wolff that he hadn't attended any meetings the prior month.

Coate made a motion to approve the consent agenda with the noted changes to the Minutes, and O'Meara seconded. The motion carried unanimously.

#### 2. DISCUSSION ITEMS

##### 2.1 Initiate FY2022-23 Audit

Pietzold summarized that this is a normal annual process. Hawes asked if Sunrise engaged the same firm last year, and if so, what was Staff's feedback on the process. Pietzold said he hopes the process will be more efficient this year since neither he nor the auditors are new to the organization. He summarized the expected timeline.

Coate made a motion to authorize Sunrise to engage Grove, Mueller and Swank, P.C. for the FY2022-23 audit and acknowledge receipt of the Audit Engagement Letter. Barth seconded the motion and it carried unanimously.

##### 2.2 Amended Contract Extension for New Facility Construction

Hathhorn summarized the discussion from last meeting. The Board accepted the schedule change but requested more information regarding the changes to cost. Since then, the contractor has provided a revised estimate as well as a correction to the schedule, both of which are outlined in the packet. Hathhorn noted that KNCC would need to provide invoicing and that there could still be delays as we get closer to the end.

Coate asked if this is a not-to-exceed (NTE) number. Hathhorn said sort of, adding it's not a guarantee that we'll pay any of it without sufficient back up. Helm asked about the status of the electrical components. Hathhorn hasn't seen an ETA, but they have the incentive of wanting to wrap this project up. There was a discussion of possible delays. Hawes commented that he felt this was more reasonable as construction starts winding down. Helm asked if two motions were necessary. Hathhorn said he would prefer to keep the schedule change and financial pieces separate.

Coate made a motion to approve the General Conditions not-to-exceed cost of \$40,110, subject to invoicing. Bailey seconded the motion. The motion carried with Helm voting in opposition.

Helm made a motion to approve the contract change to amend the date of substantial completion to September 1, 2023. O'Meara seconded and the motion carried unanimously.

### **3. STAFF REPORTS**

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

Hathhorn gave updates on the new building construction, including all cost to date. He commended Pietzold for his diligence in tracking. Hathhorn shared his appreciation for the work of the contractor. There was a discussion about solutions for covering the crack that was the result of a winter freeze event.

Hathhorn discussed workforce issues, emphasizing that it's the most pressing problem for the organization.

Hathhorn shared an update on snowpack. The Governor has just started addressing drought conditions. Barth asked if the aquifers were replenished from the snowpack. Hathhorn said he didn't know specifically, but we will see. Could be a few to 10,000 years' delay to see ground water reserves.

Hathhorn shared milestone anniversaries on staff.

#### **3.2 Engineering Report**

#### **3.3 Construction Report**

Hawes commented that there are some projects due to kickoff. Coate asked about bids for the High Ridge Court Project. Hathhorn stated there were two bids, but details are coming under the LCRB.

#### **3.4 Operational Report**

#### **3.5 Financial Statements**

Pietzold noted that the general fund is on target to achieve its water sales revenue forecasts, and the SDC fund will come in just over 50%. The Engineering Manager has informed Pietzold that there is development in the queue.

Pietzold shared that Sunrise made the second draw of the Business Oregon loan and received the funds in June. Hawes asked Pietzold for his feedback on working with them. Pietzold commented that they've been great. Hathhorn referred to the summary bar chart of cash balances for May 2022 to May 2023, noting that there hasn't been much erosion in the cash reserves. He stated that the underspending has been caused by a lack of staff and materials. Barth commented that there should be a strategic planning session for how Sunrise will draw from that and catch up when staffing numbers are back up.

### **4. BOARD BUSINESS**

#### **4.1 Board Calendar**

## 4.2 Meeting Attendance and Liaison Reports

Commissioner	Meeting	Remote/in person
Barth	None	--
Bailey	None	--
Helm	Chamber Public Policy	Remote
Coate	None	--
O'Meara	None	--
Hawes	Boring Water CRW Oak Lodge	In Person In Person Remote

## 4.3 Information Items

Hawes noted that this would be Helm's last meeting and shared his appreciation for her service.

## 4.4 Future Agenda Items

# 5. CONVENE LOCAL CONTRACT REVIEW BOARD

## 5.1 Notice of Intent to Award Construction Contract

At 6:58 p.m., Hawes recessed the regular meeting and convened the Local Contract Review Board.

Hathhorn stated that the purpose of convening the LCRB was to award a construction contract to Elk Mountain Construction in the amount of \$527,380 for the High Ridge Court/Dogwood Lane waterline replacement and extension. He stated that we received two bids, the other was from Trench Line Excavation. Both bids were above the engineer's estimate, however staff resolved the underestimate for the project costs. Both bids were complete and responsive, and the lowest bid was accepted. In order to advance the schedule, Hathhorn issued Notice of Intent to Award to start the seven-day protest period which was over today, allowing the Board to approve the contract.

Barth made a motion to authorize the General Manager to execute a construction contract for Elk Mountain Construction, Inc. in the amount of \$527,380. Coate seconded the motion. Helm recused herself due to a possible conflict of interest. The motion carried with Helm abstaining.

Hawes reconvened the regular meeting at 7:01 p.m.

Hathhorn reminded all that alternatives for signage at the new facility are being considered. There was a brief discussion.

## 6. ADJOURN

Hawes adjourned the regular meeting at 7:05 p.m.

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*Chris Hawes*

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CHRIS HAWES, CHAIR

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*Kevin Bailey*

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KEVIN BAILEY, SECRETARY