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MINUTES

A REGULAR MEETING of the Sunrise Water Authority Board of Commissioners, was held on Wednesday, January 25, 2012 at 6:00 PM at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon, 97086.

Board Present: Ernie Platt, Chair; Ron Blake, Vice Chair; Terry Roskey, Secretary; Bob Garbarino, and Mike Kuenzi.

Staff Present: Wade Hathhorn, General Manager; Lin Rigutto, Finance Director; Dan Fraijo, Operations Supervisor; Christin House, Customer Service Supervisor; Tim Janssen, Staff Engineer and Kim Anderson, Government Relations Manager.

Visitors Present: Barbara Kemper, Patricia Holloway, and Grafton Sterling, CRW; and Myron Martwick, Oak Lodge Water District. Fred Fisher (departed at 7:38 PM)

1. CALL MEETING TO ORDER

The meeting was called to order at 6:04 PM.

2. INTRODUCTIONS & WELCOME OF VISITORS & FLAG SALUTE

3. PUBLIC COMMENT

Holloway complimented Hathhorn on the spreadsheet that was presented at the Clackamas River Water Providers.

Holloway asked if it was possible to ask the Board questions about the ORS 190 process. The Board stated that it was permissible.

She asked if there was a draft agreement for the 190 available. Hathhorn stated that there was not; that it was not drafted yet. She asked if there was a plan to conduct further negotiations in public. Hathhorn stated that once the draft agreement was completed it was intended that discussions would be conducted in open sessions.

Blake commented that Holloway was a part of the original Group of 8 and was a signatory on the confidentiality agreement that was signed by all of the parties at the outset of the process. He stated that the draft agreement is still in that process and covered under that agreement.

Kemper stated that the Commissioner Holloway was aware of the confidentiality agreement.

4. APPROVAL OF AGENDA

5. PUBLIC HEARING ON ORDINANCE 2011-02, AN ORDINANCE OF THE SUNRISE WATER AUTHORITY RATIFYING THE INTERGOVERNMENTAL AGREEMENT FORMING THE CLACKAMAS RIVER WATER PROVIDERS CREATING AN INDEPENDENT ENTITY PURSUANT TO ORS 190.085. SECOND READING, BY TITLE ONLY.

The public hearing was opened at 6:10 pm

Blake asked if the ordinance number should be changed to 2012.

Anderson stated that since the ordinance originated in 2011, and the first hearing was already held under that number, the number should remain the same.

A motion to direct the manager to read the ordinance by title only was made by Roskey and seconded by Blake. Motion carried unanimously.

Hathorn read the ordinance by title only.

A motion to adopt Ordinance 2011-02, was made by Blake and seconded by Roskey. Motion carried unanimously

6. CONSENT CALENDAR

Roskey pulled item 6.2 for individual consideration.

A motion to approve the consent calendar consisting of the items listed below was made by Blake and seconded by Garbarino. Motion carried unanimously.

6.1 Approval of

6.1.1 Minutes of December 28, 2011 Meeting

6.3 Acceptance of Water Mains and Related Facilities for Southern Ridge Phase 1 Subdivision

6.4 Acceptance of Water Mains and Related Facilities for Stone Ridge Summit Subdivision

6.2 Approval of Expense Report for December 2011

Roskey commented that the credit card statement showed charges from last month.

Rigutto stated that the correct credit card report will be provided at the next meeting.

Anderson stated that the credit card report is not technically a part of the expense report and therefore does not require Board action.

A motion to approve the expense report was made by Roskey and seconded by Garbarino. Motion carried unanimously.

7. DISCUSSION

7.1 Audit of top 25 Water Users

Hathhorn commented that one of the objectives for the year was to get a better handle on internal information. The audit is currently a difficult item to produce. Additional training will be provided to multiple staff members in order to allow for better access to customer data and the production of additional reports. He stated that this is primarily an informational item. He also stated that the process of creating this report revealed an account error in one of these accounts.

Platt asked if there was any knowledge as to future actions anticipated by any of these customers that would affect their usage. Hathhorn commented that Sunrise tries to keep in contact with business customers through various events but that there's little access for us to their planning process.

Roskey asked how long the Mt. Scott Commons error occurred. Staff stated that it was for about 3 months and that it was actually the register, not the meter that was broken.

Hathhorn stated that we not only want to look at these accounts from the book perspective, but that we need to spend time in the field actually evaluating the larger users meters.

7.2 Bonding Capacity & Financial Report Card

Hathhorn commented that Staff had promised to bring back a report on performance metrics periodically, and this report is a result. He stated that the position is beginning to improve. Platt asked if there was a way to give comparison dates. Rigutto stated that there will be another report in June that will compare against this. Kuenzi asked if there was intent to set objectives for this. Hathhorn stated that it is the intent to do so.

There was further discussion about the data sample in the Fitch report.

8. BUSINESS FROM THE BOARD

8.1 Calendar of Meetings

Roskey won't attend the Boring meeting on the 14th.

February 1 is the regional water providers Board meeting.

Holloway mentioned that the CRW meeting has been moved back from the 9th to the 8th, due to the SDAO conference.

8.2 Liaison Reports

Platt stated that the City Manager and the City Clerk of Damascus will be resigning in June. The city has posted a job opening for the Finance Director, interviewed applicants, and made a job offer. The candidate turned it down. Platt commented that John Morgan has been hired on a part time basis as the interim community development director.

Blake stated that CRBC is now located at the girl scouts in Milwaukie.

Garbarino commented that the City of Happy Valley was looking at changing the way they collect fees in order to allow them to spend them differently.

9. BUSINESS FROM THE MANAGER

9.1 Financial Reports

Hathorn commented that this report provides a mid-year perspective. He stated that actual numbers are coming in close to projected numbers. He commented that in years past the higher consumption of the summer created a situation where 70% of revenue is normally accounted for at this point in the fiscal year. Since the rate profile has shifted more to the service charge, the revenue is more evenly distributed through the year.

The Board engaged in a discussion regarding the current availability of lots and the projections for lot availability in the future.

Hathorn wanted to comment that Staff does a good job of being aware of the budget and sticking to it.

Hathorn commented that meter sales have already exceeded the budgeted number of 100.

A motion to accept the financial report was made by Kuenzi and seconded by Blake. Motion carried unanimously.

9.2 Cash Flow Report

9.3 Manager Updates

Hathorn discussed the balanced scorecard report that he provided for the Board's information. He discussed the progress that the Staff has made in achieving the

objectives that have been laid out. He discussed staff morale, the staff development program, safety programs, internal controls, and the continuing difficulties with using the billing system to a greater extent. He discussed the problem with the records management program; the sheer volume, the lack of personnel resources, and the need for organizational structure for the files. He discussed the advancements that have been made in emergency response training. He noted that efforts have begun on the communications plan and an RFP for a website design vendor has been released.

He discussed the needs to advance the skill set and in-house inspection capability to improve the effectiveness and thoroughness of facility inspections. Roskey asked if staff was tracking temperature and vibrations on pumps. Fraijo stated that recording that information has not been consistent and that he feels that it is something that really needs to be addressed.

The Board stated that this was good information.

The Board discussed the process for filling the Board vacancy. There was a discussion of an open until filled option versus a set time frame. Set February 29th as the closing date for accepting applications.

10. MONTHLY REPORTS

10.1 Operational Reports

This item was provided for information only.

10.2 Engineering and Construction Reports

This item was provided for information only.

10.3 Presentation on Construction Projects

Fraijo made a brief presentation on the Con Battin and 132nd project.

Jannsen commented that Sunrise now has two companies on contract. Landis performed well, so it is nice to have options to call on in case of emergencies.

Hathhorn commented that he had discussed the cell tower revenues at the last Board meeting. In the meantime, Sunrise has been approached by one company who is interested in buying all of the leases or even potentially buying the land with a leaseback option for the reservoirs. In another case a contract that has expired has been sold to a company called Silke Communications, who manage and market cell locations. Silke is preparing a proposal for site management. He commented that he views Crown's proposal for \$1.5 million as a starting point for negotiations. He stated that the probability is that Sunrise will remain in the cell tower business. He emphasized that there is, at minimum, a need to access additional assistance in determining what risk Sunrise has in association with owning property with cell towers on it and how to manage the facilities and that risk.

A motion to adjourn was made by Roskey and seconded by Garbarino. Motion carried unanimously. The meeting was adjourned at 7:18 pm.



ERNIE PLATT, CHAIR



TERRY ROSKEY, SECRETARY