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MINUTES

A work Session of the Sunrise Water Authority Board of Commissioners was held on Wednesday, February 9, 2011 at 6:00 PM at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon, 97086.

Board Present: Bob Frentress, Chair; Ron Blake, Vice Chair; Judy Grycko; Bob Garbarino, Ernie Platt, and Terry Roskey.

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

Visitors Present: Barbara Kemper, CRW and Myron Martwick, Oak Lodge Water District.

1. CALL MEETING TO ORDER

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

2. INTRODUCTIONS & WELCOME OF VISITORS

3. FLAG SALUTE

4. PUBLIC COMMENT

5. INFORMATIONAL ITEMS

5.1 OWRD Permit Extensions

Hatthorn commented that the Administrative Law Judge has issued opinion on a proposed final order. An additional issue has arisen that relates to whether or not climate change issues will affect the persistence of fish. There is a concern that the inclusion of this issue may create an issue that remands the extensions back to WRD for consideration. In short it is likely that this will be remanded to the Court of Appeals.

5.2 CRWP Chair

Hatthorn informed the Board that he has been selected as the Chair of the CRWP.

5.3 Index of Economic Indicators

This item was provided for information only. Hatthorn commented that the report tends to indicate a stabilization in economic conditions.

5.4 Public Contracting Rules

Hatthorn commented that at the last meeting he had proposed several contracts for goods and services be developed.

Platt arrived at 6:15.

He informed the Board that the existing public contracting rules previously adopted by the Board are defunct since they have not been updated as required by the Attorney General's Rules.

He recommended that the Board adopt the Attorney General's model rules. There was a brief discussion about the distinctions between the rules formerly in place at Sunrise and the Attorney General's model rules.

A motion to revoke Resolution 2005-04 and adopt the Attorney General's Model Rules as the public contracting rules for Sunrise Water Authority was made by Grycko and seconded by Blake. Motion carried unanimously.

There was a question about whether or not it was necessary to adopt the rules by Resolution rather than just by motion. Staff stated that they did not believe so but would double check.

6. WORK SESSION ON POLICY REVIEW

6.1 Continued review of existing policies

Grycko asked when the Board would see policies that reflect changes that the Board has recommended at previous meetings. Hatthorn stated that the intent is to go through the entire list before returning to modified policies.

Temporary Irrigation Meter Policy: Janssen commented that this policy was established primarily with other public agencies in mind. This is the policy that accommodates such things as irrigation of planter strips in roadways during the establishment of the vegetation. Hatthorn commented that there is a customer that has a meter who is approaching the end of the 36 month time period. The concern is that the language is vague regarding the timing of paying the SDC's in relation to the request for conversion to a permanent meter. There was some discussion as to if it would be appropriate to allow for extensions of the time frame.

Wellness Program: The language was changed to eliminate references to “wellness program” and converted to be termed an incentive.

Concurrency of Application for Municipal Annexation and Water Service Provision: Hathhorn commented that the language was reverted to what was originally contained in the IGA with Happy Valley to avoid any issues related to interpretation of that language. The Board discussed if the types of properties that the policy would apply to and if the agreements created under this policy would be legally enforceable. Staff shared that the latter question is essentially untested at this point and that a decision on the topic would need to be made by a court to provide a definitive answer as to the legality of such agreements.

6.2 Review Resolutions Containing Policy

Public Records Policy: Anderson stated that the policy was largely generated by legal counsel at the time it was created. Anderson stated that there aren't any substantive changes proposed to the document at this time due to the fact that there are several pieces of legislation currently being considered that will significantly affect the content of this policy. Any changes that result from changes in law will be brought back after the close of the legislative session.

Irrigation Control Policy: Anderson commented that the original intent was to implement an ET based irrigation control program, in which Sunrise would eventually take over operations of developer installed ET based controllers. The Resolution was introduced before the program was fully developed and Sunrise has not and is not pursuing that program. As a result, it is the recommendation to rescind the policy in its entirety. Anderson stated that it is the intent of Staff that all actions related to the policies being reviewed will be handled in one action at the end of the review process.

Reclaimed Water: Hathhorn commented that this issue requires a larger conversation on the Authority's plan regarding reclaimed water in relation to water supply planning.

Identity Theft Prevention Policy: Hathhorn commented that there were no changes to content; it was simply reformatted from a resolution form to a policy format.

The Board took a short break at 6:54 pm to get additional drinks. During this interim Hathhorn update Platt on the situation with the Permit extension process.

Communications and Computer Use Policy: Hathhorn commented that the changes related to this policy are an example of dividing administrative directive and policy. The majority of the deleted content will reappear in the employee handbook or guidance manual.

Platt stated that the revised policy is very concise.

Hathhorn asked the Board about the use of social media network use for the Authority since the policy is silent in relation to this issue. He commented that many firms are migrating to actively using social media as a communication and education mechanism

for the Authority. He stated that the IT Staff has suggested that there are vulnerabilities that are created by the use of such media. He discussed the option of installing separate equipment dedicated to the use of this technology in the future.

Platt commented that the language proposed does not preclude the use of social media in the future.

Roskey asked what kinds of protections are offered for customers that pay online or through automatic payments. Rigutto stated that electronic payments are handled through a third party company and that none of that information is stored on site. Hathhorn commented that third party companies use the best available technology, although nothing is guaranteed 100% secure.

Budget Policy: Rigutto stated that the policy essentially reflects requirements under state law; however the auditors have indicated that Sunrise needs to have it in policy format. Hathhorn stated that the intent of both the Budget policy and Financial Management policy are for getting housekeeping rules in order to better document how Sunrise performs these functions.

Rigutto stated that there are no financial policies currently in place. She commented that, again, this is something that the auditors expect to see. She commented that due to the small size of the finance staff it is essential that the Board plays a role in oversight of financial functions. Blake asked how uncollected bills are handled. He stated that Oak Lodge takes Board action to write off uncollectible amounts. Rigutto stated that Sunrise turns uncollected bills over to a collections agency and writes them off at that time, as required. A brief conversation regarding the accounts turned over to collection agencies ensued.

Grycko asked if the purchase limits specified in the internal controls section were in conflict with the credit card limits approved under the credit card policy.

Hathhorn commented that it may be possible to create a document that employees issued a credit card would execute that would obligate the employee for the credit card debt. He stated that he is uncertain how enforceable such a document would be, but it might be enough to deter those who would abuse their credit card privilege.

Re-establishing Water Service Under New Property Ownership: House stated that the history of this policy is that when Sunrise increased the fee for consulting on final bills was raised from \$10 to \$25, title companies quit calling for outstanding billed amounts. As a result, new owners may arrive at their new property and discover that the water service has been terminated and that service will not be reinstated until all past due amounts are paid. When this occurs the customers are thoroughly mad and Sunrise bears the brunt of their anger, especially the front office staff. To date, Staff has referred the new owners back to their title companies for recourse on this.

House and Jannsen commented the intent behind the increase of the fee was to collect for Sunrise's costs associated with providing that information, especially during the height of the real estate market when there was a high volume of requests. The Board discussed if the aggravation was worth the money.

House mentioned that there is also an associated issue with renters who have a balance due that simply have their roommate call and initiate a new service in their name. In that instance, Sunrise retains the rental deposit of \$100, but it may not be enough to pay the balance due. The Board discussed that PGE and others have a standing agreement with landlords that states that they are responsible for any unpaid balances left by tenants. The Board and Staff discussed how the billing cycle works with the landlord-tenant law requirement for refund of tenant deposits within 30 days. Blake stated that he was opposed to holding a new owner responsible for someone else's bill. Platt commented that this is only a lever to allow the new owner to seek appropriate redress from the title company, and that the proposed policy would allow Sunrise to reinstate water service on a temporary basis while the situation is resolved. The question is whether ten days is sufficient time to get resolution with a title company on the issue. The Board was in concurrence with Staff's proposal to allow for 30 days to conclude resolution.

SDC Credit Policy: Jannsen stated that there has never been a policy related to credits for SDC payments previously received, but has been handled on an informal basis. He commented that there are three specific scenarios where this would be applicable. He provided illustrations of the three scenarios in which granting an SDC credit would be appropriate.

Platt, from his perspective as a member of the Homebuilders Association, commented that this is a very timely and appropriate policy. He commented that some agencies are actually looking backwards up to ten years to grant these types of credits. Anderson stated that Zinser had been handling this on an informal basis, so there shouldn't be any outstanding issues related to this but it is intended to address the issue formally moving forward.

Jannsen stated that Sunrise Staff would be responsible for tracking the outstanding credits, but clarifies in the policy that it will be the holder of the credits responsibility to ask to use the credit when they ask for a meter to be located at a later date.

Cellular Phone and Related Equipment: Hathhorn stated that this covers any cellular devices that may be used for Authority business purposes. He commented that there are individuals that need to be provided a phone to keep consistency of service and others that have a different type of requirement. Keeping track of personal use on cell phones can be problematic and there are requirements for personal use to be claimed as taxable income. Rigutto stated that the bill that we receive from Nextel is unlimited calls so there is no individual breakdown for personal call costs.

The Board questioned what issues were associated with the current situation. The consensus is to retain the current service for field staff that are assigned a phone and that those other staff that need a phone be granted an allowance.

The Board engaged in a brief discussion regarding the language that allows for the use of cell phones while operating a vehicle. Anderson stated that there is legislation pending that would eliminate that provision in its entirety and the wording would be changed to reflect that if it passes.

6.3 Begin Review of Personnel Policy Manual

Hathhorn commented that he wanted the Board to think in broad terms regarding a couple of issues prior to beginning the in depth discussion of the Employees Manual at the next work shop. He pointed out changes on page 12 related to the authority of the General Manager to grant salary changes other than at the beginning of the year. The proposed language would have the Board approve a salary pool in the budget and allow the General Manager more latitude in determining when and how adjustments would be made.

He directed the Board to note that there is a change in the sick leave accrual that would allow up to 16 hours of the accrued sick leave for personal leave purposes. This is a change in general policy that recognizes that there occurrences in an employee's life that may not relate to illness but certainly aren't vacation related, and that this would recognize that need.

A motion to adjourn was made by Blake and seconded by Roskey. Motion carried unanimously.

The meeting adjourned at 8:28 PM.

ROBERT FRENTRESS, CHAIR

JEANNE ANSPACH, SECRETARY