

10602 S.E. 129<sup>th</sup> Avenue  
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## MINUTES

A Regular Meeting of the Sunrise Water Authority Board of Commissioners was held on Wednesday, April 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, Judy Grycko, Keith Miller, and Mike Kuenzi.

Staff Present: Wade Hathorn, 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. David Blair, Citizen

Budget Committee members present: Randy Shannon, Sara Tarnovosky, Tom Ellis, Eric Hofeld, Mark Pedersen, and Peter Kreft.

### 1. CALL MEETING TO ORDER

The meeting was called to order at 6:02 PM

### 2. INTRODUCTIONS & WELCOME OF VISITORS & FLAG SALUTE

### 3. SWEARING IN OF BOARD MEMBER

Platt indicated that there was a small change in the agenda as Keith Miller needed to be sworn in as a Board member prior to the Board engaging in business in order to allow him to fully participate in the meetings.

Platt conducted the swearing in of Keith Miller as a member of the Sunrise Water Authority Board of Commissioners.

The meeting was recessed at 6:04 pm

The meeting was reconvened at 7:10 pm.

### 4. PUBLIC COMMENT

## **5. APPROVAL OF AGENDA**

## **6. CONSENT CALENDAR**

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

6.1 Approval of Minutes of March 28, 2012 Meeting

6.2 Approval of Expense Report for March 2012

Grycko asked about a check to Taco Bell. Jannsen commented that the check was for a final cost accounting on the installation of their meter.

## **7. DISCUSSION**

### **7.1 Audit of Commercial Accounts**

Hathhorn discussed the findings of an audit of commercial accounts that is being completed manually. He commented that since there has been so much difficulty with the billing system it has been necessary to conduct manual audits. He stated that in the findings there have been meters that have been under billed, some over-billed, and some that have been billed for meters that don't exist.

In particular, he discussed the meter at Happy Valley Elementary-Middle School that has been under billed since the meter was installed in 2007. He commented on his concerns with trying to collect \$37,850.51 from the school district; partly because of their budgeting process and partly from the fact that the schools are tax payer funded and our error will come back on our customers.

Miller commented that he sees the under billed amount as water under the bridge. His concern is related to having an audit process in place to assure that we are not repeating these types of errors in the future.

Roskey asked if the school's meter was a touch pad or a visual read. Staff stated it was visual and that is unacceptable that this type of error was permitted to go undetected and unreported for as long as it did. He stated that the meter staff had been informed that they have a specified date by which to bring these types of issues forward or in the future issues like this could lead to discipline, including termination.

Hathhorn commented that one of the ongoing problems has been the billing system and the inability to access information from that system to facilitate account audits. He stated that the Cognos programmer that the Board approved has informed Staff that the billing system program not only has significant flaws within the program, but that the service that has been provided in support of that program has also been wrong.

Grycko asked if the revenue lost because of the flawed system was enough to offset the cost of replacing the system. Hathhorn stated that he was not sure if that was the case, but expected that the cost for replacement would be somewhere in the range of

\$350,000 to \$500,000. He stated that the residential accounts aren't as likely to have errors of the same magnitude as the commercial accounts, but that staff is starting work on auditing the irrigation and fire service meters and it is likely that larger errors will be identified there as well.

Roskey commented that there appears to be a track record of poor performance within the meter reading staff and that should create some concerns as they are transferred over to field staff positions. Hathhorn commented that those staff members are all on 90 day performance improvement plans and they are on notice that they must meet performance expectations during the transition or they may not be retained. He commented that the management team feels that it is only right to give them the opportunity to prove themselves.

Kuenzi asked if there was a way to address these errors statistically. Hathhorn commented that if this discussion was about the residential accounts that it would be necessary to do so, simply because of the number of accounts. He stated that the limited number of meters in the commercial and irrigation accounts makes it possible for the audit to be addressed directly within a reasonable time frame. Hofeld asked if there was enough data available to create a curve so that efforts could be focused on the outliers. Hathhorn commented that the typical billing system process flags accounts for additional research that present information outside of the delta for that account.

Garbarino asked if forgiving the school district bill would create a conflict with the other large account that we are currently trying to collect on. Hathhorn stated that he hasn't confirmed with legal counsel that this would be an issue, but shared his opinion that there are differences in the circumstances that set the two accounts apart. He went on to comment on the payment plans that have been established in relation to Gentry.

A motion to write off the bill in the amount of \$37,850.51, due to the fact that the error was made by Sunrise was made by Blake and seconded by Miller. Motion carried unanimously.

## **7.2 Temporary Meter Policy**

Anderson provided background on the situation related to the initial Board action to grant Siri temporary irrigation agreement and the adoption of the temporary irrigation policy. The Board discussed the options of extending the current agreement, cancelling the agreement, or issuing a new agreement. The Board engaged in a conversation about whether or not there should be some sort of an opportunity cost charged for access to the water meter, since he is not paying an SDC but he is using the system.

A motion to approve offering a new temporary agreement based on the current policy, was made by Blake and seconded by Kuenzi. Motion carried unanimously.

## **8. BUSINESS FROM THE BOARD**

### **8.1 Calendar of Meetings**

### **8.2 Liaison Reports**

Roskey commented that Boring will be raising their rates by ten cents per unit in each of their four tiers.

Garbarino commented that the CRW Board voted to raise their rates at the last meeting. There appears to be some confusion about the exact amount of the increase.

Grycko commented that the NCCWC adopted their budget last night.

She stated that the Commission also discussed the City of Tigard's request to join the Clackamas River Water Providers and agreed that it would be acceptable to the Commission for the CRWP offer Tigard the option of accessing membership either under a joinder agreement with limited voting powers or full membership based on the full volume of water that they currently receive from Portland and Lake Oswego.

Blake stated that the Clackamas River Basin Council Annual Salmon Feed will be held in May.

Platt stated that the City of Damascus has hired Walden and Associates to do a search for a city manager. The council work session tomorrow will feature a discussion about whether the eight core values associated with the original comprehensive plan are still appropriate.

## **9. BUSINESS FROM THE MANAGER**

### **9.1 Financial Reports**

A motion to accept the financial reports as presented was made by Grycko and seconded by Miller. Motion carried unanimously.

### **9.2 Cash Flow Report**

### **9.3 Manager Updates**

Hathhorn commented that DPM Associates, the firm contracted to provide Cognos programming services, has reached the not to exceed value that was previously approved by the Board. After viewing the results of the work done to date, Hathhorn feels it is necessary and advisable to extend the contract for another \$20,000. The additional work to be performed will allow management to access information that is critical to moving operations and billing forward. He commented that it is a valid concern to wonder if it makes sense to spend this money on a system that we may want to move away from, but due to the time it may take to make a decision and to migrate to a different system it is necessary to do this now.

A motion to increase the contract to DPM Associates by \$20,000 was made by Grycko and seconded by Garbarino. Motion reluctantly carried unanimously.

Hathhorn commented that the Board had begun the discussion about permitting Tigard to join the CRWP at the last meeting. He stated that in his opinion, from a political point of view, the water resources commission is looking for water providers to create coalitions to manage the water withdrawals more effectively. Bringing Tigard into the

CRWP is a positive step in that direction. He went on to discuss his reading of the CRWP By-laws and IGA; which in his opinion provides the option for Tigard to join at full dues based on their finished water capacity. Blake commented that he is still concerned that Tigard may join and not finish their project. Hathhorn commented that if they do not finish their project they would have no reason to remain a member and would likely withdraw.

A motion to table the issue of allowing Tigard to join the CRWP was made by Grycko and seconded by Blake. Motion carried unanimously.

## 10. MONTHLY REPORTS

### 10.1 Operational Reports

### 10.2 Engineering and Construction Reports

## 11. INFORMATIONAL ITEMS

## 12. EXECUTIVE SESSION

The Board entered executive session at 8:18 PM.

An Executive Session of the Sunrise Water Authority Board of Commissioners to be held per ORS 192.502 (1) Communications within a public body or between public bodies of an advisory nature and ORS 192.660 (2)(f) To consider information or records that are exempt by law from public inspection

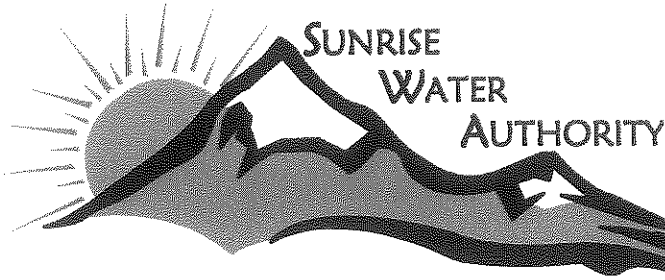
The Board left Executive Session at 8:57 PM

No action was taken on issues discussed in Executive Session.

The meeting was adjourned at 8:58 PM.

  
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ERNIE PLATT, CHAIR

  
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TERRY ROSKEY, SECRETARY



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## OATH OF OFFICE

COMMISSIONER, SUNRISE WATER AUTHORITY

STATE OF OREGON

County of Clackamas

I, Keith Miller, do hereby swear that I will uphold the Constitution of the United States of America and the State of Oregon, and that I will faithfully and honestly discharge the duties of Commissioner of Sunrise Water Authority to the best of my ability.

Keith Miller

SUBSCRIBED AND SWORN before me on this 25th day of April, 2012.

Ernest Platt, Chair  
Sunrise Water Authority Board of  
Commissioners