

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
October 10, 2019**

Call Regular Meeting to Order:

President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday, October 10, 2019.

Present:

President John Garcia; Commissioner Glen Morris, Treasurer; Commissioner Rob Mills, member; Commissioner Sandra Mies-Grantham, Secretary; Commissioner Karen Otta. Staff: Adam Denlinger, General Manager; Joy King, Office Manager, Jeff Hollen, Legal Counsel. See sign in sheet for public attendance.

Excused Absences: None

Announcements/Public Comments:

Commissioner Glen Morris will not be able to attend the November 14, 2019 Regular Board Meeting. Commissioner Rob Mills commented that he appreciated Trish Karlsen and Brendi Hargrove for doing an AMI Customer Portal presentation during their Oceanview Terrace Home Owners' Association meeting. The presentation was excellent and Trish and Brendi helped some members set up their Customer Portal.

Consent Calendar:

Items on the consent calendar are Invoice Lists for September/October 2019 and August/September 2019 Financial Report/Invoices to approve; USDA Project Monitoring Report No. 47; General Manager's Report. Commissioner Sandra Mies-Grantham motioned to approve the consent calendar except the minutes of August 8 and September 12 Regular Board Meetings. Motion was seconded by Commissioner Karen Otta. Motion carried unanimously. Commissioner John Garcia motioned to approve the August 8, 2019 Regular Board Meeting Minutes. Motion was seconded by Commissioner Karen Otta. Commissioners Glen Morris, Sandra Mies-Grantham, John Garcia, Karren Otta voted Yes. Commissioner Rob Mills abstained from voting since he was not present at that meeting. Commissioner Glen Morris motioned to approve the September 12, 2019 Regular Board Meeting Minutes. Motion was seconded by Commissioner Sandra Mies-Grantham. Commissioners Glen Morris, Rob Mills, Sandra Mies-Grantham voted Yes. Commissioners John Garcia and Karen Otta abstained from voting since they were not present at that meeting.

Discussion and Information Items:

Source Water Project Update: The District received the US Corps of Engineers Permit to work on the right-of-way. The entire permit hasn't been reviewed by all the consultants. The District also received an "Approved Certificate of Conveyance" from Oregon Department of State Lands (ODSL). This is the acquisition of easements for intake and discharge locations. The consultants have reviewed the agreement that the District needs to enter with ODSL and it conforms with other permitting. Commissioner Glen Morris approved to accept the agreement with ODSL pertaining to the intake and discharge easements. Motion was seconded by Commissioner Sandra Mies-Grantham. Motion carried unanimously.

Decision Items:

Easements: Jeff Hollen, legal counsel updated the Board regarding easement status. He and the GM met with Mr. and Mrs. Young, property owners of the intake location to discuss concerns related to easement access in the future. The engineer adjusted the final design to reflect comments provided by the property owners for ongoing easement access. Their legal counsel, Dennis Bartuldos will do a final review of the document which will then be approved and signed by the property owners. John Garcia will sign the document for the District. It was recommended by Atty. Jeff Hollen for Adam Denlinger, GM to arrange with the title company for title insurance. Commissioner Karen Otta motioned to authorize Adam Denlinger to pay for the easement and to get Title Insurance for the Intake location easement, and for John Garcia to sign the document when ready. Motion was seconded by Commissioner Glen Morris. Motion carried unanimously. Staff and legal counsel are continuing to work with property owners, Mrs. Mullen and with Mr. and Mrs. Tysman to obtain the other needed easements. The delay in obtaining the easements has delayed starting the project.

Auditor Engagement Letter: Joy King, OM updated the Board regarding the auditor engagement letter. It outlines the responsibilities of management during the audit, the required reports they have to produce, their audit objectives and audit procedures. Commissioner Glen Morris motioned to approve the Audit Engagement Letter submitted by the auditor which needs to be signed by the General Manager and the President of the Board. Motion was seconded by Karen Otta. Motion was carried unanimously.

Strategic Planning: The District has signed a contract with consultants from Dig Deep who will help guide the District in planning for the future. The District's designation will change when the Phase 4 Project is completed. We will no longer be

63 Water Distribution only, we will be a Water Treatment and Water Distribution agency. The Board and staff need to look at
64 the District and how to move forward. It was discussed to hold the meeting with Dig Deep a different day than the Board
65 meeting. It was decided to meet with Dig Deep on February 12, 2020 from 10 a.m. to 2 p.m.

66
67 **Backhoe Replacement:** The backhoe that staff found to purchase is \$54,000 including shipping. It only has 2,700
68 operating hours. The Board approved the purchase of a backhoe up to \$50,000. Staff is asking for approval for the
69 additional cost. Commissioner Karen Otta motioned to approve the purchase of a backhoe for \$54,000 including shipping.
70 Motion was seconded by Commissioner Saundra Mies-Grantham. Motion carried unanimously.

71
72 **Reports, Comments, and Correspondence:** The GM Annual Performance Evaluation is due on December 1, 2019. Paper
73 copies of the Performance Evaluation Form are available for the Boards' use. An electronic copy is also available for those
74 who want an electronic copy.

75
76 The GM is on Jury Duty for the whole month of November.

77
78 There is a two-day Business Oregon – Infrastructure Summit on October 20-21, where Adam Denlinger is invited to present
79 the District's AMI Project and Source Water Improvement Project.

80
81 Jeff Hollen, legal counsel updated the Board of the conversation he had with the City of Toledo legal counsel regarding
82 water rate agreement beyond the 2020 contract. The City is not ready to discuss rates or to pursue an agreement beyond
83 the 2020 Water Rates Agreement until the 2018-19 rates are agreed upon. The possibility that the District might have to
84 pay outside rates, which could be double than what the District pays now, was discussed. It would be for a short period of
85 time. The District also could work with the City of Newport to develop an agreement to purchase water from the City of
86 Newport until the District's Source Water Project is completed.

87
88 **Recessed Regular Board Meeting and Called an Executive Session:**

89 President John Garcia recessed the Regular Board Meeting at 5:20 p.m. and called the Executive Session to order. The
90 SRWD Board will now meet in Executive Session, pursuant to ORS 192.660(2)(h); To consult with legal counsel concerning
91 the legal rights and duties of a public body with regards to current litigation or litigation likely to be filed; and (e) To conduct
92 deliberations with persons designated by the governing body with regards to real property transactions.

93
94 **Adjourned Executive Session and Reconvened the Regular Session:**

95 President John Garcia adjourned the Executive Session at 5:58 p.m. and reconvened the recessed Regular Session.

96
97 **Adjournment:** President John Garcia adjourned the meeting at 6 p.m.

98
99 **Next Board Meeting:** November 14, 2019, at 4:00 p.m. Regular Board Meeting.

100
101
102
103
104
105
106
107
108 _____
109 Approved by Secretary

Date: