

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
Regular Board Meeting  
December 8, 2016**

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Call Regular Board Meeting: Board President John Garcia called the regular board meeting to order at 1:30 p.m., Thursday, December 8, 2016.

Present: John Garcia, Board President; Glen Morris, Treasurer; Sandra Mies-Grantham, Secretary; Rob Mills, Member; Karen Otta, Member. Staff: Adam Denlinger, General Manager; Joy S King, Office Manager. See sign in sheet for public attendance.

Excused Absences: None

Announcements: Glen Morris will not be able to attend the January and February Board meeting.

Public Comments: None

Oath of Office: Karen Otta, who was appointed on October 6, 2016 in place of John Filbert who resigned on September 9, 2016 took an Oath of Office administered and notarized by Joy King.

Consent Calendar: Items on the consent calendar are Invoice Lists for November/December 2016; minutes of the November 17, 2016 regular board meeting; November/December 2016 Financial Report/Invoices to approve; USDA Phase 3- Project Monitoring Report No 14; USDA ECWAG Project Monitoring Report No.4; Mocon Corp. Schedule 1; Payment Application No. 13; Schedule 2 Payment Application No. 13; General Manager's Report. The District has not received the original signed copies of Mocon's Payment Applications. Glen Morris motioned to approve the consent calendar, authorizing Adam Denlinger to approve Mocon's Payment applications when received by the District. Motion Seconded by Sandy Mies-Grantham. Motion carried 4-0.

Discussion and Information Item: Phase IV Conceptual Design Financing: The Phase 4 Conceptual Design Report has been completed and will be used in obtaining financing to fund the project. The best opportunity to get funding is to attend a One-Stop Meeting. It is where the applicants for funding meet with different financing agencies and institutions to present the need for funding the projects. Adam Denlinger, GM is preparing a presentation and would like to host the One-Stop Meeting at the District's facility and would take the funding agencies on tour of the intake, treatment, and tank sites.

Phase 3 Project Close Out: District staff and engineer hosted a final inspection tour with representatives from USDA-RD to discuss the Phase 3 project close out steps. Several sites were visited for USDA to verify that the work was completed to design and specification and to confirm the District and Engineer are satisfied with the work and prepared to accept final certification.

Decision Items: Audit Report Filing Extension: The auditor has just completed a draft audit report. The deadline to file the audit report with the Secretary of State Audit Department is December 31. District staff need to review the audit report and prepare the Management Discussion and Analysis. Staff is requesting approval to ask for filing extension of January 31, 2017. Glen Morris motioned to approve the audit filing extension. Rob Mills seconded the motion. Motion carried unanimously.

Application for FEMA Mitigation Grant Funding: FEMA Mitigation Grant Program and the State of Oregon Infrastructure Finance Authority (IFA) have available grant funding under Emergency Declaration 4258 to fund approved mitigation projects that qualify through the program. Project consideration under this application includes constructing the Beaver Creek Intake and Raw Water Pipeline at an estimated cost of \$4.2M. This is the same opportunity as the funding for the SRWD/Newport Intertie. FEMA has \$6M grant available and \$2M has been obligated. A Benefit Cost Analysis (BCA) is required to determine if part of Phase 4 project qualifies for FEMA mitigation grant. FEMA will fund part of the project if the District commits to

64 complete the whole project. The BCA needs to be prepared by a consultant approved by  
65 FEMA. The cost in preparing the BCA is \$5,000. If the District will not qualify for FEMA  
66 mitigation grant, the BCA will be beneficial in applying for grants with other agencies like  
67 USDA-RD. The BCA needs to be completed on December 31, 2016 and submitted to  
68 Office of Emergency Management (OEM) with the grant application.  
69 Glen Morris motioned to approve to authorize the District to apply for grant funding  
70 through the OEM, FEMA Hazard Mitigation Grant Program (HMGP) under emergency  
71 declaration 4258; and to apply for matching funds through Business Oregon,  
72 Infrastructure Finance Authority (IFA). Also, to authorize the District to hire a FEMA  
73 approved consultant to prepare the BCA. Rob Mills seconded the motion. Motion carried  
74 unanimously.

75 Change Feb Board  
76 Meeting Date: The SDAO Annual Conference on Feb 9-12, 2017 is in conflict with the regular board  
77 meeting. It was the consensus of the board to change the board meeting date to February  
78 16, 2017 at 4:00 pm.

79 Reports, Comments,  
80 Correspondence:  
81 Bayshore Sand  
82 Removal: The emergency line replacement in Bayshore had been completed and the District had a  
83 contractor remove the non-native sand for \$5,000. There are property owners who are  
84 dumping sand on the right-of-way again. The Homeowner Association (HOA) has the  
85 authority to impose fines to those who are dumping sand on the right-of-way. It was the  
86 consensus of the Board to write a letter of support to the HOA.

87 AMI Project: Part of the Phase 3 project funded by USDA-RD is the replacement of 2 Pressure  
88 Reducing Valves (PRV) along with master meters and the installation of an Automated  
89 Meter Integration (AMI) system. District staff is working with engineers to develop design  
90 specifications and contract documents to begin the work in the spring of 2017.

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92 Office Closures: The office will be closed on Dec 26 in recognition of the Christmas Holiday and Jan 2 in  
93 recognition of the New Year Holiday.

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95 SRWD Sign: Adam Denlinger, GM has the application for the county to put a sign along Hwy 101 to  
96 point to the location of the SRWD facility.

97  
98 Whole Sale Rate: The District received a letter from the City of Toledo notifying the District that the whole  
99 sale rate will decrease from \$3.57 to \$3.35 per 1,000 gallons.

100 Source Water Supply  
101 Disruption: The on-call District staff was called out late on November 27 due to pressure loss at the  
102 District's pump station located along South Bay Road. The City of Toledo was notified that  
103 the loss of pressure was in the Toledo distribution system. Toledo crews reported that a  
104 section of South Bay Road had settled due to heavy rains rupturing a portion of the  
105 Toledo system. The District's reservoirs were near full capacity and staff notified the City  
106 of Newport of the potential need to bring on the emergency intertie. The District customers  
107 were not affected by the disruption including customers on South Bay Road. A bacte-  
108 rial sample from the affected area was collected as requested by Oregon Health Authority.  
109 Service was restored on November 30.

110  
111 Jury Summons: Adam Denlinger, GM received a jury summons for the month of January.

112  
113 Beaver Creek Water: The water from Beaver Creek has iron manganese. CH2M engineers have done a study  
114 running the water through membrane filtration. The next study will be to find out what by-  
115 products are in the water that can affect the system and the customers' home systems.

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117 Executive Session: None

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119 Next Board Meeting: January 12, 2017 at 4:00 p.m. Regular Board Meeting.

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121 Adjournment: John Garcia adjourned the meeting at 3:00 pm.

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126 Approved by Secretary \_\_\_\_\_ Date \_\_\_\_\_