

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
Regular Board Meeting  
December 14, 2017**

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7 Call Regular

8 Board Meeting: Board President John Garcia called the regular board meeting to order at 1:30 p.m.,  
9 Thursday, December 14, 2017.

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11 Present: John Garcia, Board President; Glen Morris, Treasurer; Rob Mills, Member. Staff: Adam  
12 Denlinger, General Manager; Joy King, Office Manager. See sign in sheet for public  
13 attendance.  
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15 Excused Absences: Commissioner Karen Otta and Commissioner Sandra Mies-Grantham

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17 Announcements: Joy King will not be able to attend the January 11, 2018 Board Meeting.

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19 Public Comments: None  
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21 Decision Items:

22 Audit Report FY 16-17

23 Presentation: Signe Grimstad, a CPA and a Municipal Auditor from Grimstad and Associates presented  
24 her audit findings of the District's Financial Records to the Board of Commissioners. She  
25 reported that the District has good staff who are doing good works to have a healthy  
26 District. The District has spent over \$700,000 of federal funding and as such is required to  
27 have a single audit. She hired a new CPA whose expertise is in single audit and found her  
28 audit of the District's Financial Records was straight forward and clean. Signe Grimstad  
29 indicated she didn't find any issues or concerns and this resulted in a healthy audit. Adam  
30 Denlinger, the GM expressed gratitude for her and her staff's work. Commissioner Morris  
31 motioned to approve the audit report for FY 2016-17 as presented by Signe Grimstad.  
32 Motion seconded by Commissioner Mills. Motion passed 3-0.  
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34 Agenda Calendar: Items on the consent calendar are Invoice Lists for November/December 2017; minutes of  
35 November 16, 2017 regular board meeting; November/December 2017 Financial  
36 Report/Invoices to approve; USDA Phase 3- Project Monitoring Report No. 26; General  
37 Manager's Report. Commissioner Morris motioned to approve the consent calendar.  
38 Motion Seconded by Commissioner Mills. Motion carried unanimously.

39 Discussion and

40 Information Items:

41 Primary Source Water

42 Project Update:

43 Funding: IFA

44 Adam Denlinger, GM and Paul Berg, ch2m engineer attended the Business Oregon-IFA  
45 Board Meeting in Salem on Dec 1, 2017 and did a Phase IV Beaver Creek Source Water  
46 Project presentation and answered questions from the Board. The result of the meeting is  
47 favorable to the District. The Board approved the funding request and committed to giving  
48 the District \$1,030,000 in grant and \$2,500,000 in loan with 1% interest payable in 30  
49 years. The Board requested some language changes in the document for clarification. IFA  
50 staff will work on updating the documents and prepare the funding agreement/contract for  
51 signatures.

52 USDA-RD:

53 Adam Denlinger, GM and Paul Berg, ch2m engineer met with Michael Beyer, USDA State  
54 Engineer in Corvallis on Dec 13, 2017 to discuss the Short-lived Assets Replacement  
55 Reserve Account (SLARRA) list update. These assets include those with 5 to 15 years life  
56 span. The current SLARRA list includes the short-lived assets for the Phase 3 project  
57 USDA funding requirement. The list needs to be updated to include short-lived assets for  
58 Phase IV project USDA funding requirement. USDA has committed to a financing  
59 package for the District's Distribution part of Phase IV Beaver Creek Source Water Project  
60 for \$2.5 million grant and \$6.5 million loan.

61 Michael Beyer is in the process of reviewing the Environmental Report (ER) and the  
62 Preliminary Engineering Report (PER). After his review and approval of the ER/PER the  
63 District will receive a Letter of Conditions from USDA which means the funds will be  
64 obligated for the District to fund Phase IV Distribution. The estimated O and M cost for the  
65 treatment plant is \$250,000 annual which will be funded from the cost of water the District  
pays to the City of Toledo which is estimated as \$378,000.

66 Senator Wyden who was present at the IFA Board meeting noted that the District's  
67 method of seeking funding is a model approach for funding.  
68

69 AMI Project: District staff have provided data in spreadsheets to Sensus and Caselle who are working  
70 together to complete the Sensus Analytics Integration. Permitting for project has been  
71 completed. Ferguson is installing a base tower by Driftwood Reservoir and one by Lost  
72 Creek Reservoir. After they are installed and functional Ferguson will install ten test  
73 meters with smart points to see if they would communicate and relay information through  
74 the base stations. After communications are establish and verified, Ray Wells Inc, the  
75 subcontractor will begin installing 2,000 new meters with smart points. District staff will  
76 install approximately 482 smart points on existing lead-free meters. This process will be  
77 coordinated with the office staff to make sure it doesn't interfere with billing. Residents will  
78 be notified using door hangers, or knocking on doors and using a reader board for areas  
79 they are working. The process of installing the meter would take about 15 minutes.

80 Decision Items:  
81 GM Personnel  
82 Action Form: The Board of Commissioners completed the GM's Performance Review during the  
83 November 16, 2017 Regular Board meeting. The overall rating of the GM's performance  
84 was "Exceeds Job Standard".  
85 The Board discussed the different ways to reward the GM's performance especially for the  
86 successes of obtaining grants to fund the Beaver Creek Source Water Project.  
87 Commissioner Morris motioned to give the GM a 40 hours administrative leave in addition  
88 to the regular PTO accrued annually and to move his wage one step above his current  
89 step on the wage scale. Motion was seconded by Commissioner Morris. Motion  
90 carried 3-0.

91 Reports, Comments,  
92 And Correspondence:  
93 Office Closures: SRWD Office will be closed on December 25, 2017 and January 1, 2018 in observance of  
94 Christmas and New Year's Holidays.

95 SDAO Annual  
96 Conference: Commissioner Mills as an SDAO consultant and Adam Denlinger, GM as a member of  
97 SDAO Board of Directors will attend SDAO Annual Conference on Feb 8 thru Feb 11. All  
98 expenses involving accommodation and conference fees will be taken care of by SDAO.  
99 Commissioner Morris and commissioner Garcia will not be able to attend the SDAO  
100 Conference.  
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102 Executive Session: None  
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104 Next Board Meeting: January 11, 2018 at 4 p.m. Regular Board Meeting.  
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106 Adjournment: Commissioner Garcia adjourned the meeting at 2:15 p.m.  
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117 Approved by Secretary Date  
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