

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

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7 Call Regular

8 Board Meeting: Board President John Garcia called the regular board meeting to order at 4:00 p.m.,  
9 Thursday, September 14, 2017.

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

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17 Announcements: None

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19 Public Comments: None

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21 Agenda Calendar: Items on the consent calendar are Invoice Lists for August/Sept 2017; minutes of the  
22 August 10, 2017 regular board meeting; August/September Financial Report/Invoices to  
23 approve; USDA Phase 3- Project Monitoring Report No. 23; General Manager's Report.  
24 Sandra Mies-Grantham motioned to approve the consent calendar. Motion Seconded by  
25 Rob Mills. Motion carried 4-0.

26 Discussion and  
27 Information Items:  
28 Primary Source Water  
29 Project Update:

30 Part of the condition the District needs to comply with when it applied for water rights on  
31 Beaver Creek is to turn over its two existing certificated water rights on Hill Creek and  
32 Henderson Creek to instream use for 99 years. The District still owns these water rights  
33 and will be able to use them if the Beaver Creek source becomes unavailable. The cost to  
34 process the transfer is \$1,480.00.

35 Another condition the District needs to comply with as outlined in the water use Permit  
36 S-55012 for Beaver Creek is to monitor the water temperature upstream and downstream  
37 of the point of diversion between May 15 and October 31 at 30-minute intervals. This  
38 needs to be done two years prior to diversion and 5 years after diversion. Before the  
39 monitoring could start, a Sampling and Analysis Plan (SAP) describing the methods for  
40 monitoring the water temperature needs to be submitted to Oregon Water Resources  
41 Department (OWRD) and Oregon Environmental Quality (DEQ). GSI submitted a Scope  
42 of Work for Beaver Creek Water Quality Monitoring and Reporting for \$17,785.00.  
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44 City of Toledo Mill  
45 Creek Tour:

46 The General Manager reported he attended a tour of the Mill Creek Reservoir with the  
47 City of Toledo City Council on September 12, 2017. It was the first positive step for an  
48 opportunity for the District and the City of Toledo to work together for mutual benefit.  
49 Discussion with the City Manager included the letter that will officially terminate the  
50 contract and to consider a joint work session with the City of Toledo's City Council and  
51 SRWD Board of Commissioners to discuss how the two agencies can work together to  
52 build resiliency and recovery due to vulnerability of the current system. The GM is working  
53 with the City Manager to put together a joint presentation to the City Council.

54 Rules and Regulations  
55 Update:

56 The GM attended a recent SDAO training in Newport and one of the topics discussed was  
57 updating Rules and Regulations. The District's current Rules and Regulations need to be  
58 updated to reduce liability by adding references to items like SDC's, the responsibilities of  
59 management and Board of Commissioners, purchasing guidelines and others. The GM is  
60 working on a draft for a more comprehensive rules and regulations which will be  
61 presented to the Board for review, consideration, and approval in the future. Updating the  
62 District's Rules and Regulations will follow the process of amending the Ordinance which  
63 will be reviewed by the District's legal counsel.  
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67 Decision Items:  
68 Municipal Lease/  
69 Vacuum Excavation  
70 Unit:

The Board reviewed and discussed the three financing options presented by staff for a purchase of a new vacuum excavation unit through National Joint Power Authority (NJPA). Staff researched what's available at State and Federal surplus and found used available units that have been used in waste water application with prices starting at \$225K. The existing vacuum unit the District owns would cost \$4,000 to repair. The unit has a manufacturer assessed value of \$20,000. Staff is requesting to surplus this unit while it is still in working condition and still has a value and to purchase a new vacuum unit for \$252,182. The new unit doesn't require a CDL driver and has safety features for the crew. It was the consensus of the Board to use option 3 for financing the new vacuum unit putting \$100,000 down from the Depreciation/SLARRA Reserve and finance the remaining \$152,182 for 4 years.

Staff received several quotes from four financial institutions for a municipal lease purchase and the best term for financing was offered by Bank of the West in Portland. The GM declared a perceived conflict due to his relationship with the Bank of the West in Lincoln City. The local area Bank of the West doesn't offer a Municipal Equipment Purchase and financing therefore doesn't benefit the GM and his family. To avoid the perception of conflict, the GM requested to have the President of the Board sign all financing documents.

Saundra Mies-Grantham motioned to authorize the District to enter into a municipal lease/purchase agreement for a new Vacuum Excavation Unit using option 3 for financing, and authorize the District to surplus owned 2008 Vermeer Trailer Mounted Vac-Unit, VIN #5H2BF16228LD81144; and to authorize John Garcia, the President of the Board to sign the financing documents. Motion seconded by Karen Otta. Motion carried 4-0.

93 SDAO Board of  
94 Director:

In June of 2016, SDAO invited the GM to apply for the Board of Director open position. The position must be filled by a representative from the port, water, sanitary, irrigation, fire or parks and recreation district. He was notified that he was selected and was appointed to serve on the SDAO Board of Directors and was sworn in this morning, filling a big-six at large board position. There was a discussion that this could benefit the District to have the GM serve on the SDAO Board of Directors. Rob Mills motioned to authorize the GM, Adam Denlinger to serve as an SDAO Board of Director. Motion seconded by Karen Otta. Motion carried 4-0.

102 Annual AMI Service  
103 Agreement:

The \$1.5M AMI installations funded through USDA grant comes with annual ongoing service and maintenance cost beyond the first year. The average annual cost is \$27,000 which could be recovered through reduction in the leak adjustment program. The District recorded \$343,473 in lost revenue since 2001 due to leak adjustments given to customers. Karen Otta motioned to authorize the District to enter into agreement with Sensus USA, Inc for annual AMI service. Motion seconded by Rob Mills. Motion carried 4-0.

110 Reports, Comments,  
111 And Correspondence:

The GM will be out of the office from Sept 22 thru Oct 9, 2017. The letter of support for amending the Bayshore Foredune Management Plan has been mailed to Lincoln Planning Department. The meeting has been cancelled twice already.

115 Executive Session: None

117 Next Board Meeting: October 19, 2017 @ 4:00 pm Regular Board Meeting.

119 Adjournment: John Garcia adjourned the meeting at 5:15 p.m.

128 Approved by Secretary

Date

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