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SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
by Zoom Conference Call an In Person
June 10, 2021

Introduction to Remote Meeting:

Denlinger, General Manager, explained that this board meeting is being conducted remotely and in person observing social distancing and the wearing of face masks in order to mitigate the transmission of the novel coronavirus and reduce the risk of COVID-19 illness in accordance with Governor Brown's Executive Order 20-12 to suspend all public gatherings. He further explained that the Board President will call each name to confirm those who are present by zoom conference. After each person hears their name, they need to reply. For each decision item in the agenda that needs to be approved, after discussion and deliberation, the Board President will call each name of the commissioner for their vote. After the commissioners hear their name, he or she will give the vote to the affirmative by saying YES or negative by saying NO.

Call Regular Meeting to Order:

President Rob Mills called the regular board meeting to order at 4:01 p.m., Thursday, June 10, 2021.

Present:

President Rob Mills confirmed that all commissioners present can hear each other by doing a roll call. Present by Zoom Conference Call were Commissioner Karen Otta, member; Commissioner Deanna Gravelle, Treasurer; and Attorney Jeff Hollen, Legal Counsel. Present in person in the Board room were President Rob Mills, Commissioner Glen Morris, member; Staff: Adam Denlinger, General Manager; Joy King, Office Manager.

Excused Absences: Commissioner Sandra Mies-Grantham

Announcements/Public Comments:

President Rob Mills asked if there are any announcements. Commissioner Karen Otta is not sure if she would be able to attend the July 8 Board meeting; Commissioner Deanna Gravelle had no announcement; Commissioner Glen Morris had no announcement; Office Manager Joy King had no announcement; General Manager Adam Denlinger had no announcement; President Rob Mills had no announcement.

Public Comments: Members of the public present were Jim Huffman from Tillamook Water District who attends to observe the SRWD meeting procedures and Paul Highfill who is the SRWD position 2 write-in winner from the May 18, 2021, special election. He attended the meeting to meet the SRWD commissioners and to introduce himself. He is a longtime resident of Seal Rock and was a member of the SRWD Budget Committee several years ago.

Consent Calendar:

Items on the consent calendar are May/June 2021 Invoices List; May 13, 2021, Regular Board Meeting Minutes; May/June Financial Report/Invoices List for approval; Business Oregon IFA Disbursement Request No. 32; USDA Phase 3 PMR No. 54-Final; USDA Phase IV PMR No. 12; Contractor's Pay Request No. 12; R & G Change Orders Numbers 7 & 8; and General Manager's Report. President Rob Mills asked if each commissioner has reviewed the items on the consent calendar. Commissioner Karen Otta answered YES; Commissioner Glen Morris answered YES; Commissioner Deanna Gravelle answered YES; and President Rob Mills answered YES. Commissioner Karen Otta motioned to approve the consent calendar. Commissioner Deanna Gravelle seconded the motion. Discussion: Commissioner Karen Otta asked, what is the cost of the 1.871 million gallons that the district purchased from the City of Newport through the intertie? The GM explained that in the past the City and the district tracked how much water was used from the intertie and offset that with each other's water usage. Currently, there is no signed agreement between the City and the district. The City has hired a new Public Works Director. The GM will work with the new PW Director in putting together an agreement pertaining to the intertie water usage. President Rob Mills asked the commissioners for their votes. Commissioner Karen Otta voted YES; Commissioner Deanna Gravelle voted YES; Commissioner Glen Morris abstained from voting; and President Rob Mills voted YES. Motion passed with 3 YES votes, 1 abstained from voting, and 0 NO votes.

Discussion and Information Items:

Source Water Project Update:

The contractor is making progress at the Water Treatment Plant site including work of the backwash basin and the membrane building. Notably, the contractor is behind the contract schedule, but work continues to progress. The district believes if the contractor will bring in more workers, they will be able to complete the project on time. Attorney Jeff Hollen explained that Change Order Nos. 7 & 8 were reviewed and signed by the engineer. Change Order No. 7 is a change in contract time. The contractor asked for 198 days extension, but the engineer and the district only approved 35 days. Change Order No. 8 is a change in the contract price in the amount of \$23,744.84 which has been approved by

64 the engineer and the district. According to the contract, the contractor has 30 days to file a claim by following the steps as
65 outlined in the contract to submit a claim. The 30 days had passed, and no claim has been filed. Both change orders have
66 been signed by the engineer and the district and submitted to USDA for approval.
67 The district is waiting for the contractor's legal counsel to discuss arbitration. The subject matter for arbitration is, if the
68 condition of a claim as outlined in the contract has been met. If not, then the change orders stand as approved.
69 If the contractor does not meet the contract completion date, the district could impose liquidated damages. This would help
70 cover additional engineering costs and the additional cost of water purchase.

71
72 **SRWD Community Water System Risk and Resilience**
73 **Assessment and Emergency Response Plan:**

74 The America's Water Infrastructure Act (AWIA) was signed into law on October 23, 2018. Section 2013(a) of the Act
75 amends Section 1433 of the Safe Drinking Water Act. It requires community water systems (CWS) serving more than 3,300
76 people to develop or update the risk resilience assessments and certify to EPA that this work has been completed. Each
77 community water system serving a population of 3,301 people or greater, must certify the completion of its risk and
78 resilience assessment or emergency response plan for every individual PWSID number.

79 The district is at or near final completion of both the risk and resilience assessment and emergency response plan. The
80 district's risk and resilience assessment certification of completion to the U.S. EPA is due by June 30, 2021. The
81 Emergency Response Plan is due by December 31, 2021. These plans will only be available to staff and be kept at the
82 district office and the newly constructed water treatment facility upon completion, due to the sensitivity of the information.
83 The Board can review the documents in the office. These documents will become part of the Lincoln County Mitigation
84 Plan.

85
86 **Appointment of Board Treasurer:**

87 This is the last meeting that Commissioner Deanna Gravelle serves as a Treasurer. The Board and staff expressed
88 appreciation for her contribution to the district as a commissioner holding the office of a treasurer. It was the consensus of
89 the Board to appoint a treasurer at the July 8, 2021, Board meeting.

90
91 **Decision Items:**

92 **Water Rate Adjustment Resolution No. 0621-01:**

93 A public rate hearing was held as required by ORS 264.312 on May 13, 2021, to receive and hear comments from the
94 public. It was motioned by Commissioner Glen Morris to approve Resolution No. 0621-01, A resolution adjusting the rates
95 and charges to be paid by customers of Seal Rock Water District. The motion was seconded by Commissioner Karen Otta.
96 President Rob Mills asked for the commissioners' votes. Commissioner Deanna Gravelle voted YES, Commissioner Glen
97 Morris voted YES. Commissioner Karen Otta voted YES, President Rob Mills voted YES. Motion was passed with 4 YES
98 votes and 0 NO votes.

99
100 **FY 2021-22 Budget Adoption Resolution No. 0621-02:**

101 The SRWD FY 2021-22 Budget has been prepared pursuant to Oregon Local Budget Law. The Budget Committee met on
102 April 15, 2021, to review and approve the proposed budget prepared by staff under the direction of the Budget Officer. On
103 May 13, 2021, a public hearing was held to hear and receive public comments regarding the SRWD FY 2021-22 budget
104 approved by the budget committee. The district did not receive any comments from the public. There are no changes to the
105 approved budget and staff presented it to the board for adoption.

106 It was motioned by Commissioner Glen Morris to adopt Resolution No. 0621-02, a resolution adopting the FY 2021-22
107 budget in the amount of \$18,187,190 and resolution making appropriations for the fiscal year beginning July 1, 2021, in the
108 amount of \$18,187,190. The motion was seconded by Commissioner Karen Otta. President Rob Mills asked for the
109 commissioners' votes. Commissioner Deanna Gravelle voted YES, Commissioner Glen Morris voted YES, Commissioner
110 Karen Otta voted YES, President Rob Mills voted YES. Motion was passed with 4 YES votes and 0 NO votes.

111
112 It was motioned by Commissioner Karen Otta to adopt Resolution No. 0621-02, a resolution imposing the ad valorem
113 property taxes within the district for the tax year 2021-22 beginning July 1, 2021, as follows: At the permanent rate of
114 .01259 per \$1,000 of assessed value for the general fund operations and in the amount of \$799,300 for debt service on the
115 general obligation bonds. The motion was seconded by Commissioner Glen Morris. President Rob Mills asked for the
116 commissioners' votes. Commissioner Deanna Gravelle voted YES, Commissioner Glen Morris voted YES, Commissioner
117 Karen Otta voted YES, President Rob Mills voted YES. Motion was passed with 4 YES votes and 0 NO votes.

118
119 It was motioned by Commissioner Glen Morris to adopt Resolution No. 0621-02, a resolution categorizing the tax for
120 purposes of article XI section 11b as follows: Subject to the general government limitation is the Permanent Tax Rate of
121 \$.1259/\$1,000 and excluded from limitation is \$799,300 for the general obligation bond debt service. The motion was
122 seconded by Commissioner Karen Otta. President Rob Mills asked for the commissioners' votes. Commissioner Deanna
123 Gravelle voted YES, Commissioner Glen Morris voted YES, Commissioner Karen Otta voted YES, President Rob Mills
124 voted YES. Motion was passed with 4 YES votes and 0 NO votes.

127 **Reports, Comments, and Correspondence:**

128 **Project sites visit:**

129 Staff will schedule a project site visit for the commissioners on July 10 before the board meeting. Commissioner Karen Otta
130 will not be able to join the July 10 project site visit and she would like to schedule a project site visit on July 8.

131

132 The district received an Oregon Water Conditions Report dated June 1, 2021, from Oregon Water Resources Department.
133 The report shows the drought condition in Oregon. Lincoln County will declare a drought emergency in June. In 2015 the
134 county declared a drought emergency in August. The Mid-Coast Water Conservation Consortium and GSI Water Solutions
135 are working to put together a water curtailment notice for news release and also for inserts with the water bills that will be
136 mailed to customers.

137

138 **Office Reopening:**

139 The State of Oregon governor is talking about lifting the restriction for reopening the state when the vaccination rate
140 reaches 70%. The district will reopen the office on June 28, 2021, and will follow protocols from the CDC, OHA, and OSHA
141 that are in place for a safe reopening.

142

143 The office will be closed on July 5, 2021, in observance of Independence Day.

144

145 **Adjournment:** Commissioner Karen Otta moved to adjourn the meeting. President Rob Mills adjourned the meeting at 4:55
146 p.m.

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148 **Next Board Meeting:** July 8, 2021, at 4:00 p.m. Regular Board Meeting.

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156 Approved by Board President

Date:

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