

**SEAL ROCK WATER DISTRICT**  
**MINUTES OF THE**  
**Regular Board Meeting**  
**October 19, 2017**

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7 Call Regular

8 Board Meeting: Board President John Garcia called the regular board meeting to order at 4:15 p.m.,  
9 Thursday, October 19, 2017.

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11 Present: John Garcia, Board President; Glen Morris, Treasurer; Karen Otta, Member; Rob Mills,  
12 Member. Staff: Adam Denlinger, General Manager; Trish Karlsen, Bookkeeper. See sign  
13 in sheet for public attendance.

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15 Excused Absences: Sandra Mies-Grantham; Joy S King

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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 September/October 2017; minutes of  
22 the September 14, 2017 regular board meeting; September/October Financial  
23 Report/Invoices to approve; USDA Phase 3- Project Monitoring Report No. 24; General  
24 Manager's Report. Commissioner Mills motioned to approve the consent calendar. Motion  
25 Seconded by Commissioner Otta. Motion carried 3-0 as Commissioner Morris abstained  
26 due to not being present at the September 14, 2017 board meeting.

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

Staff is working with Business Oregon IFA and USDA-RD to satisfy additional requests for information related to the District's financial proforma, and Preliminary Engineering Report/Environmental Report for the Beaver Creek project. Both funding applications are expected to provide the anticipated Loan to Grant ratio as presented at the February 14<sup>th</sup> One Stop Meeting.

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35 Bond Counsel  
36 Services:

In July 2017, the SRWD Board authorized staff to advertise a Request for Proposal to provide bond counsel professional services in connection with multiple issues resulting in \$12.7 million dollars. Some of these issues could be 2 to 3 months apart with the only differences being the new amount of issuance. Additionally, the District intends to pursue financing that considers using grants/loans from state and federal agencies which may occur in the same period. As such, it is important to provide a proposal that considers cost benefits for multiple financings, and/or economy of scale for multiple financings within the same period. SRWD will use the responses to this proposal to select bond counsel for issuance of bonds necessary to fund major capital improvements.

The Board appointed a sub committee to review proposals, develop supplemental questionnaires, and recommend a qualified firm to provide Bond Counsel Services. After careful evaluation and review of qualifications, and supplemental questionnaires, the Committee presented Hawkins, Delafield and Wood, LLP for the Board's consideration as the District's Bond Counsel of Record.

Commissioner Morris motioned to recommend authorizing the District to enter into an agreement with the most qualified service provider to provide Bond Counsel services to the District. Motion was seconded by Commissioner Mills. Motion carried 4-0. Discussion ensued and the Board requested that staff develop a strong list of expectations for this service which includes Bond Counsel responding to the District in a timely manner.

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57 SRWD / City of Toledo  
58 Contract Termination

59 Resolution No. 1017-01: On April 21, 2017 District Staff, Legal Counsel and Engineer met with the City of Toledo to  
60 discuss Phase-IV improvements and the likelihood that the District will no longer need the  
61 City's water in three years. District staff provided a project presentation and overview to  
62 the City Manager, City Attorney, Public Works Director, and Finance Director.

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64 City was notified of the District's intent to move forward with the project and that the  
65 District would no longer need source water from the city, and staff expressed an interest in

66 developing an emergency, or continued source water agreement. Toledo City Manager  
67 indicated the City would consider the option. District staff have attended meetings with  
68 Toledo representatives, to include Counsel Meetings to foster relationship building with  
69 Toledo.  
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71 The Board discussed some of the risks related to providing this notification, and  
72 concluded that notification was necessary to avoid future shared cost for Toledo Major  
73 Capital Improvements. It is not likely that the City will be able to fund major capital  
74 improvements without notifying the District. However, if this were to occur before the  
75 contract was amended, the District could submit a termination notice (resolution), which  
76 would remove the District from the obligation to fund major or minor capital improvements  
77 under Section-6.2.1.1.2, and Section 6.2.2.3 of the water purchase agreement effective  
78 the date the letter/resolution are delivered to the city.  
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80 Commissioner Morris motioned to adopt Resolution No. 1017-01, a resolution of the Seal  
81 Rock Water District authorizing the District to terminate the December 27, 2012  
82 SRWD/City of Toledo Water Purchase Agreement. Commissioner Otta seconded the  
83 motion. Motion carried 4-0. Effective termination date is October 31, 2020.

84 Reports, Comments,  
85 And Correspondence:  
86 SRWD Employee

87 Appreciation Luncheon: The Board discussed the potential of holding this event at another location other than at  
88 Izzy's pizza, potentially in South Beach at the Off the Hook restaurant, or the Best  
89 Western on Thursday, December 14<sup>th</sup> at 12:00 noon. It was a consensus of the Board to  
90 allow the staff to make the decision.  
91

92 GM Annual

93 Performance Review: Staff provided handouts to the Board to assist with the performance review.  
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95 Mid Coast Water

96 Planning Partnership: South County System Tour possibly November 6, 2017. District staff will be hosting a tour  
97 of all South County Water Systems to include; SRWD, City of Waldport, South West  
98 Lincoln Water District, and the City of Yachats. The Board is invited to attend this event,  
99 the date is tentative at this time, formal invitation will be provided soon.  
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101 SDAO/SDIS Joint

102 Business Meeting: The GM will attend the SDAO/SDIS Joint Business meeting November 7<sup>th</sup> through 9<sup>th</sup> in  
103 Salem.  
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105 City of Newport

106 Intertie Use: The District has been working with the City of Newport and City of Toledo to provide water  
107 to the South Beach community for a 7-day period which began October 16<sup>th</sup>.  
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109 Reschedule November

110 Board Meeting: Due to scheduling conflicts, the Board elected to schedule the November Regular Board  
111 Meeting for November 16, 2017 at 4:00 p.m.  
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113 SDAO Conference

114 In Seaside: The General Manager suggested that the District make hotel accommodation  
115 arrangements for Board members for the upcoming SDAO Conference in Seaside in  
116 February 2018 as soon as possible as there may be a rooming shortage. The Board  
117 agreed.  
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119 Executive Session: None  
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121 Next Board Meeting: November 16, 2017 at 4:00 p.m. Regular Board Meeting.  
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123 Adjournment: Commissioner Garcia adjourned the meeting at 5:40 p.m.  
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128 Approved by Secretary

Date

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