

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
August 11, 2016**

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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, August 11, 2016.

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

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15 Excused Absences: None

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17 Announcements: The General Manager, Adam Denlinger announced he will not be able to attend the
18 Oct. 13 regular board meeting. He also announced Mocon Corp's Pay Request No. 9 for
19 Schedule 1 & 2 were received but there was no final payment request received from W.W.
20 Construction. Sandra Mies-Grantham motioned to approve the consent calendar without
21 a pay request from W.W. Construction. Motion seconded by John Filbert. Motion carried
22 4 – 0. Glen Morris who was not at the July board meeting did not vote.

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24 Public Comments: None

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26 Consent
27 Calendar:

28 Items on the consent calendar are Invoice lists for July/August 2016; minutes of the July
29 14, 2016 regular board meeting and August 2, 2016 special board meeting; July/August
30 2016 Financial Report/Invoices to approve; Project Monitoring Report No. 10; Mocon
31 Corp. Schedule 1 Payment Application No. 9 and Schedule 2 Payment Application No. 9;
32 Auditor Engagement Letter; General Manager's Report. Sandra Mies-Grantham
33 motioned to approve the consent calendar not including W.W. Construction Payment
34 Request. John Filbert seconded the motion. Motion carried 4-0. Glen Morris who was not
35 present at the July 14 meeting did not vote.

36 Discussion and
37 Information Item:
38 Emergency Pipeline
39 Replacement:
40 143rd St.:

41 The emergency pipeline replacement at 143rd Street was substantially completed by the
42 end of July and nearing completion. The contractor is working on completing the punch list
43 items including grading of a small area of the road. The project will be completed at the
44 end of August. The residents at 143rd would like the road paved. The GM explained to
45 them that the contract with the contractor specifies that the road will be restored to its
46 condition before the project started. The GM encouraged them to work with the county
47 and the neighborhood to improve the road.

48 Oceania Drive: The Oceania Drive emergency pipeline project is moving along without complications. It
49 should be completed on time and on budget.

50 Phase 3

51 Improvements Update: ODOT visited the project site on Hwy 101 adjacent to Grandview and stopped the work
52 due to the contractor not following the ODOT permit which outlines where to lay the pipe.
53 The contractor will have to meet with ODOT personnel before resuming the work on Hwy
54 101.

55 The USDA, District staff and the engineer are working together to keep the Phase 3
56 project going. The project is scheduled for substantial completion on August 15. The
57 District received a request from Mocon Corp. to extend the substantial completion date an
58 additional 15 days to September 1, 2016. After reviewing the request with USDA, the
59 Engineer, and legal counsel; District staff concurred that it is appropriate to approve the
60 request. District staff requested justification for the extension of time to be submitted by
61 the president of Mocon Corp. or by someone who is authorized to negotiate since this is a
62 negotiated item. After review of the justification received by email on July 15, District staff
and the Engineer (RPR) did not agree with the justification. The contract is very specific

63 that the contractor needs to field verify all connection points for ordering materials and
64 planning activities. In several occasions District staff and the Engineer have documented
65 that the delay was due to the contractor's means and methods. These have been verified
66 through daily reports and email. District staff maintains that it is in the best interest of the
67 District to keep a working relationship that benefits all parties. The District and the
68 Engineer approved the time extension request with the following conditions: Mocon Corp.
69 agrees not to challenge liquidated damages if Phase 3 Improvements Project (Schedule 1
70 & Schedule 2) is not certified by the RPR as substantially completed by Sept. 1, 2016,
71 subject to the terms and conditions of the contract specific to SC-15.03 – Substantial
72 Completion. The submitted Change Order was signed by Bob Morrow, principal of Mocon
73 Corp. The change order needs to be approved and signed by USDA.

74 SRWD Shop Facility
75 Damages: The shop door was damaged when the dump truck operator pulled out of the shop with an
76 excavator which was not in the correct position. It hit and damaged the top of the garage
77 door. The incident was discussed during the staff safety meeting as a post-accident
78 discussion of how to prevent this from happening again.

79 Water Rights
80 Update: The District received confirmation on Monday, August 8, 2016 through Oregon Water
81 Resources Department that they didn't receive any opposition for the District's water right
82 application. District staff and its legal counsel worked with WaterWatch to come up with a
83 settlement agreement before the end of the public comment period which was August 5,
84 2016 in order to avoid a protest. An agreement was reached between SRWD and
85 WaterWatch on August 4, 2016. The General Manager commended the dedication of the
86 consultant who was out of town but worked through telephone calls and email to work on
87 negotiation with WaterWatch. The attached Resolution No. 0816-01 was a Resolution
88 Authorizing Seal Rock Water District through its General Manager to negotiate and enter
89 into the attached settlement agreement with WaterWatch of Oregon, Inc, and provide a
90 letter (Exhibit –A) to the Oregon Water Resources Department (OWRD) to include
91 additional and revised conditions in the final order and permit for application. (See
92 attached Settlement Agreement and Letter to OWRD). The list of conditions in the
93 Settlement Agreement will be added to the PFO. After it is signed by the OWRD director
94 the PFO will become the permit. It is possible the District would receive its water right
95 permit on the Beaver Creek by the end of August or September. The General Manager
96 has a meeting with USDA to discuss funding of Phase 4 project. It was discussed when to
97 give notice to the City of Toledo. There is a contractual process to follow when to give
98 notice. It was also discussed the importance for SRWD and the City of Toledo to work
99 together to have water for the community.

100 Reports, Comments,
101 Correspondence:
102 October Board
103 Meeting: The GM will not be able to attend the regular board meeting in October and requested if
104 the meeting could be rescheduled on October 6, 2016. It was the consensus of the Board
105 to hold the October regular board meeting on October 6, 2016. John Filbert will not be
106 able to attend the October Board meeting.

107 Oregon Coastal
108 Caucus: The GM attended the caucus which was held at the Mill Casino in Coos Bay. It was well
109 attended and topics discussed were excellent, such as economic growth and housing but
110 nothing was mentioned about how to provide water or sewer services. The GM suggested
111 to include the topic for next year's caucus.

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113 Executive Session: None

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115 Next Board Meeting: September 8, 2016 at 4:00 p.m. Regular Board Meeting.

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117 Adjournment: Motioned by Glen Morris to adjourn the meeting. Garcia adjourned the meeting at
118 4:50 pm.

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123 Approved by Secretary Date