

SEAL ROCK WATER DISTRICT
MINUTES OF THE Regular Board Meeting and Budget Hearing
May 9, 2019

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6 Call Regular

7 Board Meeting: President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday,
8 May 9, 2019.
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10 Present: Commissioner John Garcia, President; Commissioner Glen Morris, Treasurer; Commissioner
11 Saundra Mies-Grantham, Secretary; Commissioner Rob Mills, member; Commissioner Karen
12 Otta, member. Staff: Adam Denlinger, General Manager; Joy King, Office Manager. Jeff
13 Hollen, Legal Counsel. See sign in sheet for public attendance.
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15 Excused Absences: None

16 Announcements: None

17 Public Comments: None
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22 Agenda Calendar: Items on the consent calendar are Invoice Lists for April/May 2019;
23 April 11, 2019 Regular Board Meeting Minutes; April 18, 2019 Budget Committee Meeting
24 Minutes; April/May 2019 Financial Report/Invoices to approve; USDA Project Monitoring
25 Report No. 43; and General Manager's Report. Commissioner Rob Mills motioned to approve
26 the Consent Calendar. Motion was seconded by commissioner Saundra Mies-Grantham.
27 Commissioner John Garcia voted yes except for the April 11, 2019 Board Meeting Minutes,
28 he abstained from voting since he was not present at that meeting. Commissioner Glen
29 Morris voted yes except for the April Budget Committee Meeting minutes, he abstained from
30 voting since he was not present at that meeting. Commissioners Rob Mill, Saundra Mies-
31 Grantham, Karen Otta voted yes. Motion carried by majority vote.

32 Discussion and
33 Information Items:

34 USDA Letter of
35 Condition (LOC): Sam Goldstein and Holly Halligan, USDA State representatives anticipated to receive the
36 LOC this week but the Federal level that approves loans above the state threshold wants
37 another week to complete their review of the District's loan application. After completion of a
38 thorough review of the loan application by USDA Federal Level, a Letter of Condition will be
39 released which could be next week. Staff is recommending for the Board to authorize the
40 GM, Adam Denlinger to execute the Letter of Condition when it is received, as long as loan
41 condition doesn't change, to move forward with the process for Bond Counsel to draft the
42 interim loan financing documents. Commissioner Rob Mills motioned to authorize Adam
43 Denlinger, GM to execute the LOC when received and no changes on the loan condition, and
44 to move forward with interim loan processing by the Bond Counsel. Commissioner Saundra
45 Mies-Grantham seconded the motion. Motion carried unanimously.

46 Rate Adjustment for
47 FY 2019-20:

48 Staff is recommending to defer any rate adjustment at a later date due to the uncertainty of
49 what source water rate increases the District would receive from the City of Toledo. It was the
50 consensus of the Board to defer any rate increases at a later date if needed.

51 Strategic Planning
52 Consultant Services:

53 While the District has been successful in funding major capital improvements using funds
54 provided through USDA-RD, Business Oregon IFA, and FEMA Hazard Mitigation Grant
55 Program, more infrastructure improvements identified in the 2010 Master Plan are needed to
56 ensure system reliability and resiliency. These projects outside of the current primary source
57 water project will require a substantial amount of funding. Dig Deep Services assists
58 municipalities to develop strategic planning for capital improvements and has been
59 successfully serving neighboring municipal agencies, to include City of Newport and City of
60 Waldport. Dig Deep consultants have helped clients find and secure millions of dollars by
providing research and technical assistance services specific to government grant-seekers.
Staff is recommending to consider entering a consultant services agreement with Dig Deep to

61 provide strategic planning services. Basic membership cost of services is \$20,000 for FY
62 2019-20, which could be funded from System Development Charges. The District's Basic
63 Membership allows the District to add additional services at a reduced rate anytime during
64 the membership period which is July 1, 2019 thru June 30, 2020. These services include rate
65 study, Master Plan Update, and SDC Methodology Update. Commissioner Karen Otta
66 motioned to authorize Adam Denlinger, GM to execute a consultant contractual scope of
67 work/ membership services agreement with Dig Deep for \$20,000 for FY 2019-20. Motion
68 was seconded by Commissioner Glen Morris. Motion was carried unanimously.

69 Proposed Corrected

70 Wholesale Rate:

71 Atty. Jef Hollen met with the City of Toledo Atty. David Robinson to ask him for information
72 but David Robinson didn't want to commit until he reviews the public records the City has
73 requested from the District. It was discussed that the rate the District is paying as a wholesale
74 rate is what the City Council has approved by resolution and any questions from the City
75 regarding rate negotiation should be directed to Atty. Jeff Hollen.

76 Public Hearing:

77 President John Garcia opened the public hearing at 4:45 p.m. per ORS 294.453 and 294.446
78 to receive public testimony regarding the SRWD proposed FY 2019-20 Budget which reflects
79 a total sum of \$22,206,858. There was no public testimony received. President John Garcia
80 closed the public hearing at 4:50 p.m.

80 Decision Items:

81 Easement Agreement:

82 Lincoln County Ordinance LCC6.380 affects all of the operations in Special Road Districts
83 where the water district accesses surfaced roads and road right-of-ways. Paragraph 7
84 requires permission from the road districts. ORS 758 and 368 provides the District with
85 authority to construct and maintain water facilities in the public right-of-ways except within
86 cities. The District legal counsel recommended developing a permanent easement
87 agreement with all road districts in the SRWD boundary that will allow the District to maintain
88 facilities without additional permission for repairs of existing utilities and all future permitted
89 utilities. The easements would refer to the location of the current water lines as existing water
90 lines. For future new cuts across roads, the District will need to get permission in advance but
91 not develop another easement. For the Board's consideration is the Replacement and Repair
92 Easement Agreement with the Makai Road District. Commissioner Glen Morris motioned to
93 approve the Replacement and Repair Easement Agreement with the Makai Road District and
94 authorize Adam Denlinger, GM to execute the agreement. Commissioner Karen Otta
95 seconded the motion. Motion carried 5 – 0.

96 Mid-Coast Water Conservation

97 Consortium:

98 At the November 2018 regular meeting the Board of Commissioners authorized the District to
99 participate in the Mid-Coast Conservation Consortium and to serve as the lead agency for the
100 consortium. In updating the SRWD Water Management and Conservation Plan (WMCP)
101 submitted to Oregon Water Resources Department (OWRD), approved by the Oregon Health
102 Authority, it obligates the District to develop an effective conservation outreach program.
103 Other municipal water suppliers in the mid-coast region are also under obligation to perform
104 similar outreach programs. These agencies can perform these obligations independently or
105 collaborate to develop a regional effort and recognize an economy of scale while developing
106 a more effective program. ORS 90 authorizes local governments to enter into written
107 agreements with any other local governments for the performance of any functions and
108 activities that any of them has the authority to provide, or it can be performed by an
109 intergovernmental entity created by the agreement. Participants of the Mid-Coast Water
110 Conservation Consortium Intergovernmental Agreement (IGA) are City of Lincoln City, City of
111 Newport, City of Waldport, City of Yachats, and Seal Rock Water District. The cost for
112 developing a framework for water conservation consortium is \$14,000 and each participant
113 will contribute funds to the Fiscal Agent which is SRWD, to cover the cost for its share of the
114 \$14,000. GSI Water Solutions, Inc. is the consultant who will develop the initial framework of
115 the Mid-Coast Water Conservation Consortium. The cost contributions are as follows: City of
116 Lincoln City \$5,500; City of Newport \$4,300; City of Waldport \$1,200; City of Yachats \$700;
117 and Seal Rock Water District \$2,300. The District's share of the cost would qualify to be paid
118 from SDC Reserve Fund. Commissioner Glen Morris motioned to approve the Mid-Coast
119 Water Conservation Consortium IGA and to approve a scope of work for the development of
the Mid-Coast Water Conservation Consortium and authorize Adam Denlinger, GM to

120 execute the IGA and the scope of work submitted by GSI. Commissioner Sandra Mies-
 121 Grantham seconded the motion. Motion carried unanimously.
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 123 Reports & Comments: The District office will be closed on Monday, May 27 in observance of Memorial Day. Adam
 124 Denlinger, GM was invited to provide public testimony at the State Capitol for water projects
 125 funding for the region during the National Drinking Water Week "Protecting the Source" which
 126 was on May 5 through May 11.
 127 Recessed Regular
 128 Meeting: President John Garcia recessed the regular meeting at 5:00 p.m., to go into executive
 129 session per ORS 192.660(2)(h) – To consult with legal counsel concerning the legal rights
 130 and duties of a public body with regard to current litigation or litigation likely to be filed; and
 131 (e) To conduct deliberations with persons designated by the governing body with regards to
 132 real property transactions.
 133 Reconvened Regular
 134 Meeting: President John Garcia adjourned the executive session at 6:15 p.m. and reconvened the
 135 regular meeting.
 136 Commissioner Sandra Mies-Grantham motioned to authorize Adam Denlinger, GM to
 137 continue negotiating with the property owners Mr. and Mrs. Tysman to obtain the necessary
 138 easement; to write a letter to the Tysman's explaining the easement agreement in simple
 139 detail of the terms; to hire a land appraiser; and to set up an appointment for him and
 140 Commissioner Karen Otta to meet with the Tysmans. Commissioner Rob Mills seconded the
 141 motion. Motion carried unanimously.
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 143 Adjournment: Commissioner Rob Mills motioned to adjourn the meeting. President John Garcia adjourned
 144 the meeting at 6:18 p.m.
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 146 Next Board Meeting: June 13, 2019, at 4:00 p.m. Regular Board Meeting.
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156 Approved by Secretary _____ Date _____
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