

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
March 15, 2018**

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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, March 15, 2018.

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

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15 Excused Absences: None

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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 February/March 2018;
22 February 15, Board meeting minutes; February/March 2018 Financial Report/Invoices to
23 approve; AMI Project Contractor's Payment Application No. 3; USDA Phase 3- Project
24 Monitoring Report No. 29; General Manager's Report. Commissioner Karen Otta motioned to
25 approve the consent calendar. Motion was seconded by Rob Mills. Motion carried
26 unanimously.

27 Discussion:

28 Primary Source Water

29 Project Update:

30 Biological Assessment: The GM, Adam Denlinger updated the Board on the Beaver Creek Water Source Project by
31 going over the Objective and Analysis used to track the progress of the project. The draft
32 Biological Assessment (BA) has been completed and submitted to the National Marine
33 Fisheries Service (NMFS) and United States Fish and Wildlife Service (USFWS) for their
34 review. The BA was reviewed by the State Historic Preservation Office and the response of
35 "no effect" determination was received. The tribes have responded with "no effect"
36 determination but recommended for District staff and contractor to receive training on how to
37 identify artifacts.

38 Easements: District staff and legal counsel have been meeting with property owners to negotiate access
39 through their property. One of the property owners, Mr. Phelps has approved the easement
40 through his property. There's a meeting scheduled to meet on the site with the Young family
41 next week. The GM and the District legal counsel had a meeting with the Tysman family
42 earlier this afternoon.

43 Funding: Project funding of \$2.451M loan with 1% interest for 30 years and \$1.030M forgivable loan
44 through IFA has been approved. USDA is waiting for comments from USFWS and NMFS
45 before they obligate the funding of \$6.3M loan and \$2.5M grant. CH2M engineer and his
46 team completed the draft BA and submitted it to NMFS and USFWS for their review and
47 comment. District consultants are working hard to meet the USDA deadline of April 9. They
48 are in touch with NMFS representatives to answer their environmental issues and concerns.
49 District staff is working with USDA representatives in anticipation of receiving notification of
50 funding award.

51 Water Purchase

52 Agreement:

53 Purchase Agreement between the District and the City of Toledo requires for the District to
54 give a 3 year termination notice before the District stops purchasing water from the City.
55 Notice was given on Oct 20, 2017 that the District will no longer purchase water after Oct 30,
56 2020. District staff has met with the City of Toledo's representatives several times to discuss
57 the termination of the Water Purchase agreement and the possibility of a future mutual
58 agreement of water use in an emergency. There's a scheduled meeting on April 3, 2018.
59 District staff will also do a project presentation to the City Council during their work session in
60 April. District staff have begun engaging the Seal Rock Community regarding Phase IV
61 Improvements. The Makai Road District had a meeting at the SRWD Conference room on
62 March 15, 2018 where the GM did a project presentation. It was well attended and well
63 received.

64 Engineering Cost: Engineer and staff continue to respond to path items on the project scheduled to include
65 Financing with USDA-RD, water treatability testing, membrane procurement, geotechnical
66 evaluation and environmental permitting. Paul Berg, CH2M engineer reviewed the project
67 schedule & discussed the two critical paths which are Conditional Use Permit and Landowner
68 easements. Delays on these items could significantly delay the project.
69 Two easements are needed for the pipes from South Beaver Creek to the Makai tank
70 locations. The Tysman and the Phelps family share a driveway to their properties. The
71 proposed path for the waterline will need easements from the Tysmans and the Phelps. Mr.
72 and Mrs. Phelps already agreed to provide an easement through their property. The third
73 easement is for the intake location owned by the Young family. They have some concerns
74 and their attorney is out of town at this time. The GM, Adam Denlinger with Commissioner
75 Morris and legal counsel, Jeff Hollen met with the Tysman family earlier this afternoon. The
76 Tysmans are concerned about their big trees and access to their home during construction.
77 They suggested to reroute the path for the pipe not to impact the trees. They are concerned
78 how the excavation for the pipes will impact the roots of the trees. The pipes will be about 3
79 feet underground. Discussion included hiring an arborist. It was the consensus of the Board
80 for Adam Denlinger to hire an arborist to evaluate the trees that will be impacted. If the path
81 for the pipes will be rerouted, the Phelps easement agreement might not be needed.

82 Decision Item:
83 Easements: Commissioner Karen Otta motioned for Jeff Hollen to have the Phelps easement agreement
84 recorded with the county as soon as the agreement is signed and have gone through title
85 insurance for clear title. Commissioner Morris seconded the motion. Motion carried
86 unanimously.
87 Paul Berg discussed the Conditional Use Permit from the county. He had met with a county
88 Public Works representative and discussed the potential risk at the intake location. There is
89 not enough space since it is wet lands on each side of the bridge. Discussion included tying
90 the pipe on the bridge and having a host pipe connected to the bridge. There was a question
91 if the bridge is stable enough. The county Public Works representative will look if they have
92 detail records about the bridge. They would like to evaluate how much load the bridge can
93 take by doing an evaluation before making a decision.

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95 Agent of Record: SDAO/SDIS requires the District to have a local Health Insurance Agent of Record. John
96 Doherty of Payne West Insurance was the agent of record for several years but now has
97 retired. Payne West transferred all of his clients to an agent from McMinnville. Staff
98 recommends to choose a local agent for easy access. Tim Grady from Fullhart Insurance
99 desires to be appointed as agent of record. He has experience in handling SDAO/SDIS
100 health insurance for another agency for several years now. He is also the agent of record to
101 handle the District's property and liability insurance. Commissioner Sandra Mies-Grantham
102 motioned to appoint Tim Grady as the District's SDAO/SDIS Health Insurance agent of
103 record. Motion seconded by Commissioner Karen Otta. Motion carried 5-0.

104 Office Closure: The office will be closed on March 20, 2018 from 12:00 pm to 4:00 pm for staff AMI training.
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106 Reports, Comments,
107 Correspondence: The GM will attend the annual meeting with the City of Toledo on April 3. During the SDAO
108 Conference in February Adam Denlinger, GM was sustained as SDAO director at large.
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111 Next Board Meeting: April 12, 2018 at 4:00 p.m. Regular Board Meeting.
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113 Adjournment: Motion by Commissioner Glen Morris to adjourn the meeting. Commissioner Rob Mills
114 seconded the motion. Commissioner Garcia adjourned the meeting at 5:40 p.m.
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125 Approved by Secretary

Date

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