

SEAL ROCK WATER DISTRICT
Regular Board Meeting
Thursday, November 15, 2018 @ 4:00 pm
1037 NW Grebe Street, Seal Rock 97376

1. Call Regular Meeting to Order:

2. Announcements/Visitor Public Comments:

Public comment period provides the public with an opportunity to address the Commissioners regarding Items on the agenda. Please limit comments to (10) minutes.

3. Consent Calendar:

Managers' reports included under consent calendar are an executive summary provided to Commissioners as an update of system conditions, projects, and programs. Management welcomes your feedback and request for more detailed information regarding any item before or during the meeting:

- | | |
|---------------------------------------|-------------------------|
| • Invoice List | October/November – 2018 |
| • Board Meeting Minutes | May 10, 2018 |
| • Board Meeting Minutes | July 12, 2018 |
| • Board Meeting Minutes | October 11, 2018 |
| • Financial Report / Approve Invoices | October/November – 2018 |
| • USDA Project Monitoring Report #37 | October 2018 |
| • General Manager's Monthly Report | October/November – 2018 |

4. Discussion and Information Items:

- Consider Primary Source Water Project Update.
Presented by: Adam Denlinger, General Manager

- Consider Participating in the Mid-Coast Conservation Consortium
Presented by: Adam Denlinger, General Manager

- Consider Performance Review of the SRWD General Manager:
Presented by: John Garcia, SRWD Board President

5. Decision Items:

None:

6. Reports, Comments and Correspondence:

- SRWD Employee Appreciation Luncheon – December 14, 2017 @ 11:30 PM at Georgie's.
- SRWD Offices will be closed November 23 and 24th in honor of the Thanksgiving Holiday.

7. Executive Session: according to ORS 192.660(2), Concerning:

- (e) To deliberate with persons designated by the governing body with regards to sale/purchase of real property.

8. Adjournment: Next Meeting: December 13, 2018 @ 1:30 p.m. Regular Board Meeting or establish date.

Report Criteria:

Detail report

Invoices with totals above \$0 included.

Paid and unpaid invoices included.

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
02-6630						
USDA RURAL DEVELOPMENT	090518	2011 Bond Principal	09/05/2018	37,704.00	.00	
Total 02-6630:				37,704.00	.00	
02-6730						
USDA RURAL DEVELOPMENT	090518	2011 Bond Interest	09/05/2018	53,510.00	.00	
Total 02-6730:				53,510.00	.00	
Grand Totals:				91,214.00	.00	

Dated: OCT-12-2018

General Manager: A. W. [Signature]

Dated: _____

Treasurer: _____

[Signature]

ORIGINAL

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-5720						
OVERHEAD DOOR COMPANY O	125887	OCDFX2 remotes	09/18/2018	130.00	.00	
Total 01-5720:				130.00	00	
Grand Totals:				130.00	00	

Dated: 11/5/2018

General Manager: *A. J. [Signature]*

Dated: _____

Treasurer: _____

[Handwritten initials]

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

ORIGINAL

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-1310						
DONA HAWS LAWSON	102918	Refund Overpayment	10/29/2018	6.12	.00	
GERALD BUCHKO CONSTRUCT	103018	Refund Overpayment	10/30/2018	33.83	.00	
LEE &/OR VERONICA DAVIS	103118	Refund Overpayment	10/31/2018	33.72	.00	
NICK SNEGIREFF	103018	Refund Overpayment	10/30/2018	8.62	.00	
SARAH WAGNER	103118	Refund Overpayment	10/31/2018	3.42	.00	
Total 01-1310:				85.71	.00	
01-5065						
PATRICIA M KARLSEN	102618	Lodging Sensus Reach Conf. (Tris	10/26/2018	1,375.60	.00	
Total 01-5065:				1,375.60	.00	
01-5271						
CENTURYLINK	102518	Toledo Pump Station SCADA	10/25/2018	74.94	.00	
CHARTER COMMUNICATIONS	007859710091	Internet (Office)	10/09/2018	84.98	.00	
Total 01-5271:				159.92	.00	
01-5272						
AT&T MOBILITY	10282018	Wireless	10/28/2018	215.04	.00	
Total 01-5272:				215.04	.00	
01-5280						
AMERICAN SOLUTIONS FOR B	INV03794279	CPF AP Checks x 550	10/10/2018	171.96	.00	
Total 01-5280:				171.96	.00	
01-5290						
STAPLES BUSINESS ADVANTA	8051796261	Staples Binder Clips, Mini, 1/4" Ca	10/13/2018	.80	.00	
STAPLES BUSINESS ADVANTA	8051796261	Staples Copy Paper 8 1/2 x 11 Let	10/13/2018	38.95	.00	
STAPLES BUSINESS ADVANTA	8051796261	AT-A-GLANCE Mini Monthly Wall	10/13/2018	22.41	.00	
STAPLES BUSINESS ADVANTA	8051796261	Post-it Durable Filing Tabs, Blank,	10/13/2018	6.54	.00	
Total 01-5290:				68.70	.00	
01-5291						
US POSTAL SERVICE - WALDP	102218	Bulk Mailing	10/22/2018	886.90	.00	
Total 01-5291:				886.90	.00	
01-5310						
TCB SECURITY SERVICES INC.	226176	Answering/Dispatch Services Mon	10/29/2018	40.00	.00	
TCB SECURITY SERVICES INC.	226176	Answering/Dispatch Services Lev	10/29/2018	6.60	.00	
Total 01-5310:				46.60	.00	
01-5360						
BRENDI HARGROVE	102618	Flight checked bag fee (Sensus R	10/26/2018	25.00	.00	
BRENDI HARGROVE	102618	Parking Portland Airport (Sensus	10/26/2018	147.00	.00	
PATRICIA M KARLSEN	102618	Flight checked bags (Trish x 2 & B	10/26/2018	75.00	.00	

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
PATRICIA M KARLSEN	102618	Rental car fees & gas (Sensus Re	10/26/2018	204.97	.00	
Total 01-5360:				451.97	.00	
01-5601						
IDEA PRINT WORKS, INC.	5977	Emblems on Customer supplied cl	10/30/2018	71.50	.00	
Total 01-5601:				71.50	.00	
01-5630						
LINCOLN COUNTY PAROLE & P	551	Trail clearing area around 98th St	10/15/2018	450.00	.00	
LINCOLN COUNTY PAROLE & P	551	Brush cutting 98th St 9/5/18	10/15/2018	350.00	.00	
LINCOLN COUNTY PAROLE & P	551	Clear brush shoulder of roadway	10/15/2018	350.00	.00	
Total 01-5630:				1,150.00	.00	
01-5634						
ANALYTICAL LABORATORY GR	108880	Coliform, Presence/Absence by S	10/17/2018	285.00	.00	
OREGON LINEN	103118	Mats	10/31/2018	221.96	.00	
Total 01-5634:				506.96	.00	
Grand Totals:				5,190.86	.00	

Dated: 11/5/18

General Manager: *A. J. [Signature]*

Dated: _____

Treasurer: _____

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

ORIGINAL

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
02-6660						
USDA RURAL DEVELOPMENT	110518	2016 Bond Principal	11/05/2018	111,553.87	.00	
Total 02-6660:				111,553.87	.00	
02-6760						
USDA RURAL DEVELOPMENT	110518	2016 Bond Interest	11/05/2018	62,653.13	.00	
Total 02-6760:				62,653.13	.00	
Grand Totals:				174,207.00	.00	

Dated: _____

General Manager: _____

Dated: _____

Treasurer: _____



**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
October 11, 2018**

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Call Regular Board Meeting: President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday, October 11, 2018.

Present: President John Garcia; Commissioner Sandra Mies-Grantham, Secretary; Commissioner Rob Mills, member and Commissioner Karen Otta, member. Staff: Adam Denlinger, General Manager; Joy King, Office Manager. See sign in sheet for public attendance.

Excused Absences: Commissioner Glen Morris.

Announcements: Joy King announced she will attend the Oregon Finance Officer Association (OGFOA) in Salem on Oct 15 through October 17. Commissioner Karen Otta announced she will not be able to attend the December 13 Board Meeting.

Public Comments: Tom Ryan, as a Board member of the Makai Road District expressed appreciation for the information he gains by attending the board meeting.

Agenda Calendar: Items on the consent calendar are Invoice Lists for September/October 2018; May 10, 2018 Board Meeting Minutes; July 12, 2018 Board Meeting Minutes; August 9, 2018 Board Meeting Minutes; September 13, 2018 Board Meeting Minutes; September/October 2018 Financial Report/Invoices to approve; USDA Project Monitoring Report No. 36; Ferguson AMI Project Pay Request No. 7 and General Manager's Report. Motioned by commissioner Rob Mills to approve the agenda calendar with the exceptions of the May 10, July 12 regular board meeting minutes due to lack of a quorum to approve them. Commissioner Karen Otta seconded the motion. Motion carried 4 – 0.

Discussion and Information Items:

Primary Source Water:

Biological Assessment: The District's Biological Assessment (BA) is now in the 135 days consultation period process with National Marine and Fisheries Service (NMFS) and United States Department of Agriculture (USDA). The BA needs to go through a general counsel review and when NMFS and USDA come into agreement regarding the BA, a Biological Opinion will be released and may include some conditions placed on the project. The 135 days review process will put us into early January 2019. The consultants and staff will need to update the project description in the Environmental Assessment (EA), complete the additional cultural work for the pipeline reroute to the Water Treatment Plant site and submit an amended consultation document to State Historic Preservation Office (SHPO), and obtain concurrence from Department of State Lands (DSL) for the additional wetland survey completed recently. A joint permit application needs to be submitted to the United State Army Corps of Engineer (USACE) and DSL. The engineer's design is about 30% completed which includes the footprint for Makai treatment plant and waterline. In December the design should be 60% completed, in which time the engineer will do an update presentation.

Membrane Filtration Site Visit: The GM, Adam Denlinger visited with Rockaway Creek PW Director who provided him with a tour of the facility and answered questions pertaining to their membrane filtration. Paul Berg, CH2M Hill Engineer will do an update presentation in December of the membrane filtration that the District will purchase.

Staffing Assignment: With the completion of the AMI project, it is necessary to recognize a staff who has been performing duties outside his scope of work such as programing the AMI meters, working with System Analytics, and providing customer service by using the AMI system to detect leaks and contacting the customers. The GM is proposing to promote this employee to Operations Lead Position, a position filled in the past but was never filled when that employee resigned. It was recommended by President Garcia that the Position Summary should include a duty that this person will direct and give assignment to the field crew. The GM will post an internal job announcement for 7 days as required by the Employee Association.

65 Auditor's Letter: Grimstad and Associates is performing the audit of the District's Financial Statements for
66 FYE June 30, 2018. The Engagement Letter outlines the objectives, audit procedures, and
67 the management responsibilities. It was the consensus of the board for John Garcia to sign
68 the letter.

69 Decision Items:
70 Notice of Intent to
71 Award: The GM and the engineer interviewed the two most qualified membrane filtration firms, Pall
72 Corporation and WesTech Inc. During the interview District staff discussed exceptions and
73 adjustments to the scope of supply of the two firms. Staff and engineer are recommending to
74 the Board to consider purchasing the Membrane Filtration Equipment from WesTech Inc. The
75 purchase price is slightly higher but the system requires less chemicals, which will
76 significantly lower the operational cost and there will be less chemicals for the employees to
77 handle. The adjusted final cost is \$922,808. The funding of this project will come from loan
78 and grant. The District will pay around \$40K to build the rack and this will be reimbursed from
79 IFA loan.

80 Contract Review
81 Board: The Seal Rock Water District Board serving as the Contract Review Board considered to
82 award the contract and to purchase the Membrane Filtration Equipment.
83 Commissioner Karen Otta motioned to award the contract to the most qualified membrane
84 vendor, WesTech Inc. Motion was seconded by commissioner Sandra Mies-Grantham.
85 Motion carried 4 – 0.
86

87 Power Supply: Seal Rock Water District would like to have CLPUD supply power to its Makai Water
88 Treatment Location which is within CLPUD territory and its water intake location downstream
89 of South Beaver Creek Bridge which is within CPI territory. A letter of agreement was
90 reviewed by the Board, which outlined the agreement between the District, CLPUD and CPI.
91 CPI is willing to have CLPUD serve SRWD in their territory. PUD will supply power from
92 Highway 101 to the water intake site south of the Beaver Creek Bridge. CIP would like to tie
93 their North and South single phased service together in return for using their territory. CLPUD
94 and CPI will share a trench and the cost will be paid by SRWD. The engineer's estimate to
95 bring power to the intake location is approximately \$200K and \$65K is necessary for the
96 installation of the CPI system. The cost will be included in the construction budget.
97 Commissioner Karen Otta motioned to authorize staff to execute an agreement between
98 Central Lincoln People's Utility District (CLPUD) and Consumer Power Inc (CPI) for the
99 installation of power infrastructure to supply power to the District systems in South Beaver
100 Creek. Commissioner Sandra Mies-Grantham seconded the motion. Motion carried 4 – 0.
101

102 Reports & Comments: Staff discussed holding the Annual Employee Appreciation Luncheon at Georgie's on Dec 13,
103 2018 at 11:30. The Board was in favor of the change in venue.
104 Reminder for the board that the GM Performance Evaluation form is due in November 2018.
105 The GM will be out of the office from Oct. 22 to Nov 2. It's necessary to move the Nov.
106 meeting to Nov. 15, 2018.
107 The District has received reimbursement from Business Oregon IFA for the preliminary
108 engineering and final design expenses amounting to \$250K.
109 Two employees – the Bookkeeper and the Utility Billing Clerk will attend the AMI Reach
110 Conference from Oct. 19 to Oct. 22.
111

112 Adjournment: Commissioner Sandra Mies-Grantham motioned to adjourn the meeting. President John
113 Garcia adjourned the meeting at 5:20 p.m.
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115 Next Board Meeting: November 15, 2018 at 4:00 p.m. Regular Board Meeting.
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125 Approved by Secretary _____ Date _____
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Date: 11/1/18

Monthly Statistics		Comments				
Total customers	2560	Includes new connection Less Abandoned / Forfeited meter plus 3 SRWD meters (shop X 2 & office) plus 1 Hydrant meter				
New connections	1					
Reinstalls	0					
Abandonments / Forfeitures / Meter Removed	0					
Financial Report		Checking/MM	LGIP/PFMMA	Fund Balances	Comments	
General	\$246,956.30	\$16,728.03	\$263,684.33			
Bond	\$316,813.76	\$0.00	\$316,813.76			
Capital Projects	\$393,721.68	\$299,495.16	\$693,216.84	\$2,691,821.79 G.O. Bond Proceeds;		
Revenue Bond	\$2,712.39	\$23,171.09	\$25,883.48			
Rural Development Reserve	\$0.00	\$48,667.56	\$48,667.56			
2000 Loan Reserve	\$0.00	\$0.00	\$0.00			
Dist. Office/Shop Reserve	\$2,523.33	\$136,455.27	\$138,978.60			
Depreciation Reserve	\$0.00	\$106,573.04	\$106,573.04			
Special Projects / ODOT Reserve	\$0.00	\$0.00	\$0.00			
SDC (formerly SIP)	\$0.00	\$355,333.63	\$355,333.63	\$867,382.50 sdc collections thru 10/31/18		
Water Source Improvement Rsv	\$0.00	\$821,665.72	\$821,665.72			
TOTALS	\$962,727.46	\$1,808,089.50	\$2,770,816.96			
General Fund Review		Current	FYTD	Budgeted Amount	Comments	
Revenue	\$159,230.24	714,502.90	\$2,533,700.00			
Expenses	\$123,681.65	635,916.71	\$2,533,700.00	Contingency \$100,000; Transfers \$640,000 Total expenses budgeted \$1,893,700.		
Net Gain or (Loss) from Operations	\$35,548.59	\$78,586.19				
Water Sales Revenue Comparison		Month	FYTD	Comments		
Projected Water Sales	\$138,954	\$647,889		Leak Adjustments & Billings Adjustments (YTD = July - June)		
Actual + In Lieu of Water Sales Less H2O CR	\$150,283	\$676,190		Less: Billing Adj YTD -\$104.13; Leak Adj YTD \$1407.33		
Over or (Under)	\$11,328.70	\$28,300.57		TOTAL YTD ADJUSTMENTS \$1,303.20		
Gallage Comparison		Current	Prior Year	Cost Comparison	Current	Prior Year
Gallons Purchased	8,406,000	10,477,000	Toledo Charges	\$28,580.40	\$35,097.95	
Gallons Sold (includes accountable loss)	7,865,587	9,409,640	SRWD Sales	\$145,220.44	\$138,498.06	
Variance %	6.43%	10.19%	Ratio: Sales/Cost	5.08	3.95	
Accountable Water Loss (gallons)	675,000		City of Toledo Intertie Usage		0	
Approval To Pay Bills		Payroll 10/12/18 \$19,749.60		Payroll 10/26/18 \$19,427.10		
Month of:	October	(after meetings)	November			
GF A/P	\$6,059.50	GF A/P	\$52,097.45	up to 11/8/18		
CPF A/P	\$0.00	CPF A/P	\$0.00			
City of Toledo	\$0.00	City of Toledo	\$0.00			
Bond Fund	\$0.00	Bond / Rev Bond Fund	\$263,622.50			
Depreciation Rsv	\$0.00	Depreciation Rsv	\$0.00			
AMI Project-Phase 3	\$0.00	AMI Project-Phase 3	\$0.00			
Master Plan - Phase 3	\$0.00	Master Plan - Phase 3	\$0.00			
MP - Phase 4 (IFA)	\$0.00	MP - Phase 4 (IFA)	\$49,930.90			
Prelim. MP- Phase 4	\$0.00	Prelim. MP- Phase 4	\$2,740.15			
Water Source Impr.	\$0.00	Water Source Impr.	\$0.00			
Monthly Accrual Statistics		beg. Balance	Accrued	Used/Paid	Balance	
	9/30/2018				10/31/2018	
Office Overtime Hours (2-01)	0.00	0.00	0.00	0.00		
Field Overtime Hours (2-02)	0.00	0.00	0.00	0.00		
PTO (3-01)	1840.37	118.78	87.00	1872.15		
Comp Time (9-01 / 9-02)	65.14	60.75	8.00	117.89		

Project Monitoring Report
 With Exhibit A and Invoices
 Date: 10/1/18-10/31/18

Type of Request Final x Partial Report Number 37

Borrower: SEAL ROCK WATER DISTRICT
 Address: P. O. Box 190 Seal Rock, Oregon 97376

BUDGET ITEMS	STATUS OF BUDGET						
	PROGRAMS		FUNCTIONS		ACTIVITIES		
	(a) Budgeted Amounts	(b) Budget Change	(c) Revised Budget	(d) Previous Total	(e) This Period	(d)+(e) TOTAL	
All entries under column b must be justified with an attachment. All entries under column e must be documented with attached invoice.							
a. Administrative Expense- Preliminary		\$5,153	\$5,153	\$5,153		\$5,153	\$0
b. Preliminary Engineering- ER/PER		\$498,108	\$498,108	\$498,108		\$498,108	\$0
c. Geotechnical Studies				\$0		\$0	\$0
d. Land, Structures, Right-of-way				\$0		\$0	\$0
e. Civil West Engineering				\$0		\$0	\$0
1) Basic Engineering Svcs	\$563,763	(\$519,763)	\$44,000	\$44,000		\$44,000	(\$0)
2) Additional Services/Inspection	\$402,688	(\$62,099)	\$340,589	\$340,589		\$340,589	\$0
f. Other Engineering				\$0		\$0	\$0
1) AMI Engineering Services -Civil West		\$197,662	\$197,662	\$165,696	\$397	\$166,093	\$31,569
2) Additional Services				\$0		\$0	\$0
g. Interest & fees (interim financing)	\$210,000	(\$152,807)	\$57,193	\$57,193		\$57,193	\$0
h. Legal/Administration	\$201,344	(\$155,153)	\$46,191	\$41,908		\$41,908	\$4,283
i. Contingencies	\$595,375	(\$502,839)	\$92,536	\$0		\$0	\$92,536
j. Equipment	\$395,000	(\$385,270)	\$9,730	\$9,730		\$9,730	\$0
k. Demolition/Removal	\$365,000	(\$365,000)		\$0		\$0	\$0
l. Site Work	\$369,600	(\$369,600)		\$0		\$0	\$0
m. Construction Cost :	\$2,897,275	\$365,518		\$0		\$0	\$0
1) Sched: 1		(\$32,322)	\$960,871	\$960,871		\$960,871	\$0
2) Sched: 2		(\$26,111)	\$2,243,489	\$2,243,489		\$2,243,489	\$0
3) Other: B Creek-Electrical Work PUD		\$3,113	\$3,113	\$3,113		\$3,113	\$0
4) Other:SCADA-The Automation Group		\$30,049	\$30,049	\$29,112		\$29,112	\$937
5) AMI Project		\$1,471,361	\$1,471,361	\$1,363,901		\$1,363,901	\$107,460
n. TOTAL PROJECT COST	\$6,000,045	\$0	\$6,000,045	\$5,762,863	\$397	\$5,763,259	\$236,785
o. Funding Allocation							
1) Program Income= INTEREST			\$0	\$0		\$0	
2) Rural Development Loan	\$3,451,000		\$3,451,000	\$3,451,000		\$3,451,000	
3) Rural Development Grant	\$2,549,045		\$2,549,045	\$2,311,863	\$397	\$2,312,259	\$236,786
4) Other: DISTRICT CONTRIBUTION			\$0	\$0		\$0	
5) Other:Interim Financing Loan	\$3,451,000		\$3,451,000	\$3,451,000		\$3,451,000	\$0
p. Total Project Funding (=line l)	\$6,000,045		\$6,000,045	\$5,762,863	\$397	\$5,763,259	\$236,786
q. Percentage of Completion				96.05%		96.05%	

5. CERTIFICATION
 I certify that; to the best of my knowledge and belief, the billed costs or disbursements shown are in accordance with the terms of the project and that an inspection has been performed and all work is in accordance with the terms of the construction contract.

BORROWER:

Signature of Authorized Certifying Official: _____ Date Submitted: _____
 Typed or Printed Name and Title: _____ Telephone: _____
 Adam Denlinger, General Manager 541-563-3529

6. RURAL DEVELOPMENT ACCEPTANCE
 This form and attachments have been reviewed and are accepted by Rural Development, unless otherwise noted. This review and acceptance by Rural Development does not attest to the correctness of the amounts, the quantities shown, or that the work has been performed under the terms of the agreements or contracts.

RURAL DEVELOPMENT

Signature of Authorized Certifying Official: _____ Date Submitted: _____
 Typed or Printed Name and Title: _____ Telephone: _____
 Holly Halligan, USDA Area Specialist



Seal Rock Water District

General Manager's Report:
 Board Meeting November 15, 2018

This report is an executive summary provided with this Board agenda to Commissioners with recommended actions if any. Detailed information, staff reports, and supporting materials are provided within the full agenda packet.

PHASE-4 SOURCE WATER PROJECT:

District staff and engineer are working continually with representatives from USDA-RD to certify the District's Biological Assessment (BA) for the Beaver Creek Source Water project. Environmental consultants provided a revised Beaver Creek Biological Assessment to National Marine Fisheries Services (NMFS) on August 28, 2018. NMFS have notified the District that they are in receipt of the revised information and will respond within 30-days with a notice that the BA is complete and acceptable.

District surveyor has surveyed the new route to access the proposed treatment plant site through the Makai Community. This option avoids impacts to the conservation easement, but obviously adds additional cost to the overall project. Staff have been in contact with one property owner affected by this option to allow the District to access the property for the installation of the raw water line to access the Makai Community. Property owner is willing to allow the District to use the property as long as improvements do not prevent the property from being developed in the future.

District staff will continue to work with representatives from NMFS to provide additional information, in an effort to expedite the review process. Phase-4 improvements project continues to move forward with several critical path tasks currently in progress:

- Biological Assessment (BA) was reviewed and final submittal to NMFS occurred on July 26, 2018.
- District received a letter from NMFS notifying the District that the BA was insufficient in several areas.
- On August 28th the District consultants submitted clarification to NMFS regarding the BA through USDA-RD.
- Geotechnical investigation was completed in June 2018.
- Easement and access agreements for construction and maintenance have been revised by the engineer for the development of legal description.
- District staff will continue coordinating with USDA-RD funding representatives to provide information and updates related to the source water project.
- District crews continue working with consultants to begin the Sampling and Analysis Plan (SAP) required as a condition of the District's water right permit for use of water on Beaver Creek.
- District staff sampled the Beaver Creek Point Of Diversion (POD) for Cyanotoxins (Blue/Green Algae). Results of the samples indicate that Cyanotoxins are not present at the POD.
- Engineer continues to provide water quality and treatability testing in preparation for developing specification for membrane procurement. Treatability samples were taken on October 2, 2018.

- Final Design was approved by the Board in June and District staff attended a kick off meeting with the Jacobs design team on July 24, 2018. Staff attended a 30% completion briefing on October 2, 2018.
 - Membrane Procurement RFP was advertised in the DJC on June 29, 2018, Proposal opening was scheduled for August 2, 2018.
 - On August 29th and 30th District staff and engineer interviewed two membrane suppliers.
 - A notice of intent to award the purchase of membrane filtration equipment was released on September 21, 2018.
 - Final pipeline survey and legal descriptions have been completed October 1018.

 - **OTHER NOTABLE ACTIVITIES FOR THE MONTHS OF OCTOBER /NOVEMBER INCLUDE:**
-

- Facilitated District personnel staff/safety meeting.
- Attended Mid-Coast Integrated Water Resources Coordinating Committee meetings.
- Hosted regional municipal and water district working group meeting.
- Attended SDAO Board of Directors joint SDIS meeting in Salem November 7th & 8th.
- Attended the Lincoln County Multi-Jurisdictional Hazard Mitigation quarterly meeting on October 18th.
- Attended the SDAO Legislative Committee meeting in Salem on November 13th.
- Completed the SDAO/SDIS Best Management Practice Survey on November 5, 2018



October 23, 2018

Adam Denlinger
 General Manager
 Seal Rock Water District
 PO Box 190
 Seal Rock, OR 97376

DRAFT

RE: Proposed Scope of Work - Mid-Coast Water Conservation Consortium – Initial Development

Dear Adam:

We understand that the 2018 Drought Declaration for Lincoln County combined with the identification of water conservation as a priority issue by the Mid-Coast Water Planning Partnership has motivated the Seal Rock Water District (SRWD) and other water providers on the Mid-Coast to establish a water conservation consortium. As we have discussed, this type of organization would be an effective vehicle for leveraging the resources of similar-situated water providers to accomplish the following:

- Increase water conservation awareness and activities on the Mid-Coast, particularly during the summer
- Increase resiliency during droughts and emergencies by better aligning mitigation and response actions
- Increase coordination among water providers, including:
 - Communications and knowledge sharing,
 - Pooling of resources to accomplish more water conservation activities than what could be accomplished individually, and
 - Creating more consistent water conservation and drought response messages for customers.
- Meet Water Management and Conservation Plan benchmarks, as applicable

GSI Water Solutions, Inc. (GSI) has prepared this proposed scope of work to develop the framework for a Mid-Coast water conservation consortium that meets the above objectives. This scope of work outlines two tasks: 1) consortium research and analysis and 2) consortium development.

Scope of Services

Task 1: Consortium Research and Analysis

Under this task, GSI proposes to research and analyze the elements needed to operate a sustainable, accessible, and effective water conservation consortium. Specifically, this task would involve an investigation into:

- Potential water conservation and drought response services provided by the consortium (i.e. work plan),
- Administrative operations and needs,
- Membership requirements and member participation,
- Estimated costs,
- Funding mechanisms, and
- Governance structures - Intergovernmental agreements, etc.

This task would also involve up to two in-person meetings with SRWD and the other supporting water providers to receive their input on the results of the investigations, the content of the framework during its development, and likely a draft intergovernmental agreement for operating the consortium.

Task 2: Consortium Framework Development

Under this task, GSI will document the consortium framework based on information from Task 1, which will include the Year 1 draft work plan, schedule, and estimated costs. GSI will go through a review and revision process for that framework with SRWD and the other supporting water providers. GSI would also provide support with development of a draft intergovernmental agreement for operation of the consortium.

Budget

GSI will conduct this work based on time and materials. The estimated budget for this project is \$14,000. This budget will not be exceeded without prior authorization from SRWD. Our understanding is that SRWD will pay invoices provided by GSI but will be reimbursed by the cities of Lincoln City, Newport, Waldport and Yachats consistent with an intergovernmental agreement developed for this project. GSI's 2018 labor rates are attached.

Schedule

We are prepared to begin work upon receiving authorization to proceed. We estimate that the draft work plan under Task 2 will be developed within 3 months of notice to proceed with the goal of having the water conservation consortium up and running by no later than June 1, 2019.

Thank you for this opportunity to assist you with development of this exciting new program for Mid-Coast water providers. We look forward to hearing back from you. Please call me at 541-257-9001 if you have any questions.

Sincerely,
GSI Water Solutions, Inc.

DRAFT

Adam Sussman
Principal Water Resources Consultant

Suzanne de Szoeki
Water Resources Consultant

Attachments: GSI's 2018 Labor Rates

DRAFT - Intergovernmental Agreement of Mid-Coast Water Providers Seeking Development of a Water Conservation Consortium

Commented [Sd51]: Several elements of this IGA were borrowed from the Clackamas River Water Providers IGA, particularly the Recitals and Section 4.

This Intergovernmental Agreement is entered into by and among the undersigned municipalities and special districts, hereinafter called "Participants", to develop a framework for a Mid-Coast water conservation consortium.

Recitals

WHEREAS, ORS Chapter 190 authorizes units of local government to enter into written agreements with any other unit or units of local governments for the performance of any or all functions and activities that any of them has the authority to provide, and that the agreement may provide that such functions and activities may be performed by an intergovernmental entity created by the agreement and governed by a board or commission appointed by, responsible to and acting on behalf of the units of local government that are parties to the agreement; and

WHEREAS, all the Participants are thus authorized to enter into an intergovernmental agreement; and

WHEREAS, the Participants are water providers with water sources within the Mid-Coast of Oregon; and

WHEREAS, the signatories to this Agreement recognize that their respective customers can benefit through cooperative planning, management, and implementation of water conservation and drought response measures.

The parties, NOW, THEREFORE, agree as follows:

Section 1. Definitions

For the purpose of this Agreement the following terms shall be defined as follows:

"Agreement" - This document and any authorized amendments thereto.

"Fiscal Agent" - Shall manage the collection and distribution of funding to develop the framework for a water conservation consortium.

"Funds" - Shall consist of funding from any Participant provided to the Fiscal Agent to develop a framework for a water conservation consortium.

"Participant" - Shall mean a water provider contributing funds for development of the framework for a water conservation consortium.

Section 2. Purpose of a Water Conservation Consortium

The purposes of a water conservation consortium are as follows:

- A. To increase water conservation awareness and activities on the Mid-Coast, particularly during the summer
- B. To increase resiliency during droughts and emergencies by better aligning mitigation and response actions
- C. To increase coordination among water providers, including:

- a. Communications and knowledge sharing,
- b. Pooling of resources to accomplish more water conservation activities than what could be accomplished individually, and
- c. Creating more consistent water conservation and drought response messages for customers.

D. To meet Water Management and Conservation Plan benchmarks, as applicable

Section 3. Purpose of Developing a Framework for Water Conservation Consortium

The purposes of developing a framework for a water conservation consortium are as follows:

- A. To identify elements needed to operate a water conservation consortium, such as:
 - a. Potential water conservation and drought response services provided by the consortium (i.e. work plan),
 - b. Administrative operations and needs,
 - c. Membership requirements and member participation,
 - d. Estimated costs,
 - e. Funding mechanisms, and
 - f. Governance structures - Intergovernmental agreements, etc.; and
- B. To create a Year 1 draft work plan, schedule, and estimated costs
- C. To provide a forum for Participants to provide input on A and B.

Section 4. Cooperation and Participants' Retained Authority

Participants shall act in a spirit of cooperation during development of the framework for water conservation consortium. By entering into this Agreement, no Participant has assigned or granted to another its water rights or authority to plan, construct, and operate its water system or perform any other obligations or duty assigned to it under law.

Section 5. Fiscal Agent

Seal Rock Water District is the designated fiscal agent for this effort to develop a framework for water conservation consortium.

Section 6. Monetary Contributions

- A. Each Participant shall contribute funds to the Fiscal Agent to help pay for its portion of the \$14,000 effort to develop a framework for water conservation consortium (see attached scope of work), as follows:
 - a. City of Lincoln City: \$5,500
 - b. City of Newport: \$4,300
 - c. City of Waldport: \$1,200
 - d. City of Yachats: \$700
 - e. Seal Rock Water District: \$2,300
- B. Participant contributions are based on the number of service connections.

Section 6. Term

The term of this Agreement shall be one year from the date that the last of the Participants of this Agreement signs this Agreement.

RECEIVED

NOV 05 2018

BY: 

ADAM C. SPRINGER LLC
ATTORNEY AND COUNSELOR AT LAW

Traci P. McDowall, Attorney at Law
380 SW 2nd St.
PO Box 1987
Newport, OR 97365
Phone: (541) 272-5500
Fax: (541) 265-7633
E-Mail: traci@yaquinalaw.com

November 1, 2018

Seal Rock Water District
PO Box 190
Seal Rock, OR 97376

Re: New water pipe to be installed along NW Kona Place in the Makai Subdivision of Seal Rock, Oregon.

To Whom It May Concern:

I represent Mr. Lance P. Stimely in the above captioned matter. Please direct communications regarding this matter to me on behalf of my client. It is the understanding of Mr. Stimely that Seal Rock Water District ("SRWD") intends to install a new water pipe along NW Kona Place in front of his house located at 13441 NW Kona Place, Seal Rock, Oregon 97376. The purpose of this letter is to put SRWD on notice of the potential issues that Mr. Stimely anticipates will arise from this installation, including the potential flooding of his house.

As things currently are on NW Kona Place, the naturally occurring water migration forced Mr. Stimely to install a sump-pump in his basement due to the already occurring natural water migration that takes place due to surface water runoff and drainage through the soil, clay, and otherwise in this area. At the current rate the water flows into Mr. Stimely's basement he is able to mitigate any damage with the sump-pump he has installed. He is gravely concerned with the impact installation of a new water pipe will have on the current conditions. Mr. Stimely anticipates that the installation of the new pipe will increase the amount of water that runs into his basement. The increased water flow into Mr. Stimely's basement will impact the rate at which his sump pump has to operate, and will likely be at such a substantial rate above what naturally occurs that he will not be able to keep up with the flooding and his house, that he has spent many years building, will be damaged and/or destroyed.

It would please Mr. Stimely if SRWD was able to find a different route for this new water pipe that would not have the potential negative impacts on Mr. Stimely's property as anticipated by the current planned route. It is my understanding that representatives from SRWD have informed Mr. Stimely that this simply is not financially possible. In the event that finding an alternate route for the new water pipe is not possible, Mr. Stimely intends to monitor the conditions of water flow and proceed as necessary should any damage occur to his property as a result of the installation of the new water pipe in the proposed location. Please note that if this installation

causes water damage to my client's home, you may be held liable under theories of negligence, nuisance, and/or trespass.

If you have any questions or concerns please contact me.

Sincerely,

A handwritten signature in black ink that reads "Traci McDowall". The signature is written in a cursive, flowing style.

Traci McDowall
Attorney at Law