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3 **SEAL ROCK WATER DISTRICT**
4 **MINUTES OF THE**
5 **Regular Board Meeting & Budget Hearing & Rate Hearing**
6 **by Zoom Conference Call**
7 **May 13, 2021**

8 **Introduction to Remote Meeting:**

9 Denlinger, General Manager, explained that this board meeting is being conducted remotely and in person observing social
10 distancing and the wearing of face masks in order to mitigate the transmission of the novel coronavirus and reduce the risk
11 of COVID-19 illness in accordance with Governor Brown's Executive Order 20-12 to suspend all public gatherings. He
12 further explained that the Board President will call each name to confirm those who are present by zoom conference. After
13 each person hears their name, they need to reply. For each decision item in the agenda that needs to be approved, after
14 discussion and deliberation, the Board President will call each name of the commissioner for their vote. After the
15 commissioners hear their name, he or she will give the vote to the affirmative by saying YES or negative by saying NO.
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17 **Call Regular Meeting to Order:**

18 President Rob Mills called the regular board meeting to order at 4:05 p.m., Thursday, May 13, 2021.
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20 **Present:**

21 President Rob Mills confirmed that all commissioners present can hear each other by doing a roll call. Present by Zoom
22 Conference Call were Commissioner Karen Otta, member; Commissioner Sandra Mies-Grantham, Secretary; and
23 President Rob Mills. Commissioner Glen Morris, member, signed in at 5:15 p.m.; Staff: Adam Denlinger, General Manager;
24 Joy King, Office Manager; Atty. Jeff Hollen, District legal counsel.
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26 **Excused Absences:** Commissioner Deanna Gravelle.
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28 **Announcements/Public Comments:**

29 President Rob Mills asked if there are any announcements. Commissioner Karen Otta had no announcement;
30 Commissioner Sandra Mies-Grantham had no announcement; Office Manager Joy King had no announcement; General
31 Manager Adam Denlinger had no announcement; President Rob Mills had no announcement.
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33 **Public Comments:** Jan Auyong Titgen, a customer from South Beach was present by phone to learn more about the rate
34 increase notice she received with her bill.
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36 **Consent Calendar:**

37 Items on the consent calendar are April/May 2021 Invoices List; April 8, 2021 Regular Board Meeting Minutes; April 15,
38 2021 SRWD Budget Committee Meeting Minutes; April/May Financial Report/Invoices List for approval; Business Oregon
39 IFA Disbursement Request No. 31; USDA Phase IV PMR No. 11; Contractor's Pay Request No. 11; Westech Change
40 Order No. 3; and General Manager's Report. President Rob Mills asked if each commissioner has reviewed the items on
41 the consent calendar. Commissioner Karen Otta answered YES; Commissioner Sandra Mies-Grantham answered YES;
42 President Rob Mills answered YES. Commissioner Sandra Mies-Grantham motioned to approve the consent calendar.
43 Commissioner Karen Otta seconded the motion. Discussion: Commissioner Karen Otta asked why the water loss
44 percentage is 15.9%. The GM explained that there is a difference in the timing of when the City of Toledo reads their meter
45 for billing the district and when SRWD staff reads meters for billing the customers. Also, there was an air release valve hit
46 by ODOT causing a leak, and the long line between the District and the City of Toledo is old and brittle and might be leaking
47 in different sections. President Rob Mills asked the commissioners for their votes. Commissioner Karen Otta voted YES;
48 Commissioner Sandra Mies-Grantham voted YES, and President Rob Mills voted YES. Motion passed with 3 YES votes
49 and 0 NO votes.
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51 **Discussion and Information Items:**

52 **Source Water Project Update:**

53 Construction at the WTP site includes continued work on the backwash basin and membrane building. Several concrete
54 pours on the backwash basin were completed in late April. Concrete footings were also poured on the membrane building.
55 Concrete masonry subcontractor is expected to mobilize in early May to begin the block construction of the membrane
56 building and intake. The contractor continues steady progress but is behind as their schedule shows December as the
57 completion date which is not the contract completion date. The contract completion date is August 2021. Attorney Jeff
58 Hollen updated the Board that the district has not received a reply from the contractor regarding the letter sent by the GM,
59 Adam Denlinger that included the analysis of the process of submitting a claim before going into arbitration. This is under
60 the control of the contractor and there is nothing the district can do right now. If the contractor does not meet the contractual
61 time, the district has the option of imposing liquidated damages.
62 Some of the Makai residents would like to visit the WTP site. The GM will take them to the project site in July or August
63 when the project site is drier and the concrete pour work is done.

64 Discussion on Commissioner Deanna Gravelle whose term will end on June 30, 2021. She is not running for another term
65 and the Board will need to appoint a commissioner and a treasurer. This needs to be revisited in June or July. The district
66 will receive an election certification in June.
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69 **Annual Employee Performance**

70 **Audit Review Process:**

71 President Rob Mills brought it to the attention of the Board that the audit review process of the annual employee
72 performance is done annually. It was discussed to do it every two years. The Employee Policy Manual needs to be updated
73 to include this change. The GM is in the process of updating the policy manual and will bring it to the Board for review and
74 approval when completed.
75

76 **Formal Employee Succession Process:**

77 President Rob Mills recommended for the district to develop a formal employee succession process to be prepared for any
78 changes in personnel that might happen in the future. Joy King, Office Manager shared of what is being done in the office. It
79 has been her goal to cross train the employees and this has been an ongoing process. It proves to be very effective
80 especially when an employee is not present for any reason, there is another employee who can cover the work for the time
81 being. The employees are also encouraged to write instructions for new tasks and procedures, and these instructions are
82 compiled in binders and accessible for reference when needed.
83 Staff will find out if any information regarding succession process from SDAO is available.
84

85 **Public Hearing:**

86 **Rate Adjustments for FY 2021-22:**

87 President Rob Mills opened the public hearing at 4:45 p.m. in accordance with ORS Chapter 264.312, to conduct a public
88 hearing to receive public testimony regarding the proposed water rate adjustment for FY 2021-2022.
89 Jan Auyong Titgen said she was surprised to receive the rate increase notice and she was mainly interested in finding the
90 issue of the water source. The GM explained that the district has failing infrastructure between the district and the City of
91 Toledo. Section of this waterline is about 9 miles of pipes that lies along South Bay Road on the Toledo side. This pipeline
92 was installed in the early '70s on the road by the river. During the rainy season when the river is flooded, there were times
93 when the water shifted the ground and caused line breaks. Part of the waterline also is under Poole Slough and if this line
94 breaks the district will lose its water source. In 2014 the district with the help of consultants did a reconnaissance level study
95 to look at different sources of water in the area including Toledo, Beaver Creek, and Drift Creek. The result of the study
96 showed Beaver Creek as the best source water for the district considering its location and costs in developing the
97 infrastructure that would be for the benefit of the customers and the environment. Jan Auyong Titgen explained that at 98th
98 Street where her house is located near the Thiel Creek pump station, the water has too much chlorine smell and she is
99 wondering if the water would be of better quality when the new Beaver Creek source water is in place. The GM explained
100 that the raw water from the Beaver Creek will be pumped from the intake location to the Makai water treatment plant where
101 the raw water is treated using a membrane filtration system and not chlorination. The treated water will be stored in a
102 reservoir at the Makai site, and treated water will also be pumped from the water treatment plant through the 12-inch pipe
103 from Makai to Highway 101 and to the Driftwood reservoir. Water from these two reservoirs will be delivered through the
104 water system to the customers.

105 The district also received comments through email from Mr. Larry Huber and Mr. Garrick Balsly. Mr. Huber was asking
106 about the 30% water rate increase. Staff had responded to him with an explanation that the average rate increase is 17%
107 and not 30%. He would like to request for the Board to look into two years implementation possibly 8.5% over 2021 and
108 2022.

109 Mr. Garrick Balsly expressed his concern about the rate increase. He is paying a base fee for his meter and is concerned
110 about how much his bill would be after he builds his house.

111 After discussion, it was the consensus of the Board that there are no other alternatives to consider since the district needs
112 the increase in revenue to meet its obligations for FY 2021-22. President Rob Mills closed the public rate hearing at
113 5:06 p.m.
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115 **Budget Hearing:**

116 President Rob Mills opened the public hearing in accordance with ORS Chapters 294.453 and 294.456, to conduct a public
117 hearing to receive public testimony regarding the SRWD FY 2021-22 budget approved by the Budget Committee who held
118 a Budget Committee meeting on April 15, 2021. The Notice of Budget Hearing was published in the News-Times on
119 April 23, 2021, and was also posted on the district's website. The district did not receive any comments from the public. The
120 Board did not make any changes to the Budget approved by the Budget Committee.

121 President Rob Mills closed the public budget hearing at 5:13 p.m.
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123 **Decision Items: None**
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Reports, Comments, and Correspondence:

Low Streamflow:

The GM received an alert from Oregon Water Resource Department (OWRD) regarding an alarming streamflow trend. The streamflow in the Siletz River, Yachats River, Alsea River, Yaquina River, Salmon River is lower than in 2015. The streamflow will be critically low this year and wells in the surrounding area will likely dry out. The district might have to send notice to customers to conserve water if the condition worsens. Beaver Creek flow doesn't have the tendency to go low but there is no past data available. The data is being collected now.

Office Reopening:

The district will prepare for reopening the office to the public once OSHA issues guidance on protocols for a safe reopening as advocated by SDAO.

Attorney Jeff Hollen asked when will the Board vote for approval of the rate increase. The rate increase will be approved by resolution at the June 10, 2021 Board meeting.

Adjournment: Commissioner Karen Otta moved to adjourn the meeting. President Rob Mills adjourned the meeting at 5.23 p.m.

Next Board Meeting: June 10, 2021, at 4 p.m. Regular Board Meeting.

Approved by Board President

Date: