SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
by Zoom Conference Call and In Person
October 08, 2026

Introduction to Remote Meeting:
SRWD held this meeting through Zoom video conferencing and in person. Due to limited in-person meeting capacity, the public was encouraged to attend virtually.

Attendance:
Present in person were Commissioner Rob Mills, Board President; Commissioner Amy Greer, Member; and Commissioner Karen Otta, Treasurer.
Present through Zoom video conferencing was Commissioner Saundra Mies-Grantham, Secretary.
Staff present were Adam Denlinger, General Manager; Renee Card, Finance Manager; Trish Karlsen, Bookkeeper; and Brad Wynn, Lead Operator.

Excused Absences: Commissioner Glen Morris, Member

Visitors Present: None

Call Meeting to Order & Announcements:
President Rob Mills called the regular Board meeting to order at 4:01 p.m., Thursday, October 08, 2026, and introduced the commissioners and staff present in the boardroom. Commissioner Otta announced she would attend the November meeting via Zoom. There were no additional formal announcements to present, so the meeting proceeded to the regularly scheduled agenda.

Public Comments: None

Adoption of Consent Calendar:
Items on the consent calendar include the September 2026/October 2026 Invoices List for approval; September 09, 2026, Regular Board Meeting minutes; the Financial Report; and the General Manager's Monthly Report. Commissioner Greer moved to approve the consent calendar as presented. Commissioner Mies-Grantham seconded the motion. The motion carried unanimously. Commissioner Otta abstained, noting her absence from the September meeting.

Public Hearing: None

Discussion and Information Items:
Water Treatment Plant (WTP) Update:
Adam Denlinger presented an update on the WTP, noting successful repairs to a failed server component that restored remote operational access by replacing a faulty perc card. While remote access limits monitoring to two users at a time, operators can still manage the plant remotely. The plant has now completed three months of the six-month performance testing period required by the original engineering contract to verify that the facility meets design specifications. This marks the fourth attempt to complete this milestone since commissioning in 2022.
The water master plan is roughly 30% complete, with current efforts heavily focused on resolving challenges in calculating non-revenue water loss. While the district utilizes a sophisticated AMI system and accurate master meters, monthly water loss data has fluctuated between 16% and 29%. To bridge this reporting gap, engineers are collaborating with staff to review data collection processes. Discussions also included the possibility of a drought emergency and stream flow measurements. Lincoln County remains stable and a formal drought emergency declaration is highly unlikely this late in the season. Although the area hovered right on the threshold of an emergency since June, early September rains successfully stabilized stream flows and eased critical drought fears.

Implementation of PERS Retiree Return-to-Work Program:
The Board reviewed a new policy allowing eligible PERS members to retire, draw their pensions, and return to work for the district. This program addresses post-pandemic labor shortages by retaining vital institutional knowledge, certifications, and experience. Staff noted that under current Senate Bill 1049 provisions, there are no hourly limits for eligible PERS retirees. The district would also continue to pay employer PERS costs associated with the employee's compensation. To prevent an imminent employment gap for an essential, upcoming retiree, the board passed a motion to approve the policy in its current draft form, subject to final administrative adjustments from the Special Districts Association of Oregon (SDAO) and/or HR Answers.

Following the discussion, Commissioner Otta made a motion to adopt the draft policy pending future minor modifications with an effective date of November 1, 2026. Commissioner Greer seconded the motion. The motion was passed unanimously.

Decision Items:

Bond Counsel Engagement regarding Annexation of Island Properties in the City Service Area (CSA):

The Board discussed a double-taxation issue affecting approximately 47 "island" properties in the South Beach service area. Under a 2007 joint agreement, the City of Newport annexed much of this region and assumed water operations, yet several pocket properties remained within the District's boundaries. Because these properties are legally tied to subsequent 2016 and 2021 improvement bonds, the District lacks the statutory authority to simply release them from their financial obligations without violating bond agreements or USDA conditions. Affected owners face overlapping taxes from both the City and the District.

To safely navigate these restrictions, the District and the City are seeking a neutral legal opinion from Bond Counsel. Attorney Gülgün Uğur of the Hawkins Group has agreed to act as a neutral evaluator for both public entities, with the total cost to be split equally between the District and the City. Newport is currently reviewing the counsel's conflict-of-interest conditions, which stipulate that she will withdraw entirely if an unresolvable dispute arises between the two entities. Staff emphasized that Bond Counsel's final opinion will be non-binding, and any ultimate policy or financial determination will remain strictly under the authority of the Board.

No formal action was taken. The decision was deferred pending the receipt of a formal letter of engagement, which staff expect to present for Board approval at the November meeting.

Report, Comments, and Correspondence:

- The annual Employee Appreciation event is scheduled for December 10, 2026, at 12:00 PM. Staff announced plans to formally dedicate the building in memory of John Garcia during the event. The district is currently preparing a commemorative plaque and intends to invite the Garcia family to attend the recognition.
- The General Manager is scheduled to attend the SDAO/SDIS Joint Meeting on November 4th and 5th in Salem.
- The District will be presenting at the Source Water Protection Workshop on October 29th hosted by Oregon DEQ at the OCCC in South Beach. Staff will collaborate with the district's consultant to present details on the regional source water protection plan.
- Staff reported on the progress of the annual financial audit following field work being completed on September 30th by the District Auditor.

Executive Session: None

Adjournment: Commissioner Greer moved for adjournment. President Rob Mills adjourned the meeting at 5:17 p.m.

Other Scheduled Meetings: November 12, 2026, at 4:00 p.m. Regular Board Meeting

Robert Mills — NOV. 12, 2026

Approved by Board President — Date: