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SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting, Rate Hearing, and Budget Hearing
by Zoom Conference Call and In Person
May 11, 2023

Introduction to Remote Meeting:

Denlinger, General Manager, explained that this board meeting is being conducted remotely and in person. Due to the limited capacity for in-person meetings, the public is invited to attend this meeting electronically. He further explained that the Board President will call each name to confirm those who are present via Zoom conference. After each person hears their name, they need to reply. For each decision item on the agenda that needs to be approved, after discussion and deliberation, the Board President will call each name of the commissioner for their vote. After the commissioners hear their names, he or she will give a vote in the affirmative by saying YES or negative by saying NO.

Call Regular Meeting to Order:

President Rob Mills called the work session & regular board meeting to order at 4:01 p.m., Thursday, May 11, 2023.

Present:

President Rob Mills confirmed that all commissioners present can hear each other by doing a roll call. No one was present on Zoom Conference Call. Present in person in the Board room were Commissioner Rob Mills, Board President; Commissioner Glen Morris, Member; Commissioner Paul Highfill, Member. Attorney Jeff Hollen, Legal Counsel. Staff: Adam Denlinger, General Manager; Joy King-Cortes, Office Manager. Members of the public attending through Zoom were Teresa Denlinger and Claire Gerdes.

Excused Absences: Commissioners Karen Otta and Sandra Mles-Grantham

Announcements/Public Comments:

President Rob Mills asked if there are any announcements.

Commissioner Glen Morris recommended moving the rate hearing and budget hearing after approving the consent calendar on the agenda so that those attending don't need to wait. Commissioner Paul Highfill had no announcement; Joy King-Cortes, Office Manager had no announcement; General Manager, Adam Denlinger had no announcement. Attorney Jeff Hollen had no announcement. President Rob Mills had no announcement.

Consent Calendar:

Items on the consent calendar are April/May 2023 Invoices List for approval; April 13, 2023, Regular Board Meeting minutes; April/May 2023 Financial Report; and General Manager's Monthly Report. President Rob Mills asked if each commissioner reviewed the consent calendar items. Commissioner Glen Morris answered YES; Commissioner Paul Highfill answered YES; and President Rob Mills answered YES. Commissioner Glen Morris motioned to approve the consent calendar. Commissioner Paul Highfill seconded the motion. The motion passed 3-0.

Rate Hearing: President Rob Mills open the public hearing at 4:05 pm in accordance with ORS Chapter 294.312, to receive public comments regarding the proposed water rate adjustment for FY 203-24. The GM, Adam Denlinger explained that the cost of materials and services has gone up 35%, affecting the district's operation. In the last two years, the board decided not to increase the rates and see how the new water treatment plant affects operational costs when completed. There are new costs in running the new water treatment plant like chemicals, utilities, and regulatory requirements. The district is subject to compliance with the EPA's new Lead and Copper Rule and increase sampling for testing.

The required public notice was provided to customers as inserts to the monthly bills. The staff received six emails from the customers and were included as public testimonies in the board meeting packet. The staff received additional four emails this morning which are added to the meeting packet as part of the public testimonies. One of the emails is from Claire Gerdes who is present through Zoom. President Rob Mills asked Ms. Gerdes if she has additional comments to which she replied that her testimony/comment is contained in the email and that she has no additional comment at this time.

Budget Hearing:

President Rob Mills closed the rate hearing at 4:10 pm and opened the budget hearing for public testimony. The FY 2023-24 Budget includes the amount for the annual operations of the district, annual loan payments, and contributions to required reserves. On April 20, 2023, at 6:00 pm, the Budget Committee held a meeting to review and approve the proposed budget in the amount of \$10,749,570. The staff did not receive any written comments regarding the budget approved by the Budget Committee. President Rob Mills asked the public present through Zoom if she had any comments to which she replied she has no comment. President Rob Mills closed the budget public hearing at 4:15 pm and reconvened the regular board meeting

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Discussion and Information Items:

Primary Source Water Project Update: The Water Treatment Plant is operating for a month now without interruption. The contractor has been on-site to work on items on the punch list. The contractor used a camera in locating the problem with the drain line. It was discovered that the problem is not under the concrete but outside the WTP between the building and the wash basin where there is a crack on the pipe. Excavation to repair the drain pipe is scheduled for next week. On April 27, the SRWD staff and engineers hosted a tour of the Water Treatment Facility for the Makai Community which is most impacted by the project. The engineers at the beginning of the project, Paul Berg and Tom Engleson attended the tour and answered questions from the customers. John Filbert who was a board member in the beginning phase of the project also attended the tour which was attended by about 60 people who took the opportunity to see how water is treated from Beaver Creek through the Ultra Membrane Filtration before water is delivered to the customers.

Decision Items:

Consider Approving Amendment No. 4 to Owner – Engineer Agreement:

Jacobs Engineer submitted Amendment No. 4 to increase the contract by \$36,560. This cost is due to continued support caused by the delays in project completion. This cost is not covered by USDA loans and grants and will be paid from the district’s money in the Capital Projects Fund. Commissioner Glen Morris motioned to approve Amendment No. 4. Commissioner Paul Highfill seconded the motion. The motion was passed 3 – 0.

Consider Approving Resolution No. 0523-01:

During the April 20, Budget Committee Meeting it was discussed that the Depreciation/Short-lived Assets Replacement Account (SLARA) Fund description needs to be amended to include: paying for repairs and/or replacement of major system assets based on the preliminary report schedule of short-lived assets with an estimated life of 15 years or less as specified by USDA Letter of Conditions. Commissioner Glen Morris motioned to approve Resolution 0523-01. Commissioner Paul Highfill seconded the motion. The motion was passed 3 – 0.

Reports, Comments, Correspondence:

The office will be closed on May 9, in observance of Memorial Day. The district received a Drinking Water Services Outstanding Performance Certificate from the Oregon Health Authority (OHA) as a result of the water system survey performed by OHA on March 13, 2023. The SRWD water system facilities were found to be well-operated and maintained by knowledgeable staff. As an Outstanding Performer, the next system survey will be done in five years instead of every 3 years.

The district also received the Pacific Northwest Meter System of the Year 2023 at the Utility Solution Expo in Seaside. The district received this award for the team’s vision and determination to take the smart water grid system and customer service to the next level. The award was accepted by Brendi Hoch and Brad Wynn who attended the expo.

Recessed Regular Board Meeting: President Rob Mills recessed the Regular Board Meeting at 4:32 p.m. to go into an executive Session.

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

The SRWD Board may meet in Executive Session, pursuant to ORS 192.660(2)(h); To consult with legal counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations. No final decisions shall be made in Executive Session. The public who attended the meeting through Zoom were excused from the executive session.

Reconvened Regular Board Meeting: President Rob Mills adjourned the Executive Session and reconvened the Regular Board Meeting at 5:15 p.m.

Adjournment: Motioned by Commissioner Glen Morris to adjourn the meeting. The motion was seconded by Commissioner Paul Highfill. The meeting was adjourned at 5:16 p.m.

Next Board Meeting: June 8, 2023, at 4:00 p.m. Regular Board Meeting.

Approved by Board President Date: