

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
February 12, 2015**

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5 Call Regular

6 Board Meeting: Board President John Garcia called the regular board meeting to order at 3:05 p.m.,
7 Thursday, February 12, 2015.

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9 Present: John Garcia, Board President; Glen Morris, Treasurer; Sandra Mies-Grantham,
10 Secretary; Rob Mills, Member; John Filbert, Member: Staff: Adam Denlinger, General
11 Manager; Joy S King, Office Manager; Ralph Wenziger, Civil West Engineering; David
12 Ulbricht, Managing Director- Robert W. Baird and Co., Inc. See sign in sheet for public
13 attendance.

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15 Excused Absences: none

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17 Announcements: Rob Mills shared with the Board that during their SDIS/SDAO meeting Frank Stratton
18 mentioned the support and monetary pledge of Seal Rock Water District to the legal fund
19 for court appeals of Rouge Valley Sewer Services vs City of Phoenix.

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21 Public Comments: None

22 Consent

23 Calendar: Items on the consent calendar are Invoice lists for Jan/Feb 2015; minutes of the Jan 15,
24 2015 Board meeting; Jan 2015 Financial Report; Project Monitoring Report; General
25 Manager's Report; 2015/2016 Budget Calendar. John Filbert motioned to approve the
26 consent calendar. It was seconded by Rob Mills. Motion carried unanimously. Glen Morris
27 motioned to appoint Adam Denlinger as the budget officer. It was seconded by Sandra
28 Mies-Grantham. Motion carried unanimously.

29 Discussion and
30 Information Item:

31 Funding Options: David Ulbricht discussed with the board the different options in obtaining funding for the
32 District's share of the City of Toledo capital improvements. He previously met with Glen
33 Morris and Adam Denlinger to discuss these funding options. The best approach is to look
34 into line of credit for \$2M instead of \$1.6M. Out of the \$15M G.O. Bond authority approved
35 by the voters there is \$6.549M available to fund Phase 3 projects. There is flexibility in
36 obtaining funding for the District's share of the Toledo project and not use the G.O. Bond
37 Authorization. Line of Credit option for \$2M instead of \$1.6M was discussed. If the project
38 goes over \$1.6M the line of credit is already in place. If it is not needed the District doesn't
39 have to use it and would only owe what funds are actually spent. The long term loan could
40 be paid by Revenue Bond or by G.O. Bond if there's authority left from the \$15M G.O.
41 Bond Authority. Reimbursement of funds already expended from reserve fund to pay the
42 past invoices from City of Toledo was discussed. It is not necessary to go in debt and pay
43 interest to put the funds back into reserve.
44 The first step in obtaining a line of credit is to send out Request for Proposals (RFP), then
45 review the proposals and choose which of the proposal is best. It was motioned by Glen
46 Morris to authorize Adam Denlinger to work with David Ulbricht to issue RFPs for \$2M line
47 of credit from local and national banks. It was seconded by John Filbert. Motion carried
48 unanimously.

49 Source Water Feasibility
50 Study:

51 Adam Sussman, Principal of GSI Water introduced the members of the Water Source
52 Feasibility Study team. They are Kim Briggsby – GSI; Ralph Wenziger and Kellen
53 Tardaewether – Civil West Engineering; and Steven Shropshire – Attorney from Jordan
54 Ramis, PC. The goal of the Feasibility Study is to be able to rank the source water using
55 the objective and criteria to help the board choose what source would meet the needs of
56 the District and be able to direct staff what steps to take. The end product from the team
57 would be an executive summary with all the technical memos attached.
58 He went over the draft Water Right Evaluation Summary (see attached) of the 4 water
59 sources considered in the feasibility study – Henderson Creek, Thiel Creek, Beaver
60 Creek, and Drift Creek. Items discussed were water right options, water source demand,
water availability, and resource considerations.

61 Ralph Wenziger went over construction cost and operations/maintenance cost of each
62 source water (see attached draft Raw Water Alternatives Analysis). The board
63 recommended adding to the evaluation summary a “no build option”.

64 Executive Session
65 ORS 192.660(2)(f): John Garcia recessed the regular board meeting at 4:10 pm to go into an executive
66 session per ORS 192.660(2)(f) to consider information or records that are exempt by law
67 from public inspection.

68 Reconvened
69 Regular Meeting: John Garcia adjourned the executive session at 4:55 pm and reconvened the regular
70 board meeting. He announced there was no final decision that needed action at this time.

71 Decision Items:
72 Source Water
73 Evaluation: Adam Sussman presented to the board an updated SRWD Source Water Evaluation
74 dated 2/12/15 (see attached.) It contained the definition of each objective and each
75 criterion as requested by the board at the Jan 15 board meeting. Discussion ensued why
76 this doesn't include risk, downside or adverse result or consequences. There are risks
77 involved in whatever option is chosen. The risk part was left out on purpose at this stage
78 of the process. After the board chooses the source water to pursue then the risk factor will
79 be applied. Adam Sussman distributed and discussed the draft Criteria Evaluation of
80 Water Supply Options 2/12/2015 (see attached). It ranked each source water using the
81 established criteria – Water Quality, Supply Sufficiency, Resiliency/Risk Analysis,
82 Environmental Impacts, Construction Costs, Operations and Maintenance Costs, and
83 Regulatory Complexity. Discussion ensued. It was the consensus of the board to change
84 the ranking of Beaver Creek under Resiliency/Risk Analysis from 2 to 3. The next step is
85 for the board to adopt the Criteria Evaluation rating sheet. The team then will make the
86 revisions, an executive summary, and finalize the documents for board adoption at the
87 March board meeting. After that the staff can make recommendation as to what steps to
88 take next. There are many milestones to take to materialize the goal of developing source
89 water. Rob Mills motioned to approve the Criteria Evaluation for the board to use in
90 choosing which source water would best meet the current and future needs of the District.
91 It was seconded by Glen Morris. Motion carried unanimously. Adam Denlinger expressed
92 appreciation for the work well done by the team of experts who put together the source
93 water feasibility study.

94 SRWD/Newport
95 Intertie: Staff learned recently that the intertie project qualifies for an additional \$100,000 grant
96 funding through the HMGP. This would fund most of the cost overrun and reduce the
97 amount the District has to fund to \$34,093. It was motioned by Glen Morris to authorize
98 Adam Denlinger to apply for an additional \$100,000 grant funding from FEMA Hazard
99 Mitigation Grant Program. It was seconded by Rob Mills. Motion carried unanimously.

100 Reports, Comments,
101 And Correspondence: The board reviewed the leak adjustment request submitted by TiAnne Waddell-Rios. The
102 water loss was not caused by a leak but by a hose left on which was discovered when
103 staff was reading the meters. The board determined that this doesn't qualify for a leak
104 adjustment since it doesn't meet the leak adjustment policy criteria. The water loss cost is
105 \$1,716.90. It was the consensus of the board to amend the policy and give the customer a
106 one-time adjustment. The amount to bill the customer is about \$600 to pay for the cost of
107 the water and staff time. A letter should be sent to the customer that requires signature to
108 indicate that it is understood that this is a one-time adjustment.

109
110 Director Election: There is a Director Election on May 19, 2015. The term for Glen Morris and Rob Mills will
111 expire after June 30, 2015. Candidate filing for the election must be received in the
112 County Clerk's Office no later than Mar 19, 2015. Candidate filing forms were handed to
113 Glen Morris and Rob Mills.

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115 Next Board Meeting: March 12, 2015 at 4:00 p.m.

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117 Adjournment: Garcia adjourned the meeting at 6:30 pm.

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122 Approved by Secretary

Date