SEAL ROCK WATER DISTRICT

 MINUTES OF THE

Regular Board Meeting

February 15, 2018

Call Regular

Board Meeting: Board President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday, February 15, 2018.

Present: John Garcia, Board President; Glen Morris, Treasurer; Rob Mills, Member; Karen Otta, Member. Staff: Adam Denlinger, General Manager; Joy King, Office Manager. See sign in sheet for public attendance.

Excused Absences: Commissioner Saundra Mies-Grantham.

Announcements: None

Public Comments: None

Agenda Calendar: Items on the consent calendar are Invoice Lists for December 2017/January 2018;

 December 2017/January 2018 Financial Report/Invoices to approve; Dec 14, 2017 Board meeting minutes; January 11, 2018 Board meeting minutes; USDA Phase 3- Project Monitoring Report No. 27; General Manager’s Report. Commissioner Karen Otta motioned to approve the consent calendar not including the Dec 14, 2017 minutes. Motion Seconded by Commissioner Rob Mills. Commissioners John Garcia, Rob Mills and Karen Otta voted yes. Commissioner Glen Morris abstained from voting since he was not present at the January 11, 2018 Board meeting. Commissioners John Garcia, Glen Morris, and Rob Mills voted yes to approve the Dec 14, 2017 Board meeting minutes. Commissioner Karen Otta abstained from voting since she was not present at the Dec 14, 2017 Board meeting.

Decision Items:

Resolution 1802-01

IFA Funding

Agreement: The District received a Financing Contract from Oregon Business Development Department-IFA notifying the District that Beaver Creek Primary Source Water Project was awarded the funding. The award consists of $2.451M in loan and $1.030M in grant with 1% interest in 30 years. One of the requirements of the contract is for the attorney of the District to issue a legal opinion. Jeff Hollen has reviewed the entire contract and shared his Contract Review with the Board (Please see attached Contract Review by District Legal Counsel, Jeffrey C. Hollen). He contacted OBDD-IFA regarding issues he perceived to be problematic. Exhibit B of the contract contains a representation that there are no pre-existing pledges of Net Revenues when there are two prior pledges. One is the 2012 Revenue Installment Bond from USDA and the second is the 2016 Note Payable to OBDD-IFA. The changes in the contract language on Exhibit B as requested by Jeff Hollen, pertaining to revenue pledges was received by SRWD staff before the meeting.

 The resolution to enter into a funding contract with OBDD-IFA is necessary for the District to meet USDA condition for funding no later than April 8, 2018.

 It was motioned by Commissioner Karen Otta to approve Resolution No. 1802-01 A Resolution of the Seal Rock Water District Authorizing a Loan from the Safe Drinking Water Revolving Loan Fund by Entering into a Financing Contract with the Oregon Infrastructure Finance Authority. Motion seconded by Commissioner Glen Morris. Motion carried 4-0.

City of Toledo

Settlement Agreement: The District’s attorney, Jeff Hollen attended the City of Toledo City Council meeting on February 7, 2018 to talk about the Water Rate Settlement Agreement. The City Manager acknowledged that the City didn’t provide the information needed in a timely manner as provided in the December 2012 Water Purchase Agreement Section 6.1.3 and Section 13.7 which sets forth the procedure for water rate adjustments. The City Council reviewed and passed the Water Rate Settlement Agreement. The City Council also passed the water rate increase from $3.35 per thousand to $3.40 per thousand effective February 1, 2018. Jeff Hollen reported that the benefit of entering into an agreement for water use in the future was discussed. Commissioner Glen Morris motioned to approve and authorize the District to execute the Water Rate Settlement Agreement. Commissioner Rob Mills seconded the motion. Motion carried 4-0.

Discussion and

Information Items:

AMI Project

Presentation: Misty Cobb, the Automated Meter Interface (AMI) Project Manager for Ferguson did a presentation showing the Board some of the capabilities of AMI. The Regional National Interface (RNI) shows the raw data gathered from each installed meter. There are 1,323 meters communicating with the Base Stations. Each meter has a smart point that communicates the reading to the base stations located at the vicinity of Driftwood Reservoir and vicinity of Lost Creek Reservoir. The readings are then transmitted to the District’s server which is located in Idaho and have a backup in Riley, North Carolina and in Canada. The District can monitor the raw data daily through RNI. High flow alerts can be set up to monitor leaks. It can also generate reports and monitor how well the meters are communicating to the base stations. The AMI system the District has chosen doesn’t have the capability to be remotely turned off from the office or by the customer, although the technology exists and the District can upgrade in the future the meters of those customers who are willing to pay for the technology.

 Adam Denlinger, GM commended the contractor (Ray Wells) for doing a good job. He also thanked the office staff for being patient in converting the data and working well with Misty and her team at Sensus and Ferguson and thanked Brad for reprogramming the meters with smart points and providing daily oversight of the AMI Project.

 The Customer Portal is being built right now. When it is completed and opened for customers use, they will be able to set up their own account and monitor their usage, set up alarms and notifications. Part of the portal will show current, monthly, and yearly usage. The office staff will be able to see exactly what the customers see on the customer portal when they call the office for assistance or questions. The reports it could produce would be a good tool for water loss control.

Primary Source Water

Project Update:

Funding: USDA: Consultants have been working on completing the Environmental Assessment to include Cultural Resources Investigation, Wetlands Delineation, and Biological Opinion as required by USDA-RD to fund the Beaver Creek Source Water Project. The Environmental memorandum listed endangered species as marbled murrelet, northern spotted owl, and western snowy plover but there is no critical habitat presence on or near the proposed project location. But essential fish habitat is present for coho salmon and chinook salmon on Beaver Creek. Determination of effect is addressed by a separate Biological Assessment and Opinion in consultation with National Marine Fisheries Service. District staff is working closely with engineers and USDA-RD representatives to complete the necessary consultation by federal agencies in time to received USDA funding by April 8, 2018 before the federal government roll up funds for national competition. Funding will be set aside for SRWD after the Biological Opinion is certified by Fish and Wildlife before April 8. USDA-RD then will release the Letter of Condition that will secure the funding.

 It was discovered that the pipeline on South Beaver Creek will have the most environmental impact at the receiving pit. The bore pit is in wetlands and more mitigation is needed. According to the Lincoln County Public Works the railroad trusses are still under the surface of South Beaver Creek and we will not be able to do a directional drill. District staff and engineer met with Lincoln County Public Works to discuss the right of way conditions with the potential to secure the District’s proposed raw waterline on the South Beaver Creek Bridge. The engineer will look into using HDD seismic pipe to be attached under the bridge which could possibly save the District about $1 million than doing a directional bore.

 District staff has met with a third property owner, Mr. and Mrs. Phelps whose driveway is shared with Mr. and Mrs. Tysman. This property will be impacted by the waterline from Beaver Creek to Makai tank. Mr. and Mrs. Phelps are agreeable for the District’s waterline to cross their property and they are willing to sign an easement and access agreement for construction and maintenance of the waterline.

Decision Items:

Water Sampling: District crews are working with consultants to begin the Sampling and Analysis Plan as a condition of the District’s water permit for use of water on the Beaver Creek. CH2M submitted Task Order #7 to do the water sampling and analytical work for $24,000. Commissioner Glen Morris motioned to approve Task Order #7 for $24,000. Motion seconded by Commissioner Rob Mills. Motion carried 4-0.

Rescheduling of

March Board

Meeting: The General Manager is scheduled to attend the OAWU Annual Management and Technical Conference from March 5 – 9, 2018. The regular board meeting has been rescheduled on March 15, 2018.

Appointment to Budget

Committee: Thomas Ryan who resides in Makai has put in an application to fill the vacant position on the Budget Committee. Commissioner Glen Morris motioned to appoint Thomas Ryan to fill the vacant position on the Budget Committee and will serve the remaining term of Garry Helms. Motion seconded by Commissioner Karen Otta. Motion carried 4-0.

Property

Surplus: The District has old laptops and servers that are no longer working. There was a discussion at the last SDAO Caucus Meeting of small agencies’ need of water meter electronic registers. The District is pulling old meters from the ground, removing the metal parts to sell as scrap metals and throwing away the registers. It would be beneficial for the District to donate the registers to those agencies. Commissioner Glen Morris motioned to surplus the old laptops, old servers and water meter registers. Commissioner Karen Otta seconded the motion. Motion carried 4-0.

Mid-Coast Water

Planning

Partnership: The Mid-Coast Water Planning Partnership is one of the four Place-Based Water Planning Partnerships sponsored and Grant funded by Oregon Water Resources Department. The other three are Malheur Lake Basin, Upper Grande Ronde Sub-Basin, and Lower John Day Sub-Basin. Adam Denlinger, GM has been participating with the Mid-Coast Water Planning Partnership for 18 months, meeting with other agencies to find solutions to meet future water needs in the region. The committee has asked the District to be a Convener and the GM would like to continue to serve as a Convener with the approval of the board. It was discussed that if other agencies are looking into SRWD for water, the District will not be able to meet that need since the District has only water right for its own use. The State is looking into a regional solution to meet the water needs of the different regions in the future.

 It was the consensus of the Board for the GM to serve as a convener for the Mid-Coast Water Planning Partnership. There will be a Mid-Coast Water Planning Partnership meeting on Feb 22, 2018 at Best Western Hotel in Newport and Adam Denlinger will be a convener.

Office

Closure: The District office will be closed on February 19, 2018 in honor of Presidents Day.

Next Board Meeting: March 15, 2018 at 4:00 p.m. Regular Board Meeting.

Adjournment: Motion by Commissioner Glen Morris to adjourn the meeting. Commissioner Rob Mills seconded the motion. Commissioner Garcia adjourned the meeting at 6:00 p.m.

###### Approved by Secretary Date