

SEAL ROCK WATER DISTRICT
MINUTES OF THE Regular Board Meeting
March 14, 2019

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6 Call Regular

7 Board Meeting: President John Garcia called the regular board meeting to order at 4:00 p.m., Thursday,
8 March 14, 2019.
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10 Present: President John Garcia; Commissioner Glen Morris, Treasurer; Commissioner Rob Mills,
11 member; Commissioner Saundra Mies-Grantham, Secretary. Staff: Adam Denlinger, General
12 Manager; Joy King, Office Manager. Jeff Hollen, Legal Counsel. See sign in sheet for public
13 attendance.
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15 Excused Absences: Commissioner Karen Otta
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17 Announcements: None
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19 Public Comments: None
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21 Presentation: District staff Trish Karlsen and Brendi Hargrove showed a slide presentation of the newly
22 implemented Customer Portal to the Board. Customers are encouraged to sign up for the
23 Portal to be able to check their water usage and to set up alerts to receive notification if their
24 water usage is unusually high. In doing so they will be able to check for leaks sooner before
25 the problem gets worst.
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28 Agenda Calendar: Items on the consent calendar are Invoice Lists for February/March 2019;
29 February 14, 2019 Regular Board Meeting Minutes; February/March 2019 Financial
30 Report/Invoices to approve; USDA Project Monitoring Report No. 41; and General Manager's
31 Report. Commissioner Rob Mills motioned to approve the Consent Calendar. Motion was
32 seconded by commissioner Glen Morris. Motion carried 4 – 0.

33 Discussion and
34 Information Items:
35 Settlement

36 Agreement: Adam Denlinger, GM explained to the Board that the wholesale rate approved by the City
37 Council on Dec 5, 2018 through resolution decreasing the water rate to \$3.24 effective
38 January 1, 2019, was calculated in error. On January 28, the District received an email from
39 the City of Toledo with several attachments related to a potential water rate increase. The
40 same email advised the District of an intent to submit to the City Council a "Requests for
41 Council Action" on Feb 6, 2019 to raise the water rate effective Mar 1, 2019. On Feb 5 and
42 Feb 19 District staff to include; Adam Denlinger and Joy King with two commissioners, Rob
43 Mills and Saundra Mies-Grantham, and the District's legal counsel met with City of Toledo
44 staff, Craig Martin, City Manager, and Mike Adams, PWD with City Mayor, Rod Cross and
45 City Council President, Joshua Smith and the City's legal counsel to discuss a proposed
46 Water Rate Settlement Agreement to adjust the rate proposed by the City, that covers the
47 rate from Jan 1, 2019 through April 30 to be \$3.24 per 1,000 gallons. The rate from May 1
48 through Dec 31, 2019 shall be \$3.89 per 1,000 gallons. This Water Rate Settlement
49 Agreement was presented to the Board for discussion. Also, for Board discussion was a draft
50 Water Rate Settlement Agreement drafted by the District legal counsel, Jeff Hollen that
51 includes the rates drafted by the City and proposed rates by the District for Jan 1, 2020
52 through October 31, 2020 and the rates beyond October 31, 2020. Representatives from the
53 City were asked if there's anything they would like to discuss, and they acknowledged that
54 the GM had already discussed them. Commissioner Glen Morris motioned to bring this item
55 forward at the next April meeting. Commissioner Rob Mills seconded the motion. The City
56 legal counsel, David Robinson asked the GM, Adam Denlinger, why the Water Rate
57 Settlement Agreement wasn't being approved tonight when he was told that it will be
58 approved, that's the reason why they came and attended the meeting. The GM made it clear
59 that staff doesn't have authority to make decisions for the Board with regards to policy. The
60 GM explained that the District holds its regular monthly board meeting once a month and staff
61 presents items for information and discussion which the Board takes final action the following
62 regular monthly board meeting. Commissioner Glen Morris asked if there's a problem if this
63 item is tabled for the next Board meeting. The CM, Craig Martin replied that there's no

64 problem. After the discussion a vote of 4 passed the motion in favor of placing this item on
65 the agenda for final action at the April regular monthly meeting.
66

67 Refinancing: Adam Denlinger, GM discussed with the Board the possibility of refinancing the District's \$2M
68 Line of Credit with Cashmere Valley Bank through USDA-RD. The total drawn amount at this
69 time is \$1,616,500 and USDA indicates they will be able to include the refinancing with the
70 loan and grant that the District is applying for to finance part of the Phase IV Source Water
71 Project. Doing this will give the District a better chance of getting a higher grant and will save
72 the cost of another loan processing. The District only has \$6,549,000 remaining General
73 Obligation Authority, and it was discussed with USDA representative that it might be
74 necessary to issue a Revenue Bond for the refinancing to be part of the current loan and
75 grant application.
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77 Decision Items:
78 Audit Report: Joy King reported that the FY 2017-18 Audit report has been completed and filing
79 requirements with the State Audit Division, and Continuing Disclosure Requirement for the
80 publicly issued General Obligation Bonds has been filed with Electronic Municipal Market
81 Access (EMMA) Portal through Municipal Securities Rule Making Board (MSRB) website.
82 Commissioner Glen Morris motioned to approve the FY 17-18 Audit Report. Motion was
83 seconded by Commissioner Saundra Mies-Grantham. Motion carried 4-0.
84

84 Engagement
85 Letters: USDA Rural Utilities Services Bulletin 1780-7 requires the District to have contracts with
86 consultants who provide professional services to the District.
87

88 Audit Services: Grimstad and Associates with Signe Grimstad as the main Municipal Auditor submitted a
89 service proposal fees audit services for 3 years starting with fiscal year ending 6/30/19.
90 Commissioner Saundra Mies-Grantham motioned to authorize the General Manager to
91 execute the Auditor Services Agreement. Commissioner Glen Morris seconded the motion.
92 Motion carried 4-0.
93

94 Bond Counsel: Hawkins Delafield and Woods submitted an Engagement Letter to perform Bond Counsel
95 Services for the interim loan needed for Phase IV Source Water Project and an Engagement
96 Letter for Bond Counsel services for General Obligation Bond issuance with USDA.
97 Commissioner Rob Mills motioned to authorize the General Manager to execute Letters of
98 Engagement with Hawkins Delafield and Woods. Motion was seconded by Saundra Mies-
99 Grantham. Motion carried 4-0.

100 Streamflow
101 Monitoring: GSI Water Solutions submitted Scope and Cost Estimate for Water Temperature Support for
102 Year 2 in Beaver Creek for Water Right Permit S-55012 and Scope and Cost Estimate for
103 Streamflow Monitoring Support on Beaver Creek for Water Use Permit S-55012. Oregon
104 Water Resources Department (OWRD) requires the District prior to initiating water diversion
105 from Beaver Creek to monitor the water temperature and streamflow for 5 years and submit
106 an annual report of the data collected to the OWRD. Motioned by Commissioner Glen Morris
107 to approve Scopes of work provided by GSI Water Solutions and authorize the General
108 Manager to execute the agreement. Motion seconded by Commissioner Rob Mills. Motion
109 carried 4-0.
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111 Reports & Comments: Budget Committee Meeting is scheduled on April 18, 2019 at 6 pm.
112

113 The District submitted to OWRD its Water Management and Conservation Plan (WMCP) on
114 May 14, 2014. As part of the Final Order approving the District's 2014 WMCP, the District is
115 required to submit a 5 years WMCP Progress Report. With support from District staff, GSI
116 Water Solutions completed the WMCP Progress Report which included the highlights of the
117 District's water conservation efforts over the past 5 years; the District's average monthly and
118 daily diversions for FY 2012-13 through FY 2017-18; demand and consumption from 1982
119 through 2012; annual metered consumption by customer category from 2012 through 2018;
120 and water loss from FY 2012 through 2018. For FY 2012-13 the water loss was 21.5% and
121 for FY 2017-18 the water loss was 12.2%.
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123 Easements: The easement for the intake site owned by David Young is almost completed and Mr. Phelps
124 has already signed the easement. District staff and the District's legal counsel are working
125 with the other property owners to obtain the needed easements.

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Adjournment: Commissioner Glen Morris motioned to adjourn the meeting. President John Garcia adjourned the meeting at 5:04 p.m.

Next Board Meeting: April 11, 2019 at 4:00 p.m. Regular Board Meeting. April 18, 2019 at 6 p.m. Budget Committee Meeting.

Approved by Secretary

Date