

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
Regular Board Meeting  
February 15, 2018**

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7 Call Regular

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

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11 Present: John Garcia, Board President; Glen Morris, Treasurer; Rob Mills, Member; Karen Otta,  
12 Member. Staff: Adam Denlinger, General Manager; Joy King, Office Manager. See sign in  
13 sheet for public attendance.  
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15 Excused Absences: Commissioner Sandra Mies-Grantham.

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17 Announcements: None

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19 Public Comments: None

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21 Agenda Calendar: Items on the consent calendar are Invoice Lists for December 2017/January 2018;  
22 December 2017/January 2018 Financial Report/Invoices to approve; Dec 14, 2017 Board  
23 meeting minutes; January 11, 2018 Board meeting minutes; USDA Phase 3- Project  
24 Monitoring Report No. 27; General Manager's Report. Commissioner Karen Otta motioned to  
25 approve the consent calendar not including the Dec 14, 2017 minutes. Motion Seconded by  
26 Commissioner Rob Mills. Commissioners John Garcia, Rob Mills and Karen Otta voted yes.  
27 Commissioner Glen Morris abstained from voting since he was not present at the January 11,  
28 2018 Board meeting. Commissioners John Garcia, Glen Morris, and Rob Mills voted yes to  
29 approve the Dec 14, 2017 Board meeting minutes. Commissioner Karen Otta abstained from  
30 voting since she was not present at the Dec 14, 2017 Board meeting.

31 Decision Items:

32 Resolution 1802-01

33 IFA Funding

34 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.

52 City of Toledo

53 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.

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66 Discussion and

67 Information Items:

68 AMI Project

69 Presentation:

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

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

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

92 Primary Source Water

93 Project Update:

94 Funding: USDA:

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

108 It was discovered that the pipeline on South Beaver Creek will have the most environmental  
109 impact at the receiving pit. The bore pit is in wetlands and more mitigation is needed.  
110 According to the Lincoln County Public Works the railroad trusses are still under the surface  
111 of South Beaver Creek and we will not be able to do a directional drill. District staff and  
112 engineer met with Lincoln County Public Works to discuss the right of way conditions with the  
113 potential to secure the District's proposed raw waterline on the South Beaver Creek Bridge.  
114 The engineer will look into using HDD seismic pipe to be attached under the bridge which  
115 could possibly save the District about \$1 million than doing a directional bore.  
116 District staff has met with a third property owner, Mr. and Mrs. Phelps whose driveway is  
117 shared with Mr. and Mrs. Tysman. This property will be impacted by the waterline from  
118 Beaver Creek to Makai tank. Mr. and Mrs. Phelps are agreeable for the District's waterline to  
119 cross their property and they are willing to sign an easement and access agreement for  
120 construction and maintenance of the waterline.

120 Decision Items:

121 Water Sampling:

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

130 Rescheduling of

131 March Board

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

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

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

148 Mid-Coast Water  
149 Planning  
150 Partnership: The Mid-Coast Water Planning Partnership is one of the four Place-Based Water Planning  
151 Partnerships sponsored and Grant funded by Oregon Water Resources Department. The  
152 other three are Malheur Lake Basin, Upper Grande Ronde Sub-Basin, and Lower John Day  
153 Sub-Basin. Adam Denlinger, GM has been participating with the Mid-Coast Water Planning  
154 Partnership for 18 months, meeting with other agencies to find solutions to meet future water  
155 needs in the region. The committee has asked the District to be a Convener and the GM  
156 would like to continue to serve as a Convener with the approval of the board. It was  
157 discussed that if other agencies are looking into SRWD for water, the District will not be able  
158 to meet that need since the District has only water right for its own use. The State is looking  
159 into a regional solution to meet the water needs of the different regions in the future.  
160 It was the consensus of the Board for the GM to serve as a convener for the Mid-Coast Water  
161 Planning Partnership. There will be a Mid-Coast Water Planning Partnership meeting on Feb  
162 22, 2018 at Best Western Hotel in Newport and Adam Denlinger will be a convener.

163 Office  
164 Closure: The District office will be closed on February 19, 2018 in honor of Presidents Day.  
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166 Next Board Meeting: March 15, 2018 at 4:00 p.m. Regular Board Meeting.  
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168 Adjournment: Motion by Commissioner Glen Morris to adjourn the meeting. Commissioner Rob Mills  
169 seconded the motion. Commissioner Garcia adjourned the meeting at 6:00 p.m.  
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180 Approved by Secretary Date  
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