

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
January 10, 2019**

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7 Call Regular

8 Board Meeting: President John Garcia called the regular board meeting to order at 4:02 p.m., Thursday,
9 January 10, 2019.

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

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16 Excused Absences: None

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18 Announcements: None

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20 Public Comments: none

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22 Agenda Calendar: Items on the consent calendar are Invoice Lists for December 2018/January 2019;
23 December 13, 2018 Board Meeting Minutes; December 2018/January 2019 Financial
24 Report/Invoices to approve; USDA Project Monitoring Report No. 39; and General Manager's
25 Report. Commissioner Sandra Mies-Grantham motioned to approve the Consent Calendar.
26 Motion was seconded by commissioner Rob Mills. Motion carried unanimously.

27 Discussion and
28 Information Items:
29 Employee Performance

30 Review Procedures: Commissioner Rob Mills reported to the Board that he completed the task assigned to him to
31 review the procedures of how the General Manager and Office Manager conduct the
32 Performance Review of the employees. It is done annually on the anniversary date the
33 employee completed the probationary period. Everything is in good order and review is done
34 in a positive and constructive way.
35 There was a discussion on how those employees who are on top of their scale is being
36 handled. It was recommended to research where the District's wage scale is compared to
37 agencies the size of the District. The wage scale needs to be competitive to keep the
38 employees. BOLI issued new administrative rules providing guidance on a number of issues
39 arising under the Pay Equity Law, which takes effect on January 1, 2019. In revisiting the
40 wage scale the new Oregon Pay Equity Law needs to be taken into consideration.

41 Other Post Employment
42 Benefits (OPEB):

43 Oregon State Legislatures passed ORS 243.303 in 2017. It is local government authority to
44 make health care insurance coverage available to retired officers and employees, spouses
45 and children. The governing body of a local government that makes health care insurance
46 coverage available to officers and employees shall make that health care coverage also
47 available for any retired employee, spouse and unmarried children under 18 years old who
48 elects to have health care coverage, within 60 days after the effective date of the retirement.
49 The local government may pay none of the cost making that coverage available. The
50 importance of establishing a policy of how the District should handle this in the future for
51 employees who will retire was discussed. The General Manager will draft a policy regarding
52 OPEB for Board review and approval. The District hasn't paid any health insurance coverage
53 for retired employees.

54 Government Accounting Standards Board (GASB) issued GASB Statement 75, Accounting
55 and Financial Reporting for Post-Employment Benefits Other Than Pensions, addresses
56 reporting by governments that provide OPEB to their employees and for governments that
57 finance OPEB for employees of other governments. Reporting compliance is June 30, 2018.
58 The District is under SDIS for health insurance coverage. SDIS/SDAO contracted with
59 Milliman Actuarial Valuation to do a valuation of each of their clients to determine the
60 agency's OPEB Liability and Expenditures. The District's valuation amount is \$18,000. Staff
61 discussed this with the auditor and it was determined that the amount is not a liability since
62 the District hasn't paid health care coverage for retired employees and is not looking into
63 paying health care coverage for retired employees in the future. The \$18,000 will not be
64 posted in the financial statements since it is not a liability and the amount is also immaterial.

65 The auditor will mention the District's OPEB compliance in the Notes to the Financial
66 Statements.

67 Project Update:

68 Primary Source Water: The General Manager, Adam Denlinger mentioned that when Phase IV Source Water Project
69 Potential Risk Analysis was put together, project delay caused by the Government Shutdown
70 was not considered. The Federal Government has been shutdown for nearly a week and this
71 has the potential of project delay. The two agencies, USDA and NOAA who were in
72 consultation process are both closed, halting the release of the Biological Opinion needed for
73 USDA to issue a Letter of Condition to the District, obligating funds for Phase IV Project. The
74 Biological Opinion Statutory review period ends January 12, 2019. If the District doesn't
75 receive USDA funding on time, the construction of the Intake which needs to be done before
76 the end water work period might be pushed into the second end water work period. It would
77 take 6 weeks to work on the intake then the rest will be out of water project.
78 Staff continues to work with the engineers to complete the 60% final design and moving into
79 90% final design.

80 Property Owner's
81 Concern: Mr. David Young is concerned if the electrical at the intake locations will be visible from his
82 home. The engineer put together a drawing of the local residential view and the raw water
83 intake-building and it shows that the intake site is lower in elevation than Mr. Young's house.
84 Also, there are several trees in between the house and the intake site.

85

86 Phase 3 – PRVs: Sometime in November, the Board approved to go ahead with the installation of 2 PRVs as
87 part of the Phase 3 Project. A Change Order was completed to move funds from the AMI
88 project to complete the installations of 2 PRVs and was signed by the Contractor, the
89 Engineer and SRWD Staff and submitted to USDA-RD for approval. The Government
90 Shutdown has delayed the approval of the Change Order causing the delay in installing the
91 PRVs.

92 City of Toledo Project
93 Presentation: The General Manager, Adam Denlinger will do a project presentation at the City of Toledo on
94 January 16, 2019.

95 Communication
96 Outreach: Project presentation has been done at different homeowners' associations & Mid-coast
97 Planning Partnership. The General Manager was invited by Oregon Water Resources
98 Department to testify in front of different committees at the Capitol of how important funding is
99 for different water issues.

100 Decision Items:

101 Budget Calendar: Commissioner Glen Morris motioned to approve the FY 2019-2020 Budget Calendar as
102 presented. Motion was seconded by commissioner Karen Otta. Motion carried unanimously.

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104 Budget Officer: Commissioner Glen Morris motioned to appoint the General Manager, Adam Denlinger as the
105 Budget Officer for FY 2019-2020 Budget Process. Motion was seconded by commissioner
106 Sandra Mies-Grantham. Motion carried unanimously.

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108 Reports & Comments: The office will be closed on January 21, 2019 in observance of Martin Luther King Jr. Day.
109 SDAO Annual Conference is on February 8-10, 2019 at Sunriver.
110 The Thiel Creek Pump Station damaged by a falling tree during a storm has been repaired
111 with an estimated cost of \$5,000.
112 SDAO Legislative Day is January 18, 2019 in Salem.

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114 Adjournment: Commissioner Glen Morris motioned to adjourn the meeting. President John Garcia
115 adjourned the meeting at 5:03 p.m.

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117 Next Board Meeting: February 14, 2019 at 4:00 p.m. Regular Board Meeting.

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125 Approved by Secretary

Date

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