

SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting by Zoom Conference Call Only
September 10, 2020

Introduction to Remote Meeting:

Adam Denlinger, General Manager, explained that this board meeting is being conducted remotely in order to mitigate the transmission of the novel coronavirus and reduce the risk of COVID-19 illness in accordance with Governor Brown's Executive Order 20-12 to suspend all public gatherings. He further explained that the Board President will call each name to confirm those who are present. After each person hears their name, they need to reply. For each decision item in the agenda that needs to be approved, after discussion and deliberation, the Board President will call each name of the commissioner for their vote. After the commissioners hear their name, he or she will give the vote to the affirmative by saying YES or negative by saying NO.

Call Regular Meeting to Order:

President Rob Mills called the regular board meeting to order at 4:05 p.m., Thursday, September 10, 2020.

Present:

President Rob Mills confirmed that all commissioners present can hear each other by doing a roll call. Present by Zoom Conference Call were Commissioner Karen Otta, member; Commissioner Deanna Gravelle, Treasurer; Commissioner Glen Morris, member; and President Rob Mills. Staff: Adam Denlinger, General Manager; Joy King, Office Manager; Atty. Jeff Hollen, District legal counsel.

Excused Absences: Commissioner Sandra Mies-Grantham

Announcements/Public Comments:

President Rob Mills asked if there are any announcements. Commissioner Glen Morris replied NO; Commissioner Karen Otta replied NO; Commissioner Deanna Gravelle replied NO; Office Manager Joy King replied NO; General Manager Adam Denlinger replied NO; President Rob Mills had NO announcement.

Consent Calendar:

Items on the consent calendar are Invoice List for August/September 2020; August 13, 2020 minutes of the regular board meeting; August/September 2020 Financial Report; Business Oregon IFA Disbursement Request No. 23; USDA Phase IV PMR No. 3; Contractor's Pay Request No. 3; and General Manager's Report. President Rob Mills asked if each commissioner has reviewed the items on the consent calendar. Commissioner Glen Morris answered YES, Commissioner Karen Otta answered YES; Commissioner Deanna Gravelle answered YES; President Rob Mills answered YES. Commissioner Karen Otta motioned to approve the consent calendar. Commissioner Glen Morris seconded the motion. Commissioner Karen Otta asked why the cost of envelopes is \$2,717.73. The office manager explained that the cost of envelopes is for a year supply and used for mailing the monthly bills. President Rob Mills asked the commissioners for their votes: Commissioner Glen Morris voted YES; Commissioner Karen Otta voted YES; Commissioner Deanna Gravelle voted YES, and President Rob Mills voted YES. Motion carried 4-0.

Discussion and Information Items:

Source Water Project Update:

The contractor has completed the installation of water line including the discharge line in lot 500. The District's request for in water work extension to Oct. 15 has been approved. The sub-contractor from California will start the construction of the clear well in October. The District received an invoice from CPI for the cost of bringing power to the intake site and it is about \$194,000. The cost for the shared trench charged to CPI is \$66,000 and will be deducted from the amount charged by CPI to the District. The additional helical pile ordered will be delivered today and the intake site will be completed before Oct. 15. Jeff Hollen reported that he is waiting to hear if the easement mediation will be done remotely.

Closing USDA Revenue Bond Loan Update:

Staff updated the Board with information from Holly Halligan, USDA Area Specialist that she is waiting for the parity agreement between IFA and USDA that is needed to close the loan. The parity agreement has been signed by IFA and is now being reviewed by USDA legal counsel at the USDA National Office. It will take time to complete the review and it is more likely that the loan will not be closed at the end of the quarter ending Sept. 30, 2020. There is a likelihood that the interest rate will go up in the fourth quarter. Staff will reach out to Holly Halligan to see if there is anything the District can do to close the loan before the end of September 2020 to avail the 1.5% interest rate.

Temporary Wholesale Water Purchase Agreement:

President Rob Mills and GM, Adam Denlinger met with City of Toledo Mayor Rod Cross and City Manager, Judy Richter as the negotiating team, on September 15, 2020, to continue the discussion regarding the water purchase agreement after October 30, 2020. The conversation started somewhat where the discussion left off last year when SRWD representatives met with City of Toledo representatives. The City of Toledo did a rate study to come up with the City cost of water to their

64 customers including the District. The rate study resulted in \$5 per 1,000 gallons plus a monthly meter charge according to
65 the size of the meter for all customers. The discussion included the cost of water for the District at \$5 per 1,000 gallons plus
66 \$11,372.58 monthly meter charge based on 6" meter outside the city rate. The information prepared by commissioner
67 Karen Otta and the GM was discussed, including the length of time the District has had a relationship with the City of
68 Toledo and how much the District had contributed to the City's Capital Improvements before the 2012 agreement and the
69 contribution of the District under the 2012 agreement. Included in the discussion for consideration was the possibility of
70 charging the District an inside rate of the monthly meter charge. The City would like to be paid for the lost revenue for the
71 past two years due to miscalculation in the rate per 1,000 gallons. The actual cost will be calculated using actual gallonage
72 that the District purchased for the past 2 years. The City would like the District to participate in paying 50% of the minor
73 maintenance of the system for 4 fiscal years including FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21. The 50%
74 amount is estimated to be \$117,354.33 which includes actual cost from 2017-2020 and estimated cost for FY 2020-21. The
75 GM will review the invoices for FY 2017-18 to make sure none of the invoices had been paid before the District gave the
76 termination notice to the City of Toledo. Most of the minor maintenance costs are known but the FY 2020-21 minor
77 maintenance cost is unknown. It was discussed that participating in unknown cost will have a financial exposure for the
78 District. The GM shared that during their meeting with the City of Toledo it was discussed that the District will only be
79 obligated to pay what minor maintenance cost is completed. President Rob Mills shared that the dialogue between the
80 District and the City of Toledo representatives was constructive and positive. The City Manager would like an update
81 regarding MCWPP and MCWCC. The City also would like information regarding the District's AMI system.

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83 **Decision Items: None**

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85 **Reports, Comments, and Correspondence:**

86 **COVID 19 Update:**

87 The County Commissioners applied for a Phase 2 reopening which was approved by the State Governor effective
88 September 29. District staff will wait if Phase 2 reopening will happen and will continue to observe COVID 19 protocol. As of
89 now the District will continue to open to the public by appointment only and will continue to have office staff work at home.
90 Staff updated the Board with the loss of revenue due to COVID 19. The total waived late charges as of September 10,
91 2020, was \$6,981.50 for 5 months. The number of customers who are 1-month delinquent was 36; 2 or more months
92 delinquent was 12. It was the consensus of the board to continue waiving the late charges and not to turn off delinquent
93 customers until further notice. This will be revisited in October.

94 **Recognition:**

95 Staff will plan a get together after Phase 2 reopening to recognize John Garcia for his service and contribution to the
96 District.

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98 **Adjournment:** President Rob Mills adjourned the meeting at 5:13 p.m.

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100 **Next Board Meeting:** October 8, 2020, at 4:00 p.m. Regular Board Meeting.

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Date: