

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting
by Zoom Conference Call and In Person
June 11, 2026**

Introduction to Remote Meeting:

SRWD held this meeting through Zoom video conferencing and in person. Due to limited in-person meeting capacity, the public was encouraged to attend virtually.

Attendance:

Present in person were Commissioner Rob Mills, Board President; Commissioner Glen Morris, Member; Commissioner Karen Otta, Treasurer; Commissioner Amy Greer, Member; and Attorney Jeff Hollen, Legal Counsel.

Present through Zoom video conferencing was Commissioner Saundra Mies-Grantham, Secretary.

Staff present were Adam Denlinger, General Manager; Renee Card, Finance Manager; Trish Karlsen, Bookkeeper; and Brad Wynn, Lead Operator.

Excused Absences: None

Visitors Present: None

Call Meeting to Order & Announcements:

President Rob Mills called the regular Board meeting to order at 4:04 p.m., Thursday, June 11, 2026, and introduced the commissioners and staff present in the boardroom. It was noted that there were no formal announcements to present, and the meeting proceeded directly to the scheduled agenda.

Public Comments: None

Adoption of Consent Calendar:

Items on the consent calendar include the May 2026/June 2026 Invoices List for approval; May 14, 2026, Regular Board Meeting minutes; the Financial Report; and the General Manager's Monthly Report. Commissioner Otta moved to approve the consent calendar as presented. Commissioner Morris seconded the motion. The motion carried unanimously.

Public Hearing: None

Discussion and Information Items:

Source Water Operational Status:

Adam Denlinger reported the successful, injury-free completion of a three-day project with West Tech to replace all filter modules on Filtration Skid 1. The team salvaged 10 usable old modules—installing eight on Skid 2 and storing two—and cleared remaining construction gravel by executing a high-velocity flush that temporarily flooded the floor but fully cleaned the pipe galleries. This flushing certified the installation for warranty protection, and the plant now operates with 16 new modules (eight per skid) that are delivering record-high volume and operational efficiency.

Warm, dry weather has dropped Beaver Creek's streamflow by 10 CFS over the past month down to 30 CFS, matching last year's averages but tracking closely with the severe drought conditions of 2015. While the utility only holds seven years of localized data, regulatory rules dictate that if flows fall below 10 CFS, the plant must formally engage the Oregon Water Resources Department. The General Manager announced he will attend a drought committee meeting on June 23rd to determine if the county will formally request a governor-declared drought emergency, which currently appears highly likely.

John Garcia Memorial Dedication:

A draft proposal was introduced to honor the legacy of former commissioner John Garcia by dedicating the administrative building in his name and installing a memorial plaque. Garcia's daughters are eager to collaborate on the tribute, which will culminate in a public dedication ceremony coordinated around their travel logistics. The Board reviewed the initial draft language—which incorporates feedback from members—and agreed that the final plaque must include Garcia's exact years of service (estimated at over 20 years) verified from district files. No strict deadline was set, but the Board requested members review the draft text, so the project moves forward steadily without unnecessary delays.

Decision Items:

Adoption of Resolution 0626-01 FY 26-27 Water Rate Adjustment:

Adam Denlinger presented Resolution No. 0626-01 to adjust fiscal year 2026-2027 water rates for the May–June billing cycle. The resolution implements a \$5.00 base rate increase and a \$0.60 tier increase for users over 4000 gallons. Board member Morris announced he would vote "no," arguing that adding a \$0.60 consumption increase for use over 4,000 gallons penalizes larger working families with children who consume more water -- to remain sensitive to struggling local families and respond to public input. Staff noted that removing the \$0.60 increase would reduce projected district revenue by \$13,000. To accommodate the Board's direction, GM Denlinger confirmed that the text of Resolution No. 0626-01 could be immediately amended to strip out the consumption increase, leaving only the \$5 base rate increase intact for the final vote. A motion to adopt the amended resolution 0626-01 authorizing a water rate adjustment for fiscal year 2026-2027 was made by Commissioner Otta and seconded by Commissioner Greer. The motion passed unanimously.

Adoption of Resolution 0626-02 FY 26-27 Annual Budget and Levying Taxes:

Resolution No. 0626-02 was presented to adopt the Seal Rock Water District Annual Budget for fiscal year 2026–2027. The budget prioritizes transferring funds into reserves to finance a forthcoming Capital Improvement Plan (CIP) and leverage grant funding. To account for the \$13,000 revenue loss from the newly eliminated \$0.60 water consumption increase, staff noted that a structural budget rewrite was not legally required since the resolution only governs expenditure limits. However, Commissioner Morris preferred an explicit amendment to maintain transparency and put the Board's responsiveness to public feedback in writing. Staff confirmed that reducing the reserve transfer by \$13,000 would not require a new public budget hearing. Commissioner Otta made a motion to accept the amended Resolution No. 0626-02 to adopt the budget, appropriate funds, impose the tax rate and categorizing the taxes, explicitly factoring in the \$13,000 reduction in General Fund transfers out and Water Source Reserve Fund transfer in. The motion was seconded by Commissioner Morris and passed unanimously.

MCWCC Scope of Services:

Adam Denlinger requested authorization to renew the annual agreement with GSI Water Solutions for the Mid-Coast Water Conservation Consortium work plan. This regional group educates the public on water valuation and drought strategies. Seal Rock's annual contribution remains unchanged at \$9,500, a cost pro-rated by service connections alongside larger members like Newport and Lincoln City.

The Board reviewed the contract logistics, noting that Seal Rock pays the consortium upfront and receives subsequent reimbursements from the other regional entities. Denlinger confirmed that historical collection risk is minimal and protected by a 30-day termination clause. GSI's successful four-year outreach program provides regional newsletters, billing inserts, school materials, and conservation guides explicitly tailored for local vacation rentals and hotels. A motion to approve was made by Commissioner Morris and seconded by Commissioner Otta. The motion passed unanimously.

SRWD Employee Handbook Adoption:

Adam Denlinger presented the finalized Seal Rock Water District Employee Handbook, concluding a year-long drafting process with SDAO Consultant Services and HR Answers. Designed around state-mandated guidelines to aid recruitment and retention, the final text was highly praised by HR professionals for clarity and completeness. Denlinger credits staff member Trish Karlsen for meticulously organizing and editing the document into its clean, final format.

A last-minute revision was integrated to clarify testing parameters within the drug and alcohol policy without changing its core function. Future updates will be handled administratively, staff confirmed that any substantial changes to personnel law, or Board authority will return to the Board for review. A motion to approve and implement the revised handbook on July 1, 2026, was made by Commissioner Morris and seconded by Commissioner Otta. The motion passed unanimously.

General Manager Annual Performance Review:

The Board completed its annual performance review for General Manager Adam Denlinger, stating that the final written document contained no surprises and reflected a year of consistent, high-level execution. President Mills opened the discussion by mentioning that he and Commissioner Otta met with the GM prior to the meeting to discuss the consolidated review and that all Board members had received a copy of the performance review. Board members characterized Denlinger's high performance as consistently excellent, noting that the entire district operates effectively on the same page. GM Denlinger expressed gratitude for his continued tenure, emphasizing that his positive marks directly reflect a heavily dedicated staff and their seamless alignment with the Board's strategic goals.

Following the review, the Board discussed the annual compensation adjustment, deciding to formally match the previous year's compensation structure. The Board approved a one-step salary increase and 80 hours of management leave as a management bonus. Personnel Action Forms were signed by the Board.

Report, Comments, and Correspondence:

- SRWD Office will be closed on June 19th in honor of the National Juneteenth Holiday.
- SRWD Office will be closed on July 3rd in honor of the Independence Day Holiday.

Executive Session: None

126 **Adjournment:** President Rob Mills adjourned the meeting at 5:07 p.m.

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128 **Other Scheduled Meetings:** July 9, 2026, at 4:00 p.m. Regular Board Meeting

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Robert L. Mills
Approved by Board President

JULY 09, 2026
Date: