

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
January 15, 2015**

1
2
3
4
5 Call Regular

6 Board Meeting: Board President John Garcia called the regular board meeting to order at 4:04 p.m.,
7 Thursday, January 15, 2015.
8

9 Present: John Garcia, Board President; Sandra Mies-Grantham, Secretary; Rob Mills, Member;
10 John Filbert, Member; Staff: Adam Denlinger, General Manager; Joy S King, Office
11 Manager; Ralph Wenziger, Civil West Engineering; David Ulbricht, Managing Director-
12 Robert W. Baird and Co., Inc. See sign in sheet for public attendance.
13

14 Excused Absences: Glen Morris

15
16 Announcements: None

17
18 Public Comments: None

19 Consent

20 Calendar: Items on the consent calendar are Invoice lists for Dec 2014 and Jan 2015; minutes of the
21 Dec 8 Board work session; minutes of the Dec 11 Board meeting; Dec Financial Report;
22 Project Monitoring Report; General Manager's Report; Personnel Action Form; and
23 Management Representation Letter to the auditor. Rob Mills asked for the minutes to be
24 corrected. His name should be added as present at the Dec 11, 2014 board meeting. The
25 minutes of the meeting was corrected. John Filbert motioned to approve the consent
26 calendar as corrected. It was seconded by Rob Mills. Motion carried 4 – 0.

27 Discussion and
28 Information Item:
29 Source Water Feasibility
30 Study:

31 Adam Sussman, Principal of GSI Water Solutions reported to the board that he and
32 members of the technical group doing the Source Water Feasibility Study visited the
33 different source water sites and developed project objectives and criteria to be used in
34 making a decision which water source meets the needs of the District. Technical
35 information was also gathered and a summary will be put together to be distributed to
36 stakeholders and public for comments and input. GSI will put the information together in a
37 presentation form for the February 12, 2015 board meeting. A copy of the report will be
38 submitted to the District before Feb 12. Project objectives and draft review criteria
39 submitted by GSI Water Solutions were reviewed and discussed. The Board
40 recommended adding a description for each project objective and rating each objective.
41 Adam Sussman explained the process is to apply the criteria to individual source water,
42 and see which one meets the objectives. Ralph Wenziger, shared that the engineer's goal
43 is to develop a concise and simple report which will include technical memos. After the
44 Board completes the process of identifying the best source water, GSI Water Solutions
45 and Civil West Engineering will put together an executive summary to contain the best
46 information for the Board to use to make the decision and be able to explain to the patrons
47 why that decision was made. The detail regarding project timing, design and cost will be
developed later. Adam Sussman was excused from the meeting at 5:00 pm.

48 SDAO Board Practice
49 Assessment:

50 Rob Mills shared with the Board that another option has been added on the SDAO Board
51 Practice Assessment to be used as a criteria in obtaining a discount on property and
52 liability insurance through SDIS. Completing the assessment will aid SDAO and SDIS
53 members to see how well or not well their board is functioning. It will yield great benefits
for members.

54 Decision Items:

55 Toledo Shared

56 Improvement Funding: The District received an invoice from the City of Toledo for \$589,819.67 as partial invoice
57 of its share of the Olalla Crossing to Toledo. So far the District already spent over
58 \$600,000 from its reserves funds to pay its share of the City of Toledo's capital
59 improvements. The General Manager recommends seeking financing for its share of
60 Toledo's Phase 2 project which is about \$1.6 million. David Ulbricht, Managing Director of
61 Robert W. Baird and Co., Inc. explained there are different ways to obtain the 1.6 million
62 financing. The District may choose to use its G.O. Bond authority, obtain a full faith credit

63 like revenue bond payable from water revenue of the District, or obtain a line of credit
64 which could be paid by issuing a G.O. Bond or pay it from revenue whichever is
65 advantageous for the District.
66 It was motioned by John Filbert to authorize Adam Denlinger to apply for funding through
67 Baird Finance Co., to fund the District's share of Toledo's Phase 2 project by working with
68 David Ulbricht to determine which financing method is best for the District. It was
69 seconded by Mills. Motion carried 4-0.

70 Phase 3 Interim
71 Financing: Adam Denlinger received authorization from USDA to go ahead and proceed with
72 obtaining an interim financing to fund the Phase 3 projects. The engineer estimated the
73 projects will be out to bid by March. USDA letter of condition states that construction
74 period using interim financing is between 3-4 years. Ralph Wenziger, Civil West engineer
75 doesn't have an issue with the construction period. The projects could be completed in
76 two years. It was motioned by John Filbert to authorize Adam Denlinger to apply for
77 interim financing through Robert W. Baird and Co., Inc. to fund Phase 3 improvements. It
78 was seconded by Rob Mills. Motion carried 4-0.

79 SRWD/Newport
80 Intertie Project: The District has funded the SRWD/Newport Intertie project in the amount of \$108,000
81 from its reserve fund. FEMA grant will reimburse 75% of the qualified project invoices
82 and IFA will fund 25% from approved grant. The original scope submitted by the engineer
83 didn't include project management which is about \$55,000. The City of Newport will
84 contribute \$75,000 towards this project. There will be a short fall of about \$150,000.
85 Dennis Sigrist from OEM recommends applying for additional funding from FEMA for
86 \$100,000. Dennis Sigrist is in the process of submitting the application for the additional
87 funding.
88 Bid opening was held on Dec 18, 2014. The District received 9 complete bids ranging
89 from \$695,720 for the low and \$1,022,742.79 for the high. The lowest bidder is Pacific
90 Excavation, Inc. The engineer's estimate for the project was \$740,026.79. Civil West
91 Engineering's recommendation to the Local Review Board, based on the determination of
92 responsible bidders is to award the project contract to Pacific Excavation for \$695,720 for
93 the base bid. As a member of the Local Review Board, Rob Mills motioned to award the
94 project contract to Pacific Excavation, Inc. for \$695,720. It was seconded by John Filbert.
95 Motion carried 4-0.

96 SDAO Legal Support: The Board reviewed and discussed the summary of contribution for SDAO legal support.
97 This is regarding overlapping agencies where the city charges franchise fees. The
98 outcome of the Supreme Court Appeal of a case Rouge Valley versus City of Phoenix
99 could affect Special Districts with overlapping boundaries with Cities. A contribution for
100 legal fund was discussed. It was motioned by Rob Mills to contribute \$600 for SDAO legal
101 support. Discussion ensued to contribute \$800 instead. Motion was amended to contribute
102 \$800. It was seconded by John Filbert. Rob Mills voted- Yes. John Filbert voted- Yes.
103 Saundra Mies-Grantham voted- Yes. John Garcia abstained from voting. Motion carried
104 as amended.

105 Reports, Comments, and
106 Correspondence: None

107
108 Other: The General Manager distributed to each board member a copy of the General Manager
109 Activity List for review and for the Board to let the GM know of their input. It's an outline of
110 all administrative activities ranked by priority from high to low. The staff will even be more
111 involved as Phase 3 projects start. The last meeting that the GM had with Toledo City
112 Manager, it was discussed that the current contract needs refining for the benefit of both
113 parties. This would be time consuming and staff is not sure where to fit that with the
114 ongoing workload. It was discussed to look into having a consultant with legal contract
115 experience handle it. If condition warrants it, the District may need more help.
116 The county youth group is available to help with clearing areas for phase 3 improvements.
117
118
119
120
121
122
123
124

125
126
127
128
129
130
131
132
133
134
135
136
137
138
139

Executive Session: No executive session.
Next Board Meeting: February 12, 2015 at 4:00 p.m.
Adjournment: Garcia adjourned the meeting at 6:30 pm.

Approved by Secretary

Date