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## Seal Rock Water District

General Manager's Report:  
 Board Meeting – October 8, 2026

This report provides an executive-level update on district operations, source water management, staffing, and ongoing initiatives. Additional details and supporting documentation are available in the full agenda packet.

### ➤ Water Treatment Plant Server and Remote Access System Update:

I wanted to provide the Board with an update on the computer and server issues we have been working on at the Beaver Creek Water Treatment Plant.

I received an update from Sherman Walker with Jacobs Engineering, and I am pleased to report that the WTP's computer and remote-access systems are back in full operation. The plant has continued to operate normally, and we now have the primary server environment restored and functioning.

As background, Server-2 experienced a hardware failure that required replacement of the affected components. Following the hardware replacement, VMware experienced corruption within the storage system supporting the plant's virtual servers. During that process, the virtual servers were temporarily moved to Server-1 so that we could maintain both local and remote access to the plant without interrupting water production or treatment operations.

The engineer has now reformatted the virtual-server storage on Server-2 and restored the VMware vCenter management system using our Veeam backups. Veeam backups are also functioning again, and the ability to restore systems from backup has been verified. This is an important improvement because it provides us with a functioning backup and recovery capability should another issue occur.

Several virtual servers, including Humane Machine Interface (HMI0), AV01 and BUP01, were lost during earlier server issues. The engineer has successfully restored each of these systems from previous Veeam backups. The next step is to validate that each restored system is functioning properly within the WTP environment.

At this point, the plant is operating normally and remote access is available. We will be monitoring the system closely over the coming days and weeks to make sure the restored server environment remains stable and that the various virtual servers continue to perform as expected. This monitoring period will give us a better understanding of how effective the repairs and restoration have been before we consider the work completed.

There are still a couple of follow-up items that will need to be addressed:

**Server-1:** The engineer identified storage-system errors on Server-1 that are similar to those previously experienced on Server-2. The hardware is currently stable, and this is not considered an immediate operational concern, but Jacobs recommends that we investigate and address the issue. We will coordinate a timeframe for that work that minimizes any potential impact on plant operations.

**Programmable Logic Controller (PLC) programming software:** The engineer has identified that the PLC programming license needs to be reinstalled. He plans to work on this next week.

**System Validation:** Jacobs will continue validating HMI02, AV01 and BUP01 following their restoration and will let us know if any additional issues are identified.

The most important point for the Board is that WTP operations have not been interrupted by these computer/server issues, and the plant is currently operating with local and remote access restored. We are also in a better position from a backup and recovery standpoint than we were previously, with Veeam backups and restores functioning again.

I want to appreciate the Jacobs team, along with the WTP Operators, for their dedication and hard work in getting us to this point. We will continue to monitor the system closely and address the remaining items in a deliberate manner so that we can maintain reliable operation of the WTP's control and information systems.

➤ **Water Master Plan – Project Progress Update:**

The project continues to move forward, although the engineering team has identified some areas of the plan that require additional analysis and refinement before we move into the next formal draft stage. I believe this additional work is important to make sure the Master Plan accurately reflects the District's actual water-use patterns and future needs rather than simply relying on standard planning assumptions.

**Current Project Status:**

Verdantas recently completed a 30% review of the Water Master Plan. We have scheduled the next major review for November 16, which we anticipate will serve as the approximately 60% review.

The original goal had been to provide the district with substantially complete text through Chapter 6 as part of a 50% draft. However, the 30% review identified some areas where the planning methodology needs to be refined before that draft is finalized. As a result, the timing of the 50% text is currently to be determined.

The primary areas requiring additional work are Demand Projection (Chapter 4) and Future Treatment Improvements (Chapter 7), with the treatment discussion also being influenced by the findings developed earlier in the plan.

**Demand and Consumption Analysis:**

One of the more important issues identified during the review involves how the district's future water demand should be projected.

Verdantas initially applied a conventional planning assumption using approximately 2.23 residents per metered household and 75 gallons per capita per day. When compared with the district's actual meter data, that methodology appears to substantially overestimate current consumption.

Sherwin's analysis indicates that using the Census-based household occupancy assumption at 100% occupancy, combined with the district's actual meter data, produces an average consumption of approximately 55 gallons per capita per day. Conversely, attempting to reconcile the traditional 75-gallon-per-capita planning assumption with observed consumption would require assuming an effective occupancy of roughly 60%, or approximately 1.3 residents per metered household.

Neither approach appears to completely explain what we are seeing in the district's actual consumption data. Rather than simply selecting one assumption and moving forward, Verdantas believes it is important to work directly with District staff to better understand the data, including the relationship between customer counts, occupancy, meter data, seasonal use and the district's master-meter information.

I agree with that approach. The purpose of the Water Master Plan is to provide the district with a sound basis for future infrastructure and financial decisions. It is therefore important that the demand projections reflect the district's actual circumstances as closely as possible.

**Distribution System and Water Loss:**

The engineering team is also continuing to develop and analyze the district's distribution-system model. This work is particularly important in evaluating water-loss information and determining whether historical reporting or other factors may have affected previous planning assumptions.

Verdantas has indicated that the model will also help them further evaluate some of the consumption patterns and master-meter information that have raised questions during their review. This additional analysis should ultimately give us greater confidence in the demand projections and the resulting infrastructure recommendations.

**Treatment and Future Improvements:**

Another area receiving additional attention is the evaluation of future treatment improvements.

As part of that work, the engineer has been researching available treatment technologies and equipment for addressing the district's occasional salinity events at Beaver Creek. He is specifically looking at whether a small-scale, side-stream reverse-osmosis treatment system could potentially address some of the district's wintertime imported-water requirements while making use of the existing Beaver Creek Water Treatment Plant.

At this point, this is being evaluated as a potential concept rather than a recommendation. The engineering team is doing the work necessary to determine whether such an approach is technically and economically practical before presenting it to the district.

### **What Comes Next:**

The immediate focus will be on resolving the demand-projection questions and incorporating the results into the overall Master Plan strategy. Verdantas will then continue developing the draft document and supporting analysis for 60% review by the district in November 2026.

The current schedule is:

- **30% review:** Completed
- **Demand projection refinement:** Underway
- **Distribution-system modeling and water-loss analysis:** Continuing
- **Future treatment alternatives:** Continuing
- **50% draft text:** Timing to be determined pending resolution of the demand-projection methodology
- **Approximately 60% project review:** Scheduled for November 2026
- **Final draft:** Schedule will be refined as the 60% review and remaining technical work are completed

Overall, the project is progressing, but the engineering team is appropriately taking additional time to resolve some fundamental planning assumptions before advancing the draft. In my view, getting the demand projections and treatment strategy right is more important than simply meeting an interim draft date.

We will continue to keep the Board informed as the work progresses and will provide another update following the November review or sooner if there are significant developments.

### **Additional District Activities & Updates:**

**Staff/Safety Meeting:** Continued emphasis on safety culture and best operational practices.

**Water Conservation Coordination:** Participated in discussions with the Lincoln County Water Conservation Committee.

**SDAO Board Meeting:** Participated in the SDAO Board Meeting in Salem on September 10th

**Water Master Plan:** Staff met with engineers to discuss progress on the development of the WMP on September 21st.

**Oregon Water Utility Council:** Chaired the OWUC committee, hosted by the City of Bend, September 23<sup>rd</sup> – 25<sup>th</sup>.

**SDAO Conference Committee Meeting:** Participated in the SDAO Conference Committee on September 10th

**Water Treatment Plant:** Attended several meetings with engineers to discuss WTP server issue.

**SRWD Fall Newsletter:** Staff met with consultant to collaborate on the Fall Newsletter on September 22<sup>nd</sup>.

**Beaver Creek Monitoring Period:** District met with consultants from GSI Water Solutions to discuss stream flow monitoring on Beaver Creek on September 22<sup>nd</sup>.

**Newport Island Annexation:** Staff are working collaboratively with the City of Newport in response to Island Annexation of several properties in the South Beach City Service Area (CSA).

**SRWD Audit Field Work:** Staff supported the auditor conducting a field audit on September 30<sup>th</sup>.

*Seal Rock Water District is an Equal Opportunity Service Provider and Employer.*

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**Cyber Security Training:** Staff attended Water Under Fire. How Oregon Districts Can Secure OT Systems Against Nationwide Cyber Attacks on October 7<sup>th</sup>.

**Jay Street Mainline Replacement:** Filed crews are in the process of replacing several hundred feet of 2-inch mainline on Jay Street north and south of Cross Street.

SRWD continues to actively manage operational challenges, regulatory responsibilities, and infrastructure needs while maintaining our commitment to delivering safe, reliable water service to the community. Staff remain focused on continuous improvement and advancement of district goals.