

1
2
3
4
5
6
7
8
9
10
11
12
13
14

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting by Zoom Conference Call
February 11, 2021**

15
16
17

Introduction to Remote Meeting:

Denlinger, General Manager, explained that this board meeting is being conducted remotely and in person observing social distancing and the wearing of face masks 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 by zoom conference. 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.

18
19
20
21
22
23

Call Regular Meeting to Order:

President Rob Mills called the regular board meeting to order at 4:00 p.m., Thursday, February 11, 2021.

24
25
26

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 Glen Morris, member; Commissioner Karen Otta, member; Commissioner Deanna Gravelle; and President Rob Mills: Commissioner Sandra Mies-Grantham joined the meeting at 4:45 p.m. Staff: Adam Denlinger, General Manager; Joy King, Office Manager; Atty. Jeff Hollen, District legal counsel.

27
28
29
30
31
32
33

Excused Absences: none

34
35
36
37
38
39
40
41
42
43
44
45
46

Announcements/Public Comments:

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

A member of the public, Jim Hauffman from Tillamook commented that he enjoys attending the meeting and likes the camaraderie among the board members and staff.

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62

Consent Calendar:

Items on the consent calendar are Invoice List for January/February 2021; January 14, 2021 minutes of the regular board meeting; October 22, 2020 minutes of special board meeting; January/February 2021 Financial Report; Business Oregon IFA Disbursement Request No. 28; USDA PMR Phase 3; USDA Phase IV PMR No. 8; Contractor's Pay Request No. 8; 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; President Rob Mills answered YES; Commissioner Deanna Gravelle answered YES. Commissioner Glen Morris motioned to approve the consent calendar. Commissioner Karen Otta seconded the motion; President Rob Mills asked the commissioners for their votes. Commissioner Karen Otta voted YES; Commissioner Glen Morris voted YES but not including the October 22 minutes of the special meeting since he was not present at that meeting; Commissioner Deanna Gravelle abstained from voting since she was not present at the January 12, 2021, regular board meeting but voted YES to approve the October 22 minutes of the special meeting, and President Rob Mills voted YES. Motion carried with 4 YES votes.

Discussion and Information Items:

Source Water Project Update:

The contractor is concentrating on working on the water treatment site. The reservoir is completely built, the roof is installed, and the tank weld is certified. The painting will be done in the summer when the temperature is suitable. The paving of the street in Makai has been completed except for the road to the treatment plant site. The membrane equipment has been delivered and stored inside the shop. The 3 polyethylene tanks are stored outside the shop. The contractor has insurance that covers the storage of the membrane equipment and the poly tank. The District received a 144 days time extension request from the contractor. The contractor also submitted additional supporting data requested by the engineer and also included a request for additional compensation amounting to \$220,000 due to the delay. The engineer reviewed the request and responded on February 4 with approval of 35 days time extension and denying the other requested changes. The District received a letter from the contractor dated February 10, asking for mediation. Attorney Jeff Hollen explained that the requested 144 days time extension is not in the best interest of the district due to the additional cost of engineering support, the premium cost of water from the City of Toledo, and the cost of RPR for additional inspections. Attorney Jeff Hollen recommended for the board to authorize the GM, Adam Denlinger to enter into mediation/negotiation and to authorize him to choose a mediator. Commissioner Glen Morris motioned to follow the

63 attorney's advice to authorize Adam Denlinger to enter into mediation/negotiation with the contractor, R&J Excavating, Inc.,
64 and also to authorize him to choose a mediator. Commissioner Karen Otta seconded the motion. President Rob Mills asked
65 the commissioners for their votes. Commissioner Karen Otta voted YES; Commissioner Glen Morris voted YES;
66 Commissioner Deanna Gravelle voted YES and President Rob Mills voted YES. Motion carried with 4 YES votes.
67 The contractor has continued to do an excellent job on the project and has been responsive to RFIs. The contractor is in
68 control of their means and methods that the district or engineer cannot dictate how to do their job. The RPR has
69 commented that the project could be done on time with more crew. The district's relationship and interaction with the
70 contractor in the field is positive.
71

72 **Rate Adjustments for FY 2021-22:**

73 Staff is working on the budget process for FY 2021-22 budget. The revenue for FY 2020-21 has come in lower than
74 anticipated. There are new costs to be covered from revenue which is mainly from water sales. These costs include an
75 increase in staffing for the water treatment plant; upgrading the north end of the district to function properly when the
76 treatment plant comes online; the cost of cleaning of the storage tanks; mitigation cost for the backwash from the treatment
77 plant back to Beaver Creek; increase in the SLARA (Short Lived Asset Replacement Account) as a requirement for the
78 USDA 2019 and 2020 G.O. Bond loans that funded the AMI Phase 3 project and Beaver Creek Source Water Phase 4
79 project; annual payment of the 2021 USDA Revenue Bond loan; and putting aside reserves for future projects. Staff will
80 prepare different scenarios for rate adjustments for board review in the next board meeting.
81

82 **Decision Items:**

83 **Appointment of Budget Committee Member:**

84 The district received an application for the budget committee vacancy from Cheryl Paben who is a resident of Seal Rock for
85 the past 8 years. She is a retired banker and is currently a board member of Friends of Lincoln County Animals, Inc. She
86 was a board member/treasurer for Northwest Coastal Housing. Commissioner Glen Morris motioned to appoint Cheryl
87 Paben as a member of the SRWD Budget Committee. Commissioner Karen Otta seconded the motion. President Rob Mills
88 asked the commissioners for their votes. Commissioner Karen Otta voted YES; Commissioner Glen Morris voted YES;
89 Commissioner Deanna Gravelle voted YES and President Rob Mills voted YES. Motion carried with 4 YES votes.
90

91 **Resolution No. 0221-01:**

92 The Lincoln County Multi-Jurisdictional Natural Hazards Mitigation Plan (MJNHMP) was originally completed and approved
93 by the Federal Emergency Management Agency (FEMA) in 2009. The original plan did not include representation from
94 SRWD. In 2014, an update to the plan was initiated for FEMA re-approval and approved in 2015 and the district was
95 included in this update. In 2020, an update to the plan was initiated for FEMA re-approval. At this time SRWD was invited to
96 participate in the process to update the district's projects through the attached Addendum to the LC-MJNHMP. The steering
97 committee met to review hazards, risk assessments, and mitigation strategies within the district's service area. District staff
98 provided comments throughout the process and attended several partnership meetings. FEMA provided notice that the
99 updated plan meets the required criteria but will not be formally approved by FEMA until the adoption by all partner
100 communities participating in the planning process.

101 Commissioner Karen Otta motioned to approve Resolution No. 0221-01, A resolution of the Seal Rock Water District Board
102 of Commissioners Adopting the District's Amendments to the Lincoln County Multi-Jurisdictional Natural Hazards Mitigation
103 Plan. Commissioner Glen Morris seconded the motion. President Rob Mills asked the commissioners for their votes.
104 Commissioner Karen Otta voted YES; Commissioner Glen Morris voted YES; Commissioner Deanna Gravelle voted YES
105 and President Rob Mills voted YES. Motion carried with 4 YES votes.
106

107 **Reports, Comments, and Correspondence:**

108 The office will be closed on February 15 in observance of President's Day.

109 Special District Election is on May 18, 2021. The 3 commissioners who are up for re-election are Commissioners Karen
110 Otta and Saundra Mies-Grantham who committed to file for election with the County Clerk's Office. Commissioner Deanna
111 Gravelle will think about it and will let the board know of her decision.

112 The District received 3 applicants for the Water Distribution Operator 1 position vacancy due to the retirement of David
113 Anderson. Staff will be interviewing the 3 applicants on February 19.

114 SDAO is tracking an HB that is being considered by a committee as a Homeless Bill. It has the potential to affect public
115 agencies' properties like tank sites, pump stations, etc. where the homeless can set up camps. There's pushback from
116 SDAO, League of Oregon Cities, and Counties regarding the Homeless Bill. Homeland Security is encouraging agencies to
117 protect critical facilities and water infrastructure by updating the Vulnerability Assessment.

118 The District SCADA was trending a 200,000 to 500,000 gallons leak that prompted the field crew to physically look for leaks
119 in the Bayshore area. The crew found a significant leak in the Sandpiper Subdivision on Mokmak which was well hidden by
120 vegetation and going into a pond.

121 The district received a request from Lincoln County School District to install a Verizon device in the office to boost the cell
122
123
124

125 signal in the Seal Rock area for students online school. The district's IT, Orcotech advised staff that it will not affect/interfere
126 with the water district's wifi, network, and cellphone signal. The Verizon device will use very little electricity.
127 The district finally received a permit from the county to install a pole in the Pacific Shores area for an antenna to boost the
128 AMI signal on the north end of the district. The antenna was installed yesterday, February 10, and the programming was
129 done today. A modem needs to be installed for the programming to be completed.

130
131
132 **Adjournment:** President Rob Mills adjourned the meeting at 5:30 p.m.
133

134 **Next Board Meeting:** March 11, 2021, at 4:00 p.m.
135
136
137
138
139

140 Approved by Board President Date:
141