

SEAL ROCK WATER DISTRICT
MINUTES OF THE
Regular Board Meeting, Budget Hearing, and Rate Hearing
May 10, 2018

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7 Call Regular

8 Board Meeting: Commissioner Rob Mills called the regular board meeting to order at 4:00 p.m., Thursday,
9 May 10, 2018.

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11 Present: Commissioner Glen Morris, Treasurer; Commissioner Saundra Mies-Grantham, Secretary;
12 and Commissioner Rob Mills. Staff: Adam Denlinger, General Manager; Joy King, Office
13 Manager. See sign in sheet for public attendance.
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15 Excused Absences: President John Garcia, and Commissioner Karen Otta.

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17 Announcements: Joy King announced that the agenda has been revised to add an item under Decision Items.
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19 Public Comments: None

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21 Agenda Calendar: Items on the consent calendar are Invoice Lists for April/May 2018;
22 April 12, 2018 Board meeting minutes; April 19, 2018 Budget Committee Meeting Minutes;
23 April/May Financial Report/Invoices to approve; AMI Project Contractor's Payment
24 Application No. 5; USDA Phase 3- Project Monitoring Report No. 31; General Manager's
25 Report.

26 Commissioner Glen Morris motioned to approve the consent calendar, except for the April 12
27 regular Board Meeting minutes and the April 19 Budget Committee Meeting minutes. The
28 exception is noted as there's no majority to approve each minutes of the meeting. Motion was
29 seconded by Commissioner Saundra Mies-Grantham. Motion carried 3-0.

30 Discussion and
31 Information Items:

32 Primary Source Water

33 Project Update:

34 Biological Assessment: District staff has been working with the consultant to revise the Biological Assessment (BA) to
35 include the hydraulic model and the temperature model to address the concerns of National
36 Marines and Fisheries Service (NMFS), who was reluctant to issue a non-effect opinion
37 which delayed the USDA financing of project. The revised BA was submitted to NMFS the
38 first week of May and NMFS has 30 days to accept the BA. Once the BA is accepted then it
39 will go through a 135 days consultative review process. USDA has placed the District's
40 application for their October budget cycle consideration. After NMFS issues a Biological
41 Opinion of no negative impact to the stream, then USDA will issue a Letter of Condition to the
42 District which obligates the financing of the District's Phase 4 Project.

43 According to the findings of the District's consultants, 2 cfs water withdrawal from Beaver
44 Creek will not have a negative impact on the stream.

45 Geotech completed 12 holes, 20 feet to 100 feet deep at the intake site at Beaver Creek and
46 the findings indicate good buildability and constructability for the intake and treatment plant.
47 The next monumental step is to select a type of membrane for water treatment. The District
48 will select a vendor/manufacture who makes the membrane then obligates the contractor to
49 use the membrane as part of the contract. The selection process needs to be reviewed by
50 legal counsel for the legal aspect of the contract.

51 Public Hearing:

52 Budget Hearing: Commissioner Rob Mills opened the public hearing at 4:15 p.m. to receive public testimony
53 regarding the FY 2018-19 Budget approved by the Budget Committee on April 19, 2018. (See
54 attached FY 2018-19 Approved Budget). Commissioner Glen Morris mentioned for the
55 benefit of those not present at the Budget Committee Meeting that the committee went over
56 the FY 2018-19 proposed budget in detail and the only change was under Water Source
57 Reserve Fund. \$200,000 budgeted for contribution to City of Toledo capital improvement was
58 moved to SRWD Project. Budget hearing was closed at 4:17 p.m.

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60 Rate Hearing:

61 Commissioner Rob Mills opened the rate hearing at 4:18 p.m. to receive public testimony
62 regarding the proposed water rate adjustment for FY 2018-19. (See attached proposal 4).
63 Joy King received a phone call from a customer who expressed support for the minimal rate
64 increase but was concerned about the rumor she heard that the District is getting water from
another agency other than the City of Toledo. It was explained to the customer that the

District is going through the process of developing its own source water and that answered her question. The rate hearing was adjourned at 4:19 p.m.

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67 Decision Items:
68 Rate Resolution

69 No. 0518-01: Motion by Commissioner Glen Morris to approve Resolution No. 0518-01 authorizing the
70 District to adopt a water rate increase for FY 2018-19. Motion seconded by Commissioner
71 Sandra Mies-Grantham. Motion carried 3-0.

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73 MCWPP Contribution: District staff has participated with Oregon State Integrated Water Resources Strategy, Mid-
74 Coast Water Planning Partnership with board approval for the last year. The Partnership is a
75 pilot program of Oregon Water Resources Department (OWRD) to complete a Mid-Coast
76 Integrated Resources Planning Study. Funding came from grants and contributions. There is
77 a shortfall of funding to complete the study but fortunately OWRD has generously offered a
78 2:1 challenge grant up to \$15,000 if the partnership can raise \$7,500 to have the consultants
79 complete the study. The involvement of the District with MCWPP has been beneficial. The
80 GM, Adam Denlinger has been invited to participate in Oregon Business Council representing
81 the Mid-Coast to discuss how the communities gather around to solve water issues. Another
82 benefit for the District is when IFA recognized the District's involvement with Mid-Coast Water
83 Planning Process and allowed the District to benefit from a substantial funding package
84 towards Phase 4 Beaver Creek Source Water Project. Commissioner Sandra Mies-
85 Grantham motioned to participate by contributing \$5,000 towards the completion of the study.
86 Commissioner Glen Morris seconded the motion. Motion carried 3-0.

87 Vactor Hydro Exca-
88 vation truck:

89 In September 2017 the board approved to purchase a vac-truck replacing the failing one the
90 crew is using for excavation with \$100,000 down and finance the balance of \$152,182
91 through West Coast Bank. Staff ordered a Vactor brand Hydro Excavation truck going
92 through NJPA (National Joint Power Alliance) who has done the bidding process. The Hydro
93 Excavation truck was delivered on May 8, 2018. The financing agency requires opinion of
94 legal counsel and their contract is under California law which the District's legal counsel
95 discouraged to sign. Since the District can't meet the funding agency's requirement, staff
96 recommends financing the balance of \$152,182 with KS State Bank. A proposal was received
97 with Option 1 for 4 years term with 3.830% interest and Option 2 for 6 years term with 4.07%
98 interest. The board discussed the options and the advantage of paying the purchase of the
99 vac-truck in full. Commissioner Glen Morris motioned to approve paying the \$252,182 in full
100 for a Vactor Hydro Excavation Truck. Motion was seconded by Commissioner Sandra Mies-
101 Grantham. Motion carried 3-0.

102 Reports & Comments: May 6 through May 12 is National Drinking Water Week and the theme is "Protecting the
103 Source." USDA has requested District staff to write up an article to be published in the
104 AWWA monthly publication. (See attached article by Adam Denlinger)

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106 Adjournment: Commissioner Rob Mills adjourned the meeting at 5:10 p.m.

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108 Next Board Meeting: June 14, 2018 at 4:00 p.m. Regular Board Meeting.
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121 Approved by Secretary

Date
