



**SOUTHWEST LINCOLN COUNTY WATER PEOPLE'S UTILITY DISTRICT
(SWLCWPUD)**
7740 HIGHWAY 101 NORTH, YACHATS, OR // PO Box 368 Waldport, OR
www.swlcwpud.org
541-547-3315



**BOARD OF DIRECTORS MEETING AGENDA
24 August 2022 – 10:00 AM**

The regular meeting will be held at the District Office, 7740 Hwy. 101 North, Yachats, OR

- 1. REGULAR MEETING CALL TO ORDER**
 - a. Determine Quorum Present
 - b. Conflict of Interest Declarations
 - c. Agenda Changes and Agenda Approval – Action Item
 - d. Note Guests Present
 - e. Review and Approval of July Minutes and Budget Minutes – Action Item
- 2. PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)**
- 3. TREASURER'S REPORT**
 - a. Review and Approval of Disbursements – Action Item
 - b. Monthly Financial Report – Action Item
 - c. Treasurer Report/Update
 - d. Accounting Update
- 4. DISTRICT MANAGER'S REPORT**
 - a. Valve Failure Update
 - b. Project funding update
- 5. OTHER NEW BUSINESS for BOARD CONSIDERATION**
 - a. Vacation Rentals
 - b. Lifeline Rate
- 6. CORRESPONDENCE AND REPORTS**
- 7. OTHER ITEMS OF INTEREST**
- 8. ADJOURNMENT**

August 17, 2022

SOUTHWEST LINCOLN COUNTY WATER PUD (SWLCWPUD)
7740 HIGHWAY 101 NORTH, YACHATS, OR - PO BOX 368, WALDPOR, OR 97394-0368

www.swlcwpud.org

541-547-3315

BOARD OF DIRECTORS MEETING
24 August 2022 – 10:00 AM

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| 1. REGULAR MEETING CALL TO ORDER | President Cuellar called the meeting to order at 10:03 AM. |
| a. Determine Quorum Present | President Cuellar deemed that a quorum was present: President Cuellar, Vice President Anthony, Director Tucker, Director Turner, and Director Sherkow |
| b. Conflict of Interest Declarations | None |
| c. Agenda Changes and Agenda Approval – Action Item | None |
| d. Note Guests Present | None |
| e. Review and Approval of July Minutes and Budget Minutes – Action Item | Director Anthony moved approval of the July Board meeting minutes. Director Turner seconded the motion. Motion passed unanimously. |
| 2. PUBLIC INPUT – Public Input (limited to 5 minutes per speaker) | None |
| 3. TREASURER’S REPORT | |
| a. Review and Approval of Disbursements – Action Item | After a brief discussion about the new format of the checks and ACH reports, Director Sherkow Moved the approval of the disbursements. Seconded by Vice President Anthony. Motion passed unanimously. |
| b. Monthly Financial Report – Action Item | DM Anderson explained the new Financial Report format and additional information related to USDA loan repayment. The liability statement had been updated to include the USDA loan. Director Sherkow asked if the total assets should equal the total liabilities. After some discussion, President Cuellar directed DM Anderson to talk with an outside accounting or auditing firm to address this question, and make appropriate adjustments, if any. Director Sherkow noted the relatively high water sales income for July. Director Sherkow made a motion to approved July Financial Report. Vice President Anthony seconded the motion. Motion passed unanimously. |
| c. Treasurer Report/Update | Director Turner expressed some concern about having financial disbursements show individual employees’ salaries and monthly pay amounts. President Cuellar noted that this data was public information. Director Sherkow noted his concern about the structural financial issues for the PUD. He distributed a summary of the spreadsheet showing a 3-year financial picture and noted possible cash positions. He asked that the Board spend some time at an upcoming meeting to go over these issues. Following some discussion, President Cuellar said that the Board would spend about 30 minutes at the next meeting discussing the financial issues. Director Sherkow distributed a handout showing the latest national Inflation and PPI data and noted the likely impact on the PUD budget for months to come related to various costs. |

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| d. Accounting Update | DM Anderson noted that the accounting function has been moved in-house and staff is using QuickBooks software. He is pleased with initial results. |
| 4. DISTRICT MANAGER'S REPORT | |
| a. Valve Bolt Failure Update | <p>DM Anderson briefed the Board on the status of the two valve bolt failures, and discussed the recent events. He said that BizOR has indicated that they will approve \$450,000 for valve bolt replacements on an <u>emergency</u> basis. This funding will be 50% forgivable loan and 50% standard loan. The interest rate is not currently known for the 30-year loan. He noted that the replacement of Pressure Reducing Valves (PRVs) in the Seabrook and Wakonda Beach vicinity will be included. He will file the application form by August 31st and expects an approval letter in a month. If the project completion goes into January 1, 2023, it will mean that the first loan payment will be due on Dec. 31, 2023.</p> <p>DM Anderson distributed information about using an Emergency Procurement process, since the valve replacement program is, in his opinion, an imminent emergency situation and that opinion was share by BizOR. Director Tucker stated his concern about using anything other than a standard procurement process and the possibility of a legal challenge to any other process. He also questioned the existence of an emergency condition. Director Sherkow asked if a standard procurement process could be started now with the right to cancel dependent on the receipt of State funding, in order to minimize any delays of the procurement timeline. DM Anderson noted his desire to use an emergency procurement process in terms of time and expense, and the fact that the State viewed the situation as an emergency. President Cuellar directed that legal counsel be asked to attend the next Board meeting to provide advice about the use of an emergency procurement process.</p> <p>The DM noted that he would use Civil West Engineering to develop project specifications, and he was considering dividing the total project into two or more parts. This would give more than one contractor some work and accelerate the completion. President Cuellar asked DM Anderson to secure information from BizOR about the prospective interest rate and confirm the amount of the standard loan.</p> <p>Director Sherkow moved that the Board declare an emergency exists related to valve bolt replacement and that the DM be authorized to submit an application by August 31st to BizOR for funding valve bolt and PRV replacements. Vice President Anthony seconded the motion. Motion passed 4-1. President Cuellar, Vice President Anthony, Director Turner, and Director Sherkow voting "yes". And, Director Tucker voting "no".</p> |
| b. Project Funding Update | DM Anderson distributed copies of the report produced by Civil West Engineering and highlighted the projects that needed to be done. President Cuellar expressed her desire to pause on additional expenditures in light of the bolt replacement project and increased water rates just adopted. Director Sherkow noted the need to balance financial capacity, rate increase and the opportunity of securing some of the new Federal infrastructure funding while it's available. DM Anderson noted that the first round of funding through the State is at a 50% forgivable loan and 50% standard loan mix. He said the future rounds of funding might not be as attractive. Projects funded now might not start repayment until 2025. |

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| | Some discussion pursued about when existing loan obligations would be paid-off, and how that might affect future financial capacity. No action was taken, but President Cuellar directed that the issue be included in future Board agendas. |
| c. Employee Injury | DM Anderson briefed the Board about an employee injury. |
| 5. OTHER NEW BUSINESS for BOARD CONSIDERATION | |
| a. Vacation Rentals | <p>After a briefing by the DM, the Board discussed the possible treatment of short-term rental properties as “commercial” properties rather than “residential” properties. DM Anderson noted the possible use of the LCSO license list of properties. President Cuellar said that some of the properties were occupied by the owner as their primary residence, and that an appeal process should be allowed if this is done. Director Tucker noted that a first cut at a list could be done by examining the property ownership list through the Assessor, and that those properties that are short-term rental <u>and</u> owned by a corporation or LLC (not family trust) could be sorted out first. Other properties from the LCSO list could be examined in a second round.</p> <p>It was noted that this issue could be another subject to be addressed by the legal counsel.</p> |
| b. Lifeline Rate | DM Anderson noted that legal counsel said that the use of a Lifeline water rate could be problematic. He noted that low-income customers could be handled through existing non-profit organizations. Director Tucker moved that the Lifeline water rates be rescinded. Director Anthony seconded the motion. Motion passed 4-1. President Cuellar, Vice President Anthony, Director Turner, and Director Tucker voting “yes”. And, Director Sherkow voting “no”. |
| 6. CORRESPONDENCE AND REPORTS | |
| | None |
| 7. OTHER ITEMS OF INTEREST and COMMENTS BY THE DM | |
| | <p>Director Tucker noted that a water rough-in connection might be needed at the San Marine State Park.</p> <p>Director Anthony noted the cut trees and other material near the location of a valve bolt failure and replacement. DM Anderson noted his discussions with ODOT. He said that it was ODOT’s responsibility.</p> <p>Director Sherkow asked if there was any reaction with the rate increases. DM Anderson said that it was minimal. Director Sherkow asked if the DM was working with the Fire District on fire flow pressure tests at hydrant locations. The DM said that he was. Director Sherkow asked if there was any response to the joint letter that was sent to USFS. The DM said that they might be working on some items. Director Sherkow asked if the Redistricting effort was proceeding. The DM said that Director Tucker was in contact with the County Clerk about getting voter location data.</p> |
| 8. ADJOURNMENT | |
| | President Cuellar adjourned the meeting at 12:26 PM |

Roxie Cuellar, Board President
Roxie Cuellar, Director Subdivision 1

Date 10/19/22

Franklin Sherkow, Board Secretary
Franklin Sherkow, Director Subdivision 4

Date Oct. 19, 2022