



**SOUTHWEST LINCOLN COUNTY WATER PEOPLE'S  
UTILITY DISTRICT  
(SWLCWPUD)  
7740 HIGHWAY 101 NORTH, YACHATS, OR  
PO BOX 368, WALDPORT, OR 97394-0368  
[www.swlcwpud.org](http://www.swlcwpud.org)  
541-547-3315**



**BOARD OF DIRECTORS MEETING  
AGENDA  
15 December 2021 – 10:15 AM**

The regular meeting will be held at 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 November 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
- 4) RESOLUTIONS**
- 5) DISTRICT MANAGER'S REPORT**
  - a) Truck Purchase Status
  - b) Water Production Cost
  - c) Employee Salary Review Process
  - d) Update of Outstanding Projects
  - e) Civil West presentation
- 6) OTHER OLD BUSINESS for BOARD CONSIDERATION**
  - a) Legislative Outreach Status
  - b) Re-instating door hangers, late fees, and shut off
  - c) Rules and Regulations
- 7) OTHER NEW BUSINESS for BOARD CONSIDERATION**
  - a) Water Rates and Fees Chart
  - b) In-District vs. Out-District Rates
  - c) New trailer
  - d) Treatment plant rehabilitation plan
  - e) Email Upgrade
- 8) CORRESPONDENCE AND REPORTS**
- 9) OTHER ITEMS OF INTEREST**
- 10) ADJOURNMENT**

December 15, 2021



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**BOARD OF DIRECTORS MEETING**  
**15 December 2021 – 10:00 AM**

<b>1) REGULAR MEETING CALL TO ORDER</b>	President Tucker called the meeting to order at 10:22 AM (after conclusion of the Water District Commissioners meeting).
a) Determine Quorum Present	President Tucker deemed that a quorum was present: President Tucker, Vice President Cuellar, Director Turner, Director Anthony, and Director Sherkow. <i>NOTE: Vice President Cuellar left the meeting at about 12:45 PM.</i>
b) Conflict of Interest Declarations	None reported
c) Agenda Changes and Agenda Approval – Action Item	In the interest of the guests' time, Items #5e were moved up on the Agenda after Item #2.
d) Note Guests Present	Representatives for Civil West (Keven Shreeve and James Parmeter) who were present for their presentation; SWLCWD Commissioners Troy Hurd and Andy Bacigalupo who were present for approximately 1 hours, and then departed.
e) Review and Approval of November Minutes – Action Item	Director Turner noted that the reference in the November Board minutes about transfers to the Local Government Investment Pool (LGIP or pool) that this in the process of happening at that time and had not occurred prior to the November meeting. Director Turner moved adoption of the November PUD Board meeting minutes. Director Anthony seconded the motion. Motion passed unanimously.
<b>2) PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)</b>	None
<b>5) e) Civil West presentation</b>	<p>Vice President Cuellar mentioned the issue of inflation on all costs, including capital projects, and asked how this is handle by the consultants. Keven Shreeve (Civil West) said that a factor is used to adjust estimates based on current and forecasted conditions. He went on to say that the first group of projects on their recent work proposals were those being worked on for FEMA fundings and that the application deadline was Jan. 31, 2022. President Tucker asked about the prospective approval date for this funding source. Mr. Shreeve replied that it could take months or even longer for an approval.</p> <p>Director Sherkow mentioned that the Dick's Fork WTP project on the FEMA project list is listed as a concrete tank and asked if it should be considered for additional storage and that the replacement would be steel. Mr. Shreeve noted that the replacement of the tank using FEMA funding would cover the existing capacity and would be steel. Director Sherkow suggested that it might be considered for addition capacity and that this might come from other funding sources, and therefore, the funding applications would have to be coordinated. Mr. Shreeve and DM Anderson agreed that they would.</p> <p>During Mr. Shreeve's remarks, he mentioned that these funding sources would use a cost/benefit analysis. Director Sherkow asked if the cost/benefit included such items as economic development, fire protection (water pressure), replacement of old equipment (end of useful life), and seismic protection. Mr. Shreeve said that Tim Gross from his office was an expert in these matters and that all such "benefits" would be carefully examined and included in the analysis.</p>

The existing agreement with Civil West will complete the work needed to finalize the FEMA application for these projects by Jan. 31, 2022. The FEMA related projects in the new proposal would be engineered to a 30% design level. Additional engineering and permit work will be required in order to get the projects complete for the bidding, acquisition, or installation process (e.g., plans, specifications, and engineer's estimate). Director Sherkow asked whether the tank replacement vendor would complete the engineering on the tank and Civil West would do the engineering for the foundation and piping. Mr. Shreeve agreed with that concept.

Vice President Cuellar asked about the total cost for the FEMA-related projects. Mr. Shreeve said that the engineering work in the proposal would provide that answer. Director Sherkow asked if any of the proposed \$150,000 in the proposal would be eligible for reimbursement as part of the total project cost. Mr. Shreeve replied that the engineering cost would be part of the total cost and, therefore, would qualify as the local match to the whole funding package, if approved. The local match for the FEMA process currently is 25%.

Mr. Shreeve turned to the second list of projects listed in the proposal. This list represents projects that could be "shovel ready" relatively quickly and thereby qualify for other Federal funding that might be available in the near-term. It was noted BY DM Anderson that the Federal dollars could flow through the existing SRS (Water Quality Surveillance and Response System) which is the Safe Drinking Water Revolving Loan Fund in Oregon (SDWRLF) administered by Business Oregon, but that he didn't know how they would administer the program given the new Federal framework. He also noted that he believed that there would be Federal money allocated to the States for the present Federal FY (ending Oct. 31, 2022). Money could then be allocated each FFY thereafter. He noted that not all possible expenditures are not covered by the current program, such as GPS and other technology items. This might necessitate changes to the current State program.

Vice President Cuellar noted that the recent Short Legislative Session including a funding line item for rural water districts.

Mr. Shreeve noted that the goal for projects that they were pursuing on behalf of SWLCWPUD was to get grants and/or forgivable loans and not just long-term loans. Vice President Cuellar said that this will require a solid 5-year capital Improvement program (CIP) as developed from the Master Plan and other sources. James Parmeter noted the Civil West had just recently produced a draft CIP and sent it to the DM.

Director Sherkow suggested that the projects that PUD was considering might include what is needed to handle possible natural disasters, and that this might include how the Dick's Fork WTP could operate independently if it were cut-off for the Blodgett WTP. If it could operate independently, it would, perhaps, need additional storage capacity. It might also be beneficial to have a back-up major water transmission line somewhere inland in order to be away from the coast where significant damage is anticipated during such events. DM Anderson noted that the system was built with some valves along US 101 that could aid in such efforts. He also noted that the Dick's Fork WTP could operate independently but that more raw water would be needed. He also noted water lines near the industrial park (Waldport). Director Turner said that some of the lines and valves were tested about 10 years ago.

Mr. Shreeve said that the PUD should have not only a CIP, but also a companion maintenance plan. The issue of the timing for the engineering arose. Mr. Shreeve


	<p>replied that the timing in the proposal was based on the PUD's idea of being as aggressive as possible, but it could change if the Board desired. DM Anderson offered the possibility of stretching out the timeline so that the PUD could cover part of the work in the current FY and part in the new FY, thus avoiding a Supplemental Budget event. Director Sherkow recommended that the Board proceed with the entire scope in the proposal as quickly as possible such that the PUD would be ready for new Federal and State funding, and that a Supplemental Budget Resolution could be acted on at the January meeting as long as the DM could determine how much of the \$150,000 would be funded from existing budget authorizations for the current FY.</p> <p>Vice President Cuellar asked how much of the \$150,000 in the Civil West proposal was to address work on the FEMA projects and how much was for the other projects. Mr. Shreeve replied that it was about 50% for the total each of the two lists of projects. Director Sherkow suggested that the risk was not that the PUD was spending too much or too quickly, but that, by not spending this money, we would be delayed in getting eligible for additional outside funding, and that if all of the projects on the FEMA list were not funded, then we would still have them ready for some other funding source. Vice President Cuellar asked if any of the work in the proposal represented projects that if not funded in the near-term, then that work would be wasted. Mr. Shreeve responded that if projects were not funded near-term, then they would pursue other funding. Thus, none of the engineering work would be wasted based on funding delays. DM Anderson said that there was money in Federal FY 22, and that the State will be looking for project to fund before Oct. 31, 2022.</p> <p>After some additional discussion, Director Sherkow moved that:</p> <ol style="list-style-type: none"> <li>1. The PUD engage Civil West as the engineering consultant for amount not-to-exceed \$150,000</li> <li>2. The DM negotiate the final agreement with Civil West, based on their proposal, and that he be authorized to sign the agreement</li> <li>3. The agreement for the scope of work includes a schedule</li> <li>4. The Board initiate a Supplemental Budget for the next regular Board meeting (January 2022) and have the DM determine the size of the funding needed for the current FY</li> </ol> <p>Vice President Cuellar and Mr. Shreeve discussed the need to know the engineering costs for the next FY in order to inform the DM and Budget Committee in a timely manner in the Spring. DM Anderson mentioned that some additional money was made available to Lincoln County, some of which was going to rural water districts. Mr. Shreeve replied that this was an "earmarked" amount for a specific project in another district.</p> <p>The motion was seconded by Vice President Cuellar. Motion passed unanimously.</p> <p>Civil West representatives departed the meeting.</p>
<p><b>3) TREASURER'S REPORT</b></p>	
<p>a) Review and Approval of Disbursements – Action Item</p>	<p>President Tucker questioned two items: 1) payment to Oregon Dept. of Revenue for "plant supplies" and 2) payment to Spirit Mt. Lodge. DM Anderson replied that the Oregon Dept. of Revenue payment was miss categorized and would be corrected. The payment to Spirit Mt. lodge was lodging for employees during a recent conference. Director Sherkow moved that the Disbursements List be approved. Seconded by President Tucker. Motion passed unanimously.</p>
<p>b) Monthly Financial Report – Action Item</p>	<p>Vice President Cuellar asked again for clarification related to the PERS Deferred Inflows Liability. She wanted to make sure that money was being properly set aside</p>

	<p>for past and future PERS payments. This covers line items #2191 and possibly #1600. DM Anderson said he talked to the accountant and they said these items related to future costs for employee’s retirement. Several Board members requested a written clarification. Director Turner said that he would talk to the accountant.</p> <p>Director Sherkow asked again that DM Anderson initiate an additional discussion with the accountant to show a Liability of PUD related to its pledge to transfer money to the Water District (WD) to make payments to cover the Loan payment toward the Bond. This might also be reflected as an asset on the Financial Report of the Water District.</p> <p>DM Anderson noted a payment of \$21,000 for turbidity meters in the Blodgett WTP and their installation. This was new equipment.</p> <p>Vice President Cuellar also asked for clarification about line item #3100 – Fund Balance (Liabilities and Fund Balances) noted as -\$399,840.16. DM Anderson said that he would report back to the Board about this.</p> <p>Director Sherkow moved the approval of the Monthly Financial Statement. Director Anthony seconded the motion. Motion passed unanimously.</p>
<p>c) Treasurer Report/Update</p>	<p><i>[From earlier in the meeting]</i> Director Turner wanted to make sure that there is \$50,000-60,000 in the general account (Columbia Bank) for ongoing business activities, and that any money over that amount should be transferred to the Local Government Investment Pool (LGIP or pool). The Board will receive receipts of such transfers in the future. There was also a discussion about having monthly payment go the Water District account for the USDA loan buyoff. Vice President Cuellar asked that a process be established to make these activities as easy and efficient as possible.</p> <p>Director Sherkow distributed information about the most recent inflation rate and noted that this will have a material effect on next year’s budget through the COLA. He also suggested that the Board start communicating with the customers so that any possible rate increases will not be a surprise. President Tucker suggested that a message to customers be included on the back of the water bill monthly. Vice President Cuellar also asked that, in considering any rate increase, the PUD consider any possible cost cutting issues. DM Anderson noted that cost-cutting would be challenging.</p>
<p><b>4) RESOLUTIONS</b></p>	<p>None</p>
<p><b>5) DISTRICT MANAGER’S REPORT</b></p>	
<p>a) Truck Purchase Status</p>	<p>DM Anderson said two 4x4 Ford Rangers should be delivered in the Spring 2022. He also noted that he will be keeping the big truck in service for now, and he was going to acquire a dual-axle tilt-bed trailer</p>
<p>b) Water Production Cost</p>	<p>Still working on this, and will further research the electrical costs and meters.</p>
<p>c) Employee Salary Review Process</p>	<p>Still working on this and will meet with President Tucker. Vice President Cuellar asked if we were considering both salary adjustments and COLA adjustments. A brief discussion followed concerning salaries and the need to look at them to ensure that the PUD was paying competitive wages and benefits. It was suggested that calls be made to nearby water utilities to check on their wage and salary structures. It was also suggested that the process be called a “salary study” rather than assuming that “adjustments” were necessary.</p>


<p>d) Update of Outstanding Projects</p> <p>- Blodgett WTP Upgrades</p>	<p>DM Anderson reported that there were now 502 customer accounts online and 336 using the auto-pay option. He noted that water sales revenues looked like they were on budget thus far.</p> <p>He also noted that he was in the process of contacting the Oregon Association of Water Utilities (OAWU) to request a proposal for a rate study.</p> <p>Work at the Blodgett WTP continued. He recently visited the WTP at Siletz which is identical to the Blodgett Plant, and at their upgrades (now in progress) could mirror the ones that are considered for the Blodgett WTP. The Siletz WTP had cracks in the under-drain pipes. Based on that and other factors, he has ordered stainless steel replacement under-drain pipes which will take 10-12 weeks to arrive. He has also ordered all parts and software needed for the Blodgett WTP upgrades. Those cost will start to show up on future financial reports. Work on the upgrades will be done in the next several months. The strategy is to work on the filter media beads on one side of the plant and then work on upgrades. The work will go back and forth from one side to the other in order to keep the plant in operation during the work activities.</p>
<p><b>6) OTHER OLD BUSINESS for BOARD CONSIDERATION</b></p>	
<p>a) Legislative Outreach Status</p>	<p>Director Sherkow said that he renewed his contact with the Governor's Office representative for a future meeting.</p>
<p>b) Re-instating Door Hangers, Late Fees, and Shut-offs</p>	<p>DM Anderson reported that ~\$36,000 is now past due, with ~\$20,000 past due for more than 30 days. The door hanger efforts included 69 door hangers being placed, resulting in 35 accounts paid-in-full, and others on a payment plan. Only 16 customers were not able to be reached. These may be subject to shut-offs, but no sooner than April 2022.</p>
<p>c) Rules and Regulations</p>	<p>Vice President Cuellar brought up the difference between vacation or second homes vs. full-time residents in possible water shut-offs. She also suggested a 5-day grace period before shut-offs. Also suggested changing the language in Section 3 that refers to payments being used for "improvements," which is not the case.</p> <p>President Tucker noted that the original version had references to sections of OAR that were no longer valid or had been eliminated. He believes that the version the public would refer to should be streamlined and simple. He also noted that a Resolution on back-flow was not needed because OAR covers this issue. The draft will be revised and brought back at a future Board meeting.</p>
<p><b>7) OTHER NEW BUSINESS for BOARD CONSIDERATION</b></p>	
<p>a) Water Rates and Fee Chart</p>	<p>DM Anderson reviewed the chart.</p>
<p>b) In-district vs. Out-District Rates</p>	<p>President Tucker recommended the Out-District rate be eliminated and all water rates (in or out of the district be the same). Director Sherkow favored a higher rate for Out-District users, especially for adjoining cities.</p>
<p>c) Email Upgrade</p>	<p>DM Anderson reported that the email change-over was mostly complete.</p>
<p><b>8) CORRESPONDENCE AND REPORTS</b></p>	<p>None</p>

BOARD OF DIRECTORS MEETING  
15 December 2021 – 10:00 AM

<b>9) OTHER ITEMS OF INTEREST</b>	None.
<b>10) ADJOURNMENT</b>	Director Sherkow moved to adjourn the meeting. Director Anthony seconded the motion. Motion passed unanimously. President Tucker adjourned the meeting at 1:14 PM.

  
Donald Tucker, Director Subdivision 5, Board President

Date 19 January 2022

  
Franklin Sherkow, Director Subdivision 4, Board Secretary

Date 1/19/22