



**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
541-547-3315**



**BOARD OF DIRECTORS MEETING
AGENDA
19 January 2022 – 10:00 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 December Minutes – Action Item
- 2) PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)**
- 3) CIVIL WEST PRESENTATION**
- 4) TREASURER'S REPORT**
 - a) Review and Approval of Disbursements – Action Item
 - b) Monthly Financial Report – Action Item
 - c) Treasurer Report/Update
- 5) RESOLUTIONS**
- 6) DISTRICT MANAGER'S REPORT**
 - a) Truck Purchase Status
 - b) Water Production Cost
 - c) Employee Salary Review Process
 - d) Update of Outstanding Projects
- 7) OTHER OLD BUSINESS for BOARD CONSIDERATION**
 - a) Legislative Outreach Status
 - b) Re-instating late fees
 - c) Rules and Regulations
- 8) OTHER NEW BUSINESS for BOARD CONSIDERATION**
 - a) Water Rates and Fees Chart
 - b) In-District vs. Out-District Rates
 - c) Rate Study
 - d) Review of Accounting Firm
- 9) CORRESPONDENCE AND REPORTS**
- 10) OTHER ITEMS OF INTEREST**
- 11) ADJOURNMENT**

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BOARD OF DIRECTORS MEETING

19 January 2022 – 10:00 AM


1) REGULAR MEETING CALL TO ORDER	President Tucker called the meeting to order at 10:00 AM
a) Determine Quorum Present	President Tucker deemed that a quorum was present: President Tucker, Vice President Cuellar, 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	Members of the public from Brubaker St. would be heard under Item #2 – Public Input; matters related to review of the Accounting Firm would be added as Item 8 d); and a discussion about the Mid-Coast Water Planning Draft Action Plan would be added under Item #7 a) – Legislative Outreach. Director Sherkow moved the changes to the agenda and Vice President Cuellar seconded the motion. Motion passed unanimously.
d) Note Guests Present	Representatives for Civil West (Keven Shreeve and James Parmeter) who were present for their presentation; and Representative from NE Brubaker Street were present: Todd Beachnau (177 NE Brubaker St.), Zeora Sage (461 NE Brubaker St.), Jeffery Shirley (461 NE Brubaker St.), and Phillip Lumley (273 NE Brubaker St.).
e) Review and Approval of November Minutes – Action Item	Director Anthony moved adoption of the December PUD Board meeting minutes. Vice President Cuellar seconded the motion. Motion passed unanimously.
2) PUBLIC INPUT – Public Input	<p>Representatives from NE Brubaker Street presented a letter (signed by 8 property owners) and summary of the recent situation and their request. A culvert on the street failed and the property owners engaged a contractor to replace the culvert and repair the damage to the street, for a total cost of \$8,158.49. Their request was that SWLCWPUD participate in the cost to the amount of \$1,000. Their request was based on the fact that the PUD had a pumping station at the end of the street and that the PUD vehicles use the street several times per day with its trucks and other equipment.</p> <p>The Brubaker Street representatives gave an oral summary of their request. A discussion between the representatives and Board members ensued. The Brubaker Street representatives made the case that SWLCWPUD was also a “landowner” and used the street, and that the possible damage to the culvert was everyone’s responsibility. They were also interested in the PUD participating in ongoing street maintenance costs. Board members responded that road maintenance was not something that was budgeted to undertake, and that it was not able to review the bids or repair cost before the commitment was made by the people that lived on the street.</p> <p>Vice President Cuellar said that SWLCWPUD should participate in the cost since the PUD used the street daily. Director Tucker said that participating in the repair cost would set a difficult precedent. Director Sherkow said that if the PUD was to be paid for such repairs, it might impact the water rates. Director Anthony asked that if the PUD participated in this cost, who would be responsible for collect the funds and making sure the contractor was paid (i.e., who would be accountable for the money?).</p>

	<p>Vice President Cuellar moved that the PUD participate in the repair cost at a total of \$1,000 as long as an invoice for that amount be provided by the contractor. Director Sherkow seconded the motion for the purpose of discussion. After a round of discussions by the Board, a vote was taken: Vice President Cuellar-aye, President Tucker, Director Anthony, and Director Sherkow-nay. Motion failed 1-3.</p> <p>Director Sherkow moved that the PUD provide \$500 toward the repair cost as long as: 1) a separate invoice was provided, 2) that the PUD not participate in any ongoing street maintenance, and 3) if such circumstances arose again that the property owners talk to DM Anderson before seeking bids and contracting for repairs without the PUD’s prior knowledge. Vice President Cuellar seconded the motion. Vice President Cuellar, Director Anthony, and Director Sherkow-aye. President Tucker-nay. Motion passes 3-1.</p>
<p>3) CIVIL WEST PRESENTATION</p>	<p>Keven Shreeve (Civil West) started the briefing by acknowledging that their firm had mistakenly not submitted the Letters of Intent to meet the initial deadline for FEMA funding. He also said that Civil West had the submitted the letters for the subsequent round of funding applications (due about July 1st). He did not see a significant impact on the chances of getting projects funded.</p> <p>President Tucker asked what would happen next in the process. Mr. Shreeve said that there would be an approximate 6-month review, and that the award could take another 1 to 2 years. He also noted that they would continue to work on the design work and that it would make the letters of intent that much more detailed as they move forward.</p> <p>Director Sherkow noted that the most recent guidance by the State has pointed to deadlines, starting March 15 and every 3 months thereafter going forward, for the new Federal infrastructure funding. In order to make our needs known to the State, he noted, a 9-page Letter of Interest would have to be completed and submitted. DM Anderson noted that the State seems to be treating the new Federal dollars as merely an extension of the existing State Drinking Water Revolving Funds.</p> <p>Director Sherkow asked Mr. Shreeve if the PUD should submit letters (pre-applications) to both the FEMA program and the State Drinking Water program funding given the uncertainty of the review length and approval process of both programs. Mr. Shreeve said that the PD probably should submit projects for both funding for the same projects. The initial Letters were not contractual commitments by the PUD. If funding from one program is approved, then the Board could make a decision about whether or how to proceed.</p> <p>Vice President Cuellar asked at what point would the PUD commit itself. Mr. Shreeve replied that the timeframe for the Federal Infrastructure funding could be about 1 year and for the FEMA program could be 1 to 2 years.</p> <p>Director Sherkow asked that the projects be set out for the PUD review including critical path identification. Vice President Cuellar noted that the Board needed to see a 5-year Capital Improvement Program (CIP). Mr. Shreeve agreed and noted that the CIP should be updated annually.</p> <p>James Parmeter (Civil West) said that they would work up the Letters of Interest in order to meet the March deadline and could be discussed at the February Board meeting.</p>

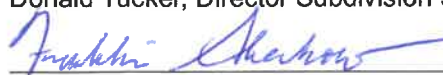
<p>- Water Rate Study</p>	<p>President Tucker noted that several of the contemplated projects were relatively costly (e.g., tank replacement) and asked if any of the funding programs required a bond or levy approved by the voters in order to pay for the “local matching funds”. No one knew of any such requirements at this point.</p> <p>DM Anderson expressed an interest in adding the Seabrook Water Tank replacement to the capital improvement list.</p> <p>Mr. Shreeve noted that a copy of the Master Plan Supplement had been distributed and asked for comments. Board members agreed to provide comments within 2 weeks. Vice President Cuellar asked that the word “district” be replaced with “PUD” or “SWLCWPUD”. It was agreed that Board comments would be provided to DM Anderson by Jan. 31st. and he would provide them to Civil West in the first week of February.</p> <p>DM Anderson brought up the related subject of using revenue from the sale of water by the PUD in order to fund the local match. He noted that a Rate Study should be completed if the Board was thinking about raising the rates to cover such costs. Mr. Shreeve said that Civil West did such studies.</p> <p>DM Anderson said that he received a bid from the Oregon Association of Water Utilities (OAWU) to undertake a rate study. Their bid was \$15,000, which DM Anderson found to be too high. Based on the immediate need and his experience, he was looking for a lower price version, and even offered to undertake such a study himself but preferred to have an independent entity provide the rate analysis. The Board engaged in some discussion about waiting one year or going ahead now with a focus on the next year’s rates noting the uncertainty of the future years’ financial needs driven by capital investments, and related items. Director Sherkow noted that even if there was no capital investment required, the cost of inflation was going to impact the PUD’s labor costs. DM Anderson noted that a person in Idaho could help do some analysis and/or a hybrid effort involving himself, the person in Idaho, and Civil West.</p> <p>Director Sherkow moved that the Board approve \$12,500 for the PUD to undertake a rate study such that the results would be available for the upcoming budget cycle. Director Anthony seconded the motion. Motion passed unanimously.</p>
<p>4) TREASURER’S REPORT</p>	
<p>a) Review and Approval of Disbursements – Action Item</p>	<p>President Tucker questioned an item for \$21,000. DM Anderson replied that this was for the water plant turbidimeter replacement. The payment to AT&T was for cell phones. Another item was a payment for wire. DM Anderson also noted that he uses his personal Amazon Prime membership to order some items using the PUD credit card in order to get a better price and/or free shipping. Vice President Cuellar moved that the Disbursements List be approved. Seconded by Director Anthony. Motion passed unanimously.</p>
<p>b) Monthly Financial Report – Action Item</p>	<p>DM Anderson noted the need for a possible Budget Amendment for the next Board meeting related to additional engineering work authorized by the Board.</p> <p>President Tucker discussed Accounting Line Item #4025 related to SDC payments, and said that a transfer should be made from that item to the Bond Surcharge Line Item totaling \$1,750 per customer in order to meet the Bond Agreement requirements. He said that the financial report should reflect it.</p>

	<p>DM Anderson said that he would follow up with PERS, and perhaps the auditor, about the questions raised by Vice President Cuellar. Director Sherkow encouraged DM Anderson to question the auditor about the lack of listing the USDA loan on the Long-term Liability List. He noted his increased reluctance to vote to approve the monthly Financial Report without such a change or better explanation.</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 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 since this matter had been discussed at several recent meetings. DM Anderson said that he would talk directly to PERS and the auditor to resolve the matter. Vice President Cuellar moved that the Monthly Financial Statement be approved. Seconded by Director Anthony. Motion passed unanimously. Motion passed unanimously.</p>
c) Treasurer Report/Update	See Item #8 d)
5) RESOLUTIONS	None
6) DISTRICT MANAGER’S REPORT	
a) Truck Purchase Status	Trucks are expected in May according to DM Anderson. He also was doing research on a small dump truck or loader. He noted repairs on Range Dr. and a leak discovered on Sunset Dr. that has been fixed.
b) Water Production Cost	Still working on this, and will further research the electrical costs and meters.
c) Employee Salary Review Process	Still working on this and will meet with President Tucker.
d) Update of Outstanding Projects	<p>Work at the Blodgett WTP continued and the DM was gathering materials necessary to do the upgrades.</p> <p>DM Anderson noted the planned retirement of Mike Dixon on August 1, 2022. This will trigger replacement of the Lead Field position. This might be done promotion or a new hire. Director Anthony asked if we need specific expertise as we consider this position.</p>
7) OTHER OLD BUSINESS for BOARD CONSIDERATION	
a) Legislative Outreach Status	<p>Director Sherkow noted the draft Action Plan by the Mid-Coast Water Planning Partnership (MCWPP), and drafted a potential comment letter which would be due by Feb. 8, 2022. His comments related to having an unauthorized entity speak for water utilities in the area, the lack of an organization authority, the possibility of having this entity “prioritize” water projects in the area, the spending list which misappropriates funding to elements that are not necessary and underfunds critical needs, etc. He recommended finalizing a comment letter and sending it to MCWPP, the local media, and elected representatives.</p> <p>A Board discussion ensued which concluded in having Board members get comments on Director Sherkow’s draft as soon as possible to the DM, and having DM Anderson request additional time to make a comment. There was some interest in contacting other water utilities in the area to ensure that they knew what is happening.</p>

b) Re-instating Late Fees	DM Anderson briefed the Board on the subject and staff was asked about administrative effort to post and collect possible late fees. After some discussion, DM Anderson was asked to return to the Board with a recommendation and possible criteria of when to apply a late fee.
c) Rules and Regulations	President Tucker said that he was getting a copy of the original plotting of the 1945 district boundaries and the ~30 annexations that has been approved since. This data might affect not only the boundary, but also voting rolls and GIS mapping. A discussion was undertaken about possible adjustments to the Rules and Regulations. President Tucker requested Board members make comments in the new few weeks to the DM. The subject would appear on the Feb. Board Meeting agenda.
8) OTHER NEW BUSINESS for BOARD CONSIDERATION	
a) Water Rates and Fee Chart	President Tucker provided several format changes to the chart.
b) In-district vs. Out-District Rates	President Tucker discussed rates as they may apply to the Bond Surcharge financial situation. There was also a discussion about whether it was appropriate of having more than one Bond Surcharge payment for a single property. This would be researched and discussed further.
c) Rate Study	See Item #3
d) Review of Accounting Firm	DM Anderson expressed his dissatisfaction of the service provide by the accounting firm and stated several recent examples of their service. He noted that a change to QuickBooks to be provided by office staff could be a substitute. The timing for a change was discussed. Vice President Cuellar noted that the Port of Alsea used inhouse QuickBooks software for accounting. The Board discussed having an outside firm available for review and consultation. President Tucker summarized by directing that the PUD continue to use the current firm's services to the end of the fiscal year on a month-to-month basis without signing the letter of engagement, and that the current firm be told <u>not</u> to conduct work effort related to the creation of a new budget.
9) CORRESPONDENCE AND REPORTS	
President Tucker asked DM Anderson if the office staff should gain water certifications as a means to provide emergency backup for critical functions. The DM said that he would think about it.	
10) OTHER ITEMS OF INTEREST	
President Tucker said that he would take the input from SDIS about insurance and redraft the pending agreement with the Yachats Rural Fire District concerning storage at the Blodgett Maintenance Facility. He would also look at the budget for fire hydrants at the Fire District.	
11) ADJOURNMENT	
Director Sherkow moved to adjourn the meeting. Director Anthony seconded the motion. Motion passed unanimously. President Tucker adjourned the meeting at 1:14 PM.	

 , Board President
Donald Tucker, Director Subdivision 5

Date 16 February 2022

 , Board Secretary
Franklin Sherkow, Director Subdivision 4

Date 2/16/22