



**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
16 February 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 January Minutes – Action Item

2) PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)

3) CIVIL WEST and FUNDING DISCUSSIONS with BizOR and USDA

- a) Rep. Gornberg Funding Request
- b) Civil West Presentation
- c) BizOR and USDA Options
- d) Supplemental Master Plan

4) TREASURER'S REPORT

- a) Review and Approval of Disbursements – Action Item
- b) PERS and USDA Loan funding review
- c) Monthly Financial Report – Action Item
- d) Treasurer Report/Update

5) DISTRICT MANAGER'S REPORT

- a) Update Customers Count on Web Portal
- b) Rate Study
- c) Water Production Cost
- d) Staffing Update and Employee Certification
- e) Update of Outstanding Projects

6) OTHER OLD BUSINESS for BOARD CONSIDERATION

- a) Yachats Fire Storage Agreement draft edits
- b) Re-instating Late Fees and Status of Past-Due Accounts
- c) Rules and Regulations
- d) In-District vs. Out-District Rates
- e) Mid-Coast Water Partnership Action Plan

7) OTHER NEW BUSINESS for BOARD CONSIDERATION

- a) Prepare Outline for Next Budget
- b) Energy Efficiency Measures for Blodgett WTP

8) EXECUTIVE SESSION: Pursuant to ORS 192.660(2)(a) & (i).

- a) To consider the employment of a public officer, employee, staff member or individual agent.
- i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.
 1. Employee Benefits

9) CORRESPONDENCE AND REPORTS

10) OTHER ITEMS OF INTEREST

11) ADJOURNMENT

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

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BOARD OF DIRECTORS MEETING

16 February 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, Director Turner, and Director Sherkow
b) Conflict of Interest Declarations	None reported
c) Agenda Changes and Agenda Approval – Action Item	Item #8c – District Boundaries was added; and Item #9 – Executive session was changed to "Pursuant to ORS 192.660 (2)(a) & (i)"
d) Note Guests Present	Representative of Civil West (James Parmeter) was present for the Civil West presentation. Three representatives from Westech Engineering, Inc. were presented for a short time at 11:30 AM and were introduced to the Board. <i>Note: DM Anderson departed the meeting at that time.</i>
e) Review and Approval of January Minutes – Action Item	Director Anthony moved adoption of the January PUD Board meeting minutes. Vice President Cuellar seconded the motion. Motion passed 4 "yes" and one "no" with President Tucker voting "no" because he had not read or reviewed the minutes.
2) PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)	None
3) CIVIL WEST and FUNDING DISCUSSIONS with BizOR and USDA	
a) Rep. Gomberg Funding Request	Director Sherkow and DM Anderson briefed the Board about the recent events concerning the request by Rep. Gomberg's Chief of Staff in order to have the PUD complete a funding request form for legislative Committee action and Committee testimony given by Director Sherkow in support of the funding request (copies were distributed to the Board members). There was a subsequent discussion about the next steps. DM Anderson noted that the land at the Dick's Fork treatment Plant might not be sufficient to house the new tank. Follow-up conversations with the US Forest Service were prioritized for DM Anderson. DM Anderson also had concerns about the estimated tank cost. Vice President Cuellar noted that the County might also have money available for improvements.
b) Civil West Presentation	Mr. Parmeter (Civil West) noted the Supplementary Master Plan as the basis for examining projects or groupings of projects for possible funding. Director Sherkow presented information about recent conversations between BizOR, USDA, Civil West, DM Anderson, and him. The major points were: <ol style="list-style-type: none"> 1. Every \$1 M in grants or forgivable loans that we can get will replace about \$2.50 per EDU per month that would have to be paid by our customers 2. Money is available from SDWRF and USDA separately, as well as FEMA and others 3. These sources have slightly different priorities (e.g., water intake structures, fire water pressure, etc.) 4. There may be forgivable loans, mostly from the SDWRF but not over about 45% of the total Both BizOR and USDA have encouraged us to submit as many projects as we desire for the March 15th State application deadline (it's not a commitment; only interest)

5. State will probably go to a semi-annual application submittal cycle, and not quarterly
6. BizOR and USDA are jointly working up some options for us about State and Federal funding combinations (not ready yet)
7. We could qualify for low-interest loans (tied to the rate of the 20 yrs. US bonds)
8. Interest rates were going up

Director Sherkow recommended that DM Anderson work with Civil West staff to appropriately group projects for the March 15th deadline, that Civil West have **draft Letters or Interest (LOIs) to DM Anderson by March 1st for final review**, and that the final versions be submitted to the State before the March 15th deadline.

DM Anderson said that money was separately available from USDA and SDWRF, and that forgivable loans (i.e., grants) and regular loans were obtainable. Director Sherkow noted that there were slight differences in the funding criteria and that some types of projects were less appealing to one funder versus the other. For example, water intakes and fire pressure related projects were not appealing to USDA.

Mr. Parmeter (Civil West) noted that the firm was working up preliminary reports which would provide additional data for the required LOIs.

Director Sherkow distributed an updated copy of the draft 5-year Capital Improvement Program (CIP) noting times, project phasing, cost estimates and in some cases possible finding sources. He noted that this was still a work in progress and much depended on outside funding. DM Anderson said that Federal/State funding, financial reserves, and water rates were also related in the eyes of USDA and others.

Vice President Cuellar asked about funding availability from the Legislative "Short Session" which ended in late February. It was noted that the state funding, if awarded to the Dick's Fork Tank, would be available fairly quickly, dependent on the State sell of bonds. Dm Anderson noted that there was no local match required for the Legislative money being discussed, unlike SDWRF or USDA or FEMA funds. DM Anderson noted that the prospective schedule in the Legislative funding request form for the tank replacement had construction beginning in one year. He noted that he was also seeking a separate quote from a tank vendor in order to check the cost estimate. Director Sherkow noted the Legislative form that the PUD provided included all of the ancillary project elements, including foundation, piping and items that would address the fire pressure issues and water capacity required for the Waldport Industrial Park, etc.

c) BizOR and USDA Options

Items about the advice from BizOr and USDA to proceed with the submission of projects for the State's March 15th LOI deadline were discussed. Civil West provided information of what would happen to water rates if all of the projects were constructed with various levels of outside funding). This provided a "worst case scenario" and was judged to be unrealistic. President Tucker and Vice President Cuellar noted their opposition to drastic increases in water rates. The rest of the Board agreed. Vice President Cuellar noted the need to provide information on such documents in order to provide some context for the public.

Director Sherkow asked the Board members if they had any objections to the submission of the LOIs to the State by March 15th noting that the PUD was not making a financial commitment at that point, but only indicating interest. There were no objections.

d) Comments on Supplement


Director Sherkow said that he had sent comments about the Supplementary Master


Master Plan	Plan to DM Anderson. DM Anderson gave comments to Civil West. Most were minor, but the most significant was the assumption that the growth rate was 1%. Given the recent increase in water service application, the 1% assumption may not be accurate. Mr. Parmeter said that the assumption may not be a major issue but offered to work with DM Anderson on a higher growth option.
4) TREASURER'S REPORT	
a) Review and Approval of Disbursements – Action Item	Vice President Cuellar moved the approval of the Monthly Disbursements. Director Anthony seconded the motion. Motion passed unanimously.
b) PERS and USDA Loan funding review	DM Anderson provided an email from the accounting firm explaining the PERS issue. There was general agreement that it was not complete or fully-understandable. The central question about whether the PUD owes money to PERS or not. This is important in light of the upcoming budget process and possible rate adjustment. DM Anderson said that he would contact PERS directly for a better explanation. Director Sherkow also brought up the issue of showing the USDA loan payment as part of the Long-term Liabilities on the financial statement.
c) Monthly Financial Report – Action Item	Director Sherkow said that he remained uncomfortable approving the monthly financial statements with the USDA loan issue unresolved. He moved the approval of the sections of the Financial Statement having to do with the General Revenue and Expenses and all pages thereafter (excluding the sections on Assets and Liabilities). Vice President Cuellar seconded the motion. Motion passed unanimously.
d) Treasurer Report/Update	Director Sherkow distributed a summary of the monthly data on the national CPI and PPI, noting the monthly increases and how it would affect next year's COLA and budget. Vice President Cuellar noted the impact on labor costs and improvement projects inflation.
5) RESOLUTIONS	
a) DM Anderson's role as Budget Officer	Resolution was moved by Director Anthony and seconded by Vice President Cuellar, to approve DM Anderson as the Budget Officer for the next budget cycle. Motion passed unanimously.
b) Budget Amendment for Engineering Services	Director Turner said that this item would be addressed next month.
6) DISTRICT MANAGER'S REPORT	
a) Update Customers Count on Web Portal	DM Anderson said that there were about 530 customers on the web portal and that about \$30,000 was past due (60 days). He was working through the backlog.
b) Rate Study	DM Anderson said that the Rural Community Assistance Corporation (RCAC) has agreed to undertake a water rate study next year at no charge. <i>Note: RCAC is a 501(c)(3) non-profit organization providing training, technical assistance and financial resources to rural communities.</i> This would mean that any rate change so the next fiscal year would not be based on a formal rate study. DM Anderson said that this would be acceptable and would give the Board a better picture of the capital improvements impacts. Director Anthony asked about what was recommended for next year. DM Anderson suggested making an adjustment in line with inflation and projects that we knew were maturing would be an option.
c) Water Production Cost	Still collecting data.
d) Staffing Update and Employee	Mike (Lead Field Supervisor) was retiring in August. Emily (Billing Clerk) was mov-

Certification	ing out of the area. Director Turner asked what the PUD was doing concerning having required employee certifications going forward. DM Anderson discussed options related to promotions and outside hiring.
e) Update of Outstanding Projects	<ul style="list-style-type: none"> • BWTP – Still collecting materials for the upgrade process. • Working with Civil West on capital projects. • Thinks that the meter replacements could cost about \$600,000-650,000 and, perhaps, could be done by existing staff in order to upgrade to an AMI system.
7) OTHER OLD BUSINESS for BOARD CONSIDERATION	
a) Yachats Fire Storage Agreement draft edits	Director Sherkow moved that the agreement be finalized by the DM, President Tucker to sign it, and that it be sent to the Fire District for execution. Seconded by Director Turner. Motion passed unanimously.
b) Re-instating Late Fees and Status of Past-Due Accounts	Noted that this item had been completed.
c) Rules and Regulations	<p>Issues pertaining to planned communities, online signatures, and water shut-offs were discussed. Director Turner suggested that when the PUD installs a meter that we should require the homeowner to install a shut-off valve on the homeowner's side of the meter.</p> <p>President Tucker went through Section 13 concerning damage and liability. He also discussed Section 17 with a typo on the 2nd line, Section 19 with changes to appear on the website, and the removal of the 5/8-inch connection from the Rate Chart. Director Sherkow discussed several of his suggestions.</p>
d) In-District vs. Out-District Rates	President Tucker suggested that the rates be sustainable including the SDC charge. Director Sherkow asked if that should be part of a future rate study. Vice President Cuellar recommended that SDC rates be done by a professional that specialized in that area of financial analysis.
e) Finalize comments on Mid-Coast Water Partnership Action Plan	After some general discussion, Director Sherkow volunteered to draft an opening paragraph directing the letter to the Legislators with copies to MCWPP, Waldport, other water districts in the area, media, Water Resources Dept. and others. The letter would be finalized and sent as soon as possible.
8) OTHER NEW BUSINESS for BOARD CONSIDERATION	
a) Prepare Outline for Next Budget	Vice President Cuellar said that this should be done after the next FY's budget is presented by the DM.
b) Energy Efficiency Measures for Blodgett WTP	Postponed until the next meeting.
c) District Boundaries	President Tucker met with the County Surveyor and received copies of the boundary description and annexations over time. The County Surveyor said that he would be interested in any GIS work on the boundaries that the PUD would do.
9) EXECUTIVE SESSION: Pursuant to ORS 192.660 (2)(a) & (i)	
a) To consider information or records that are exempt by law from public inspection	Excluded.
b) To consult with counsel concerning the legal rights and duties of a public body with regard to	Excluded.

BOARD OF DIRECTORS MEETING
 16 February 2022 – 10:00 AM

current litigation or litigation likely to be filed	
c) Employee Benefits	General discussion with no action. Ended 12:58 PM
10) CORRESPONDENCE AND REPORTS	President Tucker announced that he would stepping down as Board President of the PUD at the next meeting, and that there would be Officers Election then.
11) OTHER ITEMS OF INTEREST	The Board discussed the DM evaluation process and having DM Anderson provide a self-evaluation and comments on the past year and next year's objectives.
12) 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 March 2022

 , Board Secretary
 Franklin Sherkow, Director Subdivision 4
 Date 3/16/22