



**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
15 June 2022 – 10:30 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 May Minutes and Budget Minutes – Action Item
- 2. PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)**
- 3. BUDGET HEARING**
- 4. ADOPT PUD BUDGET**
- 5. ADOPT BUDGET RESOLUTION**
- 6. TREASURER'S REPORT**
 - a. Review and Approval of Disbursements – Action Item
 - b. Monthly Financial Report – Action Item
 - c. Treasurer Report/Update
- 7. DISTRICT MANAGER'S REPORT**
 - a. Staffing Update
 - b. Update of Blodgett WTP
 - c. Energy Efficiency Measures for Blodgett WTP
- 8. OTHER NEW BUSINESS for BOARD CONSIDERATION**
 - a. Change of owner, new install and door hanger fees
 - b. Street vacation
 - c. Equipment Fund Transfer
 - d. COLA increase for FY 22 - 23
- 9. CORRESPONDENCE AND REPORTS**
- 10. OTHER ITEMS OF INTEREST**
- 11. ADJOURNMENT**

June 8, 2022

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

www.swlcwpud.org

541-547-3315

BOARD OF DIRECTORS MEETING

15 June 2022 – 10:30 AM

1. REGULAR MEETING CALL TO ORDER	President Cuellar called the meeting to order at 10:32 AM.
a. Determine Quorum Present	President Cuellar deemed that a quorum was present: President Cuellar, Director Turner, and Director Sherkow
b. Conflict of Interest Declarations	None
c. Agenda Changes and Agenda Approval – Action Item	Add consideration to authorize submission of Renewable Energy Grant application. Add report on new trucks. Add report on valve failure incidents. Add Customer Confidence Report (CCR) briefing. Add discussion about possible Waldport fee.
d. Note Guests Present	None
e. Review and Approval of May Minutes and Budget Minutes – Action Item	Director Turner moved approval of the May Board meeting minutes and Budget Committee meeting minutes. President Cuellar seconded the motion. Motion passed unanimously.
2. PUBLIC INPUT – Public Input (limited to 5 minutes per speaker)	Due to the involvement of President Cuellar in a street vacation issue, she stepped outside of her role as a Board member in order make to a statement on this issue. Ms. Cuellar said that there is a situation on Wyoming St. and the San Marine subdivision. The issue revolves around the possible reduction of the street right-of-way from 60 feet to 40 feet. It would possibly be acted on by the County within the next two to three weeks. The issue for SWLCWPUD and other utilities is that some of their equipment and infrastructure lies in the right-of-way to be vacated. This would result in an easement granted by the property owners to the utilities.
3. BUDGET HEARING	President Cuellar opened the Budget hearing. With no speakers present, the President closed the hearing.
4. ADOPT PUD BUDGET	<p>President Cuellar said that she talked with representatives from Civil West, and they said that even if funding was forthcoming during FY 23, it would probably not require additional funding until the following fiscal year. Director Sherkow stated that the preliminary design work done by Civil West to date only takes the designs to a 30%-complete level and that more work is needed. He said that if the design work would be reimbursable from State or federal sources, he would ask that design work be completed during FY 23.</p> <p>Director Sherkow went on to state his discomfort with the entire budget process. First, he thought that not knowing the actual factor used for the COLA increases until the first month of the new fiscal year left the PUD with incomplete data from which to budget wage adjustments (using the June data). It also meant that the first two paychecks for employees would be of irregular amounts (July would be lower, than normal for the FY, and August would be adjusted to make up for July's amount). This exact work was, in his opinion, unnecessary and cause additional expense.</p> <p>He also was concerned that the proposed budget was now unrealistic due to the fact that the proposed rate increase in the budget message could no longer generate revenue forecasted in the budget. He asked how soon a rate increase</p>

	<p>could be considered. DM Anderson said that it could be acted on at any time, but that a rate public hearing would have to be held, and that there necessary lead time for setting a date and advertising it.</p> <p>Director Sherkow observed that it would take a month or two to get a rate increase in place, and another month to begin collecting revenue from the new rate. He asked what the difference would be in revenue per month based on the new rate (10% increase) vs. the existing rate. DM Anderson said that it would be about \$8,000 to \$10,000 per month. Director Sherkow said that this would mean that this money would have to come from some other part of the budget or from the cash reserve (unallocated cash). He also stated that he did not want to be forced to approve a higher water rate because of the delay in action on the entire package (budget and water rate).</p> <p>After some discussion, Director Sherkow moved that the budget process going forward use the March CIP inflation data (available in early April) to establish budget targets, and that, <u>if necessary</u>, a final adjustment could be made using the May CIP data if the change was noticeably different. Seconded by President Cuellar. Motion passed unanimously.</p> <p>After additional discussion, Director Sherkow made an additional motion to establish a 60 to 90-day budget calendar preceding each upcoming fiscal year and any changes in water rates be considered in March/April timeframe for the upcoming fiscal year. This would be coordinated with the release of the initial budget statement by the DM. Seconded by Director Turner. Motion passed unanimously.</p>
<p>5. ADOPT BUDGET RESOLUTION</p>	<p>Director Turner moved the adoption of the FY 23 Budget, as presented. Seconded by President Cuellar. Motion passed unanimously.</p>
<p>6. RESOLUTIONS</p>	<p>Res. 22-03 Budget Resolution: Director Turner moved the adoption of Res. 22-03, Budget Resolution, as presented. Seconded by President Cuellar. Motion passed unanimously.</p> <p>Res. 22-04 Equipment Fund Transfer: Director Turner moved the adoption of Res. 22-04 for a sum of \$58,228.52, as presented. Seconded by President Cuellar. Motion passed unanimously.</p>
<p>6. TREASURER'S REPORT a. Review and Approval of Disbursements – Action Item</p>	<p>Director Sherkow moved the approval of the Disbursement List for May, and President Cuellar seconded the motion. Motion passed unanimously.</p>
<p>b. Monthly Financial Report – Action Item</p>	<p>Director Sherkow asked whether the accounting process was being brought inhouse starting in July. DM Anderson said that it was. Director Sherkow hoped that staff would get some help from an accountant with assets and liabilities data made in the month financial statements.</p> <p>Director Sherkow made a motion to only approved the pages related to the General Revenue and Expenses and all pages thereafter. President Cuellar seconded the motion. Motion passed unanimously.</p>
<p>c. Treasurer Report/Update</p>	<p>Director Sherkow distributed a handout showing the latest CPI and PPI national data and noted the likely impact on next year's budget for labor and materials costs.</p>

<p>7. DISTRICT MANAGER'S REPORT a. Staffing Update</p>	<p>DM Anderson noted that Mike D. was retiring on August 31st and that Barry was moving over to Waldport at the end of June. Zack would run the water treatment plant, and Mike W. step into the Lead field staff position. DM Anderson said that was looking at hiring two new field crew members.</p>
<p>b. Update of Blodgett WTP</p>	<p>DM Anderson gave a status report on the changes at BWTP, including SCADA hardware and software upgrades and other elements of plant control.</p> <p>Director Sherkow asked that a demonstration of the software be made part of an upcoming Board meeting.</p>
<p>c. Energy Efficiency Measures for Blodgett WTP</p>	<p>Ongoing</p>
<p>d. New Trucks</p>	<p>DM Anderson said that 2 new Ford Rangers with 4-wheel drive were delivered. He was also looking at securing a small dump truck in the future.</p>
<p>e. Valve Failure Incidents</p>	<p>DM Anderson briefed the Board on two valve failures: Hwy 101/Woolridge affecting about 56 customers for approximately 12 hours; Hwy 101/Iris Ln. The failures appeared to center on bolt corrosion and failure.</p> <p>President Cuellar recommended that staff develop a package of actions to be taken, priorities, and a schedule, and present it to the Board. Director Sherkow asked that this be done in coordination with possible projects in the Master Plan and that if State/USDA funding is made available that this work be integrated into that funding program (loans and/or grants).</p>
<p>f. Customer Confidence Report</p>	<p>DM Anderson distributed a copy of the report which will be sent to all customers, as required by law. There were no anomalies or substandard issues in the report. It was noted that some items did not have to be checked each year, by regulation.</p>
<p>8. OTHER NEW BUSINESS for BOARD CONSIDERATION</p>	<p>More information next month.</p>
<p>a. Change of owner, new install and door hanger fees</p>	
<p>b. Street vacation</p>	<p>See Public Comments</p>
<p>c. Equipment Fund Transfer</p>	<p>See Resolutions</p>
<p>d. COLA increase for FY 22 – 23</p>	<p>Available on July 13th for June data</p>
<p>e. Waldport Franchise Tax</p>	<p>President Cuellar said that she had a discussion with the Waldport City Manager. Various questions about the fee were discussed. The City Manager said that the fee could be changed into a Privilege Fee instead of a Franchise Tax.</p> <p>After some discussion, Director Sherkow put forth several concerns: 1. PUD should have legal advice (conflicts with existing counsel could result in finding other representation and advice), 2. PUD boundaries need to be confirmed, 3. Are Waldport residents in the PUD area that take their water service from the State highway subject to the fee?, 4. An email communication from the Waldport City Manager is not proper or sufficient communication, 5. Why are we learning about this now when the City has been working on this since Sept. 2021?, 6. If PUD does not provide the data requested by the City by "mid-August", then what?, 7. Can we collect costs from the City to collect data they want/make billing system changes and provide such information to the City?, and 8. Does the proposed 5% fee have to be justified with a cost study?</p> <p>DM Anderson said that he would check with the Special Districts Association of Oregon for more information about such fees and possible legal advice options.</p>
<p>f. Renewable Energy Grant Application</p>	<p>Motion by Director Sherkow, seconded by President Cuellar, to authorize the Board to submit an application to the ODOE for the Community Renewable Energy Grant program. Motion passed unanimously.</p>

9. CORRESPONDENCE AND REPORTS	None
10. OTHER ITEMS OF INTEREST	None
11. ADJOURNMENT	President Cuellar adjourned the meeting at 12:45 PM

Roxie Cuellar, Board President
Roxie Cuellar, Director Subdivision 1
Roxie
Date 7/20/22

Franklin Sherkow, Board Secretary
Franklin Sherkow, Director Subdivision 4
Date July 20, 2022