



**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
28 September 2022 – 10:15 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 August 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. RESOLUTION**
 - a. Budget Amendment
- 5. DISTRICT MANAGER'S REPORT**
 - a. Valve Failure Update
 - i. Procurement Guidelines
 - ii. Funding Update
 - b. Project funding update
- 6. OTHER NEW BUSINESS for BOARD CONSIDERATION**
 - a. PUD Financial Situation
 - b. Water Service Application
- 7. Other Old Business for Board Consideration**
 - a. Vacation Rentals
 - b. Waldport Franchise Tax
 - c. Oregon Department of Energy Grant Status
- 8. CORRESPONDENCE AND REPORTS**
- 9. OTHER ITEMS OF INTEREST**
- 10. ADJOURNMENT**

September 16, 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
28 September 2022 – 10:15 AM

1. REGULAR MEETING CALL TO ORDER	President Cuellar called the meeting to order at 10:15 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	Added: Redistricting, Staff certification, Storage Agreement with Fire District (DM Anderson said that he would follow-up with the Chief; no added item needed), Yachats Water Sales Agreement (DM said he'd follow-up with City staff; no added item needed). Some items were taken up by the Board off of order form the published agenda so as to optimize the time of the visitors.
d. Note Guests Present	Pete Gintner (Board Legal Counsel), and Keven Shreeve (Civil West Engineering)
e. Review and Approval of August Minutes and Budget Minutes – Action Item	Director Turner moved the approval of the August 24, 2022 PUD Board Meeting minutes. Vice President Anthony 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 several Board questions were addressed by DM Anderson, Director Sherkow moved the approval of the August Disbursements. Vice President Anthony seconded the motion. Motion passed unanimously.
b. Monthly Financial Report – Action Item	After a brief explanation by DM Anderson about the balancing of the Assets and Liabilities, Director Sherkow moved the approval of the August Financial Report. Director Turner seconded the motion. Motion passed unanimously.
c. Treasurer Report/Update	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.
d. Accounting Update	DM Anderson stated that the transition of taking the accounting system inhouse was working out well.
4. RESOLUTION	
a. Budget Amendment – Resolution 23-02	This is a transfer of \$100,000 from the "Operational Contingency" to "Construction Fund/Plant Control & Filter Upgrade", and \$32,334.84 from "Operational Contingency" to "Equipment Fund/Vehicles". Director Turner moved the approval of the Resolution 23-02. Vice President Anthony seconded the motion. Motion passed unanimously.
5. DISTRICT MANAGER'S	

REPORT	
a. Valve Failure Update	
i. Procurement Guidelines	<p>Mr. Gintner (Board Legal Counsel) advised the Board and staff that, since the emergency was not underway at the present moment, a regular and formal bid(s) process should be used with proper written notice. After some discussion about whether or not there was any specialized work involved in the bolt replacement process, DM Anderson suggested that he might split the project into two parts (Excavation and Bolt replacement). Director Sherkow asked if the DM could establish a pre-qualification list. Mr. Ginter said that Oregon procurement procedures don't allow for that, but that they do allow for a "Piggyback" process by which the PUD could piggyback on an existing contract (for similar work) somewhere else in the state. Director Tucker mentioned that there were plenty of local contractors along the coast that would appreciate the opportunity to do the local work.</p>
ii. Funding Update	<p>DM Anderson said that BizOR was prepared to provide \$450,000 for the project with 50% as a grant (forgivable loan) and 50% as a standard loan. It would also allow for the recovery of past expenses that occurred during the bolt failure incident. Director Turner asked about the timing of when the funds would be spendable. DM Anderson and Mr. Shreeve (Civil West Engineering) said that the funds should be available within a few months. Director Sherkow asked staff to ensure that time records were produced for this and other capital projects so that labor costs could be properly distributed against these projects.</p> <p>Director Sherkow asked Mr Shreeve if he could use this time (prior to finalization of the funding agreement with the State) to put together a bid package for the PUD. This would save time, rather than waiting to do so after the State funds are finalized. In this way, the bids could be secured just prior to funding. Mr. Gintner concurred that this would be proper and that the bids could be cancelled ("for lack of funding") if the state agreement is not finalized at the time of the bid opening.</p> <p>Director Tucker was concerned that all proper procurement procedures were carried out according to State regulations. Director Sherkow also suggested that an overhead billing rate be established for labor and equipment if any of the future work was to be accomplished by PUD staff. This would allow for complete financial recovery of such use of PUD resources.</p> <p><i>Civil West Engineering Agreement</i></p> <p>After an explanation of possible services to be provided by Civil West Engineering in their Proposed Engineering Scope of Services (August 29, 2022 memo to DM Anderson), Director Sherkow moved the approval of the Scope and budget as outlined in the memo. Vice President Anthony seconded the motion. Motion passed unanimously.</p>
e. Project funding update	<p>Other funding remains on track by BizOR for other capital projects. The agreement date and exact amount is still uncertain. Updates will be made as new information becomes available.</p>
f. Other Items	<p>DM Anderson said that he had a meeting with staff from Yachats and Waldport. There was some discussion about possible new development at the Waldport Industrial Park, including an Animal Shelter, Recreational facility, and other</p>

	<p>uses. Other possible residential development was also discussed. The question was raised about what the capacity of the area served by the Dick's Fork Tank would be. Mr. Shreeve suggested that Civil West could calculate this figure in terms of cubic feet, equivalent dwelling units or equivalent commercial units.</p> <p>President Cuellar doubted that major development would occur, given past history. She noted that the PUD's SDC fees need to be examined, and asked if Civil West does that type of work? Mr. Shreeve said that they do. Director Turner recounted some history about the Industrial Park. DM Anderson asked if 2 different SDC fee levels could be developed (one for the Dick's Fork area, and one for the remainder of the district). President Cuellar asked that DM Anderson secure several proposals for the work and bring it back to the Board at an upcoming meeting, preferably next month, and the item be agendaized for the October meeting.</p> <p>The item of Staff Certification will be updated at next month's meeting.</p>
<p>6. OTHER NEW BUSINESS for BOARD CONSIDERATION</p>	
<p>a. PUD Financial Situation</p>	<p>Director Sherkow shared an interactive spreadsheet with the Board that allowed for a wide range of inputs and scenario-testing by staff or Board members. He pointed out several financial scenarios all of which have challenging outcomes in the next 2 or 3 fiscal years. It also showed a debt calendar which could be information for the Board about the size and timing for new borrowing events.</p> <p>Director Sherkow will provide a copy of the spreadsheet for distribution to all Board members. It was suggested that the data be refined and brought back to the Board prior to the BizOR funding package decisions.</p>
<p>b. Water Service Application</p>	<p>DM Anderson distributed a draft copy of a Water Service Application. Director Tucker thought that the form was too complicated and provided staff with suggested changes. Director Sherkow asked that some level computerization be added so that the form could be completed online. The topic will come back to the Board at a future meeting.</p>
<p>7. OTHER OLD BUSINESS FOR CONSIDERATION</p>	
<p>a. Vacation Rentals</p>	<p>The topic will be referred to the Legal Counsel for an opinion and returned to the agenda for the October Board meeting.</p>
<p>g. Waldport Franchise Tax</p>	<p>DM Anderson stated that the fee will be put on the September water bills. Director Tucker suggested that the tax is a Privilege Tax and not a Franchise Tax.</p> <p>Mr. Gintner (Board Legal Counsel) advised the Board about these types of taxes and recounted some background concerning PUDs and Franchise Taxes. He noted that cities and other entities in Oregon must look to the State statutes concerning how they operate. PUDs, on the other hand, were different in that they could do a wide range of things so long as they are not prohibited. Director Sherkow asked him if the City and PUD should have a Franchise Tax Agreement. Mr. Gintner replied that it probably did not matter and wasn't required.</p> <p>Director Sherkow stated his opposition to the tax/fee and the reasons why. He then made a series of motions:</p> <p>1. He moved that the PUD have a public hearing before the fee was imposed.</p>

	<p>Motion died for lack of a second.</p> <p>2. He moved that the PUD ask Waldport for a cost study that justified the 5% fee. Motion died for lack of a second.</p> <p>3. He moved that properties in Waldport served by the PUD that were served without passing through City right-of-way (e.g., direct connection via Hwy 101) be exempt from the fee. Motion died for lack of a second.</p> <p>4. He moved that the PUD Board vote on the fee prior to its imposition. Director Turner seconded the motion. Motion passed unanimously.</p> <p>Director Tucker moved the adoption of the Waldport Privilege tax fee of 5% on the sale of water to the affected properties, exempting US government property, and directing staff to advise affected customers about the fee. Director Turner seconded the motion. "Yes"- President Cuellar, Vice President Anthony, Director Tucker, and Director Turner. "No" – Director Sherkow. Approved on a vote of 4 -1.</p>
h. Oregon Department of Energy: Grant Status	Director Sherkow distributed an update from ODOE which said that the grants to be awarded would be announced on October 10, 2022. PUD had requested a planning grant of \$88,000.
8. CORRESPONDENCE AND REPORTS	None
9. OTHER ITEMS OF INTEREST	<p>Director Turner requested at staff develop a calendar that ensures that Board members are reminded about upcoming election filing dates.</p> <p>On the issue of Redistricting, DM Anderson said that he would coordinate with Director Tucker and return to the Board with the results.</p>
10. ADJOURNMENT	President Cuellar adjourned the meeting at 12:49 PM

_____, Board President
 Roxie Cuellar, Director Subdivision 1

Date Roxie Cuellar

Franklin Sherkow, Board Secretary
 Franklin Sherkow, Director Subdivision 4

Date 1/18/23