

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
April 9, 2015**

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7 Call Regular

8 Board Meeting: Board President John Garcia called the regular board meeting to order at 4:08 p.m.,
9 Thursday, April 9, 2015.

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11 Present: John Garcia, Board President; Glen Morris, Treasurer; Sandra Mies-Grantham,
12 Secretary; John Filbert, Member: Staff: Adam Denlinger, General Manager; Joy S King,
13 Office Manager. See sign in sheet for public attendance.

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15 Excused Absences: Rob Mills

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17 Announcements: None

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19 Public Comments: None

20 Consent

21 Calendar: Items on the consent calendar are Invoice lists for Feb./Mar. 2015; minutes of the
22 February 26, 2015 Special Board meeting; minutes of the March 12, 2015 Board meeting;
23 March 2015 Financial Report; Project Monitoring Report; General Manager's Report;
24 Pacific Excavation Payment Application No. 2. John Filbert motioned to approve the
25 consent calendar. It was seconded by Sandra Mies-Grantham. Motion carried 4-0.

26 Discussion and
27 Information Item:
28 Bayshore Sand
29 Removal:

The GM reported his involvement with Lincoln County Public Works Department regarding enforcement of sand removal from Oceania Drive by home owners. The county is considering the removal of sand from the right of way from Oceania Drive, although there's no schedule when this will be done. This would be a good opportunity for the District to replace the 6" aging waterline with PVC when the right of way is cleared of sand. This could be funded by savings from Phase 3. There are 2 areas not included in Phase 3 that need waterline replacement. He asked the engineer to put together estimates for line replacement in Oceania Drive where waterline is old and brittle and in 143rd Street where 4 leaks had surfaced recently. The engineer estimated it will cost about \$300,000 to replace the waterlines in Oceania Drive and \$250,000 in 143rd Street. These could potentially be funded from the remaining \$2M line-of credit the District is in process to obtain to pay its share of the City of Toledo Improvements.

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41 Water Rate
42 Adjustment:

The District received a 3% increase in its wholesale rate from the City of Toledo. The Board reviewed the pass thru rate adjustment prepared by staff which is 3% increase of the water usage. Discussion ensued regarding the 350 customers who don't regularly use water like second homes, vacation rentals, and vacant lots with meters. It was the consensus of the Board for staff to create a table showing the 3% pass thru in water usage and an increase in base fee of \$.40 per month. Customers using 3,000 gallons a month will see a \$.63 increase in water usage and \$.40 in base fee or \$1.03 increase per month. It was the consensus of the Board to send out Notice of Rate Hearing with the April water bills.

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51 Decision Items:
52 Line-of-Credit
53 Funding:

David Ulbricht, the District's Financial Advisor who was authorized to go out and seek for an RFP for funding the District's share of City of Toledo's Improvements reported to the Board through tele-conference that two banks responded to the RFP. KeyBank has the best interest rate for a line-of-credit of up to \$2M. The loan documents prepared by bond counsel have been reviewed by the bank's bond counsel, Adam Denlinger, and David Ulbricht. He feels comfortable to recommend to the Board to go ahead with the line-of-credit financing with KeyBank. Loan Closing is scheduled for April 20, 2015.

62 Resolution 0415-01: The Board reviewed the resolution prepared by bond counsel. John Filbert motioned to
63 approve Resolution No. 0415-01, A Resolution of the Seal Rock Water District, Oregon,
64 Authorizing Borrowing to provide interim financing in an aggregate principal amount not to
65 exceed \$2,000,000. It was seconded by Glen Morris. Motion carried 4-0.
66 John Garcia will sign the loan documents when received from bond counsel.
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68 Easement Agreement
69 Newport Intertie: This easement agreement is between the City of Newport (Grantor) and Seal Rock Water
70 District (Grantee). This is a requirement of FAA to pay for the value of the easement which
71 is \$3,300. The purpose of this easement is to provide grantee a site to construct a water
72 pump station, and allow grantee to operate, maintain, and replace that water pump station
73 (see attached agreement). This project is funded by FEMA grant.

74 Reports, Comments,
75 and Correspondence:
76 Scheduled Meeting: Budget Committee Meeting is on April 16 at 6:00 pm. Rate Hearing is on May 14 during
77 the Regular Board Meeting at 4:00 pm.

78 OSHA Inspection: Staff received a letter from OSHA regarding the comprehensive safety inspection at the
79 Seal Rock Water District office and worksite. There was no safety violation observed by
80 the compliance officer.

81 Annexation by City
82 of Newport: The District received an approval notice from the Department of Revenue regarding the
83 withdrawal of properties included in the CSA within the City limit. The withdrawal process
84 was approved on March 26, 2015. The county will process the withdrawal and remove the
85 affected properties from the District's taxing boundary effective FY 2015-16.

86 Letter of Intent: Adam Denlinger submitted a Letter of Intent for loan/grant to IFA in March. The letter of
87 intent was number 56 and it is rated as number 8. It is most likely to be approved to go
88 through an application process.

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90 Executive Session: None

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92 Next Board Meeting: May 14, 2015 at 4:00 p.m. Regular Board Meeting, Budget Hearing and Rate Hearing.

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94 Adjournment: Garcia adjourned the meeting at 5:00 pm.

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103 Approved by Secretary

Date