

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
SPECIAL BOARD MEETING
February 26, 2015**

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8 Call Regular

9 Board Meeting: Board President John Garcia called the special board meeting to order at 4:00 p.m.,
10 Thursday, February 26, 2015.

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12 Present: John Garcia, Board President; Sandra Mies-Grantham, Secretary; Rob Mills, Member;
13 John Filbert, Member. Staff: Adam Denlinger, General Manager; Joy S King, Office
14 Manager. Jeff Hollen- Attorney. See sign in sheet for public attendance.

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16 Excused Absences: Glen Morris

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18 Announcements: None

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20 Public Comments: None

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22 Discussion and
23 Information Item:
24 Boundary Change/
25 Withdrawal:

26 The City of Newport City Council will have a meeting on May 2 and would like to have the
27 consensus of the Board regarding withdrawal of properties in the CSA within the City limit
28 for discussion in the council meeting. The City has until March 31, 2015 to comply with the
29 requirements of the Department of Revenue to complete the withdrawal process to be
effective on July 1, 2015.

30 Jeff Hollen presented and discussed 2 versions of Amendment No. 2 to the
31 Intergovernmental Urban Service Agreement between the Seal Rock Water District and
32 the City of Newport. (See attached). Bond Counsel was consulted regarding the
33 withdrawal through a teleconference on February 23, 2015. A letter from Harvey W.
34 Rogers dated February 25, 2015 (see attached) was received with opinion from bond
35 counsel stating, "We therefore conclude that the covenants in the District's outstanding
36 bonds do not limit the ability of the district to change its boundaries, or to cease collecting
37 bond taxes in areas no longer in the district, in compliance with Oregon Law."

38 When the IGA was signed on November 19, 2007 to transfer the CSA to City of Newport,
39 both parties – City of Newport and SRWD agreed that the City will pay the District \$1.8 M
40 to be paid \$5,000 monthly for 30 years.

41 The Board and staff are in support of the withdrawal to relieve the property owners from
42 future property taxes collection. According to ORS in order to withdraw the properties
43 included in the CSA within the City limit, the existing indebtedness must be satisfied. The
44 existing indebtedness are the 2007 G.O. Bond now known as 2013 Refunding G.O.
45 Bonds, and 2011, 2012 G.O. Bonds.

46 It was the consensus of the Board to support the term of the withdrawal as outlined in
47 Version 2 of Amendment No. 2 to the IGA. The District is willing to accept immediate
48 payment of \$55,322.49 in satisfaction of the 2013 refinanced bond, and defer payment of
49 the 2011 and 2012 as provided in ORS 222.520. The District agrees to reduce the
50 balance owed by the City to the District as outlined in the IGA signed on November 19,
51 2007, in an amount equal to payments by the City in satisfaction of the 2011 and 2012
52 bonded indebtedness.

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The remaining properties within the CSA but not in the City limits are still part of the Seal Rock Water Taxing District. According to City staff they will work with individual property owners to withdraw from the District. The Board and District staff will support the City to complete the withdrawal of the remaining properties. It was discussed that the City needs to know that the District will issue a \$3.4 G.O. bonds to USDA in 2 years and the District has \$6.6M G.O. Bond authority to be issued in the future. The remaining properties need to be withdrawn to relieve property owners of future indebtedness.

Reports, Comments,
And Correspondence:

Next Board Meeting: March 12, 2015 at 4:00 p.m.

Adjournment: Rob Mills motioned to adjourn the meeting. John Garcia adjourned the meeting at 5:15 pm.

Approved by Secretary

Date