

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
June 11, 2015**

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Call Regular Board Meeting: Commissioner Rob Mills called the regular board meeting to order at 4:00 p.m., Thursday, June 11, 2015.

Present: Glen Morris, Treasurer; Saundra Mies-Grantham, Secretary; Rob Mills, Member; John Filbert, Member; Staff: Adam Denlinger, General Manager; Joy S King, Office Manager. See sign in sheet for public attendance.

Excused Absences: John Garcia

Announcements: Adam Denlinger announced Pacific Excavation Payment Application No. 4 which was included with the consent calendar was not received in the office.

Public Comments: Attorney, Dennis Bartuldos introduced himself as representing Mr. David and Mrs. Jennie Young, the property owners of a parcel of land by Beaver Creek. Marcella Bordowy introduced herself as a patron living in Bayshore.

Consent Calendar: Items on the consent calendar are Invoice lists for May/June, 2015; minutes of the May 14, 2015 Board meeting; May 2015 Financial Report; Project Monitoring Report; General Manager's Report; Pacific Excavation Payment Application No. 4. John Filbert motioned to approve the consent calendar excluding Payment Request No. 4 from Pacific Excavation which was not received. It was seconded by Saundra Mies-Grantham. Motion carried 4-0.

Discussion and Information Item: Source Water Evaluation Update: Adam Denlinger reported that on May 26, 2015 at 5:00 pm he, Adam Sussman, and Rob Mills met with Mr. and Mrs. Young, owner of the property by Beaver Creek. Mr. and Mrs. Young were given a copy of the Feasibility Study and discussed with them the background of why a feasibility study for source water was done and why the District needs their approval to do a study of the topography of their property located by Beaver Creek which has the potential as the best location for source water for the District.

Mr. and Mrs. Young and their attorney, Dennis Bartuldos were present at the June 11, 2015 Board meeting. A short background history of the District's needs to have its own source water, the result of the Feasibility Study and the importance of obtaining permission from the property owners to access the property to do a topography study was given by the General Manager to update Dennis Bartuldos of the subject being discussed. The attorney did not have any comments at this time but will look at the property and will get back and communicate with the GM.

Decision Items: Resolution No. 0615-01: Adopting the Budget: Morris motioned to approve Resolution No. 0615-01 (see attached) Adopting the 2015-16 Budget in the total amount of \$12,218,681; Making Appropriation for the fiscal year beginning July 1, 2015; Imposing the Ad Valorem property taxes within the District for the tax year 2015-16 beginning July 1, 2015 at the permanent rate of \$.1259 per \$1,000 of assessed value for the general fund operations and in the amount of \$551,460 for debt service on the general obligation bonds; and Categorizing the Taxes imposed for purposes of article XI Section 11b as subject to the General Government Limitation is permanent tax rate of \$.1259/\$1,000 and excluded from limitation is General Obligation Bond Debt Service for \$551,460. Motion seconded by Filbert. Motion carried 4-0.

Resolution No. 0615-02: Rate Increase: Filbert motioned to approve Resolution No. 0615-02 (see attached) to increase rates as approved on May 14, 2015 rate hearing. Motion seconded by Morris. Motion carried 4-0.

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Resolution

No. 0615-03:

Interim Financing:

David Ulbricht updated the Board of the process that has been undertaken to obtain an interim financing for the loan approved by USDA to finance Phase 3 projects. The District received a Letter of Condition from USDA with approval to go ahead and seek for interim financing. Mr. Ulbricht sent out RFP to 11 financial institutions and 2 responded. Cashmere Valley Bank in Washington has the best rate of 1.48% variable rate with a cap rate of 2.12% which is the same as the fixed rate; no fees is required if the District takes out the full amount of the loan; no pre-payment penalty; and they have worked with USDA and familiar with USDA process and requirement. USDA has also given their consent to go ahead with the financing with Cashmere Valley Bank. The next step is for the Board to give consent to proceed with the financing. Morris motioned to approve Resolution No. 0615-03, a resolution of the Seal Rock Water District, Oregon, authorizing borrowing to provide interim financing in an aggregate principal amount not to exceed \$3,451,000. Motion was seconded Mies-Grantham. Motion carried 4-0.

Reports, Comments,
and Correspondence:
Consumer Confidence
Report:

The CCR for the year 2014 was completed on May 2015 and has been posted on the District's web site and customers have been notified of its availability by printing the information on the statements that was mailed out in May. The CCR was also filed with DHS-Drinking Water Department as required. The office has received positive feedback regarding the CCR. Marcella Brodowy from Bayshore Homeowners Association asked if the District has a plan to replace aging pipes. Staff responded that the District developed a Master Plan in 2010 where capital improvements were identified. Phase 3 improvements consists of 3 schedules each improving waterlines in various locations throughout the District boundary. The Master Plan is available to view on the District website.

Executive Session: None

Next Board Meeting: July 9, 2015 at 4:00 p.m. Regular Board Meeting.

Adjournment: Mills adjourned the meeting at 4:55 pm.

Approved by Secretary _____ Date _____