

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
BUDGET COMMITTEE MEETING  
April 16, 2015**

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7 Call Budget Committee

8 Meeting to Order: Commissioner John Garcia called the Budget Committee meeting to order at 6:08p.m.  
9 Thursday, April 16, 2015.

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11 Present: John Garcia, Board President; Glen Morris, Treasurer; Sandra Mies-Grantham-  
12 Secretary. Appointed Budget Committee members: Garry Helms, Barry Compton, James  
13 Senn, Deanna Gravelle. Staff: Joy S King, Office Manager; Adam Denlinger; General  
14 Manager. See sign in sheet for public attendance.

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16 Excused Absences: Rob Mills, John Filbert, and Barbara Flewellyn.

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18 Elect Presiding  
19 Officer: Glen Morris nominated James Senn as the Presiding Officer of the Budget Committee  
20 Meeting per ORS 294.336(8).

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22 Budget Message: Budget Officer, Adam Denlinger read the budget Message for FY 2015-2016. (See  
23 attached).

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25 Amend/Approve  
26 Budget Document:

27 James Senn, Budget Committee Presiding Officer led the discussion in reviewing and  
28 and amending the proposed budget for FY 2015-2016, one page at a time as  
29 follows:  
30 Under General Fund:  
31 Page 1, line 7 - Water Sales Revenue includes a pass thru water rate  
32 increase. The City of Toledo increased its wholesale water rate to the District by 3%  
33 beginning January 1, 2015.  
34 Page 2, line 3- Salaries Office – The increase includes an overlap in salaries due to a  
35 scheduled retirement of an office staff. Line 5- Employee Benefits decreased by 13% due  
36 to a decrease in Health Insurance Premium. Line 15- Lease and Rent for FY 2015-16 is  
37 down to zero. The District has completed its Pitney Bowes equipment lease.  
38 Page 3- Line 3- The increase in Field Salaries is the result of scheduled step increase for  
39 employees. Career grant training and apprenticeship were discussed as means to save in  
40 salary expenses.  
41 Page 4, Line 4: The increase in transfer to CPF is in anticipation of cost associated to  
42 interim loan interim financing and interest to fund the Phase 3 Capital Improvements.  
43 Page 5: recap – no discussion.  
44 Under Debt Service Fund:  
45 Page 6, Line 6- A new resources item labeled as Boundary Withdrawal Income is  
46 added. The SRWD and the City of Newport under Amendment No. 2 agreed for the City to  
47 withdraw the properties under the CSA within the City Limit. The City will assume the  
48 liabilities from those properties until the G.O. Bonds are fully satisfied. Payments will be  
49 made in an annual basis.  
50 Line 26- Through the advice of ODR Finance Division Local Budget Law, a Tax  
51 credit Reserve is created to account for the full amount that will be paid by the City of  
52 Newport for the 2013 G.O. Bond (formerly known as the 2007 G.O. Bond) on July 31,  
53 2015. The District will apply the annual payment and account for the balance until the loan  
54 is paid in full.  
55 Revenue Bond: Page 7, Line 13 and Line 16 are principal and interest payment for the  
56 USDA Revenue Bond that financed building of the shop and office facilities.  
57 2000 Loan: Page 8- This loan was refinanced on 2012 and the fund dissolved. This page  
58 will go away when the historical side of the page is completed.  
59 Capital Projects Fund: Page 9, Line 3- The District anticipates to receive around \$75,000  
60 contribution from the City of Newport for its share of the Newport Intertie project. Line 7-  
61 The District has received approval for USDA grant of not more than \$2,459,045 and loan  
of not more than \$3,451,000. Line 8 – The District is looking into issuing a revenue bond

62 to pay its share of the City of Toledo Capital Improvements and also to pay for the cost  
63 associated in developing its own source water.  
64 R.D. Requirement Reserve: Page 10, Line 5– The \$7,400 transfer from General Fund is  
65 required by USDA to build up a reserve up to \$74,332 in 10 years after the loan was  
66 closed. This is equal to one annual payment of USDA loan. Last year of contribution is FY  
67 2024-25.  
68 Depreciation Reserve: Page 11- This fund was set up to replace depreciated items  
69 including the District Fleet replacement program. The program is scheduled to replace  
70 one vehicle in the coming year.  
71 System Development Charges: Page 12, Line 7– The staff anticipates 10 new service  
72 connections the coming year.  
73 Water Source Improvement Reserve: Page 13- The District is actively engaged in  
74 developing its own source water. This fund is set up for that purpose.  
75 Special Projects/ ODOT Reserve: Page 14- This fund was dissolved by the budget  
76 committee and this page will be removed after the historical side is completed.  
77 SRWD Land/Building Reserve: Page 15- This fund could be used to purchase land  
78 needed for the District’s source water site.

79 Public  
80 Comments: None. No public was in attendance.

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82 Approval of the  
83 FY 2015-2016 Budget: John Garcia motioned to approve the FY 2015-16 Budget as presented. It was seconded  
84 by Glen Morris. Motion carried 7-0.

85 Approval of Permanent  
86 Rate Limit and the  
87 Exempt Bond Amount: John Garcia motioned to approve the Permanent Rate Limit for the General Fund  
88 Operations as .1259 per \$1,000 of the total assessed value of the District, and the Exempt  
89 Bond amount of \$551,460 as the ad valorem property taxes to be certified for collection as  
90 of July 1, 2015.

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92 Next Meeting: Budget Hearing on May 14, 2015 at 4:00 pm.

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94 Adjournment: Board President, John Garcia adjourned the meeting at 8:15 pm.  
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103 Approved by Secretary \_\_\_\_\_ Date \_\_\_\_\_