

**SEAL ROCK WATER DISTRICT  
MINUTES OF THE  
Special Board Meeting  
March 28, 2017**

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6 Call Regular  
7 Board Meeting: Board President John Garcia called the special board meeting to order at 4:00 p.m., Tuesday,  
8 March 28, 2017.  
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10 Present: John Garcia, Board President; Glen Morris, Treasurer; Sandra Mies-Grantham, Secretary; Karen  
11 Otta, Member. Staff: Adam Denlinger, General Manager; Joy S King, Office Manager. See sign in  
12 sheet for public attendance.  
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14 Excused Absences: Rob Mills  
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16 Announcements: None  
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18 Public Comments: None  
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20 Discussion and  
21 Information Item:  
22 Long Term Financing: The \$2 million Line of Credit with Key Bank will mature on April 20, 2017. The District with the help  
23 of David Ulbricht and bond counsel, is working with Cashmere Valley Bank (CVB) who will take out  
24 the LOC from Key Bank for a long-term financing. David Ulbricht who participated in the discussion  
25 by phone, explained that the interest rates offered by CVB last week which are 2.17% variable and  
26 2.70% fixed are slightly higher today. The variable rate is 2.20% and the fixed rate is 2.77% but CVB  
27 is willing to offer 2.7% for the initial three years interest only payment. The bank will not charge a  
28 fee, and at the end of 3 years the loan will term out in ten years. The loan is payable anytime without  
29 penalty. The schedule closing date is April 17, 2018. The board agreed to accept the proposal from  
30 CVB and adopt the authorizing borrowing resolution.  
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32 Rate Adjustments: The Board reviewed four rate increase proposals and came to a consensus that proposal 4 provided  
33 the best rate justification. Proposal 4 covers the cost of the USDA required \$84,000 annual  
34 contribution to the Short-Lived Assets Replacement Reserve Account (SLARRA), to cover  
35 replacement of assets with 5 to 15 years of life. The Board recognized Glen Morris and Joy King for  
36 their effort in developing a rate structure that provides the most benefit to the customers.  
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38 Decision Items: Glen Morris motioned to adopt Resolution No. 0317-02, a resolution of the Seal Rock Water District,  
39 Oregon authorizing borrowings to extend and convert an existing Line of Credit. Karen Otta  
40 seconded the motion. Motion carried 4-0.  
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42 Other Discussion: The board discussed that the District will have several financings coming up using G.O. Bond and  
43 Revenue Bond to fund future capital improvements including Phase IV – Source Water/Beaver  
44 Creek Project; that perhaps the District should evaluate the option of having a Bond Counsel of  
45 record. It was discussed that the staff needs to research state statutes on Oregon Contracting and  
46 Purchasing Law to determine if bond counsel service is considered consultant services, and see if  
47 there's a threshold amount that would require a public bidding.  
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49 Staff reported to the board the conversation with bond counsel regarding the 2011 G.O. Bond  
50 authority that was approved by the voters as it relates to the \$2 million Line of Credit that Cashmere  
51 Valley Bank will provide a long-term financing for. See attached email from Bond Counsel. It is  
52 recommended that the District at least pay a portion of the Toledo improvements from the remaining  
53 G.O. Bond authority and the rest of the G.O. Bond authority could be used to finance the Phase IV  
54 Project – Beaver Creek Source Water Project. Staff will need to do an additional research before  
55 discussing options with the Board.  
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57 Next Board Meeting: April 13, 2017 at 4:00 p.m. Regular Board Meeting and April 20, 2017 at 6:00 p.m. Budget  
58 Committee meeting.  
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60 Adjournment: Motioned by Glen Morris to adjourn the meeting. John Garcia adjourned the meeting at 5:07 p.m.  
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69 Approved by Secretary

Date