

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
October 4, 2021**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met in special session on October 4 at the residence of San Olson and via zoom. Chairman Olson called the meeting to order at 3:00 p.m. Present were commissioners KC Jennings and Walt Krumbholz and clerk Helen Cosgrove.

EXECUTIVE SESSION: RCW 42.30.110(1)(G) – HIRING NEW DISTRICT CLERK

The meeting adjourned to executive session at 3:05

The meeting returned to open session at 3:47

A. Agate Beach Lane Project Financing

Krumbholz said he received a term sheet from Cashmere Valley Bank, consistent with what was previously discussed; years 1 thru 5 at 1.1%, years 6 to 10 at 1.65% and years 11 thru 16 estimated to be 2.17%; proposal good for 45 days beginning 9/22; they have a debt service cover of 1.2% but could be less since bond payments would be from additional fees to be assessed the customers; no prepayment penalty, no bank loan fees.

The meeting adjourned to executive session at 3:55 p.m.

The meeting returned to open session at 4:45 p.m.

Krumbholz said Cashmere was very flexible. Olson asked if the loan could be higher such as \$250,000. Krumbholz felt the bank would be amenable to a larger loan amount. Olson asked what it might cost the customers monthly. It was estimated to be about \$25.00 per month.

Krumbholz had also contacted Savi Bank; expected rates to be higher than Cashmere's but would be more flexible for construction financing; would get a term sheet prepared, hadn't received it yet. That would give 4 bank contacts, two that presented term sheets, one that was not interested and one with no response. The woman at Savi Bank suggested he contact Kirk McMillan a commissioner with the Cattle Point Water District on San Juan Island. Krumbholz did contact him, they are a municipal water district, 43 hookups, expanding to 50; converted to a water district in 2017, distribution system was installed in the 70's, have a desal plant; need to spend \$1,000,000 to completely redo distribution system; they applied to the USDA for funding and received \$600,000 in loans and \$400,000 in grants; the term is 40 years. Cosgrove to send term sheets to Darla O'Connor at USDA, explain loan payments from banks would be a hardship to the customers. USDA will only fund a completed project, financing for construction could be done through one of the banks.

The meeting recessed at 5:10 p.m. to be reconvened on October 7 at 3:30 p.m.
The meeting reconvened on October 7 at 3:30 p.m.

The meeting went into executive session at 3:30.
The meeting returned to open session at 4:42 p.m.

It was agreed to move forward with Alice Haefele. Cosgrove to contact her, ask her to send MHWD a contract for services, find out what her rate is. A decision will be made at the next meeting on October 18th. Cosgrove to contact the other candidates and let them know that they were not selected.

ADJOURNMENT

There being no further business the meeting adjourned at 4:48 p.m.

Commissioner – San Olson

District Clerk – Helen Cosgrove