

NORTH GARLAND COUNTY REGIONAL WATER DISTRICT
138 Cedar Mountain Circle
Hot Springs, AR 71909
(501) 620-4118 FAX (501) 318-0304

MINUTES OF BOARD OF DIRECTORS SPECIAL BOARD MEETING

~~June~~ **MAY 18TH, 2019**

6:00 P.M.

DIRECTORS PRESENT: Jack Fields, Dwayne Pratt, Randy Ragsdale, David Harper, Jerry Vaughn, Wayne Copeland and Jimmy Daley.

STAFF PRESENT: Darrell Eckard and Barbara Thurman.

GUESTS PRESENT: Jack Truemper and Leighn Ann Biernat – Stephens, Inc., Bob Wright – Crews & Associates and Ray Owen – Attorney.

Meeting to Order – Director Fields called the Special Board meeting to order at 6:00 p.m.

Adoption of the Agenda – The agenda was adopted as presented.

Approval of the Minutes – The April 30th, 2019 minutes were approved as submitted.

New Business – 2013 Bond Refinancing

Bob Wright with Crews and Associates presented a proposal to refinance the 2013 Bond. (See Attached) Mr. Wright suggested refinancing the largest USDA loan (currently @4.25% interest) and adding \$850,000 for the new office and shop building in with the 2013 bond refinancing. Mr. Wright stated the interest rate to refinance is 3%, the payment would remain the same as the District is paying for the two loans now that would be paid off in 2036. Director Pratt asked Crews & Associates price for issuance. Mr. Wright stated Crews & Associates charge is 2% plus bond insurance and other fees. Mr. Wright estimated \$200,000 to refinance the bond. Discussion followed.

Jack Truemper – Stephens Inc. presented a proposal to refinance the 2013 Bond. (See Attached) Mr. Truemper stated the District would not have to have a surety bond or a debt service reserve to refinance the 2013 bond that includes \$850,000 for the new office and shop building. The payments would be less than the current 2013 bond payment and the payoff date would remain the same. Director Pratt asked Stephens, Inc. price of issuance. Mr. Truemper estimated 1.92% plus the additional fees, but if the Board decided today to use Stephens, Inc. they would lower their issuance cost to 1% plus the other fees involved. Ms. Biernat presented a presentation to the Board about the history of Stephens, Inc.

The Board discussed the various options presented to refinance the 2013 Bond by both companies, including the largest USDA loan and \$850,000 for the new office and shop buildings in with the 2019 bond refinancing. Mr. Eckard stated with a USDA loan for the new office and shop building the District would still have an upfront cost of approximately \$225,000 for contingency, construction interest, loan bond and reserve fund. Discussion

followed; the Board agreed to include the new office and shop building loan with the bond refinancing.

Wayne Copeland made a motion to approve going out for bid and going forth with building the new office and shop building; motion seconded by Director Vaughn. Discussion followed. Motion approved 6 to 1. Director Dailey voted against.

The Board discussed the two proposals for the bond refinancing. Director Pratt made a motion to accept Stephens, Inc. bid proposal to refinance the 2013 Bond, include the largest USDA loan and \$850,000 for the new office and shop building; motion seconded by Director Copeland. Motion approved unanimously.

The Board discussed which law firm to use for refinancing the bond. Director Ragsdale made a motion to hire Shep Russell of Friday, Eldridge & Clark Law Firm; motion seconded by Director Harper. Motion approved unanimously.

Director Fields brought Bob Wright and Jack Truemper back into the meeting and announced the Board decided to use Stephens, Inc. for the bond refinancing. The Board told Mr. Truemper to include the largest USDA loan in the bond refinancing.

Director Fields adjourned the meeting at 7:05 p.m.

Respectfully submitted,



Wayne Copeland
Secretary/Treasurer
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