

North Beach Public Development Authority

Minutes of Special Meeting held on November 29, 2004 at Pacific County Fire District 1.

Present: **NBPDA Board Members Present**

R.D. Williams
Tom Downer
Brad Weatherby
Cheri Jones
Ken Karch

Others Present

Phil Leach, Pacific Water
Bud Cuffel, Pacific County Commissioner

Call to Order - The meeting was called to order at 6:00 p.m. by R.D. Williams.

Purpose of the Meeting - To discuss issues related to the proposed water storage system.

Treasurer's Report - A deposit of \$500 was made with the County Treasurer who is setting up the procedures for deposits and for issuing warrants. Tom Downer will contact the Treasurer's office regarding these procedures. Bud Cuffel will check on courier service between Ocean Park and South Bend to facilitate the delivery of mail.

Financial Issues -

Insurance -

- Brad Weatherby reported that Pacific County requires a \$1 million general liability policy.
- Brad has obtained one estimate of approximately \$1,500 per year.

Motion by Tom Downer to have Brad Weatherby request a bid from all local agents for a \$1 million general liability policy. Second by Brad Weatherby. Motion carried.

Preston Gates Agreement -

- R.D. presented a letter from David Thompson, principle contact for Preston Gates, which includes a statement of fees (copy of letter to accompany minutes).
- R.D. indicates there has been no billing from Preston Gates and he does not anticipate any billing for services thus far.
- R.D. noted that Preston Gates has not given an estimate of hours. Ken Karch stated that the process should be clearly laid out and that the NBPDA should manage the process for deciding when legal advice is needed, with assistance from the attorney.
- Tom Downer stated that Preston Gates should be used primarily during the acquisition process.
- It was agreed that before the agreement is signed with Preston Gates that additional review is needed, including a better understanding of the extent and nature of legal advice typically needed in situations such as ours.

Capital Campaign –

- Tom Downer noted the NBPDA should seek consent to begin a capital campaign from the Pacific County Commissioners.
- Tom will write a letter to the Board of Commissioners outlining the NBPDA's proposal for borrowing money from private lenders (copy of letter to accompany minutes). He will e-mail the letter to Kathy Noren for the Commissioners to review at their meeting on November 30.
- Once the NBPDA receives approval, those who have shown an interest in loaning money for the water storage project should be contacted.

Outstanding Bills

- Current payables include:

Chinook Observer – Advertising	\$ 20.40
TJF Associates – Fire Flow Design	\$ 5,310.00
Morta Engineering – Geotechnical	\$ 1,950.00
- Pending:

HLB & Associates – Transmission Line	\$ 3,600.00
Mount Baker Silo – Water Tank	\$117,663.70

Motion by Ken Karch to authorize payment to the Chinook Observer, TJF Associates, Morta Engineering, and HBL & Associates in the amount of \$10,880.40 subject to approval of the NBPDA capital campaign proposal by the Pacific County Board of Commissioners. Second by Tom Downer. Motion carried.

Other

Ken Karch has been in contact with Kate Gabel who is interested in working with the NBPDA on their capital campaign. Ken will facilitate a meeting with Kate. R.D. Williams will also attend.

Acquisition Update

- R.D. met with Shorebank on November 24. They are very interested in this project because of the environmental issues.
- R.D. also met with Mike Sweeney and Dennis Long, The Bank of the Pacific, on November 26, regarding the acquisition of Ocean Park Water and Pacific Water. Mr. Sweeney and Mr. Long have also met with Shorebank. Information requested by the banks has been provided by R.D. in a letter dated November 26 (copy of letter to accompany minutes).
- There seems to be some conflict between the UTC and other authorities on how you place a value on a water company.
- An offer has been made by Pacific Water to Ocean Park Water.
- The banks will look at the project and will meet with the UTC.
- The only "wrinkle" is what the real value of the water company is, and how banks would protect the interests of their depositors and investors.
- R.D. noted that Shorebank believes the NBPDA is being held hostage by the school district and that they should be more flexible.

Other

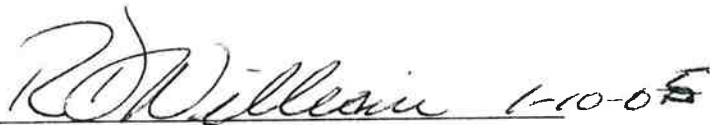
- Ken Karch noted that he briefed the Surfside Board on what the NBPDA is doing. He told them at this time there is no indication the NBPDA is considering Surfside's water rights. Tom Downer agreed it is appropriate to keep them informed; however, the NBPDA should limit their interest to the area covered by Ocean Park Water and Pacific Water.
- Ken also noted that he has been hired by Surfside Homeowner's Association as Executive Secretary, which carries with it responsibilities similar to a General Manager, although the position will not have direct management responsibilities for the day-to-day operation of the Surfside water system.
- A question was raised regarding the letter from Kathy Noren dated November 18 in which it stated the term of the NBPDA Board member's appointment is one year, which does not agree with the bylaws. Cheri will contact Kathy for clarification.

Meeting Adjourned

Motion by Brad Weatherby to adjourn the meeting at 7:30 p.m. Motion carried.

Note: Phil Leach left the meeting at approximately 7:00 p.m.

Approved as read:

Handwritten signature of R.D. Williams in cursive, dated 1-10-05.

R.D. Williams, President of the Board

Handwritten signature of Cheri Jones in cursive.

Cheri Jones, Secretary to the Board

Agenda
North Beach Public Development Authority
November 29, 2004
Pacific County Fire Protection District # 1
26109 Ridge Ave.
Ocean Park, WA 98640
6:00 pm

Call to Order

Approval of Minutes from previously held meetings:

Organization Meeting
School Board Workshop

Treasurer Report:

Bank Report

Financial Issues:

Insurance
Preston Gates Agreement
Capital Campaign
Outstanding Bills:
Chinook Observer
TJF & Associates
Morta Engineering

Actions Required:

HLB & Associates
Mt. Baker Silo

Acquisition Update:

Correspondence

Public comments:

Adjournment