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NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY
SPECIAL MEETING
SEPTEMBER 19, 2005

The meeting was called to order at 6 PM by President RD Williams.

Present: NBPDA Board Members
 R. D. Williams Tom Downer Ken Karch
 Brad Weatherby
Absent: Jim Hagen

Also Present: Phillip Leach

Motion by Tom Downer to accept the minutes of September 5. Seconded by Brad Weatherby. Motion carried. Tom Downer requested a typographical correction be made to the minutes of 8/29 from owes to owns. So noted. The minutes of Aug 22 and Aug 29 were approved at the September 5 meeting.

RD reviewed the letter from David Thompson, our attorney, sent to the Public Works Trust Board. With the receipt of this letter, funds from the second grant of \$1 million should be received within a short time.

RD and Phil Leach went over the revised cash flow done by John O'Phelan of Shorebank. He felt the projected debt service looked good. This will be presented to their entire Loan Committee for final approval of the loan on Thursday. The Bank of Pacific officer who has been overseeing the loan has been out of town and will return on Monday 9/26, so we should be hearing from them soon.

Much discussion followed regarding the Water Rate Analysis chart and how it should be presented. This was prepared in conjunction with the loan for Shorebank and presents comparative rates from other entities that provide water to their communities. Our planned rate structure appears to fall right in the middle of the monthly rates from other entities. Phillip Leach will change the chart to reflect the changes suggested by the Board members.

RD informed the Board that because of "Katrina disaster" pipe will be hard to obtain and transportation is difficult for materials for the transmission line intertie. We have not received a bid figure from Roglin for the work. A hearing for the Special Use Permit to install our storage tank will be in late October.

Minutes of 9/19/05

Page 2.

Motion by Tom Downer, seconded by Ken Karch that we authorize purchase of all necessary permits from Pacific County for the storage tank and structure. Motion carried. Board members hoped that the permit could be all-inclusive for all work that needs to be done at the site.

Motion by Tom Downer, seconded by Ken Karch that Board pass RESOLUTION #02-2005 as presented. Motion Carried. This resolution requests that the Pacific County Treasurer invest Public Funds received from the Public Works Trust Fund for the purposes of obtaining short term interest until such time as it is used.

RD announced a workshop with the County Commissioners on Monday, September 26, 2005 at 10:00 AM. David Thompson, our attorney will be present. This is necessary to keep the Commissioners informed of our progress and to ask for their support and endorsement.

RD advised the Board of the IACC Conference in Wenatchee in November. He attended last year and was able to make contact with many officials who can assist with many other available grants. Ken Karch commented that "we need to be there." Expenses are minimal for the conference and there is no doubt that our ability to obtain the PWTF grants was facilitated by contacts made at this conference. We will ask the NPIA for financial support to attend this conference.

Ken Karch reported on his search for Directors and Officers Liability coverage. He and RD will complete the application. Generally payment must be up-front. RD will talk with David Thompson about the anticipated fee paid from our funds, as this is a legal expense of the organization. It is estimated that the cost could be \$20,000 for \$5 million insurance.

Meeting adjourned at 7:35 PM.



R. D. Williams, President


Celsa Johnson, Acting Secretary