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NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY
SPECIAL MEETING
OCTOBER 31, 2005

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

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

Motion by Jim Hagen to accept the minutes of September 19, 2005. Seconded by Tom Downer. Motion Carried. Motion by Tom Downer, seconded by Ken Karch to accept the minutes of October 10, 2005 as amended. Motion carried.

RD reported that the funds from the second P WTF grant have still not arrived, but should be here within the next few days. He also reported that we have received interest of \$894.30 on the first P WTF grant. RD reported that the loans from Shorebank and Bank of the Pacific have not yet been finalized, but preliminary approvals have been made. Shorebank has asked that we share in the cost of their attorneys' review of the issuance of revenue bonds. The consensus was that we could deposit \$5,000 in an account at Shorebank to show good faith.

RD informed the Board that the County Commissioners held a public hearing on October 25 to amend Ordinance 155 which allows us to change existing rates by notifying the public within 10 days of a public hearing to increase the rates. The hearing could be set for mid-December, if everything else gets finalized.

RD reported that Tom Frare has forwarded copies of invoices from Sulzer Pump Company in the amount of \$62,700. This is for the pump for the new storage tank. Tom Downer stated that it was wise for us to buy the plastic pipe when we did in view of the shortages now caused by Hurricane Katrina. Tom Frare has accepted a revised estimate for the storage tank from Mt. Baker Silo for \$122,353. This is part of the 5-year plan. This was done through Pacific Water Company, so no bidding process was necessary. When the tie-ins are complete and the loops are developed, our fire fighting capabilities will increase considerably. Brad Weatherby asked for a work-up of costs to date .

The Board adjourned for executive session to discuss the employment contract with Phil Leach.

RD reported he had received a Letter of Invitation to join the Rural Conservation and Economic Development District.

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Motion by Jim Hagen, seconded by Tom Downer that the Board pass RESOLUTION 03-2005, accepting the Buy-Sell Agreements with Ocean Park Water as amended. Motion carried. Board members requested that assurances be made that the numbers perused by the attorneys are consistent with our requirements.

Motion by Jim Hagen, seconded by Brad Weatherby that Board pass RESOLUTION #04-2005 accepting the Buy-Sell Agreement with Pacific Water Company as amended. Motion Carried.

Brad Weatherby requested a list of assets, accounts receivable, inventory, benefits, employee contracts, etc. Jim Hagen will contact the Washington State Auditor's Office to what is the appropriate time frame for this and to see if they should be a part of this work.

Motion by Tom Downer, seconded by Jim Hagen that the Board pass RESOLUTION 05-2005, allowing payment for fire flow expenditures to H. D. Fowler in the amount of \$64,062.73 subject to the proviso of successful completion of all buy-sell agreement documents. Motion carried .

Motion by Jim Hagen, seconded by Brad Weatherby that Board pass RESOLUTION #06-2005 accepting the Employment Agreement dated November 1, 2005 with the changes incorporated during Executive Session. Motion Carried.

RD presented requests for payments. Membership in the Washington Governmental Entity Pool is for insurance coverage prorated from October 19, 2005 to August 31, 2006 in the amount of \$1,965.00. MOTION BY TOM DOWNER, SECONDED BY BRAD WEATHERBY THAT WE PAY THE SUBMITTED VOUCHER REQUESTS AS FOLLOWS: WGEP - \$1965.00; Reimbursement Ocean Park Acquisitions, LLC - \$10.00; Reimbursement for DEPT OF HEALTH, Application for Fire Flow Project - \$473.05; Roglins for work performed at 256 and Vernon, \$2,740.42; HD Fowler for pipe for Vernon and 256th Crossing - \$1,355.86. MOTION CARRIED.

MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER TO PAY INVOICE TO FOWLER COVERED IN RESOLUTION #05-2005. MOTION CARRIED.

Ken Karch presented the Weyerhaeuser Company's "Our Roadmap for Success" which presents a vision for the future with objectives, processes and goals to be achieved. He suggests that we formulate something similar for the Board and the General Manager as a means of measuring performance and facilitating an evaluation for employment.

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Some discussion was held regarding the name to be used for the newly acquired public entity once all documents are finalized. Consensus was that all would be happy with the North Beach Water District.

Meeting adjourned at 8:12 PM.



R. D. Williams, President



Celsa Johnson, Acting Secretary