

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY
SPECIAL MEETING
DECEMBER 5, 2005

The meeting was called to order at 6:02 PM by President RD Williams at the SHOA Office.

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

RD presented information on our funding to date. We received the second PWTF loan payment of \$750,000 today at the Pacific County Treasurer's Office. Our funds are being invested and we have received \$3,262.04 in interest to date.

RD reported on changes requested by Pacific County Attorney David Burke to the signed Employment Agreement, wherein if there is any breach of the contract, a Judge of Pacific County Superior Court will appoint an arbitrator if one cannot be agreed upon. This will bring the contract in compliance with the Washington Arbitration Act. Moved by Jim Hagen, seconded by Brad Weatherby to amend section 9B of the Employment Agreement with Phil Leach as submitted. Motion Carried.

RD reported on continued negotiations on the Pacific Water Company Purchase Agreement. Two lots, #35 and 36, will be purchased as part of the investment in the water company, as they are paramount to the operation of the company. He hopes to finalize the agreement by this Friday. David Burke, County Attorney, will not allow payment to materials vendors until the agreement is signed.

RD reviewed the NBPDA Uses and Sources of the Combined Water Company Stock. He feels confident that while we have accepted some additional obligations with regard to the purchase, we are well within the budget lines originally projected for the entire project.

There is a special hearing on Thursday, December 15 at 1:00 at Pacific County Board of Commissioners Hearing Room regarding the Special Use Permit and SEPA Determination. This is a very important step for the construction of our water reservoir and pump station. He urged all board members to attend this meeting.

RD presented the Board with Resolution 04-2005A, dated 12/05/2005, which increases the amount to be paid to Pacific Water Company to \$1,015,000 to include all parcels of property and related costs. Moved by Jim Hagen, seconded by Tom Downer, that we approve Resolution 04-2005A as submitted. Motion carried.

Minutes of 12/05/2005

Page 2.

Motion by Ken Karch, seconded by Jim Hagen, to accept the minutes of November 28, 2005 as submitted. Motion carried.

RD distributed the "News Splash" publication from the Washington Governmental Entity Pool, in which our membership in that organization was welcomed. We need to discuss and approve a news release for publication in the Chinook Observer once all property and finance issues are resolved. Tom suggested we have a news release as well as an article in the "guest column" of the newspaper. We need to be up front about cost increases for water customers. We should be prepared next week to submit ideas for this.

Meeting adjourned at 7:28 PM.



R. D. Williams, President



Celsa Johnson, Acting Secretary