

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY
SPECIAL MEETING
FEBRUARY 6, 2006

The meeting was called to order at 6:00 PM by President RD Williams at the SHOA Office.

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

Others: Cate Gable

The minutes of the January 30 meeting were discussed. Motion by Jim Hagen, second by Ken Karch, to accept the minutes of January 30, 2006. Motion carried.

RD gave a Treasurer's Report. He stated the check has been prepared for H D Fowler for piping in the amount of \$113,287.76, leaving a balance of \$2,240.57. Because of the substantial saving that we made on the purchase of the pipe, Motion by Jim Hagen, seconded by Ken Karch, to pay the invoice for the outstanding charges for piping in the amount of \$2,240.57. Motion carried.

RD announced that the sale of Pacific Water Company closed on February 3, 2006. He presented Board members with the Estimated Settlement Statement from First American Title Company, outlining the buyer and seller costs for closing. As part of the negotiation we owe loans to Phillip and Virginia Leach of \$130,000 each. This fulfills our required match for Public Works Trust Fund Loans. These will be paid off shortly after closing the loans ^{for} Cashmere Bank.

RD distributed a copy of the Asset List from Pacific Water Company. He was pleased to see the amount of testing equipment, etc on the list and of the level of detail and the locations. This list gives us a good basis to start operation.

RD reported that the closing date for Ocean Park Water Company will be on Friday, February 17, 2006. He and Tom Downer will meet with Pete Christoson and Phil Leach on Tuesday afternoon to discuss the transition period and insure that a licensed, registered technician will be working at Pacific Water Company during the two-week difference in closing. After OPWC closing, Phil Leach will assume responsibility as General Manager. Both of these gentlemen are licensed for this work.

Some discussion followed regarding the job description of the General Manager. Ken Karch will head a team of Board Members to work through the types of reports and expectations the Board hopes to receive from the Manager. Ken distributed a list of

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General Manager Responsibilities for discussion, as well as an employee manual.

A conference call was made to David Thompson our attorney at Preston Gates. He advised that there is no need to create a new company name, as the North Beach Public Development Authority owns and operates the utility. We are acquiring the operating licenses of the combined companies. Tom Downer will contact the Department of Labor, Health, etc. to determine what paper work, if any, needs to be completed for the transition. As a public entity, we are not regulated by the UTC. RD distributed a copy of the letter to the WUTC, advising them of the sale of Pacific Water Company to the NBPDA.

Cate Gable arrived and was introduced by RD. She does writing for the Chinook Observer but will also do publicity for the NBPDA. She felt that she could perform both functions without a conflict of interest. She agreed that it is important to let the public know of the rates for all entities so that the impact of our rate increase will be minimal. Chinook's new rate is \$25/mo; our new rate will be \$24.50/month. She recommended that we get something in the paper as soon as Pete is comfortable with it. There are many different areas that could be discussed in an article, including the improvements that will be made from a fire department perspective.

It will be important to meet with all Ocean Park Water employees as close to closing as possible. Ken Karch distributed copies of a question and answer format that was used in an acquisition by Weyerhaeuser. He also distributed an Employee On-Boarding document, outlining goals, strategies and outputs for the employees.

We will also need to have an OPWC shareholders meeting for the other shareholders after we close with Ocean Park Water to discuss our plans for their shares. RD commented that he hoped both Phil Leach and Pete Christoson would be at our next meeting.

Tom Downer will contact Rod Kaseguma to determine what notification we need to make to all the state agencies to insure a smooth transition. Brad will check on the Association of Water and Sewer Districts web site for employee policies.

The meeting adjourned at 8:20 PM. Next meeting will be a regular meeting at 6 PM on Monday, February 13, 2006.



R. D. Williams, President



Celsa Johnson, Acting Secretary