

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY
REGULAR MEETING
February 13, 2006

The meeting was called to order at 6:00 PM.

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

Also Present: Neal Emond Barbara Emond Tom Frare
 Bobbie Reynolds Phil Leach

The minutes of February 6th were discussed and a motion was made by Jim Hagen, seconded by Tom Downer to approve the minutes as amended. Motion carried.

RD announced that the meeting would recess until Tuesday at 3 PM to complete the necessary resolutions for the closing of the revenue bonds from Cashmere Bank. Necessary forms will be completed after that meeting. RD distributed the closing memorandum for the bonds indicating closing to be February 15, 2006. He also presented the Board an amortization schedule for payout of June, 2026.

RD reported that he is looking into insurance quotes from several entities and will present the Board with the options for insurance coverage similar to what is now in force. The current policy is through July 2006. Tom Downer commented that Jack's Country Store carries the same health insurance program for its employees as OPWC. It is a good program and he strongly favors the current plan.

RD distributed the signed Memorandum of Understanding with Phillip Leach to cover the time lapse between the closing of Pacific Water and Ocean Park Water. Phillip was present for an executive session wherein he accepted the NBPDA Organizational Alignment as well as a draft of Position Description of the General Manager and Management Expectations. He said he appreciated receiving these documents.

RD distributed the Water Rate Comparison for Pacific County. Our new proposed rate of \$24.50 falls very much within the average for all other entities. Motion by Jim Hagen, seconded by Tom Downer, that we adopt the current OPWC rate tariff and Pacific Water Company rate until such time as the Board adopts the new rates of the combined NBPDA. Motion carried. We will use the "little blue book" used by OPWC for policy until our policy is developed.

We need to have a hearing to increase the rates, however, this was tabled until after closing of OPWC sale.

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Tom Frare reported on the Fire Flow intertie. He is meeting Tuesday AM with DPR, the contractor awarded the bid to do the work. Since we put a stop work order on the job until the closing of the sale, we may need to pay a re-mobilization charge. He also affirmed that we will be using ductile iron pipe in any swampy areas to avoid any problems. Tom further reported that he had met with Paco Pump people on Monday and that we may be able to cut some costs because of the planned configuration of the pumps and power needs. The fees for the permits from Pacific County should be available tomorrow at which time we can authorize payment.

Brad offered to forward the information for the required demand for water for fire flow for the Ocean Park School, Omans, Sentry, and Jack's Country Store to Tom Frare and Phillip so they can do primary testing of flow at OPWC pumps.

RD explained that Herta Ingram had sent a bill now that the purchase of the water systems is near fruition. She actually billed for 48 hours rather than 68 hours, giving us a considerable break in fees. Motion by Tom Downer, seconded by Jim Hagen, that we pay Herta Ingram \$3,840 and TJF & Associates \$5,220. Motion Carried.

RD opened the floor to the public. Mr Emond inquired about the easements near his property. RD advised that at this time we do not anticipate needing easements on the Emond property.

The meeting recessed until 3 PM Wednesday.

The meeting reconvened at 3 PM by RD Williams, President with the Board Members and Phillip Leach present. Also present was Mr. Emond.

RD introduced Resolution 02-2006 authorizing capital contributions to Ocean Park Acquisitions LLC to permit the PDA to acquire the assets of Ocean Park Water Company. Motion by Jim Hagen, seconded by Tom Downer to adopt Resolution 02-2006 with change for geographic correctness to North Beach Peninsula. Motion Carried.

The Board reviewed the NBPDA's 45 anticipated questions regarding the purchase of the two water companies prepared by Jim Hagen. This should prove to be a valuable tool to answer the many questions regarding the merger of these two companies into a public entity and hopefully quell some of the inevitable rumors that surround change. Phillip commented that he was happy to look at the document. It was suggested that this be used as a foundation for the employee meeting to be held this coming Friday, February 17. It could also be helpful in preparing the letter to the Rate Payers (customers).

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Discussion followed regarding the next monthly billing for Pacific Water Customers, who have previously been billed monthly. Billing will be done for March with the new North Beach Public Development Authority heading on the billing, as well as the change to the different post office box and a letter advising the customers of the change to the PDA.

Discussion followed regarding the engagement of Tom Frare, Engineer for work on the Department of Health Comprehensive Plan. Some of this work was done at the very beginning of the project and at different times over the last two years. Some research needs to be done to determine if a bid process needs to be done for professional services as is required for construction services.

Motion by Tom Downer, seconded by Jim Hagen to pay the voucher to Pacific County Department of Community Development for permits required for the fire flow project in the amount of \$3,108.90. Motion carried.

Discussion followed regarding the attire of the employees of the new PDA. There was consensus that the employees should wear identifying attire (shirts, jackets) identifying them as employees of the NBPDA. Further, the vehicles that they drive on duty need to have identifying seals. These can be decals, and should be recognizable as belonging to the NBPDA.

Meeting adjourned at 3:55 PM



R. D. Williams, President



Celsa Johnson, Acting Secretary