

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

REGULAR MEETING

March 13, 2006

The meeting was called to order by President RD Williams at 6 PM at the Pacific County Fire District #1 Building.

Present: NBPDA Board Members:
 Tom Downer Ken Karch
 Brad Weatherby Jim Hagen
Others Present:
 Marla Johnson Debbie Bighill
 Phillip Leach Pete Johnson

The minutes of February 27 were discussed. Motion by Jim Hagen, seconded by Brad Weatherby to approve the minutes of February 27 as revised. Motion carried.

RD submitted a Treasurer's Report. Currently we have a balance at Pacific County Treasurer's Office of \$2,039,160.95. The balance of the second PTWF Loan of \$250,000 will be forthcoming with the final payments to the remaining shareholders. RD reported that he has had no contact with Carol LeBeck or Earl Nichols. He indicated his goal is to get the payments completed within the week.

Jim Hagen presented Resolution #03-2006. Motion by Jim Hagen, seconded by Ken Karch, to adopt RESOLUTION 03-2006 calling for the elevation to ex officio position of Secretary to the Board of the North Beach Public Development Authority of Celsa Johnson. Motion carried.

RD presented Resolution #04-2006, authorizing expenditures to the final shareholders in the amount of \$207,000 to complete acquisition of all shares; providing for \$1 million to the US Treasury for taxes and providing payment to any other state and local entity required for the transfer of ownership from Ocean Park Water Company to the North Beach Public Development Authority and calling for the dissolution of the Ocean Park Acquisitions LLC, ratifying Resolution 01-2006 and 02-006. Brad asked for a word change to water supply and Tom Downer asked that we refer to the location as "all unincorporated areas in the vicinity of Ocean Park. Motion by Tom Downer, seconded by Brad Weatherby that we adopt RESOLUTION #04-2006, as discussed. Motion Carried.

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Debbie Bighill of Arthur Strand Insurance, introduced her associate Marla Johnson. She presented an insurance proposal for Rural Special Districts. The policy covers equipment, employer liability, wrongful actions and property. Earthquake and flood insurance are available. Tom Downer asked about an umbrella policy. Jim Hagen inquired about insurance to cover the fact that we sell and deliver the equivalent of a food product subject to contamination." Marla offered to check with their carrier to what other entities of a similar size carry for umbrella coverage levels and with respect to the delivery of water. The current policy should be changed by April 1, the settled date for completion of the acquisition by NBPDA. RD Williams instructed Marla to get numbers on an umbrella and we will make a decision at a special meeting. RD will also contact the Entity Pool to obtain estimates from them on the same coverage.

RD presented a quote for medical insurance for Option 1, the same coverage as employees now receive, from Employee Benefits Planning LLC, proposing a rate of \$332.19. Strand had quoted \$404.85 for the same program. Ken Karch informed the Board that SHOA caps employee insurance benefits at \$1000, with the employee picking up any amount above that ceiling. RD will call a special meeting to finalize insurance before the closing date of April 1. Jim Hagen offered to work with RD in assessing all the insurance proposals.

Phillip Leach presented an update of the water company activities. We will be flushing water lines in April. A&A Drilling will put in taps on 6-inch ductile iron pipe in the Rushlight area which will accommodate ports for fire suppression equipment, a secondary use of the taps. He reported that there is a problem with Well #7, perhaps a motor, and they will be looking at that on the 16th of March.

Ken Karch and RD Williams will be doing the power point presentation at the Fire Commission Meeting on March 14. They did present a similar program at the Chamber. Phillip was directed to work with Brad Weatherby and the Fire District to develop fire suppression and sprinkler requirements to be presented to the County Commissioners as a ~~policy.~~ RDW
ORDINANCE

RD presented a draft of the Rate Resolution to be adopted, asking all Board members to become familiar with its contents. It was based on a similar resolution from our attorney David Thompson through the City of Olympia. It would replace the "blue book". We need to review its contents before the Special Meeting for next Monday, March 20th.

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RD advised that he had forwarded a copy of the Notice of Public Hearing for March 27th at 6 PM and a workshop on April 3rd, allowing for an extension of the hearing to take comments until Friday, April 7. Adoption of the rates will occur at our regular NBPDA Meeting on April 11 with the billing going to the customers on April 15. Motion by Jim Hagen, seconded by Ken Karch, to set the Public Hearing for March 27th, as prescribed in the Notice. Motion Carried.

RD submitted the request for payment of expenditures dated March 13, 2006. Brad commented that the interest on the individual loans was computed to April 1, 2006. Motion by Tom Downer, seconded by Jim Hagen that we approve payment of the bills as submitted in the amount of \$40,605.05. Motion carried.

CORRESPONDENCE: RD received an invitation to apply for membership in the Washington Association of Water and Sewer Districts. Motion by Jim Hagen, seconded by Ken Karch, that we become members of the WAWSD. Motion Carried.

RD advised that we could be eligible for an interest free loan of \$100,000 from the Public Works Board later this summer. Also, the Revolving Drinking Water Fund could have money available for its '08 expenditures for use for our south line construction. Further, more money could be available from the PWTF for the south line with the inclusion of the donation of the Corder Foundation property as the possible local match.

RD reviewed the invoice from Stoel Rives and our letter to Bank of the Pacific and in turn, their response back to us. In essence, the response categorized the situation as "Lessons Learned." No action required.

RD received correspondence from Royal Waldock and Associates, offering their services for backflow engineering needs should any become necessary. Also, correspondence and a description of services provided by Willapa Counseling Center for janitorial services by the developmentally disabled, should we see the need for such services. Motion by Jim Hagen, seconded by Ken Karch, to purchase a projector for presentations for \$799. Motion carried.

Discussion followed regarding our ownership of a 2002 Sport pickup truck. It was acquired as part of the settlement of property with the Christosons. We need to declare it surplus and sell it and obtain a vehicle that would serve the company better. Tom Downer stated the WAC's have specific guidelines for declaring equipment as surplus and we need to follow the guidelines.

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Meeting adjourned at 8:15 PM.


R. D. Williams, President


Celsa Johnson, Secretary