

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

REGULAR MEETING

April 10, 2006

The meeting was called to order at 6:05 PM at the Ocean Park Fire Hall. Present were:

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

Others: Phillip Leach Tom Frare Tia Crisifulli
 Neil Emond Karen Schaefer

The minutes of the March 13 meeting were reviewed. Two word changes were made and noted on the documents. Motion by Ken Karch, seconded by Tom Downer to approve the minutes with the corrections. Motion carried.

The minutes of the March 20th meeting were reviewed. Minor revisions were made, corrections to name spelling, etc. Motion by Ken Karch, seconded by Tom Downer to approve the minutes of March 20th. Motion carried.

The notes from the public hearings of March 27th and April 3rd were reviewed. Some corrections were done to the documents. Motion by Jim Hagen, seconded by Ken Karch to accept the notes from the Public Hearing and its Continuation. Motion Carried. It was pointed out that the recorded tapes from the hearings are available if necessary.

RD distributed the NBPDA Funding spreadsheet. The final amount of \$250,000 on PWTF Loan #2 is in the mail. Additionally, we have received approval for \$100,000 PWTF Loan to cover the planned expenses of the 6-year Plan. The balances after the closing of Ocean Park Water are frozen at Bank of the Pacific (about \$50,000 in checking and \$55,000 in savings). We have \$1.8 million with the County Treasurer and have yet to pay the federal taxes required after the purchase of OPWC. He is working with the Treasurers' Office and Tia Crisifulli to bring the financial management into conformance with the requirements of the Treasurers' Office. The sunset for Ocean Park Water was March 31, 2006 and we are the legal successor as the LLC. All interim monies held by the Treasurers' Office are invested in the Washington State Investment Pool.

RD presented the Board the proposal for insurance coverage from the Washington Government Entity Pool. The estimate for the premium adding 5 employees, property and vehicles is \$17,200/year. Jim Hagen commented that he was elated with the coverage for the cost. The coverage is much higher and the premium much lower than the proposal received from an independent insurer. Motion by Jim Hagen, seconded by Brad Weatherby to complete the paperwork for the North Beach Development Authority to use the Washington Government Entity Pool for insurance coverage. Motion carried.

RD reported that the benefits package has been put together by Tim Williams of Employee Benefits Planning LLC. He will be here next month to make a presentation. Ken Karch asked that we hold some issues regarding medical coverage for executive session.

Phillip Leach reported that the flushing program started Sunday evening. This year has had the best results ever, with clear water in about one minute. Wells 2 and 7 should be back on line next week in time for the summer influx in population. He met with Teresa Walker from Dept of Health. She stated that 70 to 80 percent of water in the state uses fluoridation. TGR calculates that it takes about \$12,700 to set up fluoride on line; then the cost is about \$300 per month. Ms. Walker will be here to do a sanitary survey May 9. This is done yearly to check wellheads, setbacks, etc. She advised that we do not need a vote of the people, but a resolution from the Board to initiate a fluoridation program. The State of Washington strongly favors fluoride treatment.

Karen Schaefer commented that even if there would not be a vote, she felt it was very important to keep the public advised. RD said he was aware that fluoridation was quite controversial and that we need to be very deliberate in our decision-making.

Tom Frare reported on the construction progress. Even with change orders, re-mobilization and boring, we are at \$690,000 including the 10% contingency, still under budget for the project. Mt. Baker Silo is scheduled to come on April 24. They have not hit groundwater, even though they are six feet below the road. He feels that the contractor is learning from this project and will become more skilled with this type of work as a result. Vulnerability issues will be addressed as part of the Six-Year Plan.

RD gave Tom Frare a copy of the easement for the Hill property. He would like to see fencing to protect us from liability when the public uses the access for the Rod Run. He has contacted the Beach Barons who will be responsible for the corridor. He would eventually like to acquire the other four parcels near the reservoir and wells.

Jim Hagen reported that the Mayers/King property was zoned R-R. So is all of our property in the well field. This subject was tabled for executive session.

RD has asked Rod Kaseguma and David Thompson to research the law for requirements of the formation of a water district. Tom Downer commented that the implication that tax levees are allowed could cause a problem. Rod will be here for the May 8th meeting.

Tia Crisifulli advised that Board that she had received no letters regarding the rate proposal in the North Beach Water Office. Karen Schaefer commented that no one really understands what is going on. At first she was upset about the increase, but the trade-off of cleaner water and better pressure made it more desirable. She did state that she felt more effort informing the public needs to be done.

RD asked the Board to review the Rate Resolution. There was consensus that the second sentence of Section 1.01.350-A be deleted. Tom Downer asked about Section C for Fire Service Connections. Tom Frare commented that we have no basis to comment on them at this time, as there are none in existence. The Resolution can be amended at such time as this would be applicable.

MOTION BY JIM HAGEN, SECONDED BY BRAD WEATHERBY THAT WE ADOPT THE RATE RESOLUTION, RESOLUTION #05-2006 AS AMENDED, DELETING THE SECOND SENTENCE OUTLINED ABOVE ON PAGE 13. MOTION CARRIED.

Tom Downer would like the Board to approve sending a letter to the County Commissioners asking them to exercise their right to take the issue of forming a water district to the electorate. We will pay the bill if the vote is successful. We will not be looking for a tax levee as is allowed by Washington State law.

Mr. Emond commented that he is concerned about the alignment of the pipe on the new construction near the reservoir site. Tom Frare advised he would be looking at that in the morning. Mr. Emond then left the meeting.

MEETING ADJOURNED FOR EXECUTIVE SESSION AT 7:48 PM. Only the Board and Secretary were present.

MEETING RESUMED AT 8:30 PM.

Motion by Brad Weatherby, seconded by Tom Downer, to approve payment of vouchers #06-0041 through 06-0074 in the amount of \$49,792.08. Motion Carried.

Motion by Tom Downer, seconded by Ken Karch, to tender the proposal for the property sale of the piano-key property owned by Mayers/King. Motion Carried.

Motion by Tom Downer, seconded by Ken Karch, that RD attend the Water Rights Seminar in Tacoma in June. Motion Carried.

Tom Downer asked if it wouldn't be appropriate to have all meetings in the future at the North Beach Water Company. RD will check to see if any county ordinance needs to be done to change the location.

Discussion ensued regarding the need to find a local attorney to represent our organization in matters of a general nature. No local attorney specializes in government matters.

Meeting adjourned at 9:15 PM



RD Williams, President



Celsa Johnson, Secretary