

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

REGULAR MEETING

July 10, 2006

The meeting was called to order at 6:02 PM at the Fire District #1 Meeting Hall. Present were:

<u>Board Members:</u>	Brad Weatherby	Jim Hagen
	Tom Downer	Ken Karch
	R D Williams	
<u>Others:</u>	Phillip Leach	Tom Frare
	Nancy Emondson	Mark Clemmons

The minutes of the meeting of May 22, June 19 and June 26th were discussed. MOTION BY JIM HAGEN, SECONDED BY BRAD WEATHERBY TO APPROVE THE MINUTES OF MAY 22, JUNE 19, AND JUNE 26, 2006 AS PRESENTED. MOTION CARRIED. The minutes of the June 10th Regular Meeting will be presented at the next meeting for approval.

Nancy Emondson presented the Balance Sheet as of June 30, 2006. She did caution that Ocean Park Water Company has not closed their books yet and that there are several line items that would change once closing is finalized. She reported that we have past due accounts totaling about \$6500 that are 60 days past due and older. With the addition of a part time clerk, we should be able to address this issue. Nancy presented the Board with the Profit and Loss Statement through June 30, again cautioning that the report is proforma until OPWC is closed.

At Brad Weatherby's request, Nancy did go over the Detailed Profit and Loss Report. Consensus of the Board was that they do wish to see this much detail on a monthly basis until otherwise advised by the Board. These reports are included as a part of the record for this meeting. Nancy advised that depreciation will have an effect on the statement, but that cannot be included until final closing of OPWC and the creation of our own depreciation schedule.

Nancy reported that the Voucher System is now being processed through QuickBooks and complies with the mandates for both the County and the State Auditor (BARS). Ken Karch reported that he likes the summary reports and looks forward to the ability to look at trends and possibly anticipate issues. The Board expressed appreciation in receiving the information and asked for specific information regarding debt service.

RD then introduced Mark Clemmons, Member of the Oysterville Water Board, who presented a letter from Jim Kepner, Vice President of their Board. Oysterville Water is a cooperative with 77 subscribers; 35 of which are full time hookups. Meters are read quarterly and a conservation surcharge is made beyond the base of 2100 cu.ft. per

quarter. They are anxious to have a Letter of Understanding that would be mutually beneficial to North Beach Water, Surfside Homeowners Association and Oysterville Water. Mark is the Certified Operator for OW and does the meter reading and the billing for the organization.

RD indicated that it would be advantageous to all three organizations to have a letter of understanding and he hopes to draft that letter and make a formal presentation to the Surfside Homeowners Board in the very near future.

RD presented the vouchers for approval. MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER, THAT WE APPROVE PAYMENT OF ALL VOUCHERS TOTALLING \$134,739.25 AS SUBMITTED. MOTION CARRIED.

RD presented an update on the Water District Formation. He has discussed with Kathy Noreen of the County Auditor's Office of our intention, advising her of our letter from Don Larson and the County Attorney that we are now able to operate under the old franchise agreement until 2011. The Petition for Formation of North Beach Water District was presented and edited by the Board. Signatures will be acquired and presented to the Auditor's Office and they will have 10 days to determine the validity of the signatures. It will then be submitted to the County Commissioners who have 45 days to call for an election. It is yet to be determined if it will be a special election or on the general election ballot in November. Tom Downer expressed confidence in acquiring the required number of signatures in a timely manner.

Manager Phillip Leach presented a report on the tasks completed to date and the priority projects for the near future. He provided the Board with the Comparison of Homeowner vs. Commercial Account Water Costs for 2005. He also presented historical data for 2005 on Water Sold in Cubic Feet and other spreadsheets that will be helpful in analyzing consumption and revenue, etc. RD asked him to put titles on these for continuity in the months and years ahead.

Ken Karch asked that we have special meetings to continue work on the Employee Manual. Next meeting will be on Monday July 17 and will cover pages 21 to 40; then again the following Monday July 24 we will cover pages 41 to 60. We will approve any necessary vouchers at that meeting.

Tom Frare gave a report on the reservoir project. The PUD will start work on the 3-phase power on July 17. Plans for that would be available this Friday, July 14. At present, we have a pole building 18 by 24 feet. It is incumbent on us to build a stand-alone building 30 x 52 which would house all the controls, filtration and generation equipment in one building. The estimate for this is \$40,000. RD reported that by moving dollars around, we can facilitate this improvement. We are currently waiting for building permits for this work. Research needs to be done with our attorney to determine if we need to go out for bid on this or if it can be done as part of the original contract.


Brad Weatherby expressed concern about the huge overrun on PUD costs as well as the increase overall in the project. Tom Downer would like to see a line by line explanation of the construction cost overruns and document these for the benefit of the record and our customers. This report will be presented at the next regular meeting. Tom Downer feels that the PUD 3-phase line is a MUST. MOTION BY BRAD WEATHERBY, SECONDED BY TOM DOWNER, THAT WE GO FORWARD WITH THE PUD INSTALLATION OF 3-PHASE POWER AT \$112,000. MOTION CARRIED.

The meeting adjourned for Executive Session at 8:35 PM.

At 8:50 PM, the meeting reconvened. RD is to ask Phillip Leach to E-mail a copy of the CCR Report to the Board Members before it goes out to the customers.

MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN THAT WE ADD TO NEXT MONTH'S AGENDA THE PERFORMANCE OF THE GENERAL MANAGER BASED ON THE DOCUMENT OF FEBRUARY 13 AND TO INFORM THE GENERAL MANAGER THAT THIS WILL BE TAKING PLACE. MOTION CARRIED.

The meeting adjourned at 8:55 PM.


RD Williams, President


Celsa Johnson, Secretary