

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

SPECIAL MEETING

August 7, 2006

The meeting was called to order at 6:02 PM on July 17 at the Fire District #1 Meeting Room. Present were:

<u>Board Members:</u>	Brad Weatherby	RD Williams
	Tom Downer	Ken Karch
	Jim Hagen	

<u>Others:</u>	Phillip Leach	Tom Frare
	Nancy Edmonson	Tia Crisifulli

RD Williams presented the **minutes for approval**. After minor changes requested by Ken Karch, MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER, THAT WE APPROVE THE MINUTES OF JUNE 12, JULY 10, JULY 17/24, AND JULY 31. MOTION CARRIED.

Ken Karch pointed out that there were four questions raised in the approved minutes that need to be resolved. He was concerned that we need a process for the **performance evaluation** of our General Manager as discussed in prior minutes. RD assured him that the **overrun for Engineering** would be covered at this meeting. The issue of **Emergency Planning** should be included as part of our 6-Year Plan.

The discussion on the **Retail Service Area** will be part of the September Meeting. The new water law, HB 1388, authorizes entities to bank water areas. In identifying our retail service area, we must submit a plan. We need time to include this as part of our 6-Year Plan. DOH will have public hearings to influence the final rulings. Phillip, Tom Frare, Ken Karch and RD will sit down to work on comments we may wish to submit.

Nancy Edmonson gave us "conservative estimates" on **revenue on detailed spreadsheets** through 2007. She indicated that the projections also include a one-year reserve for debt payment, as is required by the contract with Cashmere Valley Bank. She cautioned that the estimates are subject to change, depending on actuals, especially for the months of July and August. She feels that the driving force for revenue is the number of meters (customers) billed for "ready to serve". Ken Karch asked that the units of measure be included on the spreadsheets. Julie Parker should have the books for Ocean Park Water closed in late August or September.

Ken Karch expressed concern that Department of Health is going to require **water conservation measures** in the near future. Thus, consumption and sales will likely be going down. Because of water conservation, we may need to look at an induced water base rate increase in the future.

Jim Hagen expressed concern over an estimate given for a new service of \$1,300. RD explained that the basic charge is \$650 and \$12.50 per linear foot frontage. Depending upon the particular circumstances of the property layout, it could be that much or more. Latecomer agreements, such as what the PUD uses, can ease the concern for some of the expense when someone else connects to the line and the customer is reimbursed.

Tom Frare reported on the **reservoir project**. We will have a proposal for the electrical work from Willie Electric of Warrenton, OR. They have done much work for Ocean Park Water over the years. We will test the bid with estimates from North Beach Electric and Wadsworth. If we open the project to formal bid, we will have to pay prevailing wage and this could really inflate the cost. DPR is doing the trenching for the PUD. RD feels that the final bill from PUD could be less as it has taken less time than originally projected. Many changes have occurred. Miscellaneous costs for realignments of lines, remobilization costs, ductile iron pipe, etc., has made for cost increases.

Tom Frare distributed a spreadsheet for **Engineering Costs**. The original construction bid from DPR was \$65,000 vs. \$195,000 from Wilkins. Tom originally presented the Board with the low bid and expressed his willingness to oversee the project for DPR as part of a learning curve for a contractor on the peninsula to do the work. Ken Karch stated that 15% Engineering costs is considered pretty standard.

Discussion centered on the process to gather signatures for the election to become a **water district**. Tom Downer and RD will make a presentation to the Chamber on Thursday, August 10. The primary focus to constituents is to insure local control by election of District Commissioners. NPIA has offered to fund \$500 for the campaign. RD will reformat forms and begin distributing them.

RD indicated the **PWTF Water System Planning Loan** was for \$100,000. Tom Frare's estimate of the work is \$101,300. He has a Planning Handbook to use as a guideline for the work. Ken Karch suggested we table the proposal until the next meeting since it had just been distributed and the Board and not time to review it..

RD made a presentation on the proposal for a **larger building at the reservoir site**. He feels that building a larger building now would be wise, as all the equipment will nearly fill the originally proposed 18x24 pole building. DPR has bid \$36,500 for a 30x52 "stick-built" building, which would easily house more generators, water filtration equipment and a small lab. MOTION BY JIM HAGEN TO PROCEED WITH THE BUILDING OF THE LARGER BUILDING. SECONDED BY TOM DOWNER FOR DISCUSSION ONLY. AFTER DISCUSSION, MOTION DEFEATED. Ken Karch asked for additional information on alternatives.

RD has received correspondence on the **PWTF preconstruction loans** will be extended from 5 years to 20 years.

The meeting of the NBPDA adjourned at 8:45 PM.

absent 8/14/06

RD Williams, President

Celsa Johnson

Celsa Johnson, Secretary

Ken Karch

Ken Karch, Vice President and
Acting Chairman