

**NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY**

**REGULAR MEETING**

**April 21, 2008**

**Board Members:**

Jim Hagen  
Brad Weatherby  
Richard Schroeder

R.D. Williams  
Tom Downer

**Others:**

Michael Berlien  
Brian Sheldon  
Gwen Brake  
Tia Crisifulli  
Rob Richmond  
Larry Warnberg

Neil Emond  
Nancy Edmondson  
Tom Morrow  
Marilyn Sheldon  
Deb Richmond

President Williams opened the monthly Board Meeting at 6:00 PM at the Fire Hall. He welcomed the public and invited anyone to speak if they chose. No one did so.

**MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER TO APPROVE THE MINUTES OF MARCH 3, MARCH 17, AND MARCH 20, 2008. MOTION CARRIED.**

**Resolution 05-2008 – Transfer \$25,000 from Operations to Capital Reserve – To assure solvency of the Operations Fund, \$25, 000 was moved from the Capital Reserve in January. MOTION BY TOM DOWNER, SECONDED BY RICHARD SCHROEDER TO DIRECT THE PACIFIC COUNTY TREASURER TO MOVE \$25,000 FROM OPERATIONS BACK TO THE CAPITAL RESERVE FUND. MOTION CARRIED.**

**Resolution #06-2008 – Rename Capital Reserves Fund to Cash Reserve Fund – MOTION BY JIM HAGEN, SECONDED BY BRAD WEATHERBY TO DIRECT THE PACIFIC COUNTY TREASURER TO RENAME THE CAPITAL RESERVES FUND TO THE CASH RESERVES FUND. MOTION CARRIED.**

**Resolution #07-2008 – Rules for Public Inspection and Copying of Public Records – MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN TO AUTHORIZE PASSAGE OF THE RULES FOR PUBLIC INSPECTION AND COPYING OF PUBLIC RECORDS. MOTION CARRIED.**

**Authorize Contract with Modern Machinery for Backhoe Purchase Agreement – Michael Berlien explained that we have been paying rent on the backhoe at \$1900/month; we will purchase the backhoe from Modern Machinery Company at \$2,200 per month, including upgrades to the equipment. Also included in the request is a service agreement for maintenance at \$1,380 per visit. MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN TO APPROVE THE PURCHASE OF THE KOMATSU BACKHOE**

FROM MODERN MACHINERY COMPANY, SUBJECT TO THE APPROVAL OF THE NORTH BEACH WATER DISTRICT. MOTION CARRIED.

**Authorize Submittal of the Six Year Water System Plan to Department of Health for Final Approval with Comments –** MOTION BY TOM DOWNER, SECONDED BY RICHARD SCHROEDER TO AUTHORIZE SUBMITTAL OF THE WATER SYSTEM PLAN TO THE DEPARTMENT OF HEALTH, SUBJECT TO APPROVAL BY THE NORTH BEACH WATER DISTRICT. MOTION CARRIED.

**Completion of Close Out Report and Public Works Trust Fund Planning Loan #204**  
President Williams explained that it is necessary to issue the final report to obtain the remaining \$10,000 in PWTF Planning Loan Funds and that it must be done by the end of April. MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN TO COMPLETE THE CLOSE-OUT REPORT FOR THE PWTF PLANNING LOAN. MOTION CARRIED.

**Financial Report** – At 6:30pm President Williams introduced Nancy Edmondson who made a thorough and comprehensive review of the financial reports. She assured the Board that since we have received the funds from our insurer WGEP/ENDURIS and from FEMA, our cash flow is secure. Further, because the General Manager has done a fine job of reducing costs, our present situation is not dire; however, there is little room for expenditures for some emergency or larger improvements that may be necessary. President Williams asked for a motion to forward the 2007 Annual Financial Report to the State of Washington. MOTION BY JIM HAGEN, SECONDED BY RICHARD SCHROEDER TO FORWARD THE 2007 ANNUAL REPORT TO THE STATE AUDITOR AS REQUIRED, WITH A STATEMENT THAT MANAGEMENT CONSIDERS A CLAIM AGAINST THE AUTHORITY TO BE WITHOUT MERIT. MOTION CARRIED. Nancy then reviewed the first quarter 2008 financials. Her presentation concluded at 7:48 pm.

**General Managers Report** – Michael Berlien indicated that the water operations were pretty much routine during the last month. Five new connections were made. There was some problem with water clarity on March 25 at about 5:30 pm. It was thought that there could have been heavy consumption at the Weigardt Cannery site that may have caused the problem. The automatic Booster Pumps engaged and handled the demand. The Manager stated it was nice to know they handled the problem.

**Authorize Fire Flow Testing** – After some discussion, it was determined that there needed to be a Public Notice of Fire Flow Testing, probably to be done at 256<sup>th</sup> and Hwy 103. MOTION BY RICHARD SCHROEDER, SECONDED BY BRAD WEATHERBY TO NOTIFY THE PUBLIC AND SCHEDULE THE TESTING FOR FIRE FLOW AS NECESSARY. TOM DOWNER ABSTAINED. MOTION CARRIED.

**North Beach Water ‘2008 Water Rate Study’** - Michael Berlien presented an overview of the ‘2008 Water Rate Study’ he had prepared as requested by the Board in March. He reiterated that we need a sound financial plan to accomplish the requirements of the Six

Year Water System Plan. Jim Hagen asked that given the fact that the real world economy is as it is, is what he is asking for in the Rate Study sufficient to cover inflation costs too.

Michael emphasized that we need to build cash reserves if we are to become eligible for future revenue bonds. In 2011, the Cashmere Valley Bank Revenue Bond interest will increase significantly and we should be looking at other funding. With good reserves, we will be able to establish a favorable Bond Rating and become eligible for much more attractive funding. He sees a projected growth in the system of approximately 2 percent each year. President Williams commented that the County does not currently have a mandatory hookup policy for any lots within our serving area. If Pacific County were to adopt a uniform Water Plan, our growth could be much bigger. MOTION BY TOM DOWNER, SECONDED BY RICHARD SCHROEDER TO AUTHORIZE NORTH BEACH WATER TO GO FORWARD WITH A 2008 WATER RATE HEARING TO BE HELD ON MAY 12 AND CONTINUED TO MAY 19, 2008, SUBJECT TO THE APPROVAL OF THE NORTH BEACH WATER DISTRICT. MOTION CARRIED.

The first Public Notice must be made by April 30 to fulfill legal requirements our public hearing.

**Request for a North Beach Water Website** – Tom Downer feels strongly that we need to appropriate funds for a website for NBW. It should have any and all information that would be of value to the public. A discussion was made about this more than a year ago and some preliminary work was done; however, it has not been operational. MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER TO AUTHORIZE THE GENERAL MANAGER TO CONTACT THE TECHNICIAN TO FINALIZE THE SETUP OF A WEBSITE. MOTION CARRIED.

**Transparency for the Transfer of Assets and Liabilities from the North Beach Public Development Authority to the North Beach Water District.** - Tom Downer had forwarded a suggested outline to be followed for the transfer of assets and liabilities. He asked that each Board member and the Water District Commissioners become familiar with his proposal for discussion at the next meeting.

**Payment of Vouchers** – The April vouchers presented in the Agenda Packets had been reviewed by the Board. MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN TO PAY THE VOUCHERS IN THE AMOUNT OF \$59,431.02. MOTION CARRIED.

Brian Sheldon indicated a Special Meeting of the North Beach Water District Board will be held on Friday, April 25 at 5:00 PM, to discuss the 2008 Water Rate Study, the proposed Rate Hearing, along with the other requests made by the NBPDA.

A request to move into Executive Session, was made by Vice President Weatherby at 7:25pm, for 15 minutes to discuss personnel issues. At that time President Williams thanked the public for their attendance, and were dismissed. The regular meeting resumed at 8:40 pm., with no action taken as a result of the Executive Session. The meeting

adjourned at 8:43 PM. The next Regular Meeting will be held on Monday, May 19, 2008 at 6:00 PM at the Pacific County Fire Protection District #1 Meeting Room.

It is anticipated that the '2008 Water Rate Hearing' will be held Monday, May 12, 2008 and that the Public Hearing to be continued at the May 19, 2008 Regular Meeting. The Hearing is to be held at the Pacific County Fire Protection District #1 Meeting Room, at or about 6:00pm.

Respectfully submitted



RD Williams, President

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Celsa Johnson, Secretary