

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

REGULAR MEETING

June 16, 2008

Board Members:

Jim Hagen
Brad Weatherby
Richard Schroeder

R.D. Williams
Tom Downer

Staff:

Michael Berlien

Others:

Diana Thompson
Neil Emond
Brian Sheldon
Rob Richmond

John Adams
Mike McNatt
Gwen Brake
Debra Richmond

President Williams opened the monthly Board Meeting at 6:00 PM at the Fire Hall. He welcomed the public, recognized PUD Commissioner Diana Thompson, and invited anyone to speak if they had anything to address the Board. No one did so.

MOTION BY TOM DOWNER, SECONDED BY RICHARD SCHROEDER TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 19, AS WELL AS THE NOTES FOR THE PUBLIC HEARING OF MAY 12 AND 19 AND THE SPECIAL MEETING MINUTES OF MAY 29, 2008. MOTION CARRIED.

Financial Report – President Williams indicated that the May Financials had been sent out in the Board’s Agenda Packets. There were no questions from the Board. The financial reports also included projections for the year.

At 6:06 PM Tom Downer requested 10 minutes for Executive Session to discuss personnel issues. Some 8 minutes later, at 6:12 PM, the meeting resumed with no action taken as a result of the Executive Session.

FEMA/WGEP/ENDURIS Follow-Up -Manager Michael Berlien explained that we have received claim payments from either WGEP-ENDURIS or FEMA for the storm damage of December 07.

Two items damaged in December’s storm of which we received quotes for repair: the North Wellfield Control Room #1, roof repair at \$3,510 and tree debris removal at the South Wellfield’s holding pond at \$3,158. Seeing that we have received insurance funds for repair, I recommend that we proceed with these repairs. Henceforth, I am asking the Board to authorize these items for repair.

There were three other items we submitted to insurance to include: tank room control at the North Wellfield at \$6,480; fencing at the North Wellfield at \$7,142 and water storage tank replacement/repairs at the South Wellfield at \$2,393. Michael recommended that we accept the insurance settlement of 80% of repair cost, and address these items later as part of larger projects.

MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN THAT WE ACCEPT THE MANAGERS REPORT AND AUTHORIZE EXPENDITURE FOR THE NWF-CONTROL ROOM ROOF REPAIR AND THE SWF-HOLDING POND'S DAMAGED TREE REMOVAL. MOTION CARRIED.

MOTION BY TOM DOWNER, SECONDED BY JIM HAGEN TO ACCEPT THE 80% COMPLETE PAYMENT FROM INSURANCE ON THE ADDITIONAL THREE PROJECTS, AND ADDRESS THESE PROJECTS AT A LATER DATE. MOTION CARRIED.

General Managers Report – Manager Berlien summarized the items presented in his monthly Manager's Report, stating:

That they have begun a regular flushing program. As a result, they have discovered as many as 200 dead ends in Sunset Sands alone. These dead ends exacerbate the problem of brown water and unhappy customers.

Problems associated with the backwash and oxygen compressor issues at the North Wellfield, while corrected, reinforce the need for a SCADA system as recommended in the Water System Plan. The ability to receive instant notification of system problems in a timely manner would greatly increase the reliability of the water system.

Further, he reported that the testing for bromate has been done and we are in compliance. Tom Downer expressed pleasure with his reports.

Managers Berlien's report is attached.

Payment to Pacific County – President Williams explained that payment had inadvertently been made by the NBPDA in May for the costs associated for the Water District Election, and that the Water District should be responsible for this payment, and that we should request the return of these funds. This will keep the NBPDA in compliance with the RCW's for the state audit. MOTION BY RICHARD SCHROEDER, SECONDED BY JIM HAGEN THAT WE REQUEST THE RETURN OF \$4,183.69 FROM PACIFIC COUNTY.

Director's Report – President Williams explained that we need formal approval for the payment of our loans due July 1. MOTION BY BRAD WEATHERBY, SECONDED BY JIM HAGEN TO PREPARE VOUCHERS TO THE PACIFIC COUNTY TREASURER FOR THE PAYMENT TO THE PUBLIC WORKS BOARD FOR PWTF LOAN #117 IN THE AMOUNT OF \$57,368.43; PWTF LOAN #127 IN THE AMOUNT OF \$57,368.43; AND TO CASHMERE VALLEY BANK FOR \$137,550.00. MOTION CARRIED.

Water Rights – Manager Berlien reported: Ocean Park Water Company had submitted an application to withdraw an additional 80 acre-feet of water per year from the North Wellfield in March 2000. R D and I met with Tyson Carlson from Aspect Consulting who works on behalf of DOE. They are specifically tasked with processing senior water right applications on the peninsula. In our meeting with Mr. Carlson it was indicated that he is processing this application for water rights and expects to have it issued by month's end, pending the receipt of historic pumping information he has requested from us.

Transition Team Report – Vice President Brad Weatherby reported that he is receipt of a proposal from the Water District Commissioners for the transfer of assets and liabilities to the Water District. MOTION BY RICHARD SCHROEDER, SECONDED BY JIM HAGEN THAT WE PROVIDE A WRITTEN RESPONSE TO THE LETTER FROM THE WATER DISTRICT. MOTION CARRIED.

Correspondence – Tides West – President Williams presented a letter dated October 2007 to the North Beach Water. He explained that he was not aware of this letter until the Rate Hearings were held in May. They are requesting relief from their water bill for their community park. However, the park is private and is marked as such on the building. MOTION BY BRAD WEATHERBY, SECONDED BY TOM DOWNER TO DIRECT THE NORTH BEACH WATER MANAGER TO WRITE A LETTER TO TIDES' WEST INDICATING THAT SUCH AN ARRANGEMENT WOULD BE IN VIOLATION OF THE WASHINGTON STATE RCW'S. MOTION CARRIED.

Pacific County's Kathy Noren – President Williams will advise Kathy Noren that the June 30th proposed meeting date is not suitable and ask that she continue to look for a suitable date.

Payment of Vouchers – The June vouchers presented in the Agenda Packets had been reviewed by the Board. MOTION BY JIM HAGEN, SECONDED BY BRAD WEATHERBY TO PAY THE VOUCHERS IN THE AMOUNT OF \$52,515.99. MOTION CARRIED.

Commissioner Gwen Brake asked about the Water System Plan Loan. President Williams advised that the final draw of \$10,000 had been made and that the \$100,000 loan is now complete.

Manager Berlien reported that three employees had completed testing for certification from the State of Washington two weeks prior. He, Robert Hunt, and Jason Crisifulli have not yet heard the results. Our new employee, Andrew Abbas has already requested the books for study for testing in the future.

President Williams then introduced an article regarding the Grayland Water District. They have 700 customers and have incurred a PWTF Loan of \$4.5million. They have no capital reserves and no plan for emergencies. Their commissioners will be making some

hard decisions to cover operations and debt with asking their rate payers to double their rates.

2008 Water Rates – President Williams invited Manager Berlien to make a presentation on the proposed water rates, as a result of our recent Rate Hearings. Manager Berlien then stepped to the Black Board to outline the differences between the original proposal, Alternative #1, Alternative #2 and the North Beach Water District Commissioners Proposal, which included \$750,000 in capital, or 34% of the estimated costs in the Water System Plan.

Richard Schroeder commented that at the rate hearings, he heard concerns about water quality and for a few; water at any cost was too much. Michael Berlien stated that according to the RCW's, it is his understanding a water district can make some arrangement for rate relief, but that the NBPDA did not have the same luxury. Richard felt the Public Development Authority should accept the first proposal and that the Water District could re-work the rates a year or more after doing annual budget review. President Williams reminded all present that our Water System Plan is essentially our Business Plan for next six years, including those projects needed to be accomplished to keep our system viable. Our rate structure is the financial portion of that Business Plan

Tom Downer asked Manager Berlien what the dollar difference was between the first proposal and the one recommended by the Water District. He replied that it was about 69 cents per month, certainly less than one dollar per month. Tom felt that we should consider the General Manager's proposal since the difference between the two scenarios is less than \$10 per year.

MOTION BY JIM HAGEN, SECONDED BY TOM DOWNER THAT WE ACCEPT THE GENERAL MANAGER'S ORIGINAL RATE PROPOSAL FOR THE RATE INCREASE. WATER DISTRICT PRESIDENT SHELDON ASKED THAT THE RECORD SHOW THAT HE OBJECTED TO THE MOTION. AFTER DISCUSSION, MOTION CARRIED.

At 7:17, President Williams asked that the Board move into Executive Session for 30 minutes to discuss personnel issues. The public was thanked for the attendance and participation. The meeting room was cleared and the Executive Session began. The meeting reconvened at 7:48 PM. No action was taken as a result of the Executive Session.

The meeting adjourned at 7:50 PM.

Respectfully submitted


RD Williams, President


Nancy Bell, Acting Secretary