

**Resolution 04-2007**  
Allocation of funds for PUD #2 Deposit

**Resolution 04-2007**

Be it resolved that on this date Monday August 20, 2007 at the regularly monthly Board of Directors meeting of the North Beach Public Development Authority (NBPDA) that:


The NBPDA Board of Directors authorizes the Pacific County Treasurer to establish a Public Utility District #2 of Pacific County "(PUD #2) Security Deposit Fund" for the purpose of holding NBPDA Funds for a deposit for electrical service and to transfer \$8,910 from the North Beach Water (Operations) Fund to the "PUD #2 Security Deposit Fund". These funds are to be held by the Pacific County Treasurer, and Payable to the PUD #2, if the NBPDA were to default on payment to the PUD #2 for said electrical service for our operation. These funds are to be held for a period of 24 months, or until the NBPDA has a successful election for the creation of the North Beach Water District, whichever is sooner. This election is currently slated for February 2008. The NBPDA acquired Pacific Water Company on February 3, 2006 and Ocean Park Water Company on February 17, 2006 and began operation as North Beach Water on April 1, 2006.

All funds in the "PUD #2 Security Deposit Fund" to be invested by the Pacific County Treasurer until a maturity date of August 20, 2009, or upon the successful election of said water district and the interest on this investment is to be deposited in the North Beach Water (Operations) Fund. A request for release of funds from the PUD #2 will be made at that time.

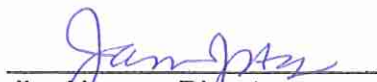
The purpose of the cash transfer is to establish a Security Deposit Account in the name of Public Utility District # 2 of Pacific County by the NBPDA to insure adequate funds are in place to secure our nine electrical accounts currently in the names of Pacific Water Company and Ocean Park Water Company. This action will allow the PUD #2 to transfer these accounts to our business name North Beach Water.

These funds to be invested in a manner consistent with prior instructions

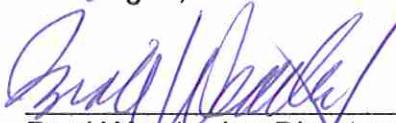
Signed this date; Monday, August 20, 2007

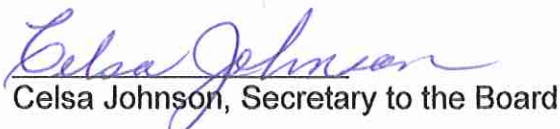
  
R D Williams, President

  
Tom Downer, Treasurer

  
Jim Hagen, Director

  
Richard Schroeder, Director

  
Brad Weatherby, Director

  
Celsa Johnson, Secretary to the Board