



Minutes of the Special Meeting of The Board of Commissioners of North Beach Water District

A special meeting of the Board of Commissioners of North Beach Water District was held at 6:00pm, Monday, May 4, 2009 at the North Beach Water District Office, 25902 Vernon Avenue, Suite D, Ocean Park, Washington

I. Call to order:

President Sheldon called the meeting to order at 6:00pm. A quorum was acknowledged

II. Roll call:

Commissioners present:

Gwen Brake
Brian Sheldon
R.D. Williams

Staff present:

Michael Berlien, General Manager
Tia Crisifulli, Office Manager
Nancy Edmondson, Financial Consultant

Others present:

None

III. Adopt agenda:

Mr. Williams moved to approve the agenda as amended. Mr. Sheldon seconded the motion.

Discussion: None

Ayes: Ms. Brake, Mr. Sheldon, Mr. Williams

Nays: None

Abstain: None

IV. Public Comment:

None

V. Consideration of Professional Services Agreement with Heather Reynolds, Esq. for District General Counsel

Mr. Williams moved to authorize Mr. Berlien to enter into a contract with Heather Reynolds, Esq. for District General Counsel. Ms. Brake seconded the motion.

Discussion: None

Ayes: Ms. Brake, Mr. Sheldon, Mr. Williams

Nays: None

Abstain: None

VI. Budget Review

Mr. Berlien advised the Board that purpose of this agenda item was to determine the best means of presenting the monthly financial information to the Commissioners and to review the 2009 District Budget in comparison to the 2008 Water Rates Study.



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Mr. Berlien pointed out variances in the Water Rate Study as they affected the 2009 Budget. Field Operations and General Administrative were budgeted at \$769K while the Water Rate Study estimates the expenditure at \$763K. Debt Services were budgeted at \$435K while the Water Rate Study estimated the expenditure at \$410K. Capital Improvements were budgeted at \$45K while the Water Rate Study estimated the Capital Reserve to grow by \$128K for a net growth of \$83K in 2009. As the Capital Reserve is built there will be expenditures. Mr. Sheldon expressed concern that Capital Reserve funds were being used for capital projects other than those set forth in the Water System Plan. Mr. Berlien state that this is what he had intended when contemplated the Capital Reserve fund growth. Mr. Berlien advised that no action would be required at this time. Potentially, there may be a need to adjust the allocation of the budget after the second quarter but total amount of the budget should not change.

Ms. Edmondson requested the Commissioners input on the type of financial data that will be presented monthly. Ms. Brake expressed a desire to see how the expenditures compare to the budget and to the Water Rate Study. Further suggestions and recommendations were made by the Commissioners based on a review of the financial statements presented to the Board of Commissioners in the April 20, 2009 regular Board Meeting packet. After discussion, Ms. Edmondson was directed to email a preliminary financial presentation to the Board of Commissioners for their review and comment.

Non Agenda Item:

Mr. Sheldon requested an overview of the state audit. Ms. Edmondson advised the Commissioners that the State Auditor's were conducting test auditing. This involves reviewing minutes and various systems of the utility in order to confirm compliance with the rules and regulation governing the utility. Ms. Edmondson advised that it would continue through Friday and currently there is no need for additional information from the Board. Since the audit is for the 2007 and 2008 fiscal years, the majority of the audit would focus on the North Beach Public Development Authority and its operation of North Beach Water.

VII. Executive Session – Pursuant to RCW 43.30.110(1)(i)(A) – fifteen minutes , action may be taken

The Board of Commissioners adjourned into executive session at 7:20pm to discuss the Leach settlement. Commissioners came out of executive session at 7:49pm.

VIII. Consideration of Resolution 14-2009 – Leach Settlement

Resolution 14-2009 was tabled for consideration at a future meeting of the Board of Commissioners of North Beach Water District.

IX. Board Member comments

None

X. Future agenda items

None



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XI. Adjournment:

Mr. Williams moved to adjourn the special meeting of the Board of Commissioners of North Beach Water District at 7:52pm. Ms. Brake seconded the motion.

Discussion: None

Ayes: Ms. Brake, Mr. Sheldon, Mr. Williams

Nays: None

Abstain: None

Handwritten signature of Brian Sheldon in blue ink.

Brian Sheldon, President

Handwritten signature of R.D. Williams in blue ink.

R.D. Williams, Commissioner

Handwritten signature of Gwen Brake in blue ink.

Gwen Brake, Secretary