



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

A Regular Meeting of the Board of Commissioners of North Beach Water District was held at 6:00 p.m., **Monday, May 21, 2012** at the office of North Beach Water District at 25902 Vernon Avenue, Suite D, Ocean Park, Washington.

I. Call to order:

Commissioner Williams called the Regular Meeting of the Board of Commissioners of North Beach Water District to order at 6:00 p.m.

II. Roll call:

Commissioners present:

Gwen Brake
Brian Sheldon
R.D. Williams

Staff present:

William Neal, General Manager
Heather Reynolds, District's Attorney
Nick Morrison, Robert Hunt, Brian LeRoux

Others present:

Marilyn Sampsel, Marilyn Sheldon, Fred Hill, Shelly Hill, Kevin Heimbigner, Rich Makowski, Tia Crisifulli, Pat Gardner, Jenny Sheldon, Sharon Feakes, Bill Herman, Tami Herman, Vickie Beamguard, Joyce Benson, Bonnie Danel, Keith Krueger, Kathy Krueger, Curt Stephens, George Miller, Larry Raymer, Donald Byrd, Don Sheldon.

III. Adopt Agenda:

Commissioner Williams noted that Keith and Kathy Krueger asked to be placed on the agenda.

Commissioner Brake questioned the appropriateness of Item 7 B. Commissioner Sheldon asked that the Item be left on the Agenda.

Commissioner Sheldon asked to have the Executive Session include a discussion under RCW 42.30.110 (1) (f) and (g). Executive Session to be 30 minutes total.

Commissioner Sheldon asked to have a discussion of the proposed Employee Manual.

Commissioner Williams moved to amend the agenda to:

Place Keith and Kathy Krueger place after public comment, add a discussion under RCW 42.30.110 (1) (f) and (g) to the Executive Session and limit Executive Session to 30 minutes, add a discussion of the proposed Employee Manual to Agenda Item 7. C.



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Commissioner Brake Second the motion. Motion passed unanimously.

IV. Public comment:

Commissioner Williams welcomed the public and read a public comment policy and introduced the panel.

Tami Herman – Stated concerns about the way she was discharged by General Manager Neal and about the way she had been treated by Commissioner Williams.

Made accusations against General Manager Neal for misappropriation of funds and other questionable behavior.

Bonnie Danel – Stated concerns about the rates hikes. Stated the General Manager's pay is too high. Stated that a neighbor received water without paying for it. Stated concerns about the books, are they being audited.

Don Sheldon – Stated North Beach Water District is the first form of local government for the community. Stated that he has heard many negative comments about the District and about the management. Stated that he was very concerned about the way Tami Herman was discharged. Stated that he hopes the Commissioners correct their errors.

Tami Herman – Bill Herman donated his time to Tami Herman. Tami stated concerns about the District. Stated concerns that the remaining staff is not properly trained. Stated she tried to steer Mr. Neal in the right direction but now there is no one at the District that knows what to do and by terminating her you have effectively crippled the District.

Commissioner Brake reminds the audience that no one can donate their time to another commenter.

Bob Hill – Stated the quality of a company is judged by how long it keeps its employees. Stated it seemed funny that you would hire someone from out of town when his wife has applied for employment numerous times and she has managerial experience.

Tia Crisifulli – Stated she is former Office Manager of the North Beach Water District. Stated she had concerns the way the District was being run. Made numerous accusations against Mr. Neal and the Commissioners. Stated concerns that she had not been paid her accrued sick and vacation time when she quit her job.

Jenny Sheldon – Stated concerns about meters that are not being billed out for. Stated that there is a file of customers that are not being billed for water. Stated concerns about Commissioner Williams.

Don Sheldon – Stated concerns about a water valve that was installed by Commissioner Williams for the purpose of connecting with Surfside Homeowners Association.



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Robert Hill – Stated concerns about an easement on his property.

Marilynn Sampsel – Asked if the Board would do anything about the issues brought up at this meeting. Commissioner Williams stated that there would be no action at this meeting. Commissioner Sheldon stated that the board would address the issues brought up at this meeting in open session at future meetings.

- A. Keith and Kathy Krueger** – Concerns about the placement of their meter and charges by the District to repair the meter when they damaged it when they drove over it with their vehicle.

Commissioner Sheldon moved to move the service to the water service to inside the right-of-way and to remove the existing bill to repair the damaged water service.

Commissioner Brake seconded the motion.

Motion passed unanimously.

V. Budget to Date: John Powell - 2011 final budget review

The budget was within \$2000.00 on a \$1.18 million dollar Budget.

Surfside Agreement not in the 2011 budget.

Total revenue is up \$40,000.

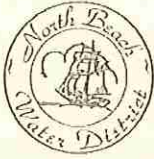
Cash at end of year was budgeted at \$828,014 the actual is \$993,174 an increase of \$165,160 in cash.

Social Security refunds will be made to employees when all money is returned from the IRS.

VI. Action items:

- A.** Commissioner Sheldon moved to satisfy lien on Hines property. Commissioner Brake seconded the motion. Motion passed unanimously.
- B.** Commissioner Sheldon moved to approve the minutes from the **April 16, 2012 regular meeting** and the minutes from the **May 10, 2012 special meeting**. Commissioner Brake seconded the motion. The motion passed unanimously.
- C.** Resolution 12-2012 – Rules of Procedure – tabled by Board to a future meeting.
- D.** Commissioner Sheldon moved to approve the April 2012 District Expenses for \$98,396.15. Commissioner Brake seconded the motion. The motion passed unanimously.

VII. Discussion Items:



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- A. Commissioner Sheldon requested a policy that all communication between District employees and District Commissioners be documented. After discussion, it was decided by the Board that the General Manager will keep a log book of all communications with commissioners.
- B. Commissioner Sheldon requested a policy that the District polls all of the employees concerning recent events. After discussion it was decided by the Board that a suggestion box be installed.
- C. Update on the Employee Manual under development. Until the new policy is adopted, the existing policy is being applied. The Board has requested a copy of the developing employee policy.

VIII. General Manager's report

No failures to report in north Well Field or South Well Field.

One water quality complaint in April, 2012 significantly less than before flushing program.

Will install the last of the Water sample stations in May, 2012

Install Hydrant in stock at the south end of the water main on Hwy. 101 near the State Park.

The Drinking Water State Revolving Fund (DWSRF) loans are tentatively approved. The first application is for source and treatment improvements. The second application is for water main improvements. If approved there would be a principal forgiveness of 1/3 of the total loan and terms of 20 years with 0% to 1% interest. Money for the DWSRF is provided by the Environmental Protection Agency. The District will have a public hearing before they accept the DWSRF loan. The current rate structure was designed so that the money needed to repay the loans is already factored in. The current plan does not foresee a rate increase to make payments on the loans.

Bill Herman asked the General Manager how many backflow incidents the District had last month. The General Manager replied that he did not know.

IX. Board Member Comments:

Brian Sheldon thanked the public for coming to the meeting. The rate increases have caused a lot of frustrations among the rates payers. The systems acquired large debt when they were purchased. The bills must be paid from the rates. The Commissioners are required by the State to remain financial viable. As the first local



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government in Ocean Park, the District can do a lot of good for the community or it can also do a lot of harm.

Gwen Brake said that when she first considered running for District Commissioner she had to ask about the financial condition of the District. Was it bankrupt? Do I want to get involved? We went from a very tight budget to having one million dollars in the bank. We have a general manager who has a lot of experience, who needs some training in the public sphere and his management skills.

Brian Sheldon Asked General Manager Neal about the condition of the Web Site. General Manager Neal reported that the agreement with Beach Dog to redesign the Web Site was delayed due to personnel changes.

RD Williams responded to Kevin Heimbigner about reserves and loans. The reserves are obligated by loan agreements, the department of health and that a small portion of the reserves is allocated to capital improvements.

X. Future Agenda Items:

None

At 8:18 PM Commissioner Williams declared a 10 minute recess to be followed by a 30 minute executive session to consider a site for acquisition of real estate and an employee situation.

XI. Executive Session – Entered Executive Session at 8:28 PM Exited Executive Session at 8:56 PM

XII. Report on Executive Session

Authorize staff to continue working with the Health Department on lands transactions.

Authorize staff to work with the insurance carrier's attorney regarding personnel issues.

Board entertained one last question from audience (did not provide name). She was not given the opportunity to apply for the position of Office Manager. We did not advertise for the position due to the short duration between hires. The new hire, Stephanie Carlson, had applied for the position in February, 2012.

XIII. Adjournment

Commissioner Brake moved to adjourn the meeting. Commissioner Williams declared the meeting adjourned at 9:06 PM.



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Brian Sheldon, Commissioner



Gwen Brake, Commissioner



R.D. Williams, Commissioner

Respectfully submitted for review and approval, as prepared by:
Bear witness to reference the Commissioner's signatures above,
does hereby approve this set of Minutes to become an Official
Record of the North Beach Water District on:



6/18/2012
