



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, June 22, 2009 at the meeting room of North Beach Water District, 25902 Vernon Avenue, Ocean Park, Washington

I. Call to order:

Commissioner Sheldon called the meeting to order at 1:00pm. A quorum was acknowledged.

II. Roll call:

Commissioners present:

Gwen Brake
Brian Sheldon
R.D. Williams

Commissioners absent:

None

Staff present:

Michael Berlien, General Manager
Tia Crisifulli, Office Manager
Nancy Edmondson, Financial Consultant (via telephone)

Others present:

Angela Cady, Meghan Calhoun and Katrina Colo of the Washington State Auditor's Office

III. Adopt agenda:

Mr. Williams added discussion of the General Manager contract to the agenda.

Mr. Williams moved to adopt the agenda as amended. Ms. Brake seconded the motion.

Discussion: None

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

Nay: None

Abstain: None

IV. Public Comment:

None

V. Review of 2007-08 State Audit.

Employees from Washington State Auditor's Office review the findings of the 2007-08 accountability for public resources and compliance audit and the review of the financial statements.

Commissioners discussed with staff and the State Auditors' the following significant deficiency which will be included as a finding in the published 2007-2008 State Audit Report:

- The Authority hired a financial consultant to prepare the Authority's financial statements and year-end journal entries. However, the



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consultant's work was not reviewed by an independent person knowledgeable of governmental accounting and reporting requirements.

In addition to the significant deficiency finding, Commissioners discussed with staff and State Auditor employees concerns expressed in the management letter and items addressed on the exit report. The Management letter addressed issues related to the Open Public Meetings Act and bid law compliance. The exit items discussed included inventory control and establishment of policy for credit card use.

The Board directed Mr. Berlien and Ms. Edmondson to write a response to the findings. Staff is to provide a draft copy of the response to the Commissioners for approval prior to submittal to the State Auditor.

VI. Insurance Coverage.

Commissioners discussed coverage and cost for District liability insurance.

Mr. Sheldon moved that the District renew its general liability and vehicle insurance coverage with Enduris. Ms. Brake seconded the motion

Discussion: Ms. Brake questioned what the rate increase was from 2007 to 2008. Mr. Berlien advised that he could not provide an exact number but the increase was a single digit percentage.

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

Nay: None

Abstain: None

VII. Authorization of voucher for truck payment.

Mr. Williams moved to authorize the expenses in the amount of \$15,995.38 to Columbia Ford for the purchase of the 2009 Ford F150. Ms. Brake seconded the motion.

Discussion: Upon inquiry from Mr. Sheldon, Mr. Berlien advised that the new truck was white so as to match the other District vehicles.

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

Nay: None

Abstain: None

VIII. General Manager's contract.

Mr. Williams requested the Commissioners authorize him to take over the negotiations of the General Manager's contract. Mr. Sheldon advised that he does not support the request. Ms. Brake requested an update on the contract. Mr. Sheldon advised that Mr. Berlien was updating the contract with his notes. Upon receipt of the amended contract, Mr. Sheldon would forward the contract to District counsel and fellow Commissioners. Mr. Berlien advised that additional discussion should be handled in executive session. Mr. Williams stated that he reluctantly withdrew his request to be authorized to take over the negotiations.

At 2:30pm, Mr. Sheldon announced that the Commissioners were adjourning into executive session for 10 minutes with the purpose of discussing the General



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Manager's contract, pursuant to RCW 42.30.110(1)(g). Commissioners came out of executive session at 2:44pm.

Ms. Brake moved to authorize Mr. Williams to conduct the final negotiations of the General Manager's contract. Mr. Williams seconded the motion.

Discussion: None

Aye: Mrs. Brake, Mr. Williams

Nay: None

Abstain: Mr. Sheldon

IX. Board member comments.

Mr. Williams inquired as to the status of the removal of the mobile home at the North Well Field. Mr. Berlien advised that Mr. Duff was waiting for the necessary equipment. Ms. Brake inquired about the Leach settlement and was advised that settlement was pending a response from Mr. Leach and his attorney. Mr. Berlien advised that he corresponded with Mr. Martell regarding the repairs to 256th Place. Mr. Martell would be submitting a counter offer to the Commissioners.

X. Future agenda items

Mr. Sheldon would like to revisit the possibility of holding the public meetings at the District office instead of the Fire Hall.

XI. Adjournment

Mr. Sheldon moved to adjourn the special meeting of the Board of Commissioners of North Beach Water District at 2:48pm. Mr. Williams seconded the motion.

Discussion: None

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

Nay: 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