



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 6:00pm, Monday, July 20, 2009 at the meeting room of Pacific County Fire Protection District #1, 26109 Ridge Ave, Ocean Park, Washington

I. Call to order:

Commissioner Sheldon called the regular meeting of the Board of Commissioners of North Beach Water District to order at 6:00pm.

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
Heather Reynolds, Legal Counsel (via telephone)

Others present:

Claire Everitt, Rob Everitt, Karen Stephens, Curt Stephens and Marshall Tate

III. Adopt agenda:

Mr. Sheldon requested a discussion of financial services be added 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:

Ms. Everitt addressed the Commissioners regarding discolored water and possible solutions.

V. Action items:

A. Approval of minutes (May 18, 2009; June 8, 2009; and June 15, 2009 meetings).

Mr. Williams moved to approve the minutes of May 18, 2009; June 8, 2009; and June 15, 2009 as presented. Ms. Brake seconded the motion.

Discussion: None

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

Nay: None

Abstain: None



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B. Consideration of Resolution 16-2009 regarding Commissioners' expenses.

Mr. Sheldon moved to adopt Resolution 16-2009 as presented. Mr. Williams seconded the motion.

Discussion: Ms. Brake questioned whether there should be a spending limit. Since expense must be approved by the Board and the RCW places a cap on Board Member compensation, no changes were made to the resolution.

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

Nay: None

Abstain: None

C. Consideration of Resolution 17-2009 regarding credit card usage.

Mr. Williams moved to adopt Resolution 17-2009 as presented. Mr. Sheldon seconded the motion.

Discussion: None

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

Nay: None

Abstain: None

D. Consideration of Resolution 18-2009 regarding billing disputes.

Mr. Williams moved to adopt Resolution 18-2009 as presented. Mr. Sheldon seconded the motion.

Discussion: None

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

Nay: None

Abstain: None

E. Consideration of Resolution 19-2009 regarding lien filings for unpaid water bill.

Mr. Williams moved to adopt Resolution 19-2009 as presented. Ms. Brake seconded the motion.

Discussion: None

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

Nay: None

Abstain: None

F. Consideration of District representation at the WASWD Fall Conference, September 16-18, 2009 in Chelan, WA.

Ms. Brake expressed interest in attending the conference. Discussion ensued on how to handle the costs associated with attendance.

Mr. Williams moved to authorize Ms. Brake to attend the 2009 WASWD Fall Conference. Mr. Sheldon seconded the motion.

Discussion: None

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

Nay: None

Abstain: None



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G. Consideration of approval of response to the Washington State Auditors for audit of 2007-08.

Mr. Williams moved to approve the response to the Washington State Auditor for the 2007-2008 audit. Mr. Sheldon seconded the motion.

Discussion: Mr. Williams questioned whether the response included an update on the Leach settlement. Mr. Berlien informed the Commissioners that Ms. Edmondson, District Financial Consultant, was updated on the Leach settlement and while the response letter did not directly address said settlement, the State Auditors would be notified of the update.

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

Nay: None

Abstain: None

H. District Expenses for June 2009.

Mr. Williams moved to approve District expenses in the amount of \$82,733.87. Mr. Sheldon seconded the motion.

Discussion: Staff discussed with the Commissioners the cause for the increase in expenses this month.

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

Nay: None

Abstain: None

VI. Discussion items:

A. Billing dispute, Acct # 2143, 21603 "O" Lane, Ocean Park.

Mr. Berlien informed the Commissioners that a letter giving the customer the opportunity to have the meter tested was mailed. There was no response to the letter. After discussion, it was decided that no action was required by the Board.

B. Sole Source Aquifer designation.

Mr. Berlien informed the Commissioners that he was on page 10 of the 50 page petition to EPA. Mr. Berlien inquired of the Commissioners if they were aware of any additional information on the aquifer aside from the 1995 USGS study. Mr. Sheldon will look at his files to see if he has any additional information. Mr. Berlien also requested the Commissioners decide on whether petition should be submitted solely by the District or if cooperation from other utilities in the area should be sought. Mr. Berlien advised that forming a protective association should be considered if other utilities are included in the petition. After discussion, it was decided that at this time the District would proceed with the petition by itself.

C. Connection fees.

Mr. Berlien provided the Commissioners with a memo that addressed the connection fee. The memo included the RCW that allows the District to charge a connection fee and the cost analysis spreadsheet Tom Frare, District Engineer, put together when establishing the fee. Mr. Berlien advised that the Commissioners



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should review the hookup fees the next time a rate study is done. After discussion, the Commissioners felt there was no action needed at this time.

D. Fluoridization.

Mr. Sheldon requested facts on adding fluoride to the water supply system. Mr. Berlien advised that from an operational standpoint fluoride is hard to handle. In order for it to be safe and effective, adding fluoride requires system monitoring technology that the District does not currently have. Discussion ensued on the effectiveness of fluoride in a public water system, cost of adding fluoride, and whether it should be the obligation of the District to initiate the process instead of the community.

E. Private well testing.

The Commissioners discussed with staff and public the possibility of providing some sort of water testing to properties supplied water by private wells. Ms. Brake volunteered to do additional research on the issue.

F. Bond interest rate.

Mr. Berlien advised that there is a website that addresses municipal bonds. The interest rate on most municipal bonds is currently between 6 to 7 percent.

G. Change of regular meeting location.

Mr. Sheldon advised that he would like to change the location of the regular board meeting to the District office. Mr. Williams feels the fire hall is a more public venue. Ms. Brake requested that consideration of this issued be tabled until the end of the year. Mr. Williams agreed.

H. Water bill payment by credit card.

Mr. Berlien advised that staff was still working on the issue.

I. Security at the North Well Field.

Mr. Berlien advised the Commissioners that Mr. Duff; awarded the bid for the mobile home at the North Well Field; was delinquent in removing the structure. Mr. Williams expressed concerns over the unsightliness of the mobile home. Mr. Berlien will consult with counsel regarding steps the District should take with regards to Mr. Duff and the mobile home removal. Additional discussion ensued regarding District liability should injury occur.

J. PERS status.

Mr. Berlien advised the Commissioners that PERS Plan 1 is not available to the District. The primary change is in the employee contribution rate and retirement age. Mr. Sheldon requested Mr. Berlien review the resolution adopting PERS in light of this development.

K. Financial services.

Mr. Berlien advised that he was waiting on direction from the Commissioners. Mr. Williams recommended the District do more advertising for a part time financial advisor. Ms. Brake recommended the District hire the accounting firm that



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responded to the RFP (request for proposal). Mr. Sheldon concurred with Ms. Brake.

After extensive discussion, Mr. Sheldon moved that the District enter into a contract for financial services with Powell Seiler and Co. Ms. Brake seconded the motion.

Discussion: Ms. Brake advised that she considered this to be temporary move until the right person is found. Mr. Williams feels the decision is shortsighted.

Aye: Ms. Brake, Mr. Sheldon

Nay: Mr. Williams

Abstain: None

Commissioners instructed Mr. Berlien to begin working with Powell Seiler to get a contract in place and present a Resolution with said contract at the next board meeting.

VII. General Manager's report.

Mr. Berlien advised that shoring was built to install piping at the South Well Field.

VIII. Board member comments.

Mr. Williams notified the Commissioners that Mr. Hill was excavating from the easement over near the South Well Field. Mr. Berlien was instructed to contact counsel regarding this matter.

IX. Future agenda items

None.

XI. Executive Session – Pursuant to RCW 42.30.110(i)(A) – one case, thirty minutes, action may be taken

Commissioners adjourned into executive session at 8:07pm. Ms. Reynolds, District Counsel, joined via telephone. Commissioners came out of executive session at 8:20pm.

X. Executive Session – Pursuant to RCW 42.30.110(g) –

A. Agreement for employment of General Manager, thirty minutes, action may be taken.

Commissioner adjourned into executive session at 8:20pm. Commissioners came out of executive session at 8:30pm.

B. Financial services position, thirty minutes, action may be taken.

This matter was discussed and resolved in open session.

XII. Consideration of Resolution 20-2009 regarding agreement for employment with the General Manager.

Mr. Williams moved to adopt Resolution 20-2009 as presented. Ms. Brake seconded the motion.

Discussion: None



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Aye: Ms. Brake, Mr. Sheldon, Mr. Williams
Nay: None
Abstain: None

XIII. Adjournment

Mr. Williams moved to adjourn the regular meeting of the Board of Commissioners of North Beach Water District at 8:36pm. Ms. Brake seconded the motion.

Discussion: None

Aye: Ms. Brake, Mr. Sheldon, Mr. Williams
Nay: None
Abstain: None

A handwritten signature in blue ink, appearing to read "Brian Sheldon", written over a horizontal line.

Brian Sheldon, President

A handwritten signature in blue ink, appearing to read "R.D. Williams", written over a horizontal line.

R.D. Williams, Commissioner

A handwritten signature in blue ink, appearing to read "Gwen Brake", written over a horizontal line.

Gwen Brake, Secretary