



**Minutes of the Public Hearing by The
Board of Commissioners of North Beach
Water District**

A Public Hearing by the Board of Commissioners of North Beach Water District was held at 6:00 p.m., **Monday, October 29, 2012**, at the Pacific County Fire District #1 Fire Hall; 26109 Ridge Road Ocean Park, Washington.

I. Call to Order:

Commissioner Williams called the Public Hearing of the Board of Commissioners of North Beach Water District to order at 6:06 p.m.

II. Roll Call:

Commissioners Present:

Gwen Brake

Brian Sheldon

R.D. Williams

Staff present:

William Neal, General Manager

Jack McCarty, Office Manager

Others present:

Glenn Ripley, Marilyn Sheldon, Shirley Renaud, Penny Neal, April

Reynolds, Marla McGrew, Curt Bish, Robert Hunt, Curt Stephens, Jan Rosen,

Ryan Rosen, Gary McGrew, Karen Klocke, Dan Banyan, Mike Johnson

III. Adopt Agenda:

Commissioner Brake makes a motion to adopt the Agenda. Commissioner Sheldon seconds the motion. The motion passes unanimously.

IV. Public Hearing on Public Works Loan

A. North Beach Water District Background and History

Commissioner Williams gives a brief history of how North Beach Water District was formed and how and why money was borrowed in the past.

B. Introduction - Bill Neal, General Manager

The General Manager gives an introduction stating the schedule of the proceedings and how the public hearing will progress.

**C. Drinking Water State Revolving Fund Program - Karen Klocke,
Infrastructure Finance Lead DOH**

Karen Klocke explains how the State Revolving Fund works including how it

is funded and how applicants are rated and scored. She explains how the rates, subsidies and loan fees are determined as well as how many applicants applied and were awarded loans and/or subsidies.

D. Scope of Work Overview - Mike Johnson, Engineer

Mike Johnson of Gray & Osborne Inc gives a presentation containing a Power Point slide show demonstrating the current state of the infrastructure to include the North and South Wellfield, Treatment Plant and Booster Stations. The presentation also covers some of the projects that would be covered in the loan including water main projects and Wellfield, Treatment Plant and Booster Station improvement projects.

E. Loan Information and Effect on Water Rates - Bill Neal, General Manager

General Manager Gives a presentation that includes the loan rates, payments, amortizations and overall terms. He also covers how the loans effect customer rates and how much of each customer payment would go to loan payments. Next he covers the state of affairs of North Beach Water District finances including current debt, liabilities, reserves and cash increase for the year. Finally He discusses the long term financing terms of the loan and the overall benefits of the upgrade to the aging infrastructure.

F. Public Comment and Question / Answer

Curt Stephens - asks a question about the cost and timeline of drilling new wells and the state of current wells.

The General Manager addresses Mr. Stephens's questions.

Gary McGrew - makes the statement that he is in support of North Beach Water District obtaining the loans.

April Reynolds - asks a question about the treatment process and whether we need to maintain two Well Fields.

The General Manager addresses Ms. Reynolds's questions.

Roger Taylor - asks about personnel requirements after technological upgrades, whether there will be another rate increase, and if there will be more borrowing by North Beach Water District in the near future.

The General Manager and Commissioner Sheldon address Mr. Taylor's questions.

Roger Taylor - asks if the proposed new well would be able to support a population increase if one were to occur.

The General Manager and Commissioner Williams address Mr. Taylor's questions.

April Reynolds - asks a question about flushing dead ends funding.

The General Manager addresses Ms. Reynolds's question.

Commissioner Williams closes the Public comment at 7:37 pm.

G. Board Member Comments

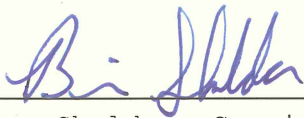
Commissioner Sheldon - comments on how a significant portion of the loan amount will be spent on projects dictated by the Department of Health, and while not all of the projects are required by the Department of Health they will benefit North Beach Water District.

Commissioner Brake - comments to ensure the public that each project covered by the loan will be looked at and scrutinized to ensure that the District uses the funds to gain the most benefit. She also notes that while the District is approved for the full loan amounts it won't necessarily have to borrow the full amount.

Commissioner Williams - comments on the precepts of why the District was formed and plans for the future.

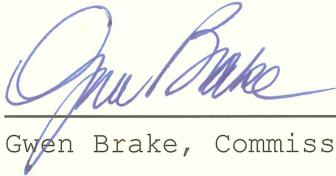
V. Adjournment

Commissioner Williams declares the meeting adjourned at 7:53 pm.



Brian Sheldon, Commissioner
Position #1

*Respectfully submitted for review and approval,
as prepared by:*



Gwen Brake, Commissioner
Position #2

Jack McCarty, Office Manager

*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:*

Date: _____



RD Williams, Commissioner Position #3