

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 10:00 a.m., **Saturday, March 22, 2014** at the office of North Beach Water District; 25902 Vernon Avenue, Suite D, Ocean Park, Washington.

I. Call to Order:

Commissioner Sheldon called the Special Meeting of the Board of Commissioners of North Beach Water District to order at 10:00 a.m.

Attendance

Commissioners Present:

Glenn Ripley
Brian Sheldon
Gwen Brake

Staff present:

William Neal, General Manager

Others present:

Dick Sheldon	Robert Brake	Mike Parker
Marilyn Sheldon	Curt Bish	Margie Ramsay
Don Sheldon	Celsa Johnson	Jul Grandbois
Karen Schaffer	Jan Taylor	Robert Hill Sr.
Shirley Renaud	Roger Taylor	Robert Hill Jr.
Sandy Tellvik	Curt Stephens	
Dave Tellvik	Doug Keilwitz	

A. Welcome message from Board President.

Commissioner Sheldon opens with the following greeting:

"This morning's meeting is concerning impacts to the District and its customers related to the location of the District's business office. This is the second of two public Special meetings where public input on this matter has been received. This is in addition to the multiple regular monthly meetings where this issue was discussed over the past few years, and public input sought.

The purpose of this meeting is to provide the public an overview of the District's options and funding related to its "Bond

Project", which the Board approved in May of 2013. We wish to take public comment on the alternative to either purchase a building in Ocean Park to house the District office, or to incorporate the office into the plan to construct an equipment and maintenance facility at the North Wellfield on property already owned by the District on 272nd Street about a mile northeast of here.

At this time the District is about to begin the design phase of a utility upgrade to some of the North Wellfield infrastructure. Depending on which direction the District takes, there are likely additional cost savings if we can combine engineering and development work of the equipment building, office, filter train, etc. work at the north Wellfield. There is a timing factor here in that in order to have an opportunity to capitalize on a possible cost savings, we need to decide on a direction for the office location soon so engineers can consider the best long term solutions in the proposals they develop.

Based in part on your comments today, a report will be drafted called the "NBWD Business Office Plan". The report will be prepared in-house using data gathered from the public, from a feasibility study completed for the District, from other data sources as available, and in alignment with the commitment the Board made to ratepayers in regard to bond fund expenditure. The report will be made available to the public when its complete. The report will be used to guide the Board in its decisions on issues related to the business office.

Today we want to hear from you concerning your views regarding potential impacts the location of the business office might have.

Please be advised, that your comments and questions may not be addressed or answered at this meeting. However, all relevant comments and questions will be considered and addressed in the "NBWD Business Office Plan".

The Board wants your comments, and we will listen carefully to your comments. Please be respectful in your comments, and to these proceedings.

The Board wants to learn from you what we might not have already considered regarding the location of the business office. Therefore we ask that you try to focus your comments on bringing new information to our attention. In order to hear from everyone in an orderly fashion, we ask that you follow these ground rules:

1. Everyone wishing to speak must sign in.
2. This proceeding is being recorded for the record, so before

making a comment, please state your name and address.

3. Please address all comments to the Board.

4. Please present your comments in a courteous manor.

5. The comment of each person is limited to 5 minutes. If time permits, you will have a second opportunity after everyone who wishes to speak has had their opportunity.

6. The time of each person belongs to that person. It may not be assigned or transferred to any other person. However, we will try to assure everyone has adequate time to speak, and remember that if for whatever reason you don't get to all your comments, you can also deliver them to the District office via e-mail, mail, or in person.

In closing I want to say that the Board's primary focus must be on the best long term Cost: Benefit for water customers who essentially own the water system. The Board serves at the pleasure of those citizens who reside inside the District boundary, and is charged with assuring the District operates per applicable statute so as to protect the long term interests of our customers."

B. Board Member Opening Comments.

Commissioner Brake thanks the audience for coming and for the large turnout, as well as for taking an active interest in their utility.

Commissioner Ripley Welcomes the audience members and states that he is here to take input and learn from the audience.

C. Report from the General Manager.

The General Manager gives a brief financial history of North Beach Water District from the purchase of the Pacific Water Company and the Ocean Park Water Company to the formation of the North Beach Public Development Authority to the transfer to North Beach Water District. He discusses the loans taken out to make the purchases and the improvements made to the two systems allowing them to be tied together. He also discusses the 2013 water revenue bond and the financial details of such including projects approved when the bond was secured. Finally he covers the Driftmier Architect Feasibility Study.

II. Public Comment

Celsa Johnson from Ocean Park states that she feels we should do whatever is needed to keep rates down, she also states that she believes it would be prudent to build a joint operations office at the North Wellfield area.

Dick Sheldon from Ocean Park discusses his background in working for a public utility and how beneficial it was to him to have both service and administration in the same work area. He states that he is in favor of building a combined operations building at the North Wellfield area.

Karen Schaffer of states that she would prefer to have the office located as a joint facility on 272nd Street and that she would prefer to have the construction done by someone who operates on the peninsula.

Margie Ramsay Commercial Property Owner States that she feels her property is well suited to the districts needs and is expandable and up to code per Pacific County Building Inspector Hazen.

Jan Taylor 21425 Birch Place asks Margie Ramsay if there is room on her property to build a pole building. Margie states that there is thirty feet to the West that would accommodate and equipment building.

Mike Parker 33511 Territory Road in Portland states that he agrees with the numbers in the feasibility study. He also believes that to keep rates down it's a "no brainer" and the "obvious" decision would be to build at the North Wellfield area.

Don Sheldon from Ocean Park and Owner of Doc's Tavern states that other utilities and government entities are consolidated and therefore is in favor of moving to the North Wellfield area.

Marilyn Sheldon of Ocean Park states that she feels that sustaining the downtown core of Ocean Park is important but is not the responsibility of the District. She feels that consolidating District operation makes good fiscal and long term sense and is in favor building at the North Wellfield area.

Curt Stephens states that he is concerned about the Wellfield, particularly the access to water if the District were to construct a building on top of the existing Wellfield. He states that the extent of the Wellfield is unknown and the District is still using it. He feels that since the Wellfield is the only source of water for the District that it should be protected. He also feels that it could be contaminated via water runoff from the new building as well as vehicle oil/lubricants. He also states that he believes the District should not build on the Wellfield until after the wells have been abandoned to prevent the possible aforementioned contamination. He mentions concern about Federal rates and bookkeeping involved in moving to the North Wellfield. He further believes that it would be better for the local economy to Purchase the Ramsay Building and allow the connected restaurant to remain

open.

Jul Grandbois 1410 250th Place, Ocean Park, states that she agrees with Curt Stephens. She believes that the District should buy the Ramsay building and expand it.

Robert Hill Jr. of Ocean Park states that he is not worried about contamination because modern equipment runs on environmentally friendly oils. He further states that it makes more sense for the District to build on property it already owns instead of purchasing new property.

Robert Hill Sr. of Ocean Park states he feels the District should stay where it is for at least four to five years. He feels that by paying rent the District is putting money back into the community. He states that if the District has to move he would be in favor of building on 272nd but thinks that the District should wait.

Robert Brake of Klipsan Beach states that he doesn't feel waiting four to five years or buying the Ramsay building makes sense. He feels the notion of the core area of Ocean Park is "fuzzy" He believes that it makes sense to do construction with the current low interest bond capital and is in favor building at the North Wellfield area.

Dick Sheldon from Ocean Park states that if the District does decide to purchase property that there are more available properties than just the Ramsay building available. He also suggests the idea of having the area North of Long Beach Declared a sole source aquifer.

Margie Ramsay Commercial Property Owner asks what the engineering costs associated with new construction would be.

Commissioner Sheldon replies that there are currently no set engineering fees.

Commissioner Sheldon declares public comment closed at 11:09 am.

III. Board Member Comments

Commissioner Ripley thanks everyone for their input and participation.

Commissioner Brake states that she feels that engineering costs and protecting the Wellfield are important. She also comments that there is urgency to get the equipment inside because letting them sit outside wastes ratepayer money. She further comments that the Board has a responsibility to consider all factors in the decision and that the District should be very concerned with operating efficiently.

IV. Closing Comments From Board President

Commissioner Sheldon states that it is the obligation of the Board of Commissioners to ensure the District remains fiscally sound, and the priority of the District is the rate payers and making sure the District is run efficiently. He further states that timing is a big factor.

V. Adjournment

There being no further business, Commissioner Sheldon adjourned the meeting at 11:21 am.

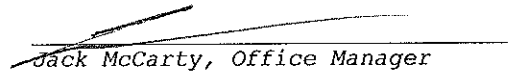


Brian Sheldon, Commissioner
Position #1

Respectfully submitted for review
and approval 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:



Glenn Ripley, Commissioner
Position #3

Date: 5-20-14