

PACIFIC CITY JWSA BOARD OF DIRECTORS
SPECIAL MEETING
MEETING MINUTES

October 12, 2006

Chairman Kellow called the meeting to order at 5:00 pm, in the Authority's meeting room.

Directors present were George Baumgardner, Doug Olson, Dick Carter and Doug Kellow. Jack Brooks was absent

Guests Present were Jack Doyle, Carolyn McVicker, Ilean Rouse, Larry Rouse, Daryl Jimerson, Jeff Schons and Mary Jones.

CAPE KIWANDA LODGE AND SPA

Director Olson stated that he would not participate due to the fact that he has leased his business to one of the Nestucca Ridge Development operating entities and in addition he has a contractual arrangement with the Nestucca Family Foundation of which Jeff Schons is a part.

Mr. Owen said that at the October 3, 2006 regular business meeting a discussion took place regarding the Cape Kiwanda Lodge and Spa development. Mr. Owen continued that because the project has returned to its original plan in which there are 3 cottage buildings with 6 motel units each and a Lodge and Spa complex with 23 hotel units, the installation of individual meters for each unit is not warranted. Mr. Owen stated that Ray Bartlett concurred with this and reiterated that the developer should be made aware that if the development is changed in the future to condos, etc. that individual meters and SDCs could be required.

Mr. Owen recommended to the Board to re-affirm the development as a motel/hotel, inform the developers that they need to reapply for a sewer SDC extensions, pay the required fees as outlined in a letter to Mary Jones on October 2, 2006 and if paid within the next two weeks, the 05/06 SDC unit fee rate should be applied. Mr. Owen said that if these fees were not paid within the next two weeks whatever the current fiscal year rate may be when they apply should be assessed. Mr. Owen also recommended advising the developers that if the development changes back to individual ownership of units, condos or a similar use, individual metering, SDCs and monthly billings may be required.

Discussion of the Cape Kiwanda Lodge and Spa continued until Director Carter proposed a motion.

Motion

Director Carter moved to approve and adopt the conditions set forth in the letter of October 2, 2006 to Mary Jones, Nestucca Ridge Development regarding the Cape Kiwanda Lodge and Spa SDC fees and including the recommendation as put forth by the Authority Manager. Director Baumgardner seconded, and the motion carried with four ayes.

SHORT-TERM LOAN FOR THE 12” WATERLINE PROJECT

Mr. Owen stated that since the elections are four weeks away he recommended tabling the Short-Term Loan until the outcome of the Bond Levy is known. Mr. Owen continued that if it passes a short term loan is not necessary and if it fails PCJWSA can apply for a Flex-Lease loan at lower legal fees and closing costs. The Board of Directors agreed and the Short-Term loan was put on hold.

GUEST QUESTIONS AND COMMENTS

Jack Doyle asked if the meeting in November could be postponed until the election concluded and Mr. Owen replied that a Special Meeting would be called.

Chairman Kellow adjourned the meeting at 5:18 pm.

The PCJWSA Board of Directors approved these minutes on November 7, 2006 by the following votes:

Aye_____ Nay_____ Abstain_____ Absent_____

ATTEST:

Doug Kellow, Chairman

Tony Owen, Authority Manager