

PORT LUDLOW DRAINAGE DISTRICT

Post Office Box 65261

Port Ludlow, 98365 Washington

Minutes of Workshop Meeting

9:30 AM, 30 November, 2001

Call to Order:

The workshop meeting of the Port Ludlow Drainage District (PLDD) was called to order by the Chairman Walt Cairns, with the only order of business was to discuss conditions of a short-term loan provided by the American Marine Bank for the PLDD operation expenses in the year 2002. Mr. Storey, vice president of the American Marine Bank, attended this meeting.

Workshop Meeting:

The PLDD Commissioners discussed a possibility of obtaining a short-term loan from the American Marine Bank in the amount of \$25,000 with an origination fee of \$100. This loan should cover PLDD operation budget from January to April of 2002 at which time PLDD assessment funds would become available. The Commissioners were asked to provide a bond letter from Judy Andrews, an attorney and an owner of a bond council firm. This letter will allow the Bank to process the discussed loan as a tax-exempt transaction. The date of commitment was set for December 19, 2001. Ms. Andrews was asked to prepare the necessary resolution. The funds would become available as soon as the loan information is recorded on the bank computer. The rate of the proposed loan will start at 4,75% and will fluctuate monthly on the remaining unpaid balance. A suggestion was made to increase the amount of the loan to \$30,000. The Commissioners agreed to make a motion at the December 19, 2001 meeting changing the amount of the desired loan from \$25,000 to \$30,000. The Commissioners answered Mr. Storey's questions about the PLDD 2002 budget that was approved at the regularly scheduled November meeting. A draft of this budget will be provided for Mr. Storey's records. While discussing the pay back process the Commissioners revealed that PLDD finances were maintained by the Jefferson County. Complicated accounting process does not allow the Commissioners to pay Drainage District expenses without prior approval of the county. To avoid late charges on the loan, a suggestion was made by the bank representative to set up an automatic interest repayment from the line of the loan credit. Interest amount on \$30,000 comes to approximately \$60 a month. Commissioner Cairns also notified the Bank about an up to \$50,000 interest free loan with a six-year repayment schedule starting in 2003 recently offered to the PLDD by the Public Works Trust Fund.

The PLDD Commissioners also decided to ask Ms. Andrews to draft an official contract between her firm and the PLDD.

The next regularly scheduled meeting of the Drainage District will be held on 19 December 2001.

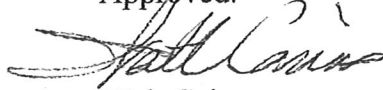
The workshop meeting adjourned at 10:10 AM.

Respectively Submitted:



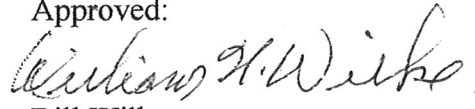
Richard Regan
Drainage District
Secretary

Approved:



Walt Cairns
Drainage District
Chairman

Approved:



Bill Wilke
Drainage District
Treasurer