



**ODESSA PUBLIC DEVELOPMENT AUTHORITY
MINUTES OF JUNE 11, 2008**

THE CALL TO ORDER:

The meeting was called to order at 6:06 p.m. by President Steven Powell.

BOARD MEMBERS:

Present: Steven Powell, Clark Kagele, Todd King, Kim Ramm
Jim Walter joined the meeting at 6:13 p.m.

Absent: Mike Edens, George Rodeck

Others Present: Kelley, Executive Director, Lincoln County Economic Development Council, Mark DeWulf, Legal Counsel, Mike Dunlap, Jerry Schafer.

Robin Lamb and Brooks Agnew joined the meeting at 6:21 p.m. Carlos Soza, Danielle Scrupps, Jason Scrupps, Keith Bailey joined the meeting at 6:28 p.m. Fred Fleming, Stretch Fowler, Joseph LaStella and Dave Cassaro joined the meeting at 6:50 p.m.

MINUTES:

Chairman Powell declared the minutes of 5/29/2008 approved with amendments.

Action: Clark Kagele moved and Kim Ramm seconded a motion to approve the minutes as presented prior to the meeting. Motion carried. 4 – 0

TREASURER'S REPORT:

Financial Statements: See attached financials as submitted by Treasurer. Todd King reported CERB payments are due July 1, 2008.

Bills:

Kim King May hours
Steven Powell mileage reimbursement to Olympia
Greenstar Invoice OPDA-080609
M & M Harrison Invoice BIO #5

Action: Todd King moved and Clark Kagele seconded a motion to approve the bills of Kim King and Steven Powell and to pay the M & M Invoice after verification of amount and work completed. Motion carried. 5 – 0.

Joseph LaStella of Greenstar presented an explanation letter with the invoice requesting payment of \$150,000.00. Board discussed the Greenstar invoice and agreed final payment should be made to Greenstar, Inc. when oil is produced, per original contract.

OLD BUSINESS:

Update on Pipe Fitters: Mark DeWulf presented the settlement information.

Update on Odessa EDC project: Kim King and Steven Powell provided an update on the Odessa Economic Development Project. Two critical areas identified were the Odessa Daycare and affordable Housing. Kim King has met with the Daycare Board to identify the obstacles. The Daycare Board is working on assessing the financial information and developing a fee structure. Kim is working on researching several grants that the Daycare will qualify for. The Daycare does not have 501 (c) 3 status, however until they do, the Lincoln County EDC has offered to write grants through them.

Pam Kelley will be meeting with Jeff Comer of Community Frameworks in Spokane on Monday, June 16 at 2:00 p.m. to discuss the Senior Housing project. Mavis Smith was able to find the study that was previously done.

The NW Economic Development Course will be offered 8/17 - 8/22 in Ellensburg. If possible, the Board would like Kim to attend. The OPDA Board agreed to pay for expenses. Pam Kelley reported there are scholarships available to cover the tuition.

Pam Kelley invited OPDA to a lunch meeting on Friday, the 20th at Chiefs to meet with a couple that are considering buying the Odessa Restaurant.

Status of Tomato Plant: Nothing to report.

NEW BUSINESS:

IEO Payment plan and plant status presentation:

The Board was presented with an amended WSDA Loan Payment Schedule (see attached) that had been discussed with WSDA last week in Olympia. Keith Bailey of IEO gave an update to the Board regarding the plant. The Board of Directors of IEO has agreed to a capital call of \$1,000,000. They are still working out the details. Several hurdles still exist: the EPA permit, the National BioDiesel Board Application and the Certificate of Analysis (received after production).

Steven Powell asked how soon the Certificate of Analysis will be submitted after the sample is submitted. Robin Lamb will research and get back to him.

Steven Powell asked what the timeline is on getting the \$1,000,000. Keith Bailey said the IEO Board is still in discussions.

Keith Bailey has talked with seven companies about diesel sales. SC Fuels and Associated Petroleum will buy final product. He has verbal agreements, but nothing in writing. He will be meeting with Mountain Oil Company in Walla Walla.

Pam Kelley reported she has had conversations with Steve Harris with the Spokane Economic Development. They would like to purchase Bio Diesel for City and County trucks. Pam Kelley will be passing this information on to Keith Bailey to follow up on.

Boiler: Water Heater is in place. Waiting for IEO to sign bid and get installed.

Electricity: Avista turned on electricity on 6/5/08.

Timeframe for Product: Purolite – 5 days, Methanol – 3 days.
Waiting to order product until capital call comes in.

Joe LaStella of GSPI raised concerns over capital call and IEO Board.

Jason Scrupps reported the Board is working with the lawyers and accountants on the Line of Credit and Capital Call. All parties need to agree to the terms.

The OPDA Board and IEO discussed the payment schedule and possible modifications. Mark DeWulf asked where the \$1,000,000 from the capital call be used. Keith Bailey stated it will cover working line and buy equipment. It is estimated the amount needed for start-up (oil, purolite, methanol and staff) will be \$500,000. Keith also reported there is a potential of gaps in production, due to cash needed to purchase oil and the time to resale the product.

The IEO payment schedule discussion was tabled to Executive Session.

Mike Dunlap of IEO offered stock oil. This matter will be discussed at the IEO Board Meeting. IEO members left the meeting at 7:30 p.m.

Other New Business: Todd King reported North Basin Seed would like to modify their building and would like to present at a future meeting.

Next meeting will be as needed.

EXECUTIVE SESSION:

Chairman Powell announced a 30 minute executive session to begin at 7:30 p.m. for the purpose of discussing legal items.

The Board ended executive session at 8:15 p.m.

The meeting was reopened at 8:15 p.m.

Action: Jim Walter moved and Kim Ramm seconded a motion that OPDA require a forbearance agreement on terms and conditions approved by attorney including: that payment be restructured at:

7/1/08	\$100,000 + \$42,000 = \$142,000
8/1/08	\$30,000
9/1/08	\$30,000
10/1/08	\$30,000
11/1/08	\$30,000
12/1/08	\$30,000

with the deferred balanced transferred to the final payment due under the lease;

that IEO's \$1,000,000 capital call be in the control and possession of IEO for use on the project by August 1, 2008;
that IEO agrees that OPDA is not in default and agrees to release and hold harmless OPDA as approved by attorney.

4 – 0 with Todd King abstaining from voting.

Pam Kelley invited the OPDA Board Members to meet with Jeff Cannon of WSDA who will be in Odessa on June 18th at 2:00 pm.

ADJOURNMENT:

Chairman Powell adjourned the meeting at 8:30 p.m.

Steven Powell, President

Kim Ramm, Secretary

/kmk/