

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD August 24, 2006

Commission President Patrick Alesse called the meeting to order at 4:30 PM. Other persons present included Commissioner Carl Reichhardt, General Manager Roger Brown, Attorney Robert Carmichael, Engineering Services Manager Dan Eisses, Treasurer Glenn Golay, Tom Anderson (consultant with BP), Wes Hayworth from BP, Mr. and Mrs. Al Krause, Blair Murry from Trillium.

Agenda additions/changes: Roger recommended deferring discussion of BP issues until Commissioner Montfort arrives.

Public Input: Mr. Krause asked that he and Mrs. Krause be allowed to terminate sewer service to a lot that only has trees on it and that they irrigate for fish enhancement. He also asked that the sewer charges that they've paid since April be credited. It was moved Reichhardt and seconded Alesse to allow the termination of sewer service and credit the basic and consumption sewer charges since April. The motion passed unanimously.

Consent Agenda included: Minutes for the Regular meeting of August 10, 2006; Accounts Payable Warrants #35221-35263 paying Claims #35221-35263 for \$137,163.81 and Warrants #35264-35298 paying Claims #35264-35298 for \$84,659.77; July Payroll Draws #5029-5040 for \$11,850.00; It was moved Alesse and seconded Reichhardt to approve the Consent Agenda. Passed unanimously.

Engineering Services Manager Dan Eisses reported on developer extensions & projects:

ESM Eisses discussed projects and DE's.

The **Bay Breeze DE** is getting close to getting approved plans. There are no special conditions on the project so Dan is asking for approval of the DE agreement. It was moved by Reichhardt and seconded Alesse to approve the DE agreement. Passed unanimously.

Kramer DE: Just south of the Silvia Street lots, 4 lots are interested in sewer service. Dan reviewed the location of existing sewer lines and possible options for serving these lots. Rodney's recommendation allows the applicant to choose either of three routes to provide the service. Dan asked for board approval of Rodney's recommendations. The commissioners approved the recommendations on this DE.

Dan reported that the Beachwood meters are installed.

Dan discussed property that **Trillium** would like to develop. These are four lots that are located south of Drayton Harbor Rd. and west of Harborview. He talked about comp plan requirements. These are within the long-term planning area, in the City of Blaine UGA and in the District boundary and service area. Dan discussed the engineer recommendations.

He also discussed Trillium's **Shintaffer Farm development**. He discussed the engineer's recommendations based on the comp plan. Both these developments are difficult to serve because of the long term aspect, current UR4 zoning and wetlands in the area, and the District's existing undersized lines.

Commissioner Montfort arrived at 5:00 for the meeting.

Mr. Blair Murray of Trillium discussed the cost of developing these lots based on District recommendations and would propose bonding future improvements if required. Carl said that he didn't think the existing 2 ½ inch water line is adequate for this proposal. Don would like to see the Drayton Harbor Rd. water line improved. The Board expressed concern on under-sizing water lines in

anticipation of the area being removed from the UGA. The commissioners referred the issue to staff to continue to work with the developer on other options.

BP Wastewater Service: Roger reported that staff met with BP representatives yesterday regarding the expansion of domestic wastewater service to the refinery. Mark Moore, Wes Hayworth, Pat Simons and Tom Anderson (consultant) were present for BP and Roger, Dan and Steve attended from the District. Roger reviewed the meeting details for the board. Roger said BP indicated that Pat Simons would be the point of contact for BP. He said that District staff discussed wastewater flows and loading with current use of the service. Dan explained the data to the commissioners from a graph that was developed from historical usage. The BOD and TSS concentrations are apparently increasing while the influent flow is decreasing. The BP staff was going to study this data and respond. Roger noted that it was pointed out that expanding service would require an amendment to the current wastewater contract. Roger said that another issue discussed was the fact that the District does not normally provide sewer service without providing water service. Currently, the District has issued a termination of water service notice to the PUD for service to BP. Providing District reclaimed water back to the PUD for use by BP was also discussed and BP representatives seemed willing to look at the idea.

Roger said that Tom Anderson called him this morning and said that BP wants to receive potable water service from a third party rather than running its own water treatment plant. Roger noted that District staff had not had that impression during the meeting with BP. Another issue discussed during the meeting with BP was what procedure would be used for funding the development of the amended contract. Roger asked Dan to discuss the District's DE process, which includes a system for studying a proposed project. Dan wondered if the current DE application would be adequate for the addressing BP's request for increasing wastewater flows. The commissioners and attorney Bob Carmichael spoke to the issue of creating a modified project application document for this particular proposal. The board agreed to allow staff to work with Bob to develop and transmit such a document to BP, without first requiring a deposit from BP.

Tom Anderson and Wes Hayworth addressed some of the issues discussed, the flows and peaking factors that they have analyzed from BP data, and future planning.

Commissioner Montfort stated that he is interested in providing municipal service to BP as long as providing that service does not harm existing District customers. He thinks that the water and sewer service provision does need to be linked in this process. Don also thinks that BP does need to provide a clear view of BP's future plans. Tom thought that they could provide that information. Tom expressed his appreciation to the District board for continuing this process and working with BP to come to an agreement on these issues. Don asked Tom to explain his role and specifically whether he was a decision-maker for BP. Tom said he was not a decision-maker and described his role as that of an advisory consultant to BP.

Birch Bay Drive Forcemain: Dan reported that Alfred Reid said to mail the cover letter and study document to Evelyn Jefferson at the Lummi Tribe and to Narz Cunanan of the Nooksack Tribe regarding the forcemain study and recommendations. No response has been received as yet. He also handed out the pages of the Alternatives Analysis that had been modified.

Roger reported that he and Simi Jain (from Bob's office) met with county staff (Jeff Chalfant) regarding the Draft 2006 **Shoreline Management Plan**. Roger thought the meeting was positive and noted that Jeff said he would include some of the District's recommended language in the revised draft. Other districts in the county are interested in this issue and may comment as well. Roger has not had time to review the draft letter thoroughly, but asked that the board approve sending the letter after Bob's and Roger's final review. It was moved by Montfort and seconded by Reichardt approve sending the letter after review. The motion passed unanimously.

Also, district staff met at the DOE office this morning to discuss the 2006 Draft Shoreline Management Plan. The DOE staff were pleased that the District has met with the county on this issue already. They

also discussed re-claimed water options. Roger thinks that they were very supportive regarding the development of re-claimed water for industrial/irrigation use.

Roger then discussed water supply and comp plan issues. He talked about usage patterns. Usage is down and the current demand is being easily managed. He reported that the PUD board approved the inter-local agreement with the District to amend the agreement for water service to BP.

Dan discussed the reaction from Blaine city staff regarding a **2007 demand forecast** of 1.85 mgd. There is concern by the Blaine staff about that number with their current infrastructure. The difficulty seems to be any potential delay with the continued development of Well 5R. Dan and Roger are still recommending presenting Blaine with the 1.85 mgd demand. It was moved by Montfort and seconded by Reichhardt to approve that amount. The motion passed unanimously.

Dan reported on the status of connection activity in the **Birch Bay View** area. 19 lots (of 117) have been connected to date. Dan discussed the problems with side sewer contractors. There was general discussion about the possibility of extension of time to connect. The commissioners were not supportive of extending the date without there being extreme circumstances. The Board is concerned with increased costs associated with constructing side sewers during the winter. They asked staff to discuss this problem with the community and try and resolve the issue before it becomes a big problem.

The board then went into Executive Session at 8:00 pm to discuss a personnel issue. They do not expect any action after coming out of executive session, and expect to be in session 30 minutes.

Coming out of Executive Session at 8:30 pm, there being no further business, the meeting was adjourned.

COMMISSIONER

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THIS IS TO CERTIFY that the above is a true and correct copy of the minutes for the regular meeting of the Board of Commissioners of Birch Bay Water and Sewer District, Whatcom County, Washington, held **August 24, 2006**.

(minutes taken by Glenn Golay)

BOARD SECRETARY