

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD January 24, 2008

Commission President Patrick Alesse called the meeting to order at 4:32 PM. Other persons present included Commissioners Don Montfort and Carl Reichhardt, General Manager Roger Brown, Attorney Robert Carmichael, ESM Dan Eisses, Treasurer Glenn Golay, Conservation Specialist Emily Resch, Engineer Rodney Langer, Mike Sowers (new Operations Manager), Keith Lucke (BP), Skip Jansen, Sergey Yarovoy/Bill Blaize/Mary Jane Anderson (Whitehorn Way DE owners), and Mr. & Mrs. Brad Hrutfjord.

Agenda additions/changes: Roger asked to move the Conservation Program discussion up one place in the agenda order.

Public Input: none

Consent Agenda included: Minutes for the Regular meeting of January 10, 2008 were reviewed, and several corrections were noted. Staff will make corrections to the minutes as requested and will bring them to the next meeting for approval. The consent agenda then consisted of Accounts Payable Warrants #36917-36967 paying Claims #36917-36967 for \$66,052.87; January Payroll Draw Warrants #5654-5666 for \$13,650.00; and Amendment to the General Manager's contract. It was moved Montfort and seconded Reichhardt to approve the Consent Agenda excepting the minutes of January 10. The motion passed unanimously.

Dan discussed the Whitehorn Way DE and charges that are owed by the developer. Per the DE agreement, he is asking for the full amount due to be paid before the project is accepted. The three property owner/developers were present to ask for relief from paying the additional charges right now. The construction costs were much higher than estimated. One of the owners can pay his third now, but the other two would like additional time. The commissioners asked attorney Carmichael about the request and what the District can legally do. Bob said that the agreement would need to be amended in a way that would allow a change in contract terms. There was discussion about amending the agreement in a manner that would allow connection of each parcel upon payment of their portion of the outstanding fees. It was moved by Reichhardt and seconded by Montfort to allow Roger to sign an amendment to the contract that would allow for acceptance of and connection to that segment of the system extension allocated to each of the three property owners at such time as each such property owner pays his or her pro rata portion of the fees. The latecomers agreement would not be executed until all three segments of the project had been accepted and the property owners would not be charged for the District's cost of preparing the necessary amendment. The motion was passed unanimously.

Dan discussed providing wastewater service for the Harbor Shores development, and the underlying assumptions in the area. The county (unincorporated) and Blaine (their UGA) make the land use decisions. Also, it is within the District's service area. Dan then discussed the recommendations from staff and Rodney for service. The staff recommendations include one pump station for the area, with

standby generator and other appurtenances per District standards, no water GFC reimbursement for sewer general facilities, but with local facilities reimbursement from the station's area of benefit (gravity service and capacity) for the temporary force main for the life of the temporary facility. Skip made some comments about the high cost of the proposed system and asked that there be further discussion regarding the requirement to install an emergency generator in the pump station. He also asked the board to consider a return of water GFC's to reduce development cost. The commissioners were generally in favor of the staff recommendation. The developer and staff will work on the terms and conditions for this project's DE agreement and return to a future board meeting for discussion and action.

Brad Hruttfjord was present to request that he be allowed relief for some of the past due amount on an account that is locked off and has been liened. The commissioners asked staff to review the charges and give them more detail on the account, with consideration of a possible leak credit. Mr. Hruttfjord will return to the next board meeting for further discussion.

Roger presented the draft inter-local agreement with the City of Blaine and asked for approval to allow the Board President to sign the inter-local agreement in substantially the form presented, subject to final review by the attorney. He also asked for approval of Task Order #1 (2008 School Conservation Program) subject to the inter-local agreement being signed. The commissioners discussed the agreement content with attorney Carmichael. It was moved by Montfort and seconded by Reichhardt to allow the President of the Board to sign the agreement in substantially the form presented, subject to review of the District's attorney, and also to authorize the General Manager to sign on Task Order #1 once the inter-local agreement has been executed by the City and the District. The motion passed unanimously.

Emily gave a status update on the Conservation program. She is meeting this next week with Blaine school staff regarding the school program. There also will be a kick-off meeting on January 31 for regional collaboration of small cities and the District on conservation programs. The website development is still ongoing, and there was a recent article in the Northern Light regarding the program and Emily's position with the District to focus on water conservation issues. The paper indicated that they would be interested in a series of stories on conservation themes.

Roger presented an agreement with the PUD that would extend for another month the existing contract providing potable water service to BP. The PUD board approved the agreement at their meeting Tuesday. It was moved by Reichhardt and seconded by Montfort to approve the extension agreement. The motion passed unanimously.

Roger also reported on his attendance at the last PUD meeting and the items discussed. He is meeting on Monday with city staff regarding water contract negotiations.

Dan asked for approval to proceed with planning on the Hall Road waterline project. He also asked for approval to send a letter from Roger to the City requesting approval of this new connection. The board approved sending the letter. Dan also reported that he's discussed the water projects loan with Public Works Board staff.

A change in scope and contract extension will be prepared for presentation to PWB staff for their review.

Dan also reported that he and Roger attended the Mariners Cove board meeting and thought it was a good meeting. They discussed the high flow problems and the measures that the district is taking to work on the problem. Dan also discussed subsequent activity to solve high flow problems, and noted that Birch Bay Resort Park has been cooperative. The use of a flow meter was discussed. One has been loaned to the district for trial. Dan likes the information the meter provides. Cost is approximately \$7,000 for the first unit.

Dan also reviewed the Resort Park's water use, which indicates possible substantial leaks. He will continue to monitor that use.

Dan reviewed the number of mobile home/RV parks in the district and discussed the problems found. Of the 1,945 sites, staff has found 128 connection faults.

Dan discussed a request from a property owner on Normar Place to relocate a fire hydrant because it is in the way of his proposed driveway. Dan recommends moving the hydrant to a property line, which is normal district procedure. The board approved Dan's recommendation.

Treasurer Golay presented the commissioners with the proposed 2008 Operations & Maintenance and Capital Improvement Project Budgets. He reviewed the basic content and composition of the document and highlighted the significant changes from last year. The commissioners will review the budget and begin discussion of the CIP items at the next board meeting.

There being no further business, the meeting was adjourned at 7:20 PM.

COMMISSIONER

COMMISSIONER

COMMISSIONER

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 **January 24, 2008**.

BOARD SECRETARY

(minutes taken by Glenn Golay)