

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD May 8, 2008

Commission President Patrick Alesse called the meeting to order at 4:30 PM. Other persons present included Commissioner Carl Reichhardt, General Manager Roger Brown, Engineering Services Manager Dan Eisses, Attorney Robert Carmichael, Treasurer Glenn Golay, Water Conservation Specialist Emily Resch, Luke van't Hoog, Pat Pollock and Lesli Higginson of BP, and Lindsay Sovde of Seattle Northwest Securities.

Commissioner Montfort was out of town, but participated in the meeting by speaker phone.

**Agenda additions/changes:** Roger noted that agenda item #8 concerning the Blaine Water Supply contract amendment should be *discussion*, not *decision*. Treasurer Golay asked that two customer requests be added to the end of the agenda.

**Public Input:** none

**Consent Agenda included:** Minutes for the Regular meeting of April 24, 2008; Accounts Payable Warrants #37225-37226 paying Claims #37225-37226 for \$2,908.86 and Warrants #37227-37278 paying Claims #37227-37278 for \$136,494.15; April Payroll Warrants #5786-5809 for \$59,654.63; April adjusting entries to UBS for \$2,294.04 charges and \$28.00 credits; April EFTPS withholding deposit made on 04/30/08 for \$22,727.09; and April Financial Reports for review. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

**Bond Debt Refunding:** Lindsay Sovde, the District's financial advisor from Seattle Northwest Securities was present to review the refunding of the District's outstanding bond debt. This refunding would result in interest expense savings over the next 5 years. Lindsay commended General Manager Roger Brown and Treasurer Glenn Golay for their work in preparing the Official Statement and Bond Resolution documents, and participating in the successful Ratings Presentation at Moodys Investors Service. Based on the information presented, Moodys has upgraded the District's credit rating from Baa1 to A3 for this issue. The bonds were presented for sale this morning and the results showed a net interest expense saving in excess of \$91,000 over the 5 year period. There were some general questions from Commissioner Montfort about the credit rating process and scale, and Commissioner Reichhardt about the bond sale process. It was moved by Reichhardt and seconded by Montfort to approve Resolution #668 which authorizes the District Treasurer to sign the sales contract for the refunding bonds. The motion passed unanimously.

**City of Blaine Wholesale Water Supply Contract Amendment:** Roger briefed the board on the major points in the proposed contract amendment. Major points of the amended contract are the concept of Joint Assets, the Birch Point Surcharge, Estimated Demand, Regional Capacity Charge, First Refusal of New Supply, Installed Capacity increase, Construction Work in Progress, and Supply System Coordination. The contract should be ready for a decision for the next board meeting.

Commissioner Montfort needed to end his meeting participation by telephone. The meeting continued with Commissioners Alesse and Reichhardt present.

**BP Wastewater/Water service:** Roger then briefed the commissioners on the proposed BP Potable Water Contract. Roger is seeking approval on two documents tonight. One would be an amendment (the Sixth) to the current agreement with the PUD to service BP potable water, and the other would be the Superseding Agreement with BP for potable water service. Roger discussed the key contract points in detail. Carl moved for approval of the Sixth Amendment and also the Superseding Contract. The motion was seconded by Alesse and passed unanimously.

**Conservation** Specialist Emily Resch reviewed the Memorandum of Understanding (MOU) between several county public entities for water conservation activities (Whatcom Water Alliance). She asked the commissioners for approval of the MOU and also asked to approve Resolution #669 which would adopt a Voluntary Watering Schedule. It was moved by Reichhardt and seconded Alesse to approve Resolution #669 and to authorize General Manager Roger Brown to sign the MOU. The motion was passed unanimously.

The **Drayton Harbor Road waterline replacement** project was discussed by Dan, which had been scheduled to begin tomorrow. There is a problem with staffing by the archeologist and the project start will be delayed until Monday. Dan also talked about the solution staff has developed for temporary bypass measures to provide service to existing customers during the project construction.

**Developer extension projects:** Dan talked about the sewer service provisions on the Harbor Shores development. The developer proposes building a sewer line through district property where the water pump station is at on Blaine Road. The commissioners were ok with the proposal.

Glenn reviewed two requests from delinquent assessment accounts (Levy & Ellis) for deferment of further collection procedures. Attorney Carmichael pointed out that state law does not allow the District to delay collection of the delinquent accounts. The commissioners denied the requests and directed Glenn to notify the property owners.

There being no further business, the meeting was adjourned at 6:40 pm.

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COMMISSIONER

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COMMISSIONER

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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 **May 8, 2008.**

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BOARD SECRETARY

(minutes taken by Glenn Golay)