

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD March 12, 2009

Commission President Don Montfort called the meeting to order at 4:30 PM. Other persons present included Commissioners Pat Alesse and Carl Reichhardt, General Manager Roger Brown, Engineering Services Manager Dan Eisses, Treasurer Glenn Golay, and Attorney Robert Carmichael.

Agenda additions/changes: Roger noted that there may be a need for Executive Session because of potential litigation, and he would also like to add an agenda item for a decision on the PUD water supply contract demand.

Public Input: none

Consent Agenda included: Minutes for the Regular meeting of February 26, 2009; Accounts Payable Warrants #38245-38288 paying Claims #38245-38288 for \$95,903.85; February Payroll Warrants #6178-6201 for \$64,494.69; February adjusting entries to UBS for \$2,644.98 charges and \$14,347.99 credits; February EFTPS withholding deposit made on 02/27/09 for \$22,077.81; Resolutions #678 & 679 (setting Utility rates); Voided Warrants #38213-38215 (print error), and February Financial Reports for review. Commissioner Montfort asked to clarify the language in the minutes regarding the board's approval of Resolutions #676 & 677, to make sure that the understanding is that they are approving the process and not the final agreements as yet. That change having been made, it was moved by Alesse and seconded by Reichhardt to approve the Consent Agenda. The motion passed unanimously.

Dan briefed the commissioners on the results of the Carollo review of BP wastewater issues. Dan met with Jimmy Zerdt of BP yesterday and reviewed the report with him.

Roger talked about the work he has been doing with watershed planning (especially regarding the water banking legislation), supply and reported on his attendance at the recent PUD meetings.

Cost Reimbursement Program: Roger reported that the process to notify the public of the Notice of Action has begun.

Roger and the commissioners discussed the possibility of reducing the PUD contract demand amount. The commissioners directed Roger and attorney Carmichael, to continue working with the PUD and Blaine concerning this issue. This included direction to send a letter to the PUD reducing the District's contract demand under the water supply agreement with the PUD from 3 MGD to 1 MGD, subject to consultation with Blaine and attorney Carmichael.

The commissioners discussed their views concerning continuing in WASWD and paying the association dues for 2009. After discussion, Commissioner Montfort made a motion that the district continue in the association and pay the dues for 2009. The motion was seconded by commissioner Alesse. The motion passed 2 to 1, with Reichhardt voting no.

Dan discussed the retail service area verses future service area recommendation for inclusion in the new Water System Plan. Staff is recommending that the District's Retail Service Area be the

same as the District's Future Water Service Area. The board approved the recommended approach and to proceed with the SEPA and public hearing process.

Dan presented Task Order #13 concerning the tank painting project cost sharing, in partnership with the City of Blaine. He recommended approval of the task order in its substantial form and the maximum bid estimate of the \$220,000 for work on district tanks. It was moved Alesse and seconded Reichhardt to approve the task order in its substantial form, as well as the tank painting bid amount to a maximum of \$220,000. The motion passed unanimously.

Dan reviewed the Economic Recovery program and the DOE project application process. The application is considerably more involved than the DOH process. Dan talked about projects he would include in the application. The commissioners discussed the merits of the program, the work involved in submitting the application, the restrictions that may come with the funding, and the reduced amount of funding available. After discussion, the commissioners directed staff not to submit an application at this time.

There being no further business, it was moved by Alesse and seconded by Reichhardt to adjourn the meeting at 6:55 PM. The motion passed unanimously.

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 **March 12, 2009.**

BOARD SECRETARY

(minutes taken by Glenn Golay)