

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD March 11, 2010

Commission President Patrick Alesse called the meeting to order at 4:37 PM. Other persons present included Commissioners Don Montfort and Carl Reichhardt, General Manager Roger Brown, Engineering Services Manager Dan Eisses, Treasurer Glenn Golay, Attorney Robert Carmichael, Engineer Rodney Langer, Neil & Brenda Kronk, Mike Bleakney, Scot Swanson, Pat Pollock (BP) and Pete Terry.

Agenda additions/changes: Roger requested that the BP agenda item be removed and noted that there may be a need to have an Executive Session in connection with the Forcemain project.

Public Input: Brenda and Neil Kronk were present to express their concern about the Forcemain construction. They are upset about the conduct of the contractor. Dan noted that he and Larry met with the Kronks this week to discuss their concerns. Don assured the Kronks that it is the district's responsibility to make sure that the contractor return property to its original condition and the district will make every effort to see that that happens.

Consent Agenda included: Minutes for the Regular meeting of February 25, 2010; Accounts Payable Warrants #39419-39449 paying Claims #39419-39449 for \$114,018.54; February Payroll Warrants #6644-6667 for \$65,778.28; February Adjusting Entries to UBS for \$1,263.25 charges; February EFTPS withholding deposit made on 02/26/10 for \$25,032.35; February Department of Revenue payment made electronically on 03/04/10 for \$5,664.48; Resolution #691; and February Financial Reports for review. It was moved by Reichhardt and seconded Montfort to approve the Consent Agenda. The motion passed unanimously.

DE: Bleakney Mini-storage – Dan reviewed the project and the recommendations that were previously approved by the board. Scot Swanson, attorney for Mr. Bleakney, was present to discuss the issue that the County has tied the land disturbance and building permits together and therefore Mr. Bleakney can't construct the lines needed without the water availability approval. Mr. Swanson asked that the developer be allowed to go ahead with the project with written assurance that the lines will be built as recommended. After discussion, it was decided to include assurance in the DE agreement that the water lines would be built prior to any building construction. Staff will work with Mr. Bleakney to bring a proposal back to the Board at the next meeting.

BP: Pat Pollock thanked Dan for his note keeping him updated on the connection charge negotiations. Pat will talk with other BP staff to respond to Dan's note.

Water Supply: Roger discussed his attendance at the most recent PUD board meeting and reviewed issues covered at the meeting.

Roger updated the board on the activity with the Cost Reimbursement Program. There was also some discussion about legislative changes to the program that are currently being considered.

Roger also talked about activity with the Water Supply Group.

Dan updated the commissioners on the progress of construction activity on the Birch Bay Drive Forcemain project. The 14" and 16" are connected at the headworks. The archeological sifting has been completed. Dan asked for approval of change orders #2 and #3 which are credits for work not being done as originally designed. It was moved Montfort and seconded Reichhardt to approve change orders 2 and 3. The motion passed unanimously. There was discussion regarding approximately 80 feet of pipe to connect from the force main trench to the state park pump station.

The Board agreed with Dan to get that work completed at District cost if it can be done under the existing archaeological permit.

Dan reviewed a summary of the engineering work that CHS is doing on the project. There has been some additional work that Rodney and Dan have been tracking. At this point it is too early to know if a change to the contract will be necessary.

Dan presented the proposal from Widener & Associates regarding supplemental archeological work provided because of remains discovered during construction. Dan is still working with Widener to arrive at a final amount for the additional work.

The commissioners expressed concern that the district make sure that the contractor do all he can to make sure that the worksite is safe and the trenches are secured. Dan will follow up with the contractor to make sure the problems are addressed.

Commissioner President Alesse announced at 6:30 pm that the board would go into Executive Session to discuss possible litigation. They expect to be in session for 15 minutes with the regular meeting to resume at 6:45 PM.

Coming out of Executive Session at 6:45 pm, the regular meeting continued.

Roger and Glenn discussed the results of their survey of other local public utilities regarding whether those entities have a discounted utility rate for senior/low-income/disabled. Most of the entities in the county do have a Low Income Senior rate, and one also has a Low Income Disabled rate, but none surveyed had a Low Income only rate. Glenn then discussed some of the issues involved in implementation of discounted rate, ie; revenue lost due to the discount, qualifying documentation, monitoring changes in income status, deciding whether renters or non-citizens are eligible, etc.

Roger presented a review of the district water rate structure and the impact of the possibility of a change in that structure that could provide an alternate method of accomplishing some rate relief and a conservation incentive to low water users. After considerable discussion, the commissioners asked staff to continue to study this issue and return for review at a future board meeting.

Roger presented his review of a proposal to extend sewers along Jackson Road possibly using the LFC financing method much like what was used for the Birch Bay View project. There was some discussion contrasting the ULID method with the LFC. The commissioners were generally not in favor of investing district funds in the project at this time, but asked staff to communicate with the property owners about both LFC and ULID methods to assess the degree of interest from them in getting the sewer line installed. Staff will return to a future meeting with more information.

Developer Extensions: Dan updated the board on his discussion with the Anchor Manor developer regarding outstanding fees.

There being no further business, it was moved Montfort and seconded Reichhardt to adjourn the meeting at 7:40 PM. The motion passed unanimously.

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 **March 11, 2010**.

BOARD SECRETARY

(minutes taken by *Glenn Golay*)