

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **February 24, 2011**

Commission President Don Montfort called the meeting to order at 4:30 PM. Other persons present included Commissioners Patrick Alesse and Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Conservation Specialist Emily Resch, Interim Finance Director Meredith Riley, Operations Manager Mike Sowers, Jeremy Schwarz.

Agenda additions/changes: Roger removed Interlocal agreement from the agenda as it was signed earlier.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of February 10, 2011; Accounts Payable Warrants #40394-40418 paying Claims #40394-40418 for \$57,443.29; and February Payroll Draws Warrants #7088-7100 for \$16,400.00. It was moved by Alesse and seconded by Reichhardt to approve the Consent Agenda except for the vouchers. The motion passed unanimously.

BP – Potable Water Service: Dan discussed a letter from Richard Rodriguez, Dept of Health approving Amendment #1 to the Water system plan. DOE reviewed the water rights section as part of Comp Plan Amendment approval process.

Reclaimed Water: Roger and Dan met with Steve Jilk and MSA regarding reclaimed water. Nothing substantial from the meeting. At the meeting, Roger asked about incremental costs if BBWSD can deliver reclaimed water for less than the PUD costs. Steve noted that as a question that they did not yet have an answer for. Discussion followed regarding discharges to the potential to reduce them.

2011 Budget: The 2011 Budget was presented for the second time; questions previously on: Utility Taxes and Admin conferences and memberships were answered. Utility taxes are paid on operating revenues and connection charges. WASWD and conference costs were moved from Water and Sewer Operations Budget to the Administrative Budget. Conference amounts in the Admin budget were discussed. Motion to approve WASWD membership and rejoin by Alesse, seconded by Reichhardt. Motion passed unanimously. Will vote on the budget next meeting.

Blaine Inter-local: Pulled from the agenda (see above).

Rate Model: Roger presented three examples of the rate model. Discussion followed on RDA Loans, planning assumptions, rate increases, and the CIP. Montfort asked Roger to review how much of the CIP is paid by rates versus bonds and also to evaluate the extent to which rehab and repair costs were funded by rates. Board asked Roger to examine alternate CIP levels along with the rate model and also to review financial performance relative to District financial policies.

Forcemain Project: Dan has received an electronic copy of the archaeology review of the project. Dan is working on closing out the project.

Developer Extensions: Dan reviewed developer extensions with the Board. Bleakney has gotten the majority of items turned in and Dan presented a draft conditional acceptance letter: Motion for project acceptance by Alesse, second by Reichhardt; approved unanimously.

The State Park pump station: The state parks are having some issues with the District's standard DE agreement and are proposing a separate interlocal agreement. This issue will come back at the next meeting.

Mike Sowers updated the Board on the Mariners Cove stormwater incident.

Dan discussed the census data compared to our service area. We are probably serving a few more people than are in the census data, but the Birch Bay census area is fairly close to the District's service area

Motion to approve conditionally for vouchers. Alesse moved and Reichhardt seconded. Motion carried. Don will review these and call in the morning if he has any questions.

There being no further business, it was moved by Alesse and seconded by Reichhardt to adjourn the meeting at **7:00 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 **February 24th, 2011**.

BOARD SECRETARY