

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD June 9, 2011

Commission President Don Montfort called the meeting to order at **4:34 pm**. Other persons present included Commissioners Carl Reichhardt and Patrick Alesse, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Interim Finance Director Meredith Riley, Engineer Rodney Langer, and Jeremy Schwarz.

Agenda additions/changes: for number 9 add a second item regarding vendor lists; strike number 10, and add an Executive Session for potential litigation.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of May 26, 2011; Accounts Payable Warrants #40665-40701 paying Claims #40665-40701 for \$447,520.34; May Payroll Warrants #7212-7235 for \$89,051.50; May Federal Withholding EFTPS for \$22,882.32, May Utility Tax EFT Debit for \$4,530.99, and May Utility Billing adjusting entries. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: None

Public Hearing – Loomis Trail Annexation: The Public Hearing was opened at 4:38 pm. Engineer Rodney Langer spoke regarding the proposed annexation of Loomis Trail. Proponents turned in a list of signatures and 62% of landowners signed for the annexation. A SEPA checklist and review was prepared and completed and a public hearing was set for this evening. Two members of the Loomis Trail Board were present as a matter of interest.

Don Montfort had a question on the boundaries of the annexation. Don also had a question why the Association did not sign the petition. The Loomis Trail Board president stated there were no problems with the annexation for the Association. The Public Hearing was closed at 4:43 pm.

General Session: The District Board went back into General Session. Engineer Rodney spoke on the criteria for annexation. Threshold criteria: Plats are served by water and/or sewer, which they are currently. There are five other factors, which the annexation met. If the district is for the annexation, there is a Resolution stating this, and then it moves to the Boundary Review Board. The earliest it could come back to the District is the August 25th meeting. Resolution 705 authorizing application to the Boundary Review Board to annex Loomis Trail was brought forward. It was moved by Reichhardt and seconded by Alesse to approve Resolution 705. The motion passed unanimously.

Lincoln Road Waterline Replacement: Dan and Attorney Carmichael spoke to the two Resolutions. On review of the small works roster for Lincoln Road Waterline replacement, it was realized that the District's Code required updating. Resolution 706 updates the code for Small Works Roster to the State RCWs and Resolution 707 updates the code to the State RCWs.

If the Resolutions are adopted, Dan would then mail out the bid documents according to the small works roster requirements. The vendors would have one week to get back to the District with their bids. Once the bids are received back, they'll be reviewed and brought back to the Board.

It was moved by Reichhardt and seconded by Alesse to adopt Resolution 706. The motion passed unanimously.

It was moved by Alesse and seconded by Reichhardt to adopt Resolution 707. The motion passed unanimously.

Verizon Cell Tower: We have a right of entry agreement signed by Verizon, giving Verizon 180 days to access a District site in order to conduct a feasibility study for a cell tower. It was moved by Alesse and seconded by Reichhardt to authorize Roger to sign the agreement. Motion carried.

Interlocal Agreement with Whatcom County: District personnel met with the Whatcom County Planner and several other County employees on May 31 regarding the proposed interlocal agreement with the County. As the District is bound to follow GMA, the discussion was on whether this interlocal agreement was necessary. Attorney Carmichael also had a discussion with the Whatcom County attorney. The biggest problem may be how to address vested property. There are also potential questions about how to address fire flow and the franchise agreement with the County, which the District would want the interlocal agreement to speak to, if such an agreement were implemented. There was understanding with the County planning personnel that the interlocal agreement may not be needed, and that the County Comprehensive Plan may need to be reworded to make such agreements discretionary.

GFC Review: Rodney and Dan spoke on this issue. The General Facility Charge (GFC) was recently reviewed by District employees. Rodney then talked about the different components that make up the GFC rates, and walked the Board through these components. The District personnel need to refine some of the numbers. Key factors are the growth rate of connections, and the CIP for the next 10 years. There are several ways of computing GFC rates, and they give very different rates. Rodney went into some detail regarding the possible CIPs for Water and Sewer in future years. Dan thought over the next two or three months the CIPs will need to be reviewed.

City Coordination: Roger stated that Dan and he will be meeting with the City next Friday, June 17th. There are a number of issues to discuss with the City going forward. Roger would like a discussion on management of groundwater information and to have a strategy for the future. Don asked where Blaine is on their SCADA system. Dan said that there has been some work done on this by the City.

PWTF Opportunities: PWTF Board sent out a new funding cycle today for 2013, with a short timing loan application cycle. Dan reviewed some reliability projects with the Board. The District has had discussions with the City regarding Water transmissions from the Well Field. Dan can see a joint project with the City proposal to the PWTF Board. And the District could send in a stand-alone project to PWTF. Don wondered when the project could move forward, if we lost this loan cycle. Carl asked about Cherry Point. Discussion will continue.

DOE Cost Reimbursement Program: Well 7/8.1 change application has been granted and sent to the City of Blaine by DOE. This would transfer 77 gpm from well 7 to well 8.1 by DOE within existing water rights.

Roger discussed Senate Bill 5962 related to reforming water resource management through streamlining the administration of water rights.

Developer Extensions: None.

Executive Session: The meeting went into executive session at **6:21 pm** to discuss potential litigation. The time in executive session is estimated to be 10 minutes; no action is expected. The meeting came out of executive session at **6:32 pm**.

There being no further business, it was moved by Alesse and seconded by Reichhardt to adjourn the meeting at **6:32 pm**. The motion passed unanimously.

COMMISSIONER

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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 **June 9th, 2011.**

BOARD SECRETARY