

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD August 9, 2007

Commission President Don Montfort called the meeting to order at 4:35 PM. Other persons present included Commissioner Carl Reichhardt, General Manager Roger M. Brown, Engineering Services Manager Dan Eisses, Attorney Simi Jain, Engineer Rodney Langer, and Luke van't Hoog (BP).

**Agenda additions/changes:** none

**Public Input:** none

**Consent Agenda included:** Minutes for the Regular meeting of July 26, 2007; Accounts Payable Warrants #36407-36452 paying Claims #36407-36452 for \$124,592.23; July Payroll Warrants #5441-5464 for \$55,750.32, July adjusting entries to UBS for \$3,716.07 charges and to Assessments for \$17,952.61 charges; July EFTPS withholding deposit made on 07/31/07 for \$19,808.84; and July Financial Reports for review. It was moved Reichhardt and seconded Montfort to approve the Consent Agenda. The motion passed unanimously.

Roger reported that water demand is down.

Commissioner Alesse arrived for the meeting at 4:45 PM.

Roger also briefed the commissioners on the discussions with BP on a contract amendment that would extend the service period and address certain other terms for potable water to the refinery. He reviewed an outline of the chronology of the events in the history of activity with the PUD and BP on the water contract. Roger then reviewed the proposed interim amended contract (Second Amendment to the Contract) that would continue service until February 1, 2008, when it is expected that a superseding contract would be implemented. Commissioner Montfort asked Luke if he had any comments on the proposal. After discussion, it was moved Reichhardt and seconded Alesse to approve the amendment to the BP contract. The motion passed unanimously.

Dan talked about his meeting with representatives of Bell Bay Jackson Water Association (BBJWA) concerning their need for additional storage. He also attended their board meeting last night to discuss issues between the entities, especially storage requirements, system maintenance needs, infrastructure condition, and possible merger of the two systems. Staff and BBJWA people will continue to discuss the issues.

The commissioners then reviewed the proposed Interim Irrigation Policy which would cover irrigation plans for new development. There was considerable discussion regarding requirements in the policy. Staff will make changes to the policy based on the discussion and bring it back to the board for possible adoption at a future meeting.

CHS has completed its review of the Grand Bay Waterslides DE project. Dan reviewed the project and the engineer's recommendations. After some discussion, Commissioner Reichhardt moved to accept the engineer's recommendation on this project. The motion was seconded by commissioner Alesse and passed unanimously.

Dan reported that the Point Whitehorn reimbursement amount is going to be paid in full with the GFC funds from the Malibu project, which benefited from the Point Whitehorn improvements.

PUD General Manager Steve Jilks arrived to attend the meeting at 5:55 PM. He made himself available to answer any questions the Commissioners had. He said that he supports Amendment #2 and will continue to work toward a positive conclusion of the contract issues.

The Board then went into Executive Session at 6:05 to discuss a personnel issue, expecting to be in session for 10 minutes with no action anticipated afterwards.

Coming out of Executive Session at 6:20, there being no further business, the meeting was adjourned.

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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 **August 9, 2007.**

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BOARD SECRETARY

(minutes taken by Glenn Golay)