

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **February 25, 2010**

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

Agenda additions/changes: Roger: delete item #10 and change "discussion" to "decision" on #9. Glenn: add an item regarding surplus property.

Public Input: none

Consent Agenda included: Minutes for the Regular meeting of February 11, 2010; Accounts Payable Warrants #39388-39418 paying Claims #39388-39418 for \$50,936.63; and February Payroll Draw Warrants #6630-6643 for \$17,650.00. It was moved by Montfort and seconded Reichhardt to approve the Consent Agenda. The motion passed unanimously.

BP: Dan discussed the status of the negotiations with BP regarding back charges on wastewater service and additional connection charges due to increased use of the system by BP. Dan reviewed the method to arrive at a connection charge fee. The commissioners thought the method was reasonable and authorized Dan and Roger to continue the talks with BP based on the method discussed by Dan.

Water Supply: Roger discussed the issues that were on the last PUD meeting agenda. Also, Roger still thinks we will get our water right application approvals on the Cost Reimbursement Program in June. Roger also gave a report on the Water Supply Group that met on February 16th in Sumas.

Forcemain Project: Dan briefed the board on the status of the project. Dan reviewed Change Order #3, due to change in alignment. Dan also noted that the water service change outs have been completed in the area near pump station #3. Dan asked for approval to replace the waterline from the access road to the park bridge. The contractor gave Dan a price to slip-line the new water line (Change Order #4). There was discussion regarding the price for this work and that Dan should continue to negotiate with Jansen. It was moved Montfort and seconded Reichhardt to approve Change Orders #3 as presented and #4 at a maximum of \$71,000. The motion passed unanimously.

Roger and Glenn reviewed the financial model for 2010. Roger discussed the district financial policies and how they impact district credit and ability to issue debt in the future for funding capital projects. There was general discussion about the current utility rate schedule and how district rates compare to other public entities in the county. There was also discussion about instituting a low income rate and the impact on revenues of such a program. The commissions asked Glenn to continue to study what would be involved in implementing such a program. After discussion, the commissioners decided not to change utility rates this year.

Roger presented and discussed the I&I Policy and Resolution #691, amending sections to the district code regarding Infiltration and Inflow (I&I). The issues of I&I policy have been discussed at previous meetings. Commissioner noted language on the definition of excess I & I in the proposed resolution that seemed overly restrictive. After discussion, it was decided to make clarifying changes to the resolution. It was moved Montfort and seconded Reichhardt to approve the policy as presented and to put the revised resolution on the next Consent Agenda. The motion was passed unanimously.

Glenn presented Resolution #690 which approves surplusing property from the sewer department that has no worth because it is broken, old, or irreparable. The property would be transferred to the DOE for their program of distributing surplus equipment to smaller entities that may be able to make use of the items. It was moved Reichhardt and seconded Montfort to approve the resolution. The motion passed unanimously.

Developer Extensions: Dan reported on the Sandcastle's request that the proposed new units, which were contemplated as time-share condos, be allowed to be served by a single meter subject to an agreement requiring individual private meters if these units ever get converted to non-timshare. The Board agreed with this approach.

Dan reported that the Loomis Trail homeowners would like to discuss annexation to the district. Dan will contact the city about this issue and return to the board with a recommended course of action.

There being no further business, it was moved Reichhardt and seconded Alesse to adjourn the meeting at 7:20 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 25, 2010**.

BOARD SECRETARY

(minutes taken by Glenn Golay)