

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD March 9, 2006

Commission President Patrick Alesse called the meeting to order at 5:15 PM. Other persons present included Commissioner Don Montfort (commissioner Reichhardt on vacation), General Manager Roger M. Brown, Attorney Bob Carmichael, Engineering Services Manager Dan Eisses, Treasurer Glenn Golay, Engineer Rodney Langer, Mike Murphy (PUD #1 commissioner), and Don Amende (developer).

Agenda additions/changes: none

Public Input: none

The commissioners reviewed a request from Joyce Lusty asking for relief from a large utility bill due to unknown water use. She explained in a letter to the commissioners that she could find no reason for the high use and feels there must be a problem with the district's equipment. After review, the commissioners could see no reason for the high use that would allow them under the current leak credit policy to approve relief. District equipment was checked by staff and the meter reading was confirmed as correct. The commissioners decided not to grant her request. They asked that she be advised that she can assure no water use in her absence if the water is turned off with a valve on her side of the meter.

Consent Agenda included: Minutes for the Regular meeting of February 23, 2006; February Payroll Warrants #4818-4842 for \$56,376.92; Accounts Payable Warrant #34690 paying Claim #34690 for \$7,941.92 and Warrants #34691-34734 paying Claims #34691-34734 for \$101,032.22; February adjusting entries to UBS for \$1,259.50 charges and \$1,379.80 credits; February EFTPS withholding deposit made on 02/28/06 for \$20,130.85; and February Financial Reports for review. Commissioner Montfort noted that a word was used incorrectly in the minutes and should be changed. It was moved Montfort and seconded Alesse to approve the Consent Agenda with the change to the minutes as noted. Passed unanimously.

Engineering Services Manager Dan Eisses reported on developer extensions & projects:

Horizons at Semiahmoo – Dan reviewed the status of the project engineering review. Staff is still not ready to make recommendations on the project, but Dan reviewed the general preferences for sewer routing by staff and CHS, and that four lots should be connected to the Selder Road sewer line. He also reviewed the water recommendations. The work in Selder Road should be done by Trico as part the Birch Bay View project and the cost of the change order to Trico (but not including the four side sewer stubs) would be included in the Horizons developer agreement. The Board agreed that staff could forward a copy of the current draft sewer DE conditions to the developer for their information.

Dan talked about the possible impacts of the above and the Monterey Heights project on the local facility charge for the Birch Bay View Community project.

Roger discussed a proposed change to the district's "reimbursement agreement" for developer projects that in effect makes the reimbursement period 15 years and provides for recovery of the district's associated costs. A law just passed by the legislature, but not yet signed by the governor, may impact this document, so attorney Carmichael suggested that action on this change be deferred to the next board meeting. After further discussion, it was suggested that if the governor signs the bill we can review the agreement again at that time. It was moved by commissioner Montfort and seconded by Alesse to amend section 17 in the DE agreement and the standard form of reimbursement agreement extending the payback period to 15 years and including a process fee. The motion passed unanimously.

Terrell Creek Landing: Dan noted that a fire hydrant is only required on one side of the development, so the builder does not have to improve the waterline on Birch Street. Two existing stubs can be used

for sewer, so they would only need a DE agreement for water. It was moved Montfort and seconded Alesse to approve the agreement. The motion passed unanimously.

Don Amende (Blaine Rd/Maple Leaf) – Dan noted that based on the availability process discussion, there is no need for a water DE, but will return to the next meeting with a staff recommendation on sewer.

Dan generally discussed the availability process the district uses, how the comp plans describe possible future projects and facility needs. The sewer system does not generally have lines that do not meet the District's standards as the majority were installed as District facilities. However, there are existing waterlines installed by the original water company that do not meet District standards. These lines are still functional in limited cases, but are in the process of slowly being replaced by the District. The main example of this is on Blaine Rd. which has an 8" AC main that the comprehensive plan identifies a 14" to 16" future requirement. The question of whether the District should allow existing lots of record to connect to these types of water lines without paying a local facility charge was discussed. The Board was in agreement that existing lots of record should be able to connect to existing water lines provided capacity and condition of the line are adequate. Staff will work on the availability policy to clarify this and bring it back to the Board. Rather than reinstitute the LFC charge, the commissioners would like to see the upsizing costs included in the GFC calculations. The water line on Blaine Rd. was discussed regarding developments being required to replace the 8" line. In one scenario, developers prior to the District project would be required to construct a line abutting their property to comply standards, whereas developers after the District project would contribute to the project only as an element of the GFC. In another scenario, the entire line would be constructed by the district as a general facility developers would only construct build-through facilities if existing facilities were inadequate to support the additional development. This issue will be further reviewed in the comp plan development and GFC review.

Rodney reviewed the current findings of CHS' work on the capacity study and the area served between sewer pump stations #8 and #6. Indications are that the beach routes are the most likely to be recommended because of reduced cost and other factors. These factors do impact the recommended routes for sewer in the Horizon project.

Roger reviewed recent correspondence from the state regarding the district's cross connection control program.

Blaine Road distribution line: The DOT is working on the right-of-way permit for this project. The DOT wants a project traffic control plan. Dan asked that the board approve a scope and fee proposal from CHS to do the traffic control plan, and also bid and construction support for the project, in the amount of \$8,800. It was moved by Montfort and seconded Alesse to approve the scope and fee proposal from CHS. The motion passed unanimously.

Roger discussed a proposal to provide consulting services for the conservation program and asked for approval of the contract, scope and budget. Roger has discussed this proposal with the City of Blaine. This consultant relationship would allow adding tasks as needed and the City is in favor of participating with the consultant expenses. Commissioner Montfort moved to approve the contract and the interlocal agreement with the City of Blaine. The motion was seconded by Alesse and passed unanimously.

Roger reported that he and Dan are meeting with city staff tomorrow. Roger discussed recent activity regarding PUD water supply issues. Roger thinks that a letter of support from the City of Blaine recognizing the regional importance of delivery of PUD water to the district for treatment to potable standards could be helpful in resolving contract issues with the PUD.

There being no further business, the meeting was adjourned at 8:30 PM.

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 **March 9, 2006**.

(minutes taken by Glenn Golay)

BOARD SECRETARY