

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD July 26, 2007

Commission President Don Montfort called the meeting to order at 4:35 PM. Other persons present included Commissioner Carl Reichhardt, General Manager Roger Brown, Attorney Robert Carmichael, ESM Dan Eisses, Treasurer Glenn Golay, and Luke van't Hoog from BP.

Agenda additions/changes: none

Public Input: none

Consent Agenda included: Minutes for the Regular meeting of July 12, 2007; Accounts Payable Warrants #36350-36406 paying Claims #36350-36406 for \$181,334.95; July Payroll Draw Warrants #5429-5440 for \$12,050.00. It was moved Reichhardt and seconded Montfort to approve the Consent Agenda. The motion passed unanimously.

Commissioner Alesse arrived at 4:50.

Roger discussed the status of the water contract discussions with BP and the PUD. Roger talked about the water usage historical data. Luke said that, according to John Thielmann, use of BP's water treatment plant in the event of curtailment, may be acceptable temporarily but would require time for approval. The commissioners discussed that the reason for capping BP's take is system supply reliability. Also discussed, was the delay in getting the contract amendment done as the September 1 termination date draws closer. Luke stressed that he is more than willing to do whatever is necessary to bring the issue to a satisfactory conclusion that would allow BP to continue to be supplied by the District after September 1. Roger discussed his view of the superseding contract that would specify conditions for an interim supply until a permanent supply is identified. Both Roger and Luke agree that the meeting next week needs to consider the time needed for negotiation of a superseding contract following the termination date in the existing contract. Roger noted that the Board will have the option of allowing the current contract to terminate without extending it further.

Roger reported that the water supply is good, due to the rainy and cooler weather the last week.

Roger also reported that there have been two interviews for the Conservation position, with one more scheduled, and hopes that the selection process will conclude successfully next week.

Dan reported on the well replacement projects in the Blaine well field. PW 8.1 encountered non-water bearing soil from approximately 350 to 760 feet deep. Drilling was stopped and screens will be installed in the 150 foot to 280 foot range.

Roger also spoke briefly about his attendance at the last PUD board meeting.

Dan talked about a request from Bell Bay Jackson for the district to consider selling or renting storage capacity to them. That would allow them to defer constructing additional storage. Dan reviewed the BBJA system configuration and talked about relative benefits or problems with such an arrangement. Staff will continue to work with Bell Bay Jackson on this proposal.

Dan discussed the Blaine Road Distribution main replacement project. The contract bid price was \$182,500 and actual contract cost was \$151,862.61. The project is complete and Dan asked for acceptance of the project, and approval of change order #1 (reconciliation of actual quantities used). It was moved by Alesse and seconded by Reichhardt to accept the project and approve the change order. The motion passed unanimously.

Dan reported on follow-up to his discussion with DOE on some issues with the NPDES permit and they seemed to come back positively.

Developer Extensions: Dan reported that Horizons has still not completed all the items to get the project accepted. The Kamal short plat is very close to completion. Dan asked the board for conditional acceptance because there are just a couple small items remaining. It was moved Reichhardt and seconded Alesse for conditional acceptance of the Kamal DE. The motion passed unanimously.

Dan discussed the Koehn Rd. DE proposal and the proposed recommendations on the project from CHS. There was considerable discussion regarding whether the property is in the retail service area and if the district is required to provide the service. There was also discussion on the Point Whitehorn reservoir and the proposed dead-end line to service these parcels. Staff will continue to work on this proposal and return for further discussion at a subsequent meeting.

The Commissioners went into Executive Session at 7:40 PM to discuss a personnel issue. The session should take 10 minutes, with no action anticipated afterwards.

Coming out of Executive Session at 7:50, there being no further business, the meeting was adjourned.

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 **July 26, 2007**.

BOARD SECRETARY

(minutes taken by Glenn Golay)