

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD **February 11, 2010**

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

**Agenda additions/changes:** none

**Public Input:** none

**Consent Agenda included:** Minutes for the Regular meeting of January 28, 2010; Accounts Payable Warrants #39333-39387 paying Claims #39333-39387 for \$784,308.74; January Payroll Warrants #6605-6628 for \$59,133.23; January Adjusting Entries to UBS for \$6,056.49 charges and \$1,100.00 credits and to Assessments for \$1,375.11 charges; January EFTPS withholding deposit made on 01/29/10 for \$22,905.92; January Department of Revenue payment made electronically on 02/04/10 for \$8,448.59; and January Financial Reports for review. It was moved by Montfort and seconded Alesse to approve the Consent Agenda. The motion passed unanimously.

**BP:** Roger briefed the board on a meeting that he and Dan had with BP staff earlier this week. The purpose was to review the draft wastewater contract and proposed additional service and GFC charges. Roger also noted that they discussed potable water supply and reclaimed issues. Roger felt there was potential interest by BP in the reclaimed option. There was general discussion and questions about the draft contract from the commissioners.

Commissioner Reichhardt arrived for the meeting at this point in the agenda.

**Water Supply:** Roger discussed his attendance at the most recent PUD board meeting.

Roger updated the board on the activity with the Cost Reimbursement Program. The final ROE's (Report Of Examination) should be issued in April, and Roger thinks the permits would be approved in June based on the current schedule.

Roger also talked about activity with the Water Supply Group. Commissioner Montfort moved to authorize Roger to sign a request for public records concerning WRIA issues. The motion was seconded by Reichhardt and the motion passed unanimously.

Dan updated the commissioners on the progress of the Birch Bay Drive Forcemain project. Dan reported that the contractor has two pipes in the ground all the way to within about 100 feet of pump station #1. The ground water has not been a difficult issue and they are only 700 feet from being out of the archeological areas. Dan thinks it's going well. There are still some difficult archeology areas to go through.

Roger and Glenn presented the 2010 Revenue Model. The model brings together all the financial activities of the district, both current and projected out 10 years.

The commissioners also reviewed the Capital Improvement Budget for 2010. After review, it was moved by Montfort to approve the proposed budget as presented. The motion was seconded by Reichhardt and the motion passed unanimously.

Roger asked for input from the commissioners regarding the possible increase in utility rates based on results from the model. There was considerable discussion regarding the financial position and

policies of the district and how that impacts the need for rate changes within the current economic conditions. As staff continues to study the utility rate issue, the board would still like a review of the possibility of instituting a low income rate (which would influence rate structure, etc.). Staff will work on those issues and review with the board at a future meeting.

Roger presented additional information regarding I&I policy and standards. Roger and Bob will work on possible code changes that will need to be made based on the new standards and return to the board at a future meeting.

**Developer Extensions:** Dan discussed DE activity. He asked for conditional acceptance of the Tides DE based on the completion of items still remaining on the project. It was moved Montfort and seconded Reichhardt to grant conditional acceptance of the Tides project based on Dan's satisfaction that the "punch list" items are completed. The motion passed unanimously.

Dan also discussed the proposed annexation application of Harbor Shores to the city of Blaine. He reviewed a district response to the City to the proposal. The board supported his recommendations.

The Anchor Manor DE project was discussed. The owner would like to terminate the existing account. Dan will meet with the owner to discuss his options if he terminates now.

Dan informed the board of a proposal by the Lighthouse RV park to expand their development. He will keep the commissioners informed.

Bob and Roger discussed the proposal for adding condo units to the commercial/office/spa space at Sandcastle. The Board concurred with Roger's recommendation that a new premises be defined within that area, which will require addition of a service connection associated with that premises. The additional condos can be implemented and ELUs determined within the new premises. Roger indicated that staff will review District Code to clarify language on change in use and other terms, bringing recommendations to a future Board meeting.

There being no further business, it was moved Reichhardt and seconded Montfort to adjourn the meeting at 8:10 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 11, 2010**.

\_\_\_\_\_  
BOARD SECRETARY

(minutes taken by Glenn Golay)