

Voucher Report

2/14/2011

Vendor Name	Link to Transaction Transaction Reference	Transaction Date	Total Amount	Title
4th Corner Network, Inc.	11-02	1/31/2011	\$90.00	Communications
				Communications
				Communications
ACC Business (Division of ATT	110134294	1/27/2011	\$990.81	Communications
				Communications
Aecom, Inc	37037317	7/8/2010	\$1,126.13	3rd Party Review-Grandis Park Project
	37042130	8/9/2010	\$767.25	3rd Party Review-Grandis Park Project
	37070331	12/1/2010	\$57.75	3rd Party Review-Grandis Park Project
American Public Works Assn	11-01Banham	1/13/2011	\$155.00	Miscellaneous
Aramark Uniform Services	655-5343699	1/17/2011	\$51.03	Uniforms & Boots
	655-5346124	1/18/2011	\$147.94	Repair & Maintenance (o/s)
				Uniforms & Boots
				Uniforms & Boots
	655-5346132	1/18/2011	\$91.23	Uniforms & Boots
	655-5356000	1/24/2011	\$51.03	Uniforms & Boots
	655-5358452	1/25/2011	\$49.00	Uniforms & Boots
				Uniforms & Boots
	655-5358456	1/25/2011	\$80.28	Professional Services
	655-5358458	1/25/2011	\$378.52	Professional Services
				Professional Services
				Professional Services
	655-5358461	1/25/2011	\$91.23	Uniforms & Boots
	655-5368483	1/31/2011	\$51.03	Uniforms & Boots
	655-5370972	2/1/2011	\$147.94	Repair & Maintenance (o/s)
				Uniforms & Boots
				Uniforms & Boots
655-5370980	2/1/2011	\$91.23	Uniforms & Boots	
655-5383416	2/8/2011	\$80.28	Professional Services	
655-5383418	2/8/2011	\$378.52	Professional Services	
			Professional Services	
AT & T Mobility	997103196X02042011	1/26/2011	\$274.51	Communications
AT & T Wireless	287230886884X02042011	1/26/2011	\$47.50	Communications
Automated Mailing Service	168125	1/31/2011	\$569.63	Communications
Avocet Environmental	1100177-IN	1/19/2011	\$224.00	Professional Services
Bellingham Herald	054709	1/30/2011	\$986.20	Advertising
				Advertising
				Advertising
				Advertising
Bellingham/whatcom County	3924	2/1/2011	\$1,395.00	Bham/whatcom CO Visitor Center

Birch Equipment	33440	1/5/2011	\$55.34	Operating Rentals & Leases
Black Rock Cable	18089	2/1/2011	\$580.25	MIS Services - MIS System Communications
Blaine Boys & Girls Club	11-02B&G	2/1/2011	\$2,583.33	Prof. Services-Boys & Girls
Blaine Community Chamber	11-01chamber	1/21/2011	\$410.00	Miscellaneous
Blaine-Bay Refuse, Inc.	250109-BB11-02	2/1/2011	\$218.56	Utility Services
	721198-BB11-02	2/1/2011	\$56.99	Public Utility Services
	771055-BB11-02	2/1/2011	\$306.04	Public Utility Service Utility Services
	772292-BB11-02	2/1/2011	\$26.99	Utilities
	773629-BB11-02	2/1/2011	\$269.54	Utility Services
	773630-BB11-02	2/1/2011	\$270.08	Utility Services
	774395-BB11-02	2/1/2011	\$813.91	Utility Services
	774778-BB11-02	2/1/2011	\$84.79	Public Utility Services
	775147-BB11-02	2/1/2011	\$248.72	Public Utility Service
Blumenthal Uniforms	830310	1/20/2011	\$86.19	Uniforms & Equipment
	854282	2/4/2011	\$52.61	Uniforms & Equipment
	857197	1/19/2011	\$138.88	Reserves Uniforms & Equipment
Cascade Natural Gas	11-01gas	1/26/2011	\$87.00	Gateway Cul-de-sac Engineering & Design
	729890000004/11-01	1/31/2011	\$452.26	Public Utility Service
	860890000003/11-01	1/31/2011	\$568.54	Public Utility Service
Central Welding Supply	BE 128156	1/6/2011	\$2,693.52	Small Tools & Minor Equipment
Chmelik Sitkin & Davis PS	10-12Chmelik	1/21/2011	\$5,521.62	Professional Services
				Professional Services
				Professional Svcs-Legal
Cities Insurance Assn	107687	12/28/2011	\$531.61	City Wide Insurance Policy
	108496	1/18/2011	\$574.37	Insurance
	7080	1/20/2011	\$1,000.00	City Wide Insurance Policy
	7091	1/27/2011	\$1,000.00	Insurance
City of Blaine-Utilities	11-01COB Utilities	1/31/2011	\$49,275.54	Public Utility Service
				Utility Services
				Public Utility Service
				Public Utility Services
				Utility Services
				Public Utility Services
				Utility Services
				Utility Services
				Utility Services
				Utilities
				Utilities
CivicPlus	86893	2/1/2011	\$371.50	MIS Software-MIS System
Columbia Rubber Mills	I1046046	12/30/2010	\$1,066.07	Operating & Maint. Supplies
Comcast	11-01Comcast	1/25/2011	\$99.95	MIS Services - MIS System
Copy Source	015,496	2/1/2011	\$130.20	Office & Operating Supplies
Crystal Springs - DS Waters America	5377101 011311	1/13/2011	\$19.85	Operating Supplies
	7192831 011311	1/13/2011	\$35.91	Miscellaneous
Custer Sportsman's Club	4Q-1	1/6/2011	\$250.00	Travel & Training
Department of Emergency Management	11-01Assessment	1/20/2011	\$9,783.00	Intergov't Prof. Services
Department of Health	11-01OP Permit	2/1/2011	\$4,820.50	Miscellaneous

Emerald Recycling	I78283	1/12/2011	\$25.00	Ops & Maint Supplies
Farmer Bros. CO	54371714 SO	1/18/2011	\$171.18	Supplies
				Office Supplies
				Office & Operating Supplies
	54371715 SO	1/18/2011	\$79.13	Operating Supplies
	54371716 SO	1/18/2011	\$173.61	Operating & Maint. Supplies
Federal Express Corp.	7-359-97137	1/14/2011	\$25.73	Professional Services
	7-376-33134	1/28/2011	\$20.46	Communications
Frontier (Verizon Northwest)	332-1230/11-02	1/28/2011	\$138.94	Communications
				Communications
	332-4238/11-01	1/22/2011	\$126.33	Communications
				Communications
				Communications
	332-4544/11-01	1/10/2011	\$48.70	Communications
	332-8200/11-02	1/28/2011	\$292.61	Communications
	332-9581/11-02	2/1/2011	\$57.39	Communications
Frontier - Verizon Communications	371-5549/11-02	1/25/2011	\$94.62	Communications
	332-4506/11-01	1/16/2011	\$111.42	Communications
	332-8040/11-01	1/16/2011	\$156.87	Communications
General Dynamics Itronix Corp	S0006447	1/28/2011	\$395.30	Repair & Maintenance (o/s)
Guardian Security	1264005	2/1/2011	\$31.50	Professional Services
	1265251	2/16/2011	\$88.50	Professional Services
				Professional Services
Haleys' White Rock Dodge	122997	1/25/2011	\$1,076.61	Repair & Maint Vehicles (o/s)
Hardware Sales, Inc.	363500	1/14/2011	\$215.65	Small Tools & Equipment
IACP/LEIM	1000962900	1/12/2011	\$120.00	Miscellaneous
Ikon Office Solutions	5015097753	9/23/2010	\$6.42	Operating Rentals & Leases
	5016453597	1/24/2011	\$5.93	Operating Rentals & Leases
	5016478095	1/25/2011	\$6.07	Rentals/leases
Industrial Supply Inc.	472892	1/14/2011	\$268.61	Operating Supplies
				Operating & Maint. Supplies
IOS Capital	84108889/2561471	1/31/2011	\$511.04	Operating Rentals & Leases
	84108889/2674993	1/31/2011	\$467.64	Operating Rentals & Leases
	84108889/2820105	1/31/2011	\$660.88	Operating Rentals & Leases
	84108889/2913272	1/31/2011	\$48.97	Operating Rentals & Leases
	84108889/3149129	1/31/2011	\$43.40	Operating Rentals & Leases
	84108889/3149154	1/31/2011	\$43.40	Rentals/leases
	84108889/3161294	1/31/2011	\$862.83	City Hall Fax Lease
	84108889/3161456	1/31/2011	\$43.40	Operating Rentals & Leases
James L. Glover	11-01med/prescription	1/12/2011	\$382.00	Prof Svcs-Medical Expenses
	11-01med/vision	1/12/2011	\$286.00	Prof Svcs-Medical Expenses
Jones Chemicals, Inc	494134	1/12/2011	\$2,641.11	Operating Supplies
	494246	1/14/2011	(\$800.00)	Operating Supplies

KCDA Purchasing Cooperative	3453728	1/11/2011	\$633.79	Miscellaneous
				Office & Operating Supplies
				Office & Operating Supplies
				Office & Operating Supplies
				Office & Operating Supplies
				Supplies
				Office & Operating Supplies
Klean Kut Turf Care	11-01kleancut	1/18/2011	\$4,200.18	Professional Services
				Professional Services
Kusters Zima Corp - Waste-Tech Division	45682	1/19/2011	\$824.60	Operating & Maint. Supplies
Mobile Armored	0019354-IN	2/1/2011	\$261.90	Communications
				Communications
				Communications
Nesco	0013366	1/14/2011	\$54,613.48	Machinery & Equipment
Nextel	193284021-102	1/26/2011	\$1,394.61	Communications
				Communications
Office Depot, Inc. *****	546778515001	1/4/2011	\$294.98	Office & Operating Supplies
	547906872001	1/11/2011	\$169.82	Office & Operating Supplies
	547908087001	1/11/2011	\$225.81	Office & Operating Supplies
	547908172001	1/11/2011	\$64.12	Office & Operating Supplies
	548400187001	1/14/2011	\$433.56	Office & Operating Supplies
	548400717001	1/14/2011	\$18.71	Office & Operating Supplies
	549169496001	1/20/2011	\$163.44	Office Supplies
	549169654001	1/20/2011	\$33.89	Office Supplies
Pioneer Ford, Inc.	FOCS51583	1/5/2011	\$79.47	Repair & Maint Vehicles (o/s)
	FOCS51686	1/12/2011	\$22.34	Repair & Maint Vehicles (o/s)
	FOCS51777	1/19/2011	\$208.25	Repair & Maint Vehicles (o/s)

Pitney-Bowes Credit Corp.	2435832-JA11	1/13/2011	\$231.69	Operating Leases & Rentals
				Operating Rentals & Leases
				Operating Rentals & Leases
				Operating Rentals & Leases
				Operating Rentals & Leases
				Operating Rentals & Leases
				Rentals/leases
				Operating Rentals & Leases
				Operating Rentals & Leases
Platt Electric	8965453	1/19/2011	\$1,152.27	Items Purchased For Inventorv
	8970159	1/24/2011	\$1,863.05	Items Purchased For Inventorv
Pogozone LLC	25700	1/15/2011	\$625.00	MIS Communications-MIS System
Point Roberts Press, Inc.	18118	11/25/2010	\$1,258.00	Advertising
	18708	1/27/2011	\$1,622.00	Advertising Advertising - Public Works Advertising
Port of Bellingham	11-02/4m-25	2/1/2011	\$10.85	Plover
Quill Corporation	1843483	1/24/2011	\$229.42	Supplies
Recall Secure Destruction	8696085927	1/29/2011	\$36.63	Record Archiving & Destruction
Ron Freeman	11-01planning utilities	1/14/2011	\$320.13	Utilities
Roy, Simmons & Parsons, PS	11-01pubdef	2/1/2011	\$1,100.00	Indigent Defense
Security Mail Services	56620	12/18/2010	\$14.56	MIS Communications-MIS System
Short Cressman & Burgess LLC	472749	1/14/2011	\$6,078.00	Professional Services
Sprint/nextel	781148818-038	1/18/2011	\$299.56	Communications
Tech Depot	B11013533V1	1/10/2011	\$274.45	Mis Computer Supply-MIS System
	B11013533V2	1/21/2011	\$83.30	Mis Computer Supply-MIS System
	B11015493V1	1/11/2011	\$413.80	Office & Operating Supplies
				Office & Operating Supplies
Teledyne Isco, Inc.	946760	1/11/2011	\$208.86	Operating & Maint. Supplies
Tepker Law Firm, Inc	2460	1/30/2011	\$3,211.88	Prosecution Costs
Terex Utilities West	978-158444	1/25/2011	\$428.58	Small Tools & Minor Equipment
Terminix International	301601263	1/18/2011	\$64.02	Professional Services
	301881182	1/31/2011	\$80.29	Professional Services
	301969967	1/18/2011	\$60.76	Professional Services
	301972445	1/18/2011	\$143.22	Professional Services Professional Services
Valley Freightliner, Inc	2210170080	1/17/2011	\$510.40	Repairs & Maintenance (o/s)
Vision Municipal Solutions	1157	2/4/2011	\$206.08	Office & Operating Supplies
Washington Assn of Public Records Officers	2011-01	1/28/2011	\$75.00	Miscellaneous
Wat, Inc	100930	10/15/2011	\$611.41	Repair & Maint Vehicles (o/s)
WCCOG	2011-00002	1/14/2011	\$2,554.50	Intergov't Prof Svcs-Awc/cog

WCI	110310675	2/1/2011	\$192.07	Communications
				Communications
Wcma	11-02Tomsic	2/7/2011	\$142.00	Miscellaneous
Whatcom County Dist Court Probation	2010-12-2	1/31/2011	\$4,190.50	Probation Services
Whatcom Occu. Health	21523 2/9/2011 11:34:16 AM	1/31/2011	\$55.00	Professional Services
	21768	2/3/2011	\$130.00	Professional Services
				Professional Services
Whatcom Transit Authority	2938277	1/31/2011	\$40.00	Miscellaneous
WRC	490	1/29/2011	\$49.90	Miscellaneous
Yorkston Oil Co, Inc.	11131	1/3/2011	\$11,448.95	Fuel Consumed
	124312	1/31/2011	\$463.46	Fuel Consumed
				Fuel Consumed
	124313	1/31/2011	\$468.26	Fuel Consumed
				Fuel Consumed
				Fuel Consumed
				Fuel Consumed
	124314	1/31/2011	\$3,752.59	Fuel Consumed
	124315	1/31/2011	\$34.64	Fuel Consumed
	124375	1/31/2011	\$1,036.69	Fuel Consumed
	9615	1/24/2011	\$103.86	Operating & Maint. Supplies
				Ops & Maint Supplies
				Operating Supplies
				Operating & Maint. Supplies
Zylstra Tire Center Inc	157938	2/2/2011	\$334.14	Repair & Maint Vehicles (o/s)
Total			\$211,636.67	

Total rows: 254

Filter: Transaction Details with: All of (Vendor Name in (prompted), Transaction System in (prompted), Fiscal Description in (prompted))

**CITY OF BLAINE
CITY COUNCIL MEETING MINUTES**

Monday, January 24, 2011

7:00PM

**Bonnie Onyon – Mayor
John Liebert – Mayor Pro Tem**

A. CALL TO ORDER: 7:02pm

B. Moment of Silence and Pledge of Allegiance

➤ **ROLL CALL:**

PRESENT: Scott Dodd, Charlie Hawkins, John Liebert, Bonnie Onyon, Harry Robinson and Alan Black.

ABSENT: Paul Greenough.

MOTION WAS MADE BY HARRY ROBINSON TO EXCUSE PAUL GREENOUGH, SECONDED BY CHARLIE HAWKINS AND APPROVED 6 – 0.

STAFF: City Manager Gary Tomsic, PW Director Steve Banham, Police Chief Mike Haslip, CDS Director Michael Jones, Finance Director Jeffrey Lazenby, and City Clerk Sheri Sanchez.

C. RECOGNITIONS AND AWARDS

1. Pam Christianson – BTAC – was presented an award by Mayor Bonnie Onyon for her service on the Blaine Tourism Advisory Committee.
2. Jan Hansen – Park and Cemetery Board and Blaine Builder Award - the awards were presented by Mayor Bonnie Onyon for Jan’s service on the Park and Cemetery Board and for her work in the community.

D. AUDIENCE PARTICIPATION

1. Debby Farmer - Branch Manager of Blaine Library provided information on the “Whatcom READS!” project for 2011. The book selection includes two books by Jim Lynch, “Border Songs” which received the 2010 Washington Book Award, and “The Highest Tide” which was a Pacific Northwest Bookseller Award winner for 2006.

E. COMMISSION, COMMITTEE AND BOARD REPORTS

1. Blaine Economic Development Advisory Committee – no report.
2. Whatcom Economic Development Board – John Liebert reported – the board will meet this Wednesday at 7:30am in Bellingham. The board will now be meeting on the fourth Wednesday of every month.
3. WTA Board – no report.

4. Marine Resources Committee – no report.
5. Blaine Tourism Advisory Committee – Harry Robinson reported - BTAC held its first meeting of 2011. The committee discussed a number of items and introduced new members to committee. There will be a follow up meeting in February.
6. Chamber of Commerce – John Liebert reported - the Bite of Blaine will not be on February 21st this year due to the changes at the Semiahmoo Inn. The Chamber is looking at the possibility of holding the event in March.
7. Drayton Harbor Shellfish Advisory Committee – no report.
8. Library Committee – Scott Dodd reported - if you haven't used your library card in over a year, or owe the library money, you will need to renew your card.
9. R.E.D. Loan Committee – Harry Robinson reported – there has been some interest but no applications.
10. Planning Commission – no report.
11. Park and Cemetery Board – no report.
12. Law and Justice Council – no report.
13. Small Cities Caucus – Bonnie Onyon and Gary Tomsic reported - at the meeting last week, guests included Craig Cole and a representative of SSA (Stevedoring Services of America), the world's largest shipping terminal operators. SSA is looking at a shipping terminal at Cherry Point, which is the only deep water port on west coast. SSA is in the processing of obtaining permits. Council may be asked in the future to endorse SSA, who would like to, at some point, make about a 20 minute presentation to the council.
14. Whatcom Council of Governments – Bonnie Onyon reported – there will be a meeting next month, at which time Bonnie will provide a report.

F. CITY MANAGER AND STAFF REPORTS

1. Public Works – Steve Banham reported -
 - a. State & Federal Projects Update - staff is nearing the end of state and federal project reports. All lanes are open on GSA project with the grand opening planned for March. With regard to the State project, staff has paperwork from DOT to sign off on the roundabout project. There will be ongoing work with the landscaping including the State providing landscaping for the first year and then providing funding to the City for the next two years. Regarding the easements that were mentioned in the paper, DOT makes sure that the interchanges allow for existing access such as driveways, but in order to make sure that there are not any possible future driveway accesses, DOT acquires property rights.
 - b. Street Projects Update – we are currently in a lull period with the street work, but they will get started on H Street project within the next couple of months. The staff met with Cascade Natural Gas, who would like to share the trench. The City encourages sharing the trench with other utilities.
2. Public Safety – no report.
3. Community Development Services – Michael Jones reported -

- a. Whatcom County Comp Plan Docket - staff is seeking input from council on the County's Comp Plan including rezoning the area on the north side of Lincoln Road between Shintaffer and Harborview, and the area between Shintaffer and Drayton Harbor Road. Council and staff discussed zoning and whether council would like to encourage or oppose docketing of certain projects.

Motion was made by John Liebert to have staff write a letter to the County encouraging the items be docketed, seconded by Scott Dodd, and approved 4 - 2 (Harry Robinson abstained and Charlie Hawkins voted against).

4. Finance – no report.
5. City Clerk – no report.
6. City Manager – Gary Tomsic reported –
 - a. Tsi' Litch Property Transfer Agreement - Steve, Michael and Gary met to work on making the final changes to the agreement and have had communication with Lummi.
 - b. Mercer Land Agreement - the sale has not closed but they communicated with the City Attorney that they will be closing the first or second week in February. Their building permit is waiting in the Planning department.
 - c. PERC Hearing - after a PERC hearing regarding an unfair labor practice that was brought against the City by the Teamster Uniform unit, the City was notified last week that the City prevailed in the matter, which puts the City and Teamster Uniform back to the negotiating table.

Calendars:

Thursday, January 27, **7:00pm** – Planning Commission Meeting

Tuesday, February 8, **7:30am** – BTAC Meeting

Thursday, February 10, **7:00pm** – Planning Commission Meeting

Monday, February 14, **5:30pm** – Council Study Session – 2011

Comp Plan Docket (staff may switch this study session for Joint Study Session with BBWSD)

7:00pm – Council Meeting

Thursday, February 17, **9:30am** – Park and Cemetery Board Meeting

City Offices will be closed on Monday, February 21, in observance of Presidents' Day

Thursday, February 24, **7:00pm** – Planning Commission Meeting

Monday, February 28, **7:00pm** – Council Meeting

G. PUBLIC HEARING (MEETING)

1. Intent to Form ULID – Vista Terrace Area

The public hearing was opened at 7:46pm.

The rules for the public hearing process were reviewed by the Mayor.

Mayor Onyon reviewed doctrine of fairness with the council. When the councilmembers were asked if any of them had any interest, financial or property, to disclose in connection with this matter, or any other disclosures, John Liebert advised that he lives in the area and has a vested financial interest, and Bonnie advised that she has family members who live in that area.

The mayor advised that the purpose of the hearing is for council to hear and consider pertinent facts and to take action relating to the intent to form the ULID, and advised everyone in attendance of the order of the meeting.

Steve Banham provided an overview of the process and advised that an ordinance will be presented at the next council meeting. Assistant PW Director Bill Bullock reviewed the ULID area and the ULID process and provided information on the input from the open houses that were held earlier in the month.

Charlie Hawkins reviewed with staff the ULID process.

Testimony:

- Gary Leer – 9715 Terrace Ave., Blaine, WA, regarding apportionment.
- Adam Lambe – 9718 Vista Terrace Ave., Blaine, WA, regarding timing to hook into the system.
- Rich Eacret – 9775 Allan Street, Blaine, WA, regarding assessments.
- Adam Williamson - 9735 Lincoln Lane, Blaine, WA, regarding costs to properties with septic systems and requirements to pay hook-up fee.

The City Clerk read into the record the letter from Vijay Sharma, dated January 19, 2011, regarding the ULID.

The PW Director advised the mayor that staff would like to continue the public hearing until the next council meeting.

Staff responded to the questions asked during the public testimony:

1. Extension beyond Vista Terrace – staff would look at not including the costs of that portion of the lineal footage, which staff has the ability to do through the H Street contract.
2. How long to hook-in – revision to title 13 in the municipal code states that as long as you have a working septic system and meet Health Department requirements, you do not have to connect. If the property sells, the City would require that the property convert to the City sewer system.
3. Why do they have to pay for frontage along the line - the City has taken all of the costs for this LID and allocated them evenly across all of the parcels. The initial assessment letter that each of the residences received is for the total cost, divided by the number of properties involved. Regarding the question as to whether the property can be subdivided, the staff will address this with the LID bond counsel as well as questions regarding undeveloped properties.

4. If property has to invest in a grinder pump to serve their property – there may be more of an investment on their part when they do go to connect.

Steve added that the plan is to minimize the amount of sewer line that the City puts in to benefit the properties which, in some cases, results in some configurations where the City isn't able to serve a property with gravity.

Bill Bullock reviewed 4 elements of the sewage treatment system that we pay for that was discussed at the open houses:

1. The LID pays for the sewer mains in front of the development
2. The General facility fees, which is the buy-in to the system
3. Monthly fees pay for general maintenance and operation of the sewer system and paying bond debt
4. The private connection between house and sewer lateral that runs to the edge of the property.

Steve addressed the connection fees. Currently, there is no connection fee in the City, which the council has committed to for 5 years, with 3 years left, which the city believes cannot be grandfathered in. Staff will need to discuss this with the City attorney.

Adam Lambe asked to address council and staff to clarify his question regarding the pipe.

Dennis Olason – 860 Georgia Street, Blaine, WA, asked if there is any possibility that, once the City has put in the sewer lines, the health department can require that the property owner hook-up to the City system. Steve responded that his understanding is that as long as the septic system is functioning properly, there is no requirement.

John Liebert asked if there is a mechanism available for property owners who have financial hardships and cannot meet their obligations. Staff advised of specific procedures in the State LID process for hardships which were also provided at the town meetings, and will also be available on the City website. Bill added that the hardship provisions pay up to 80 percent.

John Liebert asked if the appraiser is a private appraiser or county appraiser and is it included in the cost of the LID. Staff advised that it is a contract appraiser with certain credentials and is included in the cost of the LID.

John Liebert asked if the assessment is based on the frontage of the lot that faces the pipe. Steve advised that it is not in the current assessment methodology used when sending out the letters.

John Liebert asked how many years will the LID be for. Staff responded that it is to be determined later and is based on the bond as it is market driven, but expect it to be for a 10 to 15 year term per LID counsel.

John Liebert also asked if the property owner can pay the entire fee up front and staff responded in the affirmative.

Alan Black asked if it is possible to create a contract between the property owner and the LID to purchase the right to connect at some future time. Staff said that is the essence of what we are trying to determine.

The mayor stated that the public hearing will be extended to the next council meeting on February 14, 2011.

Any written commentary will be accepted until the next meeting, and the staff will bring a draft ordinance to council at the next meeting.

The mayor advised at 8:30pm that council will take a break while people leave the council chambers.

Council reconvened at 8:33pm.

H. WRITTEN COMMUNICATIONS

1. Letter from Vijay K. Sharma dated January 19, 2011, regarding support of the Vista Terrace Area LID.

I. CONSENT AGENDA

1. Approval of Bills – Amount: \$233,830.34
2. Approval of Payroll - Amount: \$-0-
3. Approval of January 10, 2011 and January 20, 2011, City Council Minutes

MOTION WAS MADE BY CHARLIE HAWKINS TO APPROVE THE CONSENT AGENDA, SECONDED BY JOHN LIEBERT AND APPROVED 6 – 0.

J. COUNCIL ACTION ITEMS

1. Board and Committee Appointments:
 - a. Park and Cemetery Board

MOTION WAS MADE BY JOHN LIEBERT TO APPOINT TIJU KUUSKMAN TO THE PARK AND CEMETERY BOARD FOR THE TERM ENDING DECEMBER 31, 2012, SECONDED BY CHARLIE HAWKINS AND APPROVED 6 – 0.

2. Ordinance 11-2785, Amendment to Title 13, Accessory Dwelling Units Utility Services – presented by Steve Banham.

MOTION MADE BY SCOTT DODD TO ADOPT ORDINANCE 11-2785, AMENDING THE BLAINE MUNICIPAL CODE AT SECTIONS 13.04.200, 13.07.020, 13.07.060 AND 13.16.250 TO RECOGNIZE THE NEW CATEGORY OF ACCESSORY DWELLINGS IN THE REGULATION OF UTILITIES, AND SECONDED BY HARRY ROBINSON.

Alan Black asked about natural gas. Staff advised that natural gas is a franchise utility regulated by Cascade and is not provided for in our code. John Liebert asked if the accessory dwelling units go up into the Vista Terrace area. Staff advised that this ordinance is citywide and added that the accessory dwelling unit ordinance does go up into the Vista Terrace area.

Dennis Olason asked if the ordinance includes condominiums. Staff provided clarification of the ordinance v. the unified fee schedule. Dennis also asked if the wastewater rate set-up specifically speaks to the accessory dwelling units. Council asked Dennis to put his questions in writing for the staff to review. Steve added that it has to do with equity. There was additional discussion on usage based on number of people per property.

THE MOTION WAS APPROVED 6 – 0.

3. Revised Interlocal Agreement with Birch Bay Water and Sewer District - Gary Tomsic requested that this item be removed from the agenda tonight.

K. UNFINISHED BUSINESS – None.

L. COUNCIL NEW BUSINESS

1. John Liebert asked about addresses being changed in the Vista Terrace area (and East Blaine). Steve will review and provide information at the next council meeting.

M. MAYOR AND COUNCIL REPORTS – None.

N. ADJOURN: 8:51pm

Bonnie Onyon, Mayor

Sheri Sanchez, City Clerk

**CITY OF BLAINE
SPECIAL CITY COUNCIL MEETING MINUTES**

Monday, February 7, 2011

4:00PM

**Bonnie Onyon – Mayor
John Liebert – Mayor Pro-Tem**

A. CALL TO ORDER: 4:00pm

➤ **ROLL CALL:**

PRESENT: Alan Black, Paul Greenough, Charlie Hawkins, and Bonnie Onyon, and Harry Robinson.

ABSENT: Scott Dodd and John Liebert

MOTION WAS MADE BY PAUL GREENOUGH TO EXCUSE SCOTT DODD AND JOHN LIEBERT, SECONDED BY CHARLIE HAWKINS AND APPROVED 5 – 0.

STAFF: City Manager Gary Tomsic, Police Chief Mike Haslip, and City Clerk Sheri Sanchez.

B. COUNCIL ACTION ITEMS:

1. Mercer Contract Extension – presented by Gary Tomsic.

MOTION WAS MADE BY ALAN BLACK TO AUTHORIZE THE CITY MANAGER TO EXTEND THE PURCHASE AND SALE AGREEMENT WITH CHINOOK HOLDINGS LLC, FROM THE 8TH OF FEBRUARY TO THE 28TH OF FEBRUARY, 2011, SECONDED BY CHARLIE HAWKINS AND APPROVED 5 – 0.

C. ADJOURN: 4:03pm

Bonnie Onyon, Mayor

Sheri Sanchez, City Clerk

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Interlocal Agreement with Birch Bay Water and Sewer District (BBWSD)

DEPARTMENT: Public Works **PREPARED BY:** Stephen R. Banham Digitally signed by Stephen R. Banham
DN: cn=Stephen R. Banham, o=City of Blaine, ou=Public
Works Department, email=sbanham@ci.blaine.wa.us, c=US
Date: 2011.02.09 16:30:38 -0800
(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS: 1. Draft Interlocal Agreement between the City and BBWSD
2. Comparison of 2008 agreement with current proposed draft

BACKGROUND/SUMMARY: Since 1998 the City and Birch Bay Water and Sewer District have worked collaboratively to manage water system conservation programs. In 2002 both parties entered into a 30-year wholesale water supply agreement. Recognizing the importance of working collaboratively, in February 2008 the City entered into an interlocal agreement that provided for a wide range of collaboration on water and wastewater related issues, including joint funding and direction of hydrogeologic consultant work and water conservation. This has been a very effective means of accomplishing a number of critical water efforts and it is in the best interest of both parties to continue this working relationship. The 2008 interlocal agreement is due to expire, with the option of only a one-year renewal, and since both parties recognize the value of a longer term, staff has prepared a new draft agreement (Attachment 1) updating provisions of the original agreement and with a term of three years and option to extend for an additional three years. The minor differences between this agreement and the previous one are shown in Attachment 2.

BUDGET IMPLICATIONS: The work that is accomplished under the interlocal agreement must already be budgeted or brought to City Council for approval prior to initiating the work. Joint efforts result in economies to both agencies and help lend weight and credibility when applying for outside agency grants and loans.

RECOMMENDATION: Waive the second reading. Staff recommends that the City Council authorize the City Manager to execute the new interlocal agreement with Birch Bay Water and Sewer District as drafted.

REVIEWED BY:

City Manager Gary R. Tomsic Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, c=US, o=City
of Blaine, ou=City Manager,
email=gartomsic@ci.blaine.wa.us
Date: 2011.02.09 14:57:26 -0800
(Digital Signature)

Finance Director Jeff Lazenby Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of Blaine,
ou=Finance Director,
email=jlazenby@ci.blaine.wa.us, c=US
Date: 2011.02.09 15:13:30 -0800
(Digital Signature)

City Clerk Sheri Sanchez Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of Blaine,
ou=City Clerk,
email=ssanchez@ci.blaine.wa.us, c=US
Date: 2011.02.09 14:52:51 -0800
(Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____

RETURN TO:
CITY OF BLAINE
344 H Street
Blaine, WA 98230

DOCUMENT TITLE:
INTERLOCAL AGREEMENT BETWEEN THE CITY OF BLAINE AND
BIRCH BAY WATER AND SEWER DISTRICT

REFERENCE NUMBER OF RELATED DOCUMENT:
N/A

GRANTORS:
THE CITY OF BLAINE
BIRCH BAY WATER & SEWER DISTRICT

GRANTEE:
THE CITY OF BLAINE
BIRCH BAY WATER & SEWER DISTRICT

ABBREVIATED LEGAL DESCRIPTION:
N/A

ASSESSOR'S TAX PARCEL NUMBER(S):
N/A

**INTERLOCAL AGREEMENT
BETWEEN
THE CITY OF BLAINE AND BIRCH BAY WATER AND SEWER DISTRICT**

This Interlocal Agreement (“Agreement”) is entered into this ____ day of February, 2011, by and between the City of Blaine (hereinafter the “City”) and the Birch Bay Water & Sewer District (hereinafter the “District”), in consideration of the mutual promises and covenants contained herein. The District and the City are jointly referred to herein as (the “Parties”) and individually as (“Party”).

WHEREAS, RCW 39.34 permits governmental entities to enter into interlocal agreements to accomplish mutually beneficial purposes in the public’s interest; and

WHEREAS, the City and the District are governmental entities operating public water and public sewer systems providing potable water and wastewater services within their respective service areas; and

WHEREAS, it is in the public interest for the Parties as public entities to work in a cooperative manner; and

WHEREAS, On August 13, 1998, the Parties jointly adopted Resolution No. 1212-98 stating policies embracing a collaborative approach to management of the Parties' water conservation programs; and

WHEREAS, said policies provided for sharing of water conservation program costs when appropriate and mutually agreed; and

WHEREAS, the City on April 2, 2002, entered into a 30 year Wholesale Water Supply Agreement with the District for long term supply of potable water; and

WHEREAS, on February 14, 2006 and on July 25, 2006, the Parties entered into agreements providing for joint funding and direction of a professional hydrogeologic consultant with the goal of enhancing development of the City's water right(s) and delivery capacity to Birch Bay Water and Sewer District, and to promote the development of additional water right applications, permits and certificates; and

WHEREAS, the Parties have been successful in past joint pursuits of additional water right applications, permits and certificates and intend to pursue additional permits and certificates in the future; and

WHEREAS, the Parties are the principal public providers of potable water and wastewater services in the region northwest of Ferndale to the Canadian border; and

WHEREAS, the Parties have a common interest in continued sharing of resources, when appropriate and mutually agreed, for the cost-effective delivery of potable water, water conservation, and hydrogeologic analysis and services; and

WHEREAS, the Parties have a common interest in sharing of resources, when appropriate and mutually agreed, and approved by their respective elected bodies, for the cost-effective delivery of wastewater collection and treatment and reclaimed water produced as a result of treatment; and

WHEREAS, the Parties believe it will be most efficient to adopt a single interlocal agreement establishing common procedures for cost-sharing and efficient management of potable water services, including water conservation and hydrogeologic efforts, and wastewater services, including collection, treatment, and reclamation; and

WHEREAS, the current interlocal agreement between the Parties which became effective on February 28, 2008 has a three (3) year duration and therefore expires at the end of February 2011 unless extended by one year through mutual written agreement; and

WHEREAS, the foregoing recitals are a material part of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and the District agree as follows:

ARTICLE 1. PURPOSE AND SCOPE

The purpose of this Agreement is to establish a cooperative framework within which the City and the District can jointly carry out water and wastewater utility work. The cooperative efforts enabled by this Agreement are intended to reduce the cost of planning and implementing such activities. The Parties intend that existing written agreements between the Parties in place as of the date of this Agreement shall continue in effect until they expire or are terminated and that future task orders entered between the Parties for jointly funded water and wastewater related activities shall be accomplished under the umbrella of and in accordance with this Agreement. In the event there is a conflict between this Agreement and any existing written agreement between the Parties, the existing written agreement shall take precedence. Nothing herein shall require that future agreements between the parties for provision of water supply or wastewater services shall be executed under the umbrella of or in conformance with this Agreement.

ARTICLE 2. ADMINISTRATION

This Agreement shall be jointly administered by the City Manager and by the District General Manager (“Administrators”), or their respective designees.

ARTICLE 3. MANAGEMENT AND COMMITMENTS

From time to time during the term of this Agreement either Party may provide qualified staff and/or outside consultant services to assist with matters related to the purpose of this Agreement as set forth in Article 1. Subject to Section 6.15, such provision of staff, outside consultant services, or any other services or materials shall be in accordance with the provisions herein.

3.1 *Services and Materials Defined by Task Order.* As the need arises for either Party to request staffing, consulting or other assistance for the achievement of a common objective consistent with the purpose of this Agreement, the Parties may agree to pursue such objective by execution of a task order for services and/or materials, subject to the approval of such general scope of work and the budget for said scope of work by each parties respective Commission and Council. The services and/or materials to be provided will be delineated in sequentially numbered task orders. Such task order(s) will identify the scope of work, staff and/or consultants assigned, estimates of time, agreed hourly rates, estimated costs of materials and any

and all other costs. Each task order shall establish a maximum budget for completing the identified task.

3.2 *Agreement for Task Order and Funding.* Each task order shall require the written agreement of the Administrators for each Party or their designees, shall be identified as a task order entered pursuant to this Agreement, and shall incorporate and be subject to all terms of this Agreement. Funding for each task order, each Parties share of such funding or expense, and any limitations thereon, shall be also be specified and agreed upon in each separate task order. The maximum budget for a task order shall not be exceeded without the mutual written agreement of the Parties by execution of an amended task order and shall be within the specific budgeted amount approved for the project(s) by both the City Council for the City of Blaine and the Commission of the Birch Bay Water and Sewer District. In the event one Party unilaterally directs an outside consultant to expand the scope of work or increase the cost beyond what is authorized by a task order entered in accordance with this Agreement, said Party providing such direction to the consultant shall be solely responsible for that portion of the cost in excess of the maximum budget agreed upon.

3.3 *Minimum Process Requirements.* The acquisition of any outside services or materials pursuant to this Agreement, shall comply with the minimum requirements applicable to either or both Parties under federal and state law, and local ordinances and policies, including without limitation requirements for requests for qualifications, requests for proposals, and for bidding.

3.4 *Ownership of Property Acquired.* For any personal or real property (“Property”) acquired pursuant to a task order, the task order shall specify the Party which will own and be responsible for the Property. Neither Party shall obtain, accept or acquire any real or personal property for joint ownership by both Parties without executing a prior amendment to this Agreement in conformance with RCW 39.34.030(4) specifying the manner of acquiring, holding and disposing of real and/or personal property used in the joint undertaking. The Parties expressly acknowledge that acceptance or acquisition of any real or personal property for joint ownership by the Parties may also require separate amendment of the Wholesale Water Supply Agreement, in accordance with the terms therein.

3.5 *Invoice Transmittal.* Following receipt by one Party of an invoice for outside services, materials and/or following provision of staff services, said Party shall transmit a copy of the invoice for such services and/or materials to the other Party for payment in accordance with the applicable task order. The Parties shall make a good faith effort to review invoices without delay and to indicate any disapproval of same in writing within one week of their receipt to the other Party. The Parties shall attempt to resolve payment disputes as quickly as possible.

3.6 *Failure to Pay.* In the event that either Party does not pay its share of an invoice within thirty (30) days from the date of receipt, the other Party may provide the non-paying Party a notice of intent to suspend and/or direct the suspension of all or any portion of the work

authorized by this Agreement. If no payment or authorization of payment is forthcoming from the non-paying Party within five (5) days of its receipt of a notice of intent to suspend work, the notifying Party may in its sole discretion suspend and/or direct the suspension of all or any portion of the work authorized by this Agreement. The notifying Party shall under no circumstances be required to pay the non-paying Party's share, but may do so in its sole discretion without prejudice to any future determination that the non-paying Party is liable for reimbursement of such payment under this Agreement.

ARTICLE 4. DURATION

This Agreement shall be effective upon recording with the Whatcom County Auditor and shall remain in effect for three (3) years from the date of said recording, unless otherwise earlier terminated pursuant to Article 5. The Parties may extend the term of this Agreement for three (3) additional years by mutual written agreement.

ARTICLE 5. TERMINATION

5.1 *Required Notice.* This Agreement may be terminated by either Party at any time, with or without cause, by providing ten (10) days prior written notice thereof to the non-terminating party.

5.2 *Costs and Fees.* Upon termination, each Party shall be responsible for its share of the fees and costs incurred up to the date of termination in accordance with the terms herein.

5.3 *Disputes.* In the event the Parties cannot agree to resolution of any dispute relating to termination within sixty (60) days before or after the termination date of this Agreement, then the dispute shall be processed in accordance with Section 6.2 herein before any litigation is initiated.

ARTICLE 6. ADMINISTRATIVE; OTHER PROVISIONS

6.1 *No Modification of Existing Wholesale Water Supply Agreement.* This Agreement shall not alter, change, modify, replace, supersede or have any effect whatsoever on the Parties existing Wholesale Water Supply Agreement or on any right, obligation or provision in the Wholesale Water Supply Agreement. The Parties further agree that no act or omission of either Party in connection with this Agreement shall modify or relieve Blaine or the District of their respective obligations under the Wholesale Water Supply Agreement nor shall any such act or omission modify or enlarge any rights of either Party under the Wholesale Water Supply Agreement, unless such modification is expressly agreed to by the Parties.

6.2 *Dispute Resolution.* Any dispute arising out of the terms and conditions of this Agreement shall first be subject to the following mediation process. If a dispute shall arise, a

meeting shall be held promptly between the Parties to attempt in good faith to negotiate a resolution to the dispute. For purposes of this section 6.2 “promptly” shall mean within fourteen (14) calendar days of a Party requesting a meeting to resolve a dispute. If within ten (10) days after such meeting the Parties have not succeeded in resolving the dispute, then the dispute shall be mediated. Either Party may provide written notice to the other that the dispute shall be submitted to mediation and a mediator shall be selected. In the event that within seven (7) days of receipt of said written notice the Parties are unable to agree on a mediator, either party may request appointment of a mediator by the Whatcom County Superior Court. Both Parties shall cooperate to assure that mediation occurs in a timely manner and both parties shall supply all materials provided to the mediator to the other party at least two (2) days before mediation. Engaging in mediation shall not affect any claim, right, remedy, or defense of either party. Should mediation prove unsuccessful, all claims, rights, remedies and defenses of each party shall be preserved.

6.3 *Parties Are Separate Entities.* The Parties are each separate and independent public entities operating pursuant to the terms and conditions of this Agreement. No agent, employee, or representative of a Party to this Agreement shall be deemed to be an agent, employee, or representative of any other Party for any purpose.

6.4 *City Release of District.* To the extent permitted by law, the City hereby releases the District, its successors and assigns, commissioners, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with the District’s and its employees’ performance under this Agreement.

6.5 *District Release of City.* To the extent permitted by law, the District hereby releases the City, its successors and assigns, council members, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with the City’s and its employees’ performance under this Agreement.

6.6 *City Indemnification of District.* The City shall indemnify, defend and hold the District, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the extent harm is caused by the City, its agents or employees in connection with the City’s performance under this Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the District, its officers, agents or employees, the City shall pay the same.

6.7 *District Indemnification of City.* The District shall indemnify, defend and hold the City, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the

extent harm is caused by the District, its agents or employees in connection with the District's performance under this Amended Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the City, its officers, agents or employees, the District shall pay the same.

6.8 Notices. All notices and other communications required or permitted to be given by this Agreement must be in writing and must be given and will be deemed received if and when either hand delivered, faxed or mailed to:

DISTRICT	CITY
General Manager	Director of Public Works
Birch Bay Water & Sewer District	City of Blaine
7096 Point Whitehorn Road	1200 Yew Street
Birch Bay, WA 98230	Blaine, WA 98230

or to such other address as the Parties hereto may from time to time designate in writing and deliver in a like manner. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

6.9 Nonwaiver of Breach. Failure of either Party at any time to require performance of any provision of this Agreement shall not limit such Party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

6.10 Severability. If any term or provision of this Agreement or the application thereof to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6.11 "Days" Means Calendar Days. Unless otherwise specified, all deadlines in this Agreement expressed by a certain number of days shall mean "calendar" days.

6.12 Governing Law. The laws of the State of Washington shall govern any disputes arising under this Agreement.

6.13 Venue. Subject to section 6.2 herein, any disputes shall be adjudicated in the Superior Court for Whatcom County, Washington, unless otherwise agreed.

6.14 Section Headings. Section headings or captions are for reference only and shall not affect the construction or interpretation of this Agreement.

State of Washington.

My commission expires: _____

RETURN TO:

~~BIRCH BAY WATER & SEWER DISTRICT~~

~~7096 Point Whitehorn Road~~

CITY OF BLAINE

344 H Street

Blaine, WA 98230

DOCUMENT TITLE:

INTERLOCAL AGREEMENT BETWEEN THE CITY OF BLAINE AND
BIRCH BAY WATER AND SEWER DISTRICT

REFERENCE NUMBER OF RELATED DOCUMENT:

N/A

GRANTORS:

THE CITY OF BLAINE

BIRCH BAY WATER & SEWER DISTRICT

GRANTEE:

THE CITY OF BLAINE

BIRCH BAY WATER & SEWER DISTRICT

ABBREVIATED LEGAL DESCRIPTION:

N/A

ASSESSOR'S TAX PARCEL NUMBER(S):

N/A

**INTERLOCAL AGREEMENT
BETWEEN
THE CITY OF BLAINE AND BIRCH BAY WATER AND SEWER DISTRICT**

This Interlocal Agreement (“Agreement”) is entered into this ~~13th~~ _____ day of February ~~2008, 2011~~, by and between the City of Blaine (hereinafter the “City”) and the Birch Bay Water & Sewer District (hereinafter the “District”), in consideration of the mutual promises and covenants contained herein. The District and the City are jointly referred to herein as (the “Parties”) and individually as (“Party”).

WHEREAS, RCW 39.34 permits governmental entities to enter into interlocal agreements to accomplish mutually beneficial purposes in the public’s interest; and

WHEREAS, the City and the District are governmental entities operating public water and public sewer systems providing potable water and wastewater services within their respective service areas; and

WHEREAS, it is in the public interest for the Parties as public entities to work in a cooperative manner; and

WHEREAS, On August 13, 1998, the ~~City and the District~~ Parties jointly adopted Resolution No. 1212-98 stating policies embracing a collaborative approach to management of the Parties' water conservation programs; and

WHEREAS, said policies provided for sharing of water conservation program costs when appropriate and mutually agreed; and

WHEREAS, ~~pursuant to said policies the Parties have subsequently agreed to share certain expenses supporting their mutual water conservation efforts and~~ City on March 14, 2006 entered into an interlocal agreement specifying cost sharing on joint conservation program activities; and

~~WHEREAS, said interlocal agreement on joint conservation efforts is scheduled to terminate on March 14, 2008; and~~

~~WHEREAS, On April 2, 2002, the Parties signed entered into a water supply contract ("30 year Wholesale Water Supply Agreement") pursuant to which the Parties have benefited from the use and development with the District for long term supply of the City's existing water right claims, applications, permits and certificates~~ potable water; and

WHEREAS, on February 14, 2006 and on July 25, 2006, the Parties entered into ~~interlocal~~ agreements providing for joint funding and direction of a professional hydrogeologic ~~consultants~~ consultant with the goal of enhancing development of the City's water right(s) and delivery capacity to Birch Bay Water and Sewer District, and to promote the development of additional water right applications, permits and certificates; and

WHEREAS, the Parties ~~are currently jointly pursuing~~ have been successful in past joint pursuits of additional water right applications, permits and certificates and intend to pursue additional permits and certificates in the future; and

WHEREAS, the Parties are the principal public providers of potable water and wastewater services in the region northwest of Ferndale to the Canadian border; and

WHEREAS, the Parties have a common interest in continued sharing of resources, when appropriate and mutually agreed, ~~and approved by their respective elected bodies~~, for the cost-

effective delivery of potable water, water conservation, and hydrogeologic ~~as well as other water-related~~ analysis and services; and

WHEREAS, the Parties have a common interest in sharing of resources, when appropriate and mutually agreed, and approved by their respective elected bodies, for the cost-effective delivery of wastewater ~~services~~ collection and treatment and reclaimed water produced as a result of treatment; and

WHEREAS, the Parties believe it will be most efficient to adopt a single interlocal agreement establishing common procedures for cost-sharing and efficient management of ~~all joint~~ potable water ~~and wastewater efforts~~ services, including ~~but not limited to existing and future~~ water conservation and hydrogeologic efforts, and wastewater services, including collection, treatment, and reclamation; and;

WHEREAS, the current interlocal agreement between the Parties which became effective on February 28, 2008 has a three (3) year duration and therefore expires at the end of February 2011 unless extended by one year through mutual written agreement; and

WHEREAS, the foregoing recitals are a material part of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and the District agree as follows:

ARTICLE ~~2~~1. PURPOSE AND SCOPE

The purpose of this Agreement is to establish a cooperative framework within which the City and the District can jointly carry out ~~a range of~~ water and wastewater ~~activities, in addition to existing efforts with water conservation and hydrogeologic~~ utility work. The cooperative efforts enabled by this Agreement are intended to reduce the cost of planning and implementing such activities. The Parties intend that existing written agreements between the Parties in place as of the date of this Agreement shall continue in effect until they expire or are terminated and that future ~~interlocal agreements and~~ task orders entered between the Parties for jointly funded water and wastewater related activities shall be accomplished under the umbrella of and in accordance with this Agreement. In the event there is a conflict between this Agreement and any existing written agreement between the Parties, the existing written agreement shall take precedence. Nothing herein shall require that future agreements between the parties for provision of water supply or wastewater services shall be executed under the umbrella of or in conformance with this Agreement.

ARTICLE 32. ADMINISTRATION

This Agreement shall be jointly administered by the City ~~Director of Public Works~~Manager and by the District General Manager (“Administrators”), or their respective designees.

ARTICLE 43. MANAGEMENT AND COMMITMENTS

From time to time during the term of this Agreement either Party may provide qualified staff and/or outside consultant services to assist with matters related to the purpose of this Agreement as set forth in Article 1. Subject to Section 76.15, such provision of staff, outside consultant services, or any other services or materials shall be in accordance with the provisions herein.

43.1 *Services and Materials Defined by Task Order.* As the need arises for either Party to request staffing, consulting or other assistance for the achievement of a common objective consistent with the purpose of this Agreement, the Parties may agree to pursue such objective by execution of a task order for services and/or materials, subject to the approval of such general scope of work and the budget for said scope of work by each parties respective Commission and Council. The services and/or materials to be provided will be delineated in a ~~sequentially numbered task order to be attached hereto as Exhibit A~~orders. Such task order(s) will identify the scope of work, staff and/or consultants assigned, estimates of time, agreed hourly rates, estimated costs of materials and any and all other costs. ~~The~~Each task order shall ~~identify the task’s estimated total cost to complete which shall serve as the~~establish a maximum budget for completing the identified task.

43.2 *Agreement for Task Order and Funding.* Each task order shall require the written agreement of the Administrators for each Party or their designees, shall be identified as a task order entered pursuant to this Agreement, and shall incorporate and be subject to all terms of this Agreement. Funding for each task order, each Parties share of such funding or expense, and any limitations thereon, shall be also be specified and agreed upon in each separate task order. The maximum budget for a task order shall not be exceeded without the mutual written agreement of the Parties by execution of an amended task order and shall be within the specific budgeted amount approved for the project(s) by both the City Council for the City of Blaine and the Commission of the Birch Bay Water and Sewer District. In the event one Party unilaterally directs an outside consultant to expand the scope of work or increase the cost beyond what is authorized by a task order entered in accordance with this Agreement, said Party providing such direction to the consultant shall be solely responsible for that portion of the cost in excess of the maximum budget agreed upon.

43.3 *Minimum Process Requirements.* The acquisition of any outside services or materials pursuant to this Agreement, shall comply with the minimum requirements applicable to either or both Parties under federal and state law, and local ordinances and policies, including without limitation requirements for requests for qualifications, requests for proposals, and for bidding.

43.4 *Ownership of Property Acquired.* For any personal or real property (“Property”) acquired pursuant to a task order, the task order shall specify the Party which will own and be responsible for the Property. Neither Party shall obtain, accept or acquire any real or personal property for joint ownership by both Parties without executing a prior amendment to this Agreement in conformance with RCW 39.34.030(4) specifying the manner of acquiring, holding and disposing of real and/or personal property used in the joint undertaking. The Parties expressly acknowledge that acceptance or acquisition of any real or personal property for joint ownership by the Parties may also require separate amendment of the Wholesale Water Supply Agreement, in accordance with the terms therein.

43.5 *Invoice Transmittal.* Following receipt by one Party of an invoice for outside services, materials and/or following provision of staff services, said Party shall transmit a copy of the invoice for such services and/or materials to the other Party for payment in accordance with the applicable task order. The Parties shall make a good faith effort to review invoices without delay and to indicate any disapproval of same in writing within one week of their receipt to the other Party. The Parties shall attempt to resolve payment disputes as quickly as possible.

43.6 *Failure to Pay.* In the event that either Party does not pay its share of an invoice within thirty (30) days from the date of receipt, the other Party may provide the non-paying Party a notice of intent to suspend and/or direct the suspension of all or any portion of the work authorized by this Agreement. If no payment or authorization of payment is forthcoming from the non-paying Party within five (5) days of its receipt of a notice of intent to suspend work, the notifying Party may in its sole discretion suspend and/or direct the suspension of all or any portion of the work authorized by this Agreement. The notifying Party shall under no circumstances be required to pay the non-paying Party’s share, but may do so in its sole discretion without prejudice to any future determination that the non-paying Party is liable for reimbursement of such payment under this Agreement.

ARTICLE 54. DURATION

This Agreement shall be effective upon recording with the Whatcom County Auditor and shall remain in effect for three (3) years from the date of said recording, unless otherwise earlier terminated pursuant to Article 65. The Parties may extend the term of this Agreement for ~~one~~three (3) additional ~~year~~years by mutual written agreement.

ARTICLE 65. TERMINATION

65.1 *Required Notice.* This Agreement may be terminated by either Party at any time, with or without cause, by providing ten (10) days prior written notice thereof to the non-terminating party.

65.2 *Costs and Fees.* Upon termination, each Party shall be responsible for its share of the fees and costs incurred up to the date of termination in accordance with the terms herein.

65.3 *Disputes.* In the event the Parties cannot agree to resolution of any dispute relating to termination within sixty (60) days ~~of~~ before or after the termination date of this Agreement, then the dispute shall be processed in accordance with Section **76.2** herein before any litigation is initiated.

ARTICLE 76. ADMINISTRATIVE; OTHER PROVISIONS

76.1 *No Modification of Existing Wholesale Water Supply Agreement.* ~~Notwithstanding any other provision herein, this~~ This Agreement shall not alter, change, modify, replace, supersede or have any ~~effect~~ effect whatsoever on the Parties existing Wholesale Water Supply Agreement or on any right, obligation or provision in the Wholesale Water Supply Agreement. The Parties further agree that no act or omission of either Party in connection with this Agreement shall modify or relieve Blaine or the District of their respective obligations under the Wholesale Water Supply Agreement nor shall any such act or omission modify or enlarge any rights of either Party under the Wholesale Water Supply Agreement, unless such modification is expressly agreed to by the Parties.

76.2 *Dispute Resolution.* Any dispute arising out of the terms and conditions of this Agreement shall first be subject to the following mediation process. If a dispute shall arise, a meeting shall be held promptly between the Parties to attempt in good faith to negotiate a resolution to the dispute. For purposes of this section **76.2** “promptly” shall mean within fourteen (14) calendar days of a Party requesting a meeting to resolve a dispute. If within ten (10) days after such meeting the Parties have not succeeded in resolving the dispute, then the dispute shall be mediated. Either Party may provide written notice to the other that the dispute shall be submitted to mediation and a mediator shall be selected. In the event that within seven (7) days of receipt of said written notice the Parties are unable to agree on a mediator, either party may request appointment of a mediator by the Whatcom County Superior Court. Both Parties shall cooperate to assure that mediation occurs in a timely manner and both parties shall supply all materials provided to the mediator to the other party at least two (2) days before mediation. Engaging in mediation shall not affect any claim, right, remedy, or defense of either party. Should mediation prove unsuccessful, all claims, rights, remedies and defenses of each party shall be preserved.

76.3 *Parties Are Separate Entities.* The Parties are each separate and independent public entities operating pursuant to the terms and conditions of this Agreement. No agent, employee, or representative of a Party to this Agreement shall be deemed to be an agent, employee, or representative of any other Party for any purpose.

76.4 *City Release of District.* To the extent permitted by law, the City hereby releases the District, its successors and assigns, commissioners, officers, employees, agents, and

representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney's fees incurred in connection with the District's and its employees' performance under this Agreement.

76.5 *District Release of City.* To the extent permitted by law, the District hereby releases the City, its successors and assigns, council members, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney's fees incurred in connection with the City's and its employees' performance under this Agreement.

76.6 *City Indemnification of District.* The City shall indemnify, defend and hold the District, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the extent harm is caused by the City, its agents or employees in connection with the City's performance under this Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the District, its officers, agents or employees, the City shall pay the same.

76.7 *District Indemnification of City.* The District shall indemnify, defend and hold the City, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the extent harm is caused by the District, its agents or employees in connection with the District's performance under this Amended Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the City, its officers, agents or employees, the District shall pay the same.

76.8 *Notices.* All notices and other communications required or permitted to be given by this Agreement must be in writing and must be given and will be deemed received if and when either hand delivered, faxed or mailed to:

DISTRICT

CITY

General Manager
Birch Bay Water & Sewer District
7096 Point Whitehorn Road
Birch Bay, WA 98230

Director of Public Works
City of Blaine
1200 Yew Street
Blaine, WA 98230

or to such other address as the Parties hereto may from time-to-time designate in writing and deliver in a like manner. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

76.9 *Nonwaiver of Breach.* Failure of either Party at any time to require performance of any provision of this Agreement shall not limit such Party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

76.10 *Severability.* If any term or provision of this Agreement or the application thereof to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

76.11 *"Days" Means Calendar Days.* Unless otherwise specified, all deadlines in this Agreement expressed by a certain number of days shall mean "calendar" days.

76.12 *Governing Law.* The laws of the State of Washington shall govern any disputes arising under this Agreement.

76.13 *Venue.* Subject to section 76.2 herein, any disputes shall be adjudicated in the Superior Court for Whatcom County, Washington, unless otherwise agreed.

76.14 *Section Headings.* Section headings or captions are for reference only and shall not affect the construction or interpretation of this Agreement.

76.15 *Applicability.* This Agreement ~~shall not~~ is intended to supersede the Interlocal Agreement between the Parties entered into in February 2008, but not any ~~existing agreements, interlocal agreements and amendments to interlocal~~ other agreements in effect between the Parties as of the date of this Agreement. Individual task orders issued under the superseded 2008 Interlocal Agreement shall remain in effect until completed. Subject to the purpose and scope of this Agreement set forth in Article 21, this Agreement shall apply to all new joint undertakings of the Parties which are not already governed by an existing agreement and to all future tasks within the scope of an existing interlocal agreement between the Parties which has overlapping purposes with this Agreement.

76.16 *Entire Agreement – Modifications Must Be In Writing.* This Agreement constitutes the entire agreement between the City and the District as to the matters contained herein. This Agreement may be modified in writing only, upon mutual agreement of the Parties.

Dated this _____ day of _____, ~~2008~~2011.

CITY OF BLAINE

Gary R. Tomsic, City Manager

~~APPROVED as to form:~~ _____ Attested:

~~Jon Sitkin,~~ _____
Sheri Sanchez,
~~Attorney for City of Blaine~~ _____ City Clerk

Departmental Approval:

Stephen R. Banham, P.E.
Director of Public Works

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this _____ day of _____, 2011, before me personally appeared Gary R. Tomsic, to me known to be the City Manager of the CITY OF BLAINE, and acknowledged that he signed the same as his free and voluntary act and deed, and stated upon oath that he is authorized to execute the foregoing instrument of the CITY OF BLAINE for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first written above.

NOTARY PUBLIC in and for the

~~STATE OF WASHINGTON)~~

)ss:

~~COUNTY OF WHATCOM)~~

On this ___ day of _____, 2008, before me personally appeared Gary R. Tomsic, to me known to be the City Manager of the CITY OF BLAINE, and acknowledged that he signed the same as his free and voluntary act and deed, and stated upon oath that he is authorized to execute the foregoing instrument of the CITY OF BLAINE for the uses and purposes mentioned in the instrument.

~~IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first written above.~~

Print Name: _____

NOTARY PUBLIC in and for the
State of Washington.

My commission expires: _____

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Ordinance 11-2786, Formation of Sewer ULID in Vista Terrace Area

DEPARTMENT: Public Works

PREPARED BY: Stephen R. Banham Digitally signed by Stephen R. Banham
DN: cn=Stephen R. Banham, o=City of Blaine, ou=Public
Works Department, email=sbanham@cityofblaine.wa.us,
c=US
Date: 2011.02.10 13:47:46 -0800
(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS:

1. Summary of Questions and Answers
2. Ordinance 11-2786 Establishing ULID #35, H/Allan/Vista Terrace Area Sewer Service

BACKGROUND/SUMMARY: This action is proposed upon completion of the continued hearing from January 24 to this evening's agenda. In anticipation of Council's action to proceed with the formation of an LID, staff has prepared an ordinance forming the H Street/Allan Street/Vista Terrace Area ULID as a mechanism to extend sanitary sewer mains to this neighborhood, which has had to rely on septic systems for wastewater treatment in the absence of city sewer service. The H Street sewer main will be completed in March/April of 2011. After ordinance adoption, Public Works will proceed with design, and we anticipate construction in summer of 2012.

Formation of the ULID allows the City to construct the sewer infrastructure to serve this area from the H Street line at an economically reasonable scale and provides for repayment over time to ease the burden on property owners. Attachment 1 includes answers to the questions received to date from the public at the hearing. Public Works staff intends to host open house forums throughout the design process to coordinate details and alternatives with the residents. Another series of public hearings will be required when assessment rolls for the LID are established after construction is completed.

BUDGET IMPLICATIONS: There is no fiscal impact at this time.

RECOMMENDATION: Waive the second reading. Recommend adoption of an ordinance establishing the Vista Terrace ULID for the purpose of providing sewer service infrastructure to the properties within the ULID.

REVIEWED BY:

City Manager Gary R. Tomsic Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, c=US,
o=City of Blaine, ou=City Manager,
email=grtomsic@cityofblaine.com,
Date: 2011.02.10 16:13:35 -0800
(Digital Signature)

Finance Director Jeff Lazenby Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of
Blaine, ou=Finance Director,
email=lazenby@cityofblaine.com,
c=US
Date: 2011.02.10 15:24:52 -0800
(Digital Signature)

City Clerk Sheri Sanchez Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of
Blaine, ou=City Clerk's Office,
email=ssanchez@cityofblaine.com,
c=US
Date: 2011.02.10 16:12:06 -0800
(Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____

Summary of Questions and Answers Vista Terrace Area Sewer ULID

Q. Why is the portion of the H Street sewer extending beyond the east boundary part of the LID?

A. After reviewing this comment, Public Works agrees that this portion should not have been included and has adjusted the length of the sewer main and excluded the portion extending beyond the LID boundary and reduced the overall cost estimate by \$7,000.

Q. When do property owners have to connect to sewer after construction is complete?

A. The recently revised City Code (BMC) Title 13 allows homes served with an existing and properly functioning septic tank to continue to use the septic system until one of the following conditions occurs:

1. Septic system failure. Retrofit to a reserve drain field or expansion is no longer allowed.
2. Alterations to the primary residence which exceed 50% of the homes assessed value.
3. Sale of the property.

A property owner can elect to connect to City sewer at anytime, but the above conditions will trigger a requirement to connect. Previously the code required connection within one month of notice of sewer availability.

Q. Can future General Facility Fees (GFF) costs be waived or paid ahead for members of the LID?

A. GFF cannot be waived or paid ahead, nor can Council establish a separate district or zone to exclude the LID from a future rate change. The costs involved in the LID process only cover costs related to design and construction of extending sewer mains to directly serve properties in the LID and not other costs associated with the larger wastewater collection and treatment system. General Facility Fees are normally collected for sewer infrastructure which benefits the overall system (e.g. pump stations, large transmission mains, and treatment facilities). New connections would be required to pay whatever GFF is in effect at time of application for installation. The current GFF charge for properties within City Limits is \$0.

Q. Are there options for those who have a financial hardship?

A. Yes, there is a program where those who meet specific criteria may apply for assistance which can supplement up to 80% of the LID assessment. For more information on the specifics of this program, please contact us or visit our web site at www.cityofblaine.com, on the left, click on “City Projects” and again on “Vista Terrace LID”.

Q. Are all the properties going to be assessed the same amount regardless if they have the potential for subdivision, or will require the installation of “grinder pumps” because the existing house cannot be served by gravity?

A. Although the initial estimates provided to the property owners were based upon an equal share to each property, we do recognize that there is a difference in benefit of the improvements. These differences will be addressed during the assessment phase.

ORDINANCE NO. 11-2786

**AN ORDINANCE OF THE CITY OF BLAINE, WASHINGTON,
ORDERING CERTAIN LOCAL WASTEWATER IMPROVEMENTS AND
CREATING LOCAL IMPROVEMENT DISTRICT NO. 35, PROVIDING
FOR THE PAYMENT OF THE COST OF SUCH IMPROVEMENTS BY
SPECIAL ASSESSMENTS, AND AUTHORIZING PAYMENT OF SUCH
ASSESSMENTS INTO THE LOCAL IMPROVEMENT DISTRICT BOND
FUND OF THE CITY.**

WHEREAS, on December 13, 2010, the City Council of the City of Blaine, Washington (the "City") adopted Resolution No. 1568-10 declaring its intention to order certain local improvements within the City and to create a local improvement district; and

WHEREAS, the City confirmed with the Whatcom Environmental Health Department that many of the lots within the ULID do not meet the current code for drain field sizing or setbacks to property lines due to site limitations and available area on the properties (WAC 24.05.210), that repairs to existing septic systems have been granted as non-conforming on-site septic repairs, and that one property has been flagged for non occupancy until sewer service is available; and

WHEREAS, City Staff held two public Open House sessions on January 13 and 20, 2011; and

WHEREAS, the following items have been filed with the City Clerk and certified to the City Council:

- Estimates of the costs and expenses of the proposed improvements
- A description of the boundaries of the district
- A statement of what portion of the costs and expenses of the improvements would be borne by the property within the proposed district
- A statement of the local improvement assessments outstanding and unpaid against property in the proposed district and a diagram showing the lots, tracts and parcels to be benefited; and

WHEREAS, a hearing was held on January 24, 2011 and continued on February 14, 2011, after notice as provided by law, and after discussion of the proposed improvements and due consideration thereof and of all objections thereto, the City Council determined to order the local improvements to the wastewater collection system described below and to create a local improvement district;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The City shall acquire, construct and install the following improvements within the following described areas of the City:

“Construction of a public wastewater collection system for properties along H Street, Allan Street, Lincoln Lane, Vista Avenue, Terrace Avenue, and Vista Terrace Drive.”

The foregoing improvements are hereafter referred to as the “Improvements.”

Section 2. The preliminary plans and specifications for the Improvements, now on file in the Department of Public Works, are hereby adopted and approved. The Improvements, when completed, shall be in accordance with said plans, the provisions of this ordinance and any other ordinances as may hereafter be adopted in connection herewith; provided, however, that changes in detail of such plans that do not significantly alter the scope or costs of the Improvements will not require further approval.

Section 3. There is hereby established a local improvement district to be called the Allen/Vista Terrace Area Sewer Utility Local Improvement District #35 of the City of Blaine, Washington (the “District”), the boundaries or territorial extent of the District being more particularly described in Exhibit A and shown on the map provided as Exhibit B attached hereto and by this reference incorporated herein. It is hereby found that the above-described boundaries embrace as nearly as practicable all property specially benefited by such Improvements.

Section 4. The total estimated cost and expense of the Improvements and all work necessary in connection therewith and incidental thereto is estimated to be \$685,000. The entire cost and expense shall be borne by and assessed against the property specially benefited by such Improvements.

Section 5. Upon completion of the Improvements, an assessment roll shall be prepared and, after notice and hearing in the manner provided by law, an assessment roll shall be confirmed. Assessments not paid within the 30-day prepayment period provided by law shall be payable in installments and the City shall issue local improvement district bonds payable from such unpaid installments. The number of years said installments shall run, the dates of payment of the same and the rate of interest that the unpaid installments shall bear shall be as hereafter fixed by ordinance. Such assessments shall be paid into the local improvement district bond fund by the City and shall be used solely for the payment of the local improvement district bonds hereafter to be issued to defray the cost of the Improvements to be constructed in the District.

Section 6. This ordinance shall be effective five days from and after its passage, approval and publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Blaine, Washington, at a regular open public meeting thereof, this 14th day of February, 2011.

Bonnie Onyon, Mayor

ATTEST:

Sheri Sanchez, City Clerk

EXHIBIT "A"

ALLAN AND VISTA TERRACE AREA LID

LEGAL DESCRIPTION

LOTS 1 THROUGH 38, PLAT OF VISTA TERRACE, WHATCOM COUNTY, WASHINGTON AS PER THE MAP THEREOF RECORDED IN BOOK 8 OF PLATS, PAGE 51, IN THE OFFICE OF THE AUDITOR OF WHATCOM COUNTY, WASHINGTON; AND

LOTS 1 THROUGH 3, ANGELL-REICHHARDT SHORT PLAT PER THE MAP THEREOF RECORDED IN BOOK 6 OF SHORT PLATS, PAGE 77 IN THE OFFICE OF THE AUDITOR OF WHATCOM COUNTY, WASHINGTON; AND

LOTS 1 AND 2, LLA ROS FOR CHARTER TITLE INSURANCE CORP. RECORDED UNDER AUDITORS FILE NO. 1980202550 IN THE OFFICE OF THE AUDITOR OF WHATCOM COUNTY, WASHINGTON; AND

LOT 9, HANSON'S SUBDIVISION AS PER THE MAP THEREOF RECORDED IN VOL. 4 OF PLATS, PAGE 127 IN THE OFFICE OF THE AUDITOR OF WHATCOM COUNTY, WASHINGTON; AND

THE SOUTH 515 FEET MORE OR LESS OF A TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 1 EAST, WM; THENCE NORTH 660 FEET MORE OR LESS TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE WEST 170 FEET 5 INCHES; THENCE SOUTH 660 FEET MORE OR LESS; THENCE EAST 170 FEET 5 INCHES TO THE POINT OF BEGINNING. LESS ROAD; AND

THE FOLLOWING PARCELS IDENTIFIED BY THE WHATCOM COUNTY ASSESSOR GEOGRAPHIC ID AND ABBREVIATED LEGAL DESCRIPTION:

4101320790400000: S 3/4 ACRE OF TR DAF-BEG AT BOAT SPIKE MARKING SE COR OF SW SW-TH W 461.40 FT ALG S SEC LI-TH N 00 DEG 07'50" E 272 FT TO POB-TH W 208.67 FT TO W LI OF SE SW SW-TH N 01 DEG 14'34" W 248.83 FT ALG W;

4101320980300000: TR IN SW SE DAF-BEG AT SE COR OF SW SW - TH W ALG S LI OF SW SW 451.35 FT-TH N 01 DEG 23'00" W PAR TO E LI OF SW SW 206.19 FT TO TPOB-TH N 66 DEG E 171.67 FT-TH N 01 DEG 23'00" W 100 FT-TH S 66 DEG W;

4101320990400000: BEG AT SE COR OF SW SW-TH W ALG S SEC LI 451.33 FT-TH N 01 DEG 23'00" W 306.19 FT TO TPOB-TH N 66 DEG W 171.67 FT-TH N 01 DEG 23'00" W 90 FT-TH S 66 DEG W 171.67 FT-TH S 01 DEG 23'00" E 90 FT TO POB-TR;

4101320990480000; TR IN SW SE DAF-BEG AT SE COR OF SW SW- TH W ALG S LI SEC LI 451.33 FT-TH N 01 DEG 23'00" W 306.19 FT TO TPOB-TH N 66 DEG E 171.67 FT-TH N 01 DEG 23'00" W 150 FT-TH S 66 DEG W 171.57 FT-TH S 01 DEG;

4101321060150000; BEAP 170.4 FT W OF SE COR OF SW SW-TH W 281 FT-TH N 01 DEG 12'00" W PAR TO E LI OF SW SW 206.19 FT-TH N 66 DEG E TAP 170.4 FT W OF E LI OF SW SW-TH S TO POB- EXC TR DAF-BEG AT SE COR OF SW SW-TH W;

4101321150380000; TR IN SW SE DAF-BEG AT SE COR OF SW SW- TH W ALG S LI OF SW SW 170.53 FT-TH N 01 DEG 23'00" W PAR TO E LI OF SW SW 330 FT TO TPOB-TH S 66 DEG W 110.98 FT-TH N 01 DEG 23'00" W 100 FT-TH N 66 DEG E;

4101321150480000; TR IN SW SW DAF-BEG AT SE COR OF SD SUBDIV-TH W ALG S LI OF SD SUBDIV 170.33 FT-TH N 01 DEG 23'00" W PAR TO E LI OF SD SUBDIV 430 FT TO TPOB-TH S 66 DEG W 110.98 FT-TH N 01 DEG 23'00" W 130 FT-TH; AND

LOT 14, HARBOR VIEW HEIGHTS, REPLAT OF LOTS 3, 4, 5 AND 6, BLOCK 1, PLAT OF SUBDIVISION OF NW $\frac{1}{4}$, SEC. 5, TWP. 40N, R.1E. WHATCOM COUNTY, WASHINGTON AS PER THE MAP THEREOF RECORDED IN VOLUME 10, OF PLATS, PAGE 210, IN THE OFFICE OF THE AUDITOR OF WHATCOM COUNTY, WASHINGTON.

ALL SITUATE IN THE SOUTH ONE-HALF OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, AND THE NORTHWEST ONE-QUARTER OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, WHATCOM COUNTY, WASHINGTON.

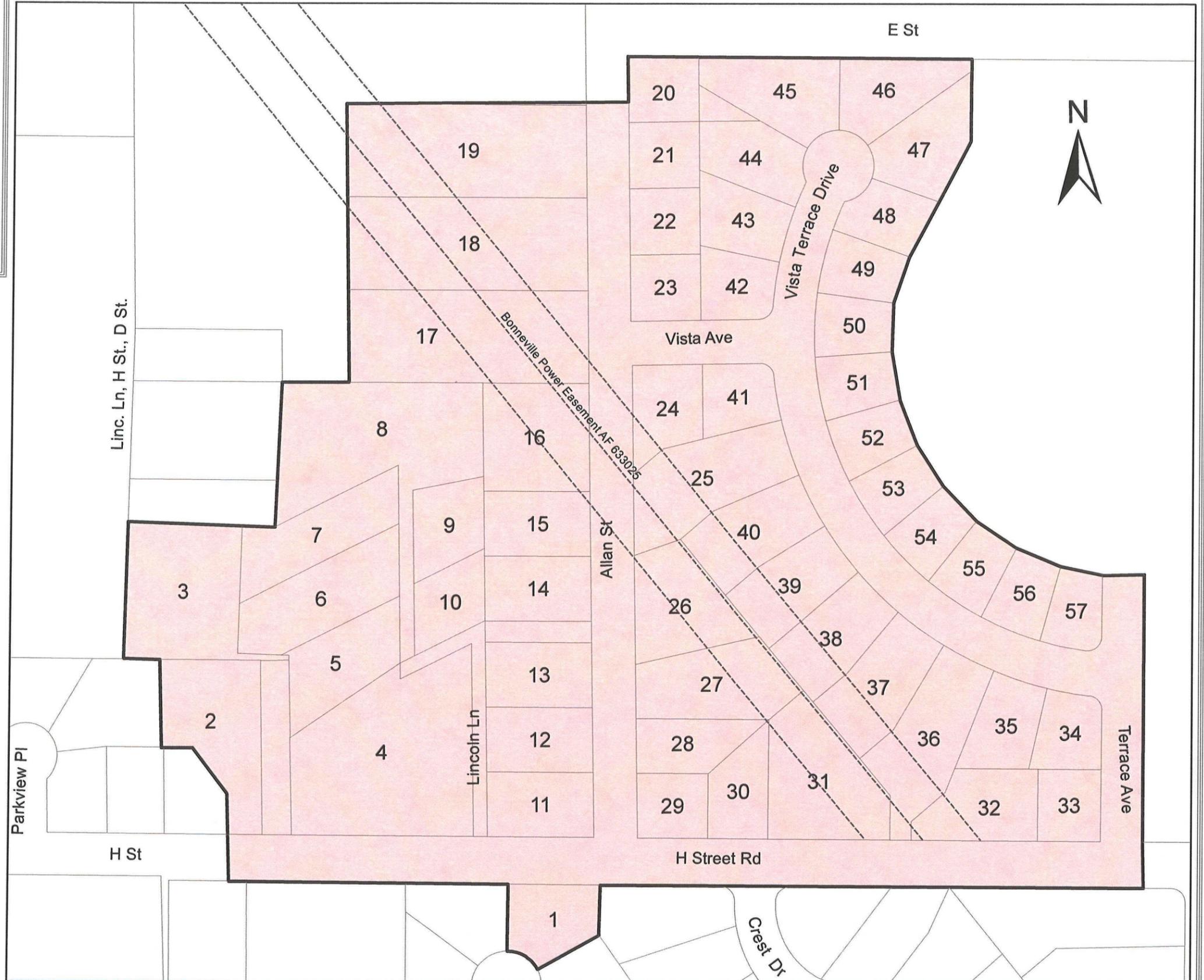
0 50 100 200 300 400 Feet



THE CITY OF BLAINE
 ORDINANCE NO. 11-2786
VISTA TERRACE AREA LID
 PRELIMINARY ASSESSMENT MAP
 February 2011

LID NO.	WCAGCODE	LID NO.	WCAGCODE
1	400105088560	29	410132148009
2	410132082021	30	410132157010
3	410132079040	31	410132166008
4	410132106015	32	410132193009
5	410132098030	33	410132204008
6	410132099040	34	410132203021
7	410132099048	35	410132194021
8	410132105060	36	410132183020
9	410132115048	37	410132177026
10	410132115038	38	410132171034
11	410132129010	39	410132166041
12	410132129019	40	410132162049
13	410132129027	41	410132155068
14	410132129040	42	410132155084
15	410132129049	43	410132156093
16	410132128060	44	410132158101
17	410132118074	45	410132163109
18	410132118086	46	410132179110
19	410132118099	47	410132181102
20	410132146109	48	410132177092
21	410132146101	49	410132174085
22	410132146093	50	410132172078
23	410132146084	51	410132173069
24	410132146066	52	410132175062
25	410132152054	53	410132178055
26	410132148036	54	410132182049
27	410132153024	55	410132188044
28	410132151016	56	410132196041
		57	410132204040

EXHIBIT "B"



CERTIFICATION

I, the undersigned, City Clerk of the City of Blaine, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 11-2786 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at the February 14, 2011 regular meeting of the City Council of Blaine held at the regular meeting place, as that ordinance appears in the minutes of the City; and the Ordinance will be in full force and effect five days after the publication of its summary in the City's official newspaper; and

2. A quorum of the members of the City Council was present throughout the meeting and a majority of those members present voted in the proper manner for the passage of the Ordinance.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2011.

CITY OF BLAINE, WASHINGTON

City Clerk

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Bell Bay Jackson Wholesale Water Agreement

DEPARTMENT: Public Works **PREPARED BY:** Stephen R. Banham
Digitally signed by Stephen R. Banham
DN: cn=Stephen R. Banham, o=City of Blaine,
ou=Public Works Department,
email=sbanham@ci.blaine.wa.us, c=US
Date: 2011.02.09 16:31:28 -08'00'
(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS: 1) Draft amended Wholesale Water Agreement (incl. Exhibit 1, "Rate Methodology")
2) Blaine and Neighboring Purveyors Service Areas (*Water System Plan, Figure 1.1*)

BACKGROUND/SUMMARY: As the regional purveyor of potable groundwater, the City of Blaine has historically served the Bell Bay Jackson Water Association (BBJWA) with water for its less than 200 customers. In 2004 the City entered into a 20-year agreement that provided for three (3) additional ten-year extensions. The 2004 Agreement was patterned after the Birch Bay Water & Sewer District Wholesale Agreement and included a complex cost recovery formula. Based on the most recent rate analysis by the City's rate consultant and the City's acquisition of new water rights, staff is proposing a major revision to simplify the rate structure and link it directly to retail customer rates. This analysis is covered in Exhibit 1 of the attachment. This methodology would be applied for the remainder of the original agreement term. The attached draft has been reviewed by both parties and by the City's attorney and rate consultant.

BUDGET IMPLICATIONS: The new cost allocation was designed by FCSG to provide the same revenue stream as the agreement it amends and to include provisions for greater revenue for higher water usage, and for Regional Capacity Charges to be collected and paid to the City for new memberships added to the association similar to Birch Bay Water & Sewer District.

RECOMMENDATION: Waive the second reading. Staff recommends that the City Council authorize the City Manager to execute the amended wholesale water supply agreement with Bell Bay Jackson as drafted.

REVIEWED BY:

City Manager Gary R. Tomsic Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, c=US,
o=City of Blaine, ou=City Manager,
email=gtomsic@cityofblaine.com
Date: 2011.02.09 14:57:13 -08'00' Finance Director Jeff Lazenby Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of
Blaine, ou=Finance Director,
email=jlazenby@cityofblaine.com,
c=US
Date: 2011.02.09 15:16:48 -08'00' City Clerk Sheri Sanchez Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of Blaine,
ou=City Clerk,
email=ssanchez@cityofblaine.com, c=US
Date: 2011.02.09 14:53:32 -08'00'
(Digital Signature) (Digital Signature) (Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____

**AGREEMENT
FOR
WHOLESALE SUPPLY OF WATER
TO BELL BAY JACKSON WATER ASSOCIATION**

Agreement No: 2003.11.07
Revised: 2011.02.14

This Amended Agreement between Bell Bay Jackson Water Association, duly organized and existing under the laws of the State of Washington, hereafter referred to as “Association,” and the City of Blaine, a municipal corporation organized and existing under the laws of the State of Washington, hereafter referred to as “City”, is effective on water used by the Association beginning January 1, 2011.

ARTICLE 1. RECITALS

1.01 On November 7, 2003, the City and the Association entered into a long-term contract for the City to provide wholesale potable water to the Association through 2023.

1.02 The Association has historically purchased its potable water supply from the City and has put said water to beneficial use.

1.03 The City has historically sold water to the Association and Birch Bay Water & Sewer District under the same general pricing structure and agreement format.

1.04 The City and Birch Bay Water & Sewer District have recently amended their wholesale supply agreement and related pricing structure to reflect the availability of additional supply through new water rights.

1.05 The City has expressed a desire to simplify the methodology used to determine the wholesale rates applicable to the Association rather than continuing to mirror the more complicated amended District agreement, reducing the cost of administering the supply agreement between the City and the Association.

1.06 The City has determined that it presently has sufficient Water Rights and has provided, or intends to provide, sufficient system capacity to sell potable water to the Association under the terms and conditions set forth herein.

1.07 The foregoing recitals are a material part of this Agreement.

ARTICLE 2. AGREEMENT

The City agrees to sell, and the Association agrees to purchase, a wholesale supply of potable water according to the terms and conditions provided herein. All Exhibits attached hereto are hereby fully incorporated herein as terms of this Agreement.

ARTICLE 3. DEFINITIONS

3.01 “AWWA Standards.” The most recent edition of the standard for waterworks products and procedures as prepared and published by the American Water Works Association, Denver, Colorado.

3.02 “Block One Volume Rate.” The volumetric rate that applies to the Association’s water usage within a defined threshold. For a 3/4” water meter, Block One includes usage between three (3) ccf and eight (8) ccf per month. The City may periodically revise the Block One volume threshold for the Association in accordance with modifications that it makes to the corresponding features in its retail water rate structure.

3.03 “Block Two Volume Rate.” The volumetric rate that applies to the Association’s water usage above a defined threshold. For a 3/4” water meter, Block Two includes usage above eight (8) ccf per month and the specific threshold in this Agreement is addressed in Exhibit 1. The City may periodically revise the Block Two volume threshold for the Association in accordance with modifications that it makes to the corresponding features in its retail water rate structure.

3.04 “Block Three Volume Rate.” The volumetric rate that applies to the Association’s water usage above the threshold defined for Block Two. The City does not currently have a Block Three Volume Rate in place, but has periodically contemplated this possibility for its retail customers. In the event that the City should implement one in the future for its retail water customers, the Association’s rate structure would also be adjusted to include a third water consumption block.

3.05 “Calendar Year.” The entire twelve month period beginning at 0000 hours on January 1 and ending at 2400 hours on December 31.

3.06 “City Meter(s).” City-owned meters located at the Main Wholesale Connection, and any other additional or alternate connections hereafter established, which will measure the quantity and flow of water that the City provides to the Association.

3.07 “Declaration of Supply Shortage.” A written statement from the City to the Association declaring the existence of a Supply Shortage (Short-Term or Long-Term), the complete factual basis therefore, and the terms and expected duration of a shared reduction in use.

3.08 “Fixed Charge.” A monthly charge paid by the Association that does not depend on the amount of water used by the Association. Exhibit 1 establishes the initial Fixed Charge

for 2011; the Fixed Charge will be adjusted annually thereafter to remain consistent with the City's water utility costs.

3.09 "Long-Term Supply Shortage." A Supply Shortage caused by a significant and meaningful actual decline in Sustainable Yield, determined in accordance with Article 5.

3.10 "Main Wholesale Connection." The wholesale service connection to the Association served by the four inch (4") City meter number 60-265-458, or its successor(s) at the same location, and such other connections as the Association may require, subject to Article 5.01 for delivery of wholesale water.

3.11 "Monthly Volume Allowance." The volume of water that is included in the Fixed Charge and is consequently not included in the Variable Charge. For a 3/4" water meter, the Monthly Volume Allowance is three (3) ccf and the specific allowance under this Agreement is addressed in Exhibit 1. The City may periodically revise this allowance in accordance with modifications that it makes to the corresponding features in its retail water rate structure.

3.12 "Party" or "Parties." The City and/or the Association.

3.13 "RCW." Revised Code of Washington.

3.14 "Regional Capacity Charge." A connection charge imposed on new development in the City and the service areas of its wholesale customers in proportion to potential water demand attributable to the new development. The charge is based on the estimated unit cost of the Water Supply System, including eligible existing and planned future assets.

3.15 "Regulatory Approval(s)." Any and all approvals, authorizations or permits from local, state or federal agencies, including any administrative or judicial appeals/litigation thereon, required to lawfully allow for the purchase, sale and use of potable water as described in this Agreement.

3.16 "Short-Term Supply Shortage." A Supply Shortage caused by temporary failure of City-owned and operated wells, pumps, transmission mains, water lines, treatment facilities, telemetry, production meters, and reservoirs used in supplying potable water.

3.17 "Supply Meter." City-owned meters located at each well head in the Water Supply System.

3.18 "Supply Shortage." Circumstances under which the City is unable, for good cause, to deliver water to the Association under the terms of this Agreement. The term Supply Shortage shall not apply to causes identified in the force majeure provisions in Article 10.09 or temporary emergencies as described in Article 5.08. A Supply Shortage is either a Short-Term Supply Shortage or a Long-Term Supply Shortage.

3.19 "Sustainable Yield." The maximum amount of potable water available for use by the Water Supply System without causing significant reductions in Long-Term Static Water Levels in the City's wells withdrawing water from those aquifers identified in the City's Water Rights. Sustainable Yield may vary from year to year. A reduction in Static Water Levels shall

not be considered Long-Term unless those Static Water Levels experience significant reductions during three (3) out of five (5) consecutive years.

3.20 “Variable Charge.” A monthly charge paid by the Association that depends on the amount of water used by the Association. It is computed by multiplying the Association’s usage in each volume threshold (Block One, Block Two, etc.) by the applicable volume rate (Block One Volume Rate, Block Two Volume Rate, etc.) and adding the resulting volume charges together. The units of measurement are dollars per month (\$/month).

3.21 “Water Rights.” Any and all permit applications, claims, permits, or certificates for any quantity of water on file with the State Department of Ecology now or in the future.

3.22 “Water Supply System.” The City-owned and -operated system that supplies potable water to the Association, City, and other City wholesale customers. The Water Supply System includes all Water Supply System Assets.

3.23 “Water System Plan.” The comprehensive water system plan of the City and/or the Association, including amendments thereto, required by State law and subject to approval by Whatcom County and the State Department of Health.

ARTICLE 4. SUPPLY AND PURCHASE OF WATER

4.01 The City shall treat and supply water to the Association.

4.02 The Association shall purchase water from the City, subject to the terms and conditions herein.

ARTICLE 5. CONDITIONS OF SERVICE

5.01 The City shall furnish potable water as the Association requires, pursuant to this Agreement. The City will furnish this potable water to the Association at a minimum pressure of thirty (30) psig. Delivery by the City and withdrawal by the Association of said potable water shall be at the Main Wholesale Connection and/or at such additional or alternate points of delivery that the Association specifies. Additional or alternate points of delivery shall be subject to the City’s prior consent, provided that the City shall not unreasonably withhold such consent. Upon consent, the City shall cooperate with the Association in obtaining any necessary regulatory approval of additional or alternate points of delivery. Flows shall be measured through City Meters and Supply Meters.

5.02 The City shall install, own, and operate all City Meters and all Supply Meters. The City shall calibrate and test City Meters and Supply Meters annually using a certified tester. Association representatives may observe meter calibration and testing activities. The City shall maintain City Meters and Supply Meters to have a registration accuracy within the limits established in AWWA Standards for the corresponding type and size of meter used for City Meters and Supply Meters. The City shall provide to the Association written notice of the date

of the annual meter calibration and testing at least ten (10) calendar days before the meter calibration and testing occurs. The City shall provide the Association a copy of the meter calibration and testing report within thirty (30) days of the City's receipt of the report.

5.03 The City shall provide continuous supply and transmission service to the Association subject to the terms of this Agreement. For its retail water system, the Association is responsible for standby storage in case of the temporary loss of supply component and equalization storage.

5.04 The City may declare a Supply Shortage when there exist such facts and circumstances that would lead an objective and reasonable person to conclude that a meaningful Supply Shortage actually exists, and that the requested reduction is necessary to properly manage the Water Supply System. Good cause for a Long-Term Supply Shortage shall require completion of an independent review of all relevant data and studies by a registered hydrogeologist and said independent review must conclude that there have been significant Long-Term reductions in the Sustainable Yields, as defined in Article 3.19. A Long-Term Supply Shortage may be implemented no earlier than ninety (90) days after initial declaration of a Supply Shortage.

- (a) Short-Term Supply Shortage. For any Short-Term Supply Shortage, the Association shall reduce its demand in the same percentage as is required of the City's retail service customers. The Parties shall endeavor to develop coordinated approaches to shortage management in their respective Comprehensive Plans and shall work together to develop procedures to implement Short-Term Supply Shortage management in accordance with this Article.
- (b) Long-Term Supply Shortage. For any Long-Term Supply Shortage, a Shared Reduction in Use means the Association shall reduce its respective water usage by the same percentage as that required of other wholesale water customers.

5.05 Following a Declaration of Supply Shortage, the Parties shall periodically review and evaluate, no less frequently than annually, whether good cause continues to exist to support the Declaration of Supply Shortage. If there is no longer good cause to support any Supply Shortage, the City shall promptly rescind and dissolve the Declaration of Supply Shortage.

5.06 The City may temporarily interrupt or reduce delivery of water to the Association if the City, acting in good faith, determines that system emergencies or maintenance and repair so require. Except for emergencies, the City shall give the Association reasonable written notice of the interruption or reduction, the reason therefor, and the likely duration thereof. The City shall make a good faith effort to perform routine maintenance in times when system usage is the lowest. Reductions in delivery that exceed 48 hours and do not fall within the provisions of Article 10.09 shall comply with this Agreement governing Supply System Shortages.

5.07 The quality of water supplied to the Association pursuant to this Agreement shall meet or exceed all applicable federal and state rules and regulations governing water quality for

Group A Water Systems. The City shall treat the water supplied to the Association to meet or exceed current and future standards required by State adopted limits.

5.08 The Association shall use best efforts to promptly notify the City of theft, fire, breakages, leaks, or emergencies that would result in water loss, particularly during a declared Supply Shortage. The intent of the Parties is to exchange information and coordinate efforts to promote efficient management of the Water Supply System, particularly during those periods.

ARTICLE 6. BILLING

6.01 The City shall on a monthly frequency send a dated invoice to the Association. The invoice shall reflect the Fixed Rate and the Variable Charge. The invoice is due and payable within thirty (30) days of the invoice date. Delinquent and unpaid balances shall bear interest at the prime rate plus four (4) percent, as published in the Wall Street Journal, compounded annually; except that the Association is not obligated to pay an interest charge on invoices that are being disputed or that are not agreed upon by the Parties.

ARTICLE 7. RATES AND COSTS

7.01 For 2011, the rates for water supply services to be paid by the Association to the City shall be determined in accordance with this Article and the rate methodology set forth in Exhibit 1.

7.02 For 2012 and subsequent years, the Association's rate structure will be adjusted in tandem with the City's retail water rates. The annual adjustments applied to the Association's rate structure will be defined by the adjustments (increases or decreases) made by the City to its aggregate retail water rate revenue, expressed as a percentage of total retail water rate revenue. No later than December 1st of each and every year for the duration of this Agreement, the City shall notify the Association in writing of the Fixed Rate, the Block One Volume Rate, and the Block Two Volume Rate that the City will charge the Association during the Calendar Year beginning the following January. In the event that an alternate timeline is required, the City may adopt rate adjustments after sixty (60) days' notice to the Association.

7.03 The City imposes a Regional Capacity Charge (RCC) on new development and redevelopment that increases water capacity requirements.

- (a) This charge shall be applicable to all new development and redevelopment that increases water capacity requirements.
- (b) RCC payments shall be delivered to the City no later than November 1st of each and every year for the duration of this Agreement. These payments will result in an adjustment to the fixed charge for the following year and adjustment of the base volume allowance, and the volume threshold between Block One and Block Two. These revised thresholds shall be provided to the Association along with any rate structure revision as provided in Article 7.02.

- (c) RCC payments are subordinate to other local agency financial obligations, including revenue bonds.
- (d) Funds collected by the City through the Regional Capacity Charge shall be deposited into a fund or account restricted to capital purposes, which may include debt repayment.

7.04 Comprehensive updates. The Parties may undertake a comprehensive update to the cost allocation methods underlying the Association's wholesale rate structure under the following circumstances:

- (a) By mutual agreement of the Parties; or
- (b) After mediation or determination of an arbitrator, pursuant to the process and under the criteria set forth in Article 7.04 (c) below.

(c) Phase One Mediation/Arbitration:

(1) Process. The Party deciding to initiate a comprehensive update ("Initiating Party") shall provide written notice to the other Party ("Responding Party") of its desire to complete a comprehensive update. The Parties shall meet in an attempt to resolve any differences within thirty (30) days of the date of the written request for a comprehensive update. After expiration of said thirty (30) day period, if the Parties continue to disagree about the need for a comprehensive update, the Initiating Party may provide to the Responding Party a written notice for mediation. The Parties shall agree upon appointment of a mediator within thirty (30) days following receipt of the written notice for mediation. In the event the Parties cannot agree upon the selection of a mediator within said thirty (30) days, either Party may apply to any Judge of the Whatcom County Superior Court, sitting in Chambers, and the judge is hereby authorized to select a mediator. The mediation shall take place within sixty (60) days of the appointment of a mediator. Mediation shall be terminated upon (a) successful resolution of the dispute; (b) written declaration by the mediator of an impasse between the Parties ("impasse"); or (c) following completion of two or more mediation sessions held on separate days, written declaration by one of the Parties of an impasse. The arbitration process may begin only after termination of mediation. To invoke the arbitration process, a written demand for arbitration shall be served by one Party upon the other Party within fourteen (14) days of termination of mediation. Said arbitration shall be conducted substantially in accordance with the procedures established for Mandatory Arbitration under the Rules of the Superior Court, and without the necessity of filing formal pleadings in Superior Court. Within fourteen(14) days of the date of the written demand for arbitration, each Party shall appoint one qualified arbitrator, and within thirty(30) days following their appointment, the two appointed arbitrators shall together select and appoint a third

arbitrator. The three arbitrators so appointed shall comprise the arbitration panel. A hearing before the arbitration panel shall be held within one hundred twenty (120) days of the appointment of the third arbitrator and a decision shall be rendered within fourteen (14) days following the hearing. The decision of the arbitration panel shall be final and binding, and there shall be no appeal. The decision of the panel may be enforced in the manner provided in RCW 7.04A.

(d) Phase Two Mediation/Arbitration:

(2) Process. Within thirty (30) days of an arbitration panel's award for a comprehensive update in favor of the Initiating Party, the Parties shall meet in an attempt to arrive at a means of resolving their differences, which may include, without limitation, jointly completing a comprehensive update, the results of which may or may not be binding, depending upon further agreement of the Parties. If at any point following expiration of thirty (30) days of an arbitration panel's award for a comprehensive update, one Party determines that insufficient progress is being made in reaching a final resolution, said Party may provide the other Party with a written notice for mediation. Said mediation shall be conducted in accordance with the rules and process set forth in Article 7.04 (c) for Phase One mediation. The arbitration process may begin only after termination of mediation as defined in Article 7.04 (c). To invoke the arbitration process, a written demand for arbitration shall be served by one Party upon the other Party within fourteen (14) days of declaration of the impasse in mediation. Said arbitration shall be conducted in accordance with the rules and process set forth in Article 7.04 (c) for Phase One arbitration.

(e) Costs of Mediation/Arbitration (Phase One and Phase Two). Each Party shall share equally in the fees and expenses associated with mediation and arbitration, including the fees and expenses of the mediator and arbitration panel; provided, that each Party shall bear its own costs, including its own attorney fees, witness fees, and costs, associated with mediation and arbitration.

7.05 Audit. For a period of three (3) years following the conclusion of any Calendar Year, the Association shall have the right to audit the City's cost records associated with this Agreement for that Calendar Year. The Association shall retain the consultant and shall pay its consultant's costs associated with the performance of any such audits. The City shall maintain appropriate accounting records and make them available for inspection by the Association's auditors.

ARTICLE 8. PLANNING

8.01 Each Party recognizes its obligation to plan for water supply and distribution in its respective Water System Plan. The Association shall adopt a Water System Plan consistent with applicable County plans and ordinances, and State and Federal law.

8.02 Each Party shall provide the other with draft copies of its Water System Plan, including amendments, updates, and supplements, so that the recipient has an opportunity to review the plan before it is adopted. Nothing herein shall be construed to require either Party to obtain the approval of the other Party for its Water System Plan, or to bestow any rights or remedies on the other Party regarding the Water System Plan, not otherwise afforded by State Law.

8.03 The Association shall adopt a conservation program as part of its Water System Plan. Conservation program efforts shall be communicated and coordinated between the Parties.

ARTICLE 9. TERM AND TERMINATION

9.01 Unless otherwise agreed in writing between the Association and the City, this amended Agreement shall remain in effect through December 31, 2023, completing the initial agreement's twenty (20)-year term.

9.02 The Parties may, by mutual agreement, elect to extend this Agreement for an additional term of ten (10) years from the date of the expiration of the initial twenty (20)-year term, and may do so for up to a total of three (3) separate and successive ten (10)-year extensions. The Parties shall begin discussions regarding any extension five (5) years before the Agreement would otherwise terminate. Any extension or successive extensions of this Agreement requested or agreed to must be made or entered no later than one (1) year before this Agreement would otherwise terminate.

ARTICLE 10. ADMINISTRATIVE AND OTHER PROVISIONS

10.01 Any dispute arising out of the terms and conditions of this Agreement, except for disputes over comprehensive updates as set forth in Article 7.04, shall be subject to the following mediation process, as a condition precedent to filing any legal cause of action. If a dispute shall arise, a meeting the Parties shall promptly meet to attempt in good faith to negotiate a resolution to the dispute. For the purposes of this paragraph, "promptly" shall mean within fourteen (14) calendar days of a Party requesting a meeting to resolve a dispute. If within ten (10) days after such meeting the Parties have not succeeded in resolving the dispute, the dispute shall be mediated. Either Party may provide written notice to the other that the dispute shall proceed to mediation and a mediator shall be selected. In the event that within seven (7) days of receipt of said written notice the Parties are unable to agree on a mediator, either Party may request appointment of a mediator by any Judge of the Whatcom County Superior Court, sitting in Chambers, and the Judge is hereby authorized to select a mediator. Both Parties shall cooperate

to assure that mediation occurs in a timely manner and both Parties shall supply all materials provided to the mediator to the other Party at least two (2) days before mediation. Engaging in mediation shall not affect any claim, right, remedy, or defense of either Party. Should mediation prove unsuccessful, all claims, rights, remedies and defense of each Party shall be preserved. Mediation shall be terminated upon (a) successful resolution of the dispute; (b) written declaration by the mediator of an impasse between the Parties; or (c) following completion of two or more mediation sessions held on separate days, written declaration by one of the Parties of an impasse. Each Party shall share equally in the fees and expensed associated with mediation, including fees and expenses of the mediator; provided that, each Party shall bear its own costs, including witness fees, and costs, associated with mediation.

10.02 The Association shall not allow connection to its water system or certify water availability for any Property within the City’s Urban Growth Area (“UGA”) without first receiving a letter of consent from the City.

10.03 The City shall indemnify, defend and hold the Association, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the extent harm is caused by the City, its agents or employees in connection with the provision of water under this Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the Association, its officers, agents or employees, the City shall pay the same.

10.04 The Association shall indemnify, defend and hold the City, its officers, agents and employees harmless from all suits, claims or liabilities of any nature, including attorney fees, costs and expenses, for or on account of injuries or damages sustained by any person or property resulting from the negligent acts or omissions of and to the extent harm is caused by the Association, its agents or employees in connection with its use of water under this Agreement. If suit in respect to the above is filed and judgment is rendered or settlement made requiring payment of damages by the City, its officers, agents or employees, the Association shall pay the same.

10.05 All notices and other communications required or permitted to be given by this Agreement must be in writing and must be given and will be deemed received if and when either hand delivered, faxed or mailed to:

BELL BAY JACKSON WATER ASSOCIATION
Secretary/Treasurer
7232 West 40th Drive
Ferndale, WA 98248

CITY OF BLAINE
City Manager
344 H Street
Blaine, WA 98230

Any change to the above addresses must be designated in writing. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmissions shall be the same as delivery of an original document.

10.06 If any term or provision of this Agreement or the application thereof to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.07 The laws of the State of Washington shall govern any disputes arising under this Agreement.

10.08 Subject to Article 7.04 and Article 10.01, any disputes shall be adjusted in the Superior Court for Whatcom County, Washington, unless otherwise agreed.

10.09 Neither Party shall be liable for any failure to perform any part of this Agreement due to circumstances beyond a Party's reasonable control, including, but not limited to, flood, fire, wind, lightning, quarantine, war, sabotage, act of a public, foreign or domestic enemy, earthquake, civil disturbance, restraint by court order, or restraint by other governmental authority for insufficient or inadequate Regulatory Approval(s). The Party claiming force majeure under this provision shall provide the other Party such prompt notice of the force majeure condition(s) as is reasonably necessary under the circumstances. The obligations of a Party asserting a force majeure condition(s) under this Agreement shall be suspended to such a degree and for such a period as is reasonable under the circumstances; provided that the Party asserting the force majeure condition(s) works in good faith to remedy the condition(s) with all reasonable dispatch, to the extent it is within its control; and provided further that, any shortage in water availability resulting from said force majeure condition(s) shall be shared by the Parties in equal proportion as required for sharing Short-Term Supply Shortages, described in Article 5.04 (a). The provisions of this Article shall not apply to a drought or other conditions resulting in a decline in the Static Water Levels in the City's wells which withdraw water from those aquifers identified in the City's Water Rights.

10.10 This Agreement may be recorded by either Party.

10.11 This Agreement constitutes the entire agreement between the City and the Association as to the matters contained herein. No oral or written statement made by either Party prior to or allowing entry of this Agreement shall be considered a part of the Agreement unless expressly incorporated herein in writing. This Agreement may be modified in writing only, upon mutual agreement of the Parties.

10.12 The Parties recognize and acknowledge that damages may be an insufficient or inadequate remedy for a breach of this Agreement. Accordingly, this Agreement shall also be enforceable by and through any other remedy available in law and equity, including specific performance.

Dated this 14th day of February 2011

CITY OF BLAINE

BELL BAY JACKSON WATER ASSOCIATION

Executed by:

Gary Tomsic
City Manager

Merwyn Bay
President

Attested by:

Sheri Sanchez
City Clerk

JoAnn VanZanten
Secretary/Treasurer



City of Blaine/Bell Bay Jackson Water Association

Exhibit 1: Updated Wholesale Rate Methodology

Amended Version – January 21, 2011

The City of Blaine provides wholesale water service to Bell Bay Jackson Water Association under a contractual agreement. For this service, the Association pays a wholesale rate that consists of both a fixed monthly charge and a volume charge for each hundred cubic feet (ccf) of water usage. The City has historically used a single pricing structure to set wholesale rates for both the Association and Birch Bay Water & Sewer District, recognizing the service needs and payments of both agencies in determining an equitable allocation of costs.

The annual wholesale rate review process has included both a reconciliation of prior payments (based on additional actual data that has become available since the historical rates were set) and the development of subsequent-year wholesale rates. The City and Birch Bay Water & Sewer District have recently negotiated revisions to the wholesale rate methodology used to determine the District's rates – with this change, the City has requested the development of a simpler rate methodology for the Association.

Under the proposed revisions to the wholesale rate methodology, the Association's 2011 rates are benchmarked to the City's retail rate structure. As discussed in Article 7.02 of the Amended Agreement for Wholesale Water Supply, the rates applicable to the Association in 2012 and subsequent years will be adjusted in tandem with the City's retail water rates and the addition of new connections within the Association. The process is discussed further in the ensuing sections.

Section 1: Allocation of Revenue Requirement

The first step is to allocate a share of the City's water utility rate revenue requirement to the Association. **Table 1** provides a recent history of cost allocations to the Association:

Table 1: BBJWA Cost Allocation History

	2007	2008	2009	2010
Reconciled Revenue Requirement (per Prior-Year True-Ups)	\$16,258	\$12,163	\$16,048	\$13,618
Actual Annual Demand (ccf)	20,423 ccf	15,959 ccf	16,289 ccf	17,000 ccf
Average Cost per ccf	\$0.80	\$0.76	\$0.99	\$0.80

Table 1 shows that, based on the most recent three years of true-ups, the Association's average allocated cost per ccf has varied between \$0.76 per ccf and \$0.99 per ccf (averaging \$0.85 per ccf for the three-year period). The Association's current (2010) rates were set based on the expectation that the City's water utility operating expenses would decrease in 2010. It is worth noting that because 2010 appears to be a relatively low-demand year (and most water utility operating expenses do not vary materially with volume of water sold), the true-up of the Association's 2010 payments in 2011 will likely show a higher average cost per ccf that is more consistent with the multi-year average.

Under the prior wholesale rate methodology, the amount allocated to the Association in any particular year is relatively sensitive to factors such as projected operating expenses (especially administrative cost transfers) and the City's investment earnings rate. In addition, the City has historically had to allocate wholesale contract

administration costs (costs primarily associated with deriving and reconciling wholesale rates) between the Association and Birch Bay Water & Sewer District. With the revisions to the methodology used to determine the District's rates, the costs of deriving and reconciling rates for the Association under a separate structure would result in a net increase in the total costs allocable to the Association.

For this reason, and after some discussion with the Association, the City is simplifying the Association's wholesale rate methodology. Under the proposed methodology, the average cost per ccf allocated to the Association is directly linked to the average cost per ccf of the City's retail customers. To provide a stable and equitable wholesale rate basis, this link relies on a three-year average of reconciled historical data (2007 – 2009). **Table 2** summarizes this calculation:

Table 2: Derivation of BBJWA Unit Cost Relative to Blaine Retail Unit Cost

	2007	2008	2009	Average
Total Water Sales Revenue	\$1,294,230	\$1,360,156	\$1,478,252	
Less: Reconciled Cost Allocations to Wholesale Customers				
Birch Bay Water & Sewer District	(396,256)	(369,192)	(346,062)	
Bell Bay Jackson Water Association	(16,258)	(12,163)	(16,048)	
Net Retail Share of Revenue Requirement	\$881,716	\$978,801	\$1,116,142	
Annual Retail Water Demand (ccf)	311,291 ccf	320,916 ccf	331,879 ccf	
Average Unit Cost of Water – Retail Customers	\$2.83	\$3.05	\$3.36	
Average Unit Cost of Water – BBJWA (per Table 1)	\$0.80	\$0.76	\$0.99	
BBJWA Unit Cost as a Percent of Retail Unit Cost	28.1%	25.0%	29.3%	27.5%

Based on **Table 2**, the three-year average data suggests that the Association's reconciled cost share (on a per-unit basis) represents about 27.5% of the City's total water rate revenue requirement. **Table 3** shows how this information is used to allocate a share of the 2011 revenue requirement to the Association:

Table 3: Allocation of the 2011 Revenue Requirement to BBJWA

		Notes
2011 Water Rate Revenue Requirement	\$1,370,572	Per 2010 Blaine Retail Water Rate Study
Less: 2011 Costs Allocated to Birch Bay WSD	(397,328)	Per 2011 BBWSD Wholesale Rate Memo
Net Revenue Requirement Allocable to City/BBJWA	\$ 973,244	
Projected 2011 Demand – BBJWA (ccf)	16,500 ccf	Based on 2006 – 2010 BBJWA Demand
Weighting Factor (% of Retail Unit Cost)	27.5%	2007 – 2009 Average Share per Table 2
Weighted BBJWA Demand (ccf)	4,538 ccf	16,500 ccf × 27.5% = 4,538 ccf
Plus: Projected 2011 Demand – City Retail (ccf)	302,800 ccf	Per 2010 Blaine Retail Water Rate Study
Total Weighted Demand (ccf)	307,338 ccf	4,538 ccf + 302,800 ccf = 307,338 ccf
Average Cost per ccf – Retail Customers	\$3.17	\$973,244 / 307,338 ccf = \$3.17 per ccf
Average Cost per ccf – BBJWA	\$0.87	\$3.17 per ccf × 27.5% = \$0.87 per ccf
Allocated 2011 Revenue Requirement - BBJWA	\$14,355	\$0.87 per ccf × 16,500 ccf = \$14,355

Based on the historical reconciliation of the Association’s payments (shown in **Table 1**), the Association paid an average of \$14,823 per year from 2007 – 2009. **Table 3** suggests that \$14,355 would be an appropriate share of the projected 2011 rate revenue requirement to allocate to the Association, which is about 3.2% lower than the three-year average of the Association’s historical payments.

In addition to this, the allocation of costs to the Association reflects a couple of adjustments:

- **Adjusted Return on Rate Base.** The methodology that the City has historically used to set wholesale rates includes an annual return on the Association’s allocated share of the Water Supply System Assets. This annual return has been linked to the City’s investment earnings rate, which has fallen below the City’s long-term average in recent years due to the economy. To approximate a basis for the annual return on assets that is more representative of long-term conditions, the calculation includes an adjustment to the wholesale rate cost basis based on an annual return of 5.0%. **Table 4** shows how this adjustment is derived based on 2007 – 2009 data:

Table 4: Adjusted Return on Assets

	2007	2008	2009	Average
BBJWA Share of Assets per True-Ups	\$65,008	\$68,784	\$65,386	
Annual Return on Assets	5.0%	5.0%	5.0%	
BBJWA Return on Assets	\$3,250	\$3,439	\$3,269	
Less: Actual BBJWA Return on Assets per True-Ups	(3,031)	(2,354)	(1,950)	
Adjustment to Return on Assets	\$219	\$1,085	\$1,319	\$875

Table 4 indicates that if the annual return on assets had been set to 5.0% instead of the City’s investment earnings rate plus 40 basis points, the Association would have paid an average of \$875 per year more over the last several years. It also illustrates the variability of the historical methodology based on fluctuations in the City’s investment earnings rate – the revised methodology intends to reduce this volatility, resulting in a more stable and predictable payment stream.

- **Amortization of Contract Development Costs.** The City has spent several thousand dollars developing the revised rate methodology for the Association. The updated calculation includes \$1,000 as an annualized payment based on the amortization of the expenditure incurred by the City.

The combined impact of these adjustments is shown below in **Table 5**.

Table 5: Adjusted Wholesale Rate Cost Basis

2011 Wholesale Rate Cost Basis	
Allocated Share of 2011 Revenue Requirement	\$14,355
Adjustment to the Annual Return on Assets	875
Amortization of Contract Administration Costs	1,000
Total	\$16,230

Section 2: Design of Wholesale Rates

The wholesale rate structure consists of both fixed and variable charges that recover the costs allocated to the Association in **Table 5**. The calculation of these charges is described in this section.

- A. General Rate Structure.** The amended wholesale rate structure consists of the following elements:
- 1. Fixed Charge.** This charge is imposed on the Association monthly, and does not depend on the amount of water used. In recent years, fixed charges have accounted for about 78% of the Association’s payments to the City.
 - 2. Variable Charge.** This charge is imposed on the Association monthly, based on the amount of water that the Association uses. For the purpose of computing the Variable Charge, the Association’s water usage is separated into usage tiers:
 - a. Allowance.** Usage in this threshold is included in the Fixed Charge, and is not subject to additional volumetric rates.
 - b. Block One.** Usage in this threshold is billed at the Block One Volume Rate. This tier includes water usage above the allowance and within a defined “Block One” threshold.
 - c. Block Two.** Usage in this threshold is billed at the Block Two Volume Rate. Under the existing structure, this tier would include all water usage above the “Block One” threshold.

These thresholds are set based on the City’s retail water rate structure; under the amended wholesale rate structure, future modifications to the retail volume thresholds would also apply to the BBJWA thresholds.

- B. Benchmark to Retail Water Rate Structure.** The Association serves 180 homes. **Table 6** shows the rate structure that would apply to the Association for 180 3/4” retail meters:

Table 6: 2011 Retail Water Rate Structure – 180 3/4” Meters

Monthly Fixed Charge	\$2,016.00
Volume Allowance (0 ccf – 540 ccf)	\$0.00
Block One (540 ccf – 1,440 ccf)	\$1.71
Block Two (> 1,440 ccf)	\$2.36

In order to estimate what the Association would pay as a retail customer, it is necessary to estimate the Association’s monthly water usage. **Table 7** provides a summary of the estimated monthly demand, based on an average of the Association’s 2006 – 2010 water usage:

Table 7: 2011 Monthly Water Demand Projections – BBJWA

Month	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2006 - 2010 Average	2011 Projection
January	1,152 ccf	1,620 ccf	1,057 ccf	1,595 ccf	1,215 ccf	1,328 ccf	1,329 ccf
February	1,173 ccf	1,656 ccf	1,104 ccf	1,170 ccf	986 ccf	1,218 ccf	1,219 ccf
March	920 ccf	1,359 ccf	1,277 ccf	1,032 ccf	841 ccf	1,086 ccf	1,087 ccf
April	1,040 ccf	1,490 ccf	1,363 ccf	1,051 ccf	1,237 ccf	1,236 ccf	1,237 ccf
May	989 ccf	1,545 ccf	1,119 ccf	1,108 ccf	964 ccf	1,145 ccf	1,146 ccf
June	1,099 ccf	1,926 ccf	955 ccf	1,278 ccf	1,087 ccf	1,269 ccf	1,270 ccf
July	1,730 ccf	2,030 ccf	1,536 ccf	1,608 ccf	1,384 ccf	1,658 ccf	1,659 ccf
August	1,792 ccf	2,136 ccf	1,973 ccf	2,151 ccf	1,791 ccf	1,969 ccf	1,971 ccf
September	1,604 ccf	2,121 ccf	1,110 ccf	1,770 ccf	1,510 ccf	1,623 ccf	1,625 ccf
October	1,646 ccf	1,897 ccf	1,285 ccf	1,095 ccf	947 ccf	1,374 ccf	1,375 ccf
November	1,493 ccf	1,744 ccf	1,055 ccf	1,263 ccf	1,024 ccf	1,316 ccf	1,317 ccf
December	1,746 ccf	899 ccf	1,000 ccf	1,168 ccf	1,500 ccf	1,263 ccf	1,264 ccf
Total	16,384 ccf	20,423 ccf	14,834 ccf	16,289 ccf	14,486 ccf	16,483 ccf	16,500 ccf

Table 8 calculates the amount that the Association would pay as a retail customer:

Table 8: Calculation of BBJWA’s 2011 Payment Under Blaine Retail Rates

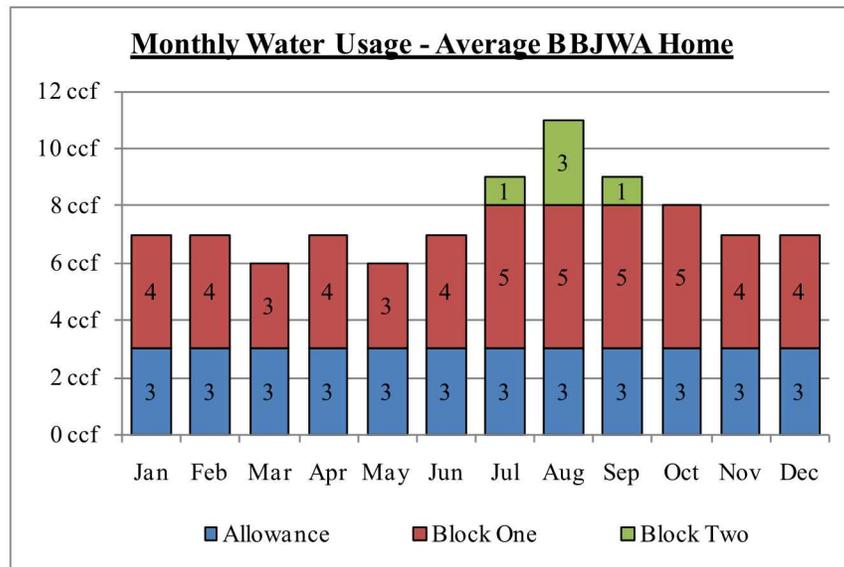
Month	Volume By Threshold				Monthly Bill to BBJWA			
	Allowance	Block One	Block Two	Total	Fixed Charge	Block One Charge	Block Two Charge	Total Charge
Jan	540 ccf	789 ccf	0 ccf	1,329 ccf	\$2,016	\$1,349	\$ -	\$3,365
Feb	540 ccf	679 ccf	0 ccf	1,219 ccf	\$2,016	\$1,161	\$ -	\$3,177
Mar	540 ccf	547 ccf	0 ccf	1,087 ccf	\$2,016	\$ 935	\$ -	\$2,951
Apr	540 ccf	697 ccf	0 ccf	1,237 ccf	\$2,016	\$1,193	\$ -	\$3,209
May	540 ccf	606 ccf	0 ccf	1,146 ccf	\$2,016	\$1,037	\$ -	\$3,053
Jun	540 ccf	730 ccf	0 ccf	1,270 ccf	\$2,016	\$1,249	\$ -	\$3,265
Jul	540 ccf	900 ccf	219 ccf	1,659 ccf	\$2,016	\$1,539	\$ 518	\$4,073
Aug	540 ccf	900 ccf	531 ccf	1,971 ccf	\$2,016	\$1,539	\$1,252	\$4,807
Sep	540 ccf	900 ccf	185 ccf	1,625 ccf	\$2,016	\$1,539	\$ 436	\$3,991
Oct	540 ccf	835 ccf	0 ccf	1,375 ccf	\$2,016	\$1,429	\$ -	\$3,445
Nov	540 ccf	777 ccf	0 ccf	1,317 ccf	\$2,016	\$1,329	\$ -	\$3,345
Dec	540 ccf	724 ccf	0 ccf	1,264 ccf	\$2,016	\$1,238	\$ -	\$3,254
Total	6,480 ccf	9,085 ccf	935 ccf	16,500 ccf	\$24,192	\$15,536	\$2,206	\$41,934

Table 8 indicates that if the Association were a retail customer, it would pay a total of \$41,934 for the year. The allocation of costs to the Association shown in Table 5 suggests that \$16,230 would be an appropriate level of cost recovery, based on the Association’s recent history as a wholesale customer. On a percentage basis, the Association’s wholesale rate structure recovers roughly 39% of the costs that it would pay as a retail customer.

- C. **Wholesale Water Rate Structure.** As discussed above, the Association’s wholesale rate structure recovers about 39% of the costs that the retail water rate structure would recover. The calculation of the various elements of the rate structure is discussed in further detail below.

1. **Fixed Charge.** Under City’s retail rate structure, a 3/4” residential meter pays a fixed charge of \$11.20 per month that includes a volume allowance of 3 ccf per month. Given that the Association currently serves 180 homes and that the wholesale rate structure recovers roughly 39% of the retail cost, the Association would pay a fixed charge of \$786.24 per month ($\$11.20 \times 180 \times 39\% = \786.24). As the Association would be paying a fixed charge for 180 ERUs, the Association’s monthly volume allowance would include the first 540 ccf of water usage.
2. **Block One Volume Rate.** Under the City’s retail rate structure, customers pay \$1.71 per ccf for usage in Block One (3 ccf – 8 ccf per month for a 3/4” meter). The Association’s volume thresholds would be adjusted to account for the number of ERUs built into its fixed charge – consequently, Block One would include monthly water usage between 540 ccf and 1,440 ccf. Given that the wholesale rate structure recovers roughly 39% of the retail cost, the Association would pay a Block One Volume Rate of \$0.67 per ccf.
3. **Block Two Volume Rate.** Under the City’s retail rate structure, customers pay \$2.36 per ccf for usage in Block Two (> 8 ccf per month for a 3/4” meter). Under the revised methodology, the Block Two Volume Rate is computed based on the incremental cost assigned to a new home – **Table 9** shows the derivation of the Block Two Volume Rate:

Table 9: Derivation of 2011 Block Two Volume Rate



		Notes
Annual Payments of a BBJWA Home:		
Fixed Charges	\$52.42	$\$11.20 \times 39\% \times 12 = \52.42
Volume Charges	37.94	Based on 39% of Retail Rates
Total	\$90.36	$\$52.42 + 37.94 = \90.36
Plus: Annualized Capital Carrying Cost	42.70	\$854 @ 5% Carrying Cost
Total Annual Payments of a New BBJWA Home	\$133.06	$\$90.36 + \$42.70 = \$133.06$
Estimated Annual Water Usage of a BBJWA Home	91 ccf	See Usage Chart Above
Average Cost per ccf	\$1.46	$\$133.06 / 91 = \1.46 per ccf

The calculation of the Block Two Volume Rate shown in **Table 9** derives a rate based on the estimated annual payment of a new home and an annualized capital carrying cost, with the underlying premise being that the Block Two Volume Rate is set to be revenue-neutral whether or not the a Capital Charge is collected. The calculated Block Two Volume Rate, \$1.46 per ccf, is 62% of the retail Block Two Volume Rate.

Put differently, when the Association pays a Capital Charge for a new 3/4” connection, its monthly fixed charge increases by the reduced (39% of retail) monthly charge for a single 3/4” meter and its volume thresholds for both tiers are increased accordingly. In this case, the usage patterns shown in **Table 9** suggest that the Association would pay the Block Two Volume Rate on about 5% of the usage associated with this new home. Absent a Capital Charge payment for the new connection, its usage would add to the total Association’s usage without an increase to the Association’s volume thresholds – this would likely increase the amount of usage subject to the Block Two Volume Rate, especially during the summer months.

Table 10 provides a schedule of 2011 wholesale rates for the Association:

Table 10: 2011 Wholesale Water Rate Structure

	Wholesale Rate
Monthly Fixed Charge (Includes Volume Allowance of 540 ccf)	\$786.24
Block One (540 ccf – 1,440 ccf)	\$0.67
Block Two (> 1,440 ccf)	\$1.46

The revised wholesale rate structure shown in **Table 10** results in a more variable wholesale rate revenue stream than the historical rate structure produced. As previously noted, the Association has paid roughly 80% of its allocated costs through fixed charges; under the revised structure, this percentage would drop to about 56%. This change intends to enhance consistency with the City’s retail water rate structure, including the conservation-oriented pricing signals.

Section 3: Capital Charges

The capital cost of wholesale water to the Association is recovered through the mechanisms described in this section.

- A. Regional Capacity Charge.** The Regional Capacity Charge is a “connection charge” as provided for by RCW 35.92.025 and the Blaine Municipal Code (BMC 13.07.020C). It is imposed on new customers as a condition of connection to the utility system(s) or when increasing the capacity of an existing connection, intending to promote equity between new and existing customers while providing a source of funding for capital projects. The Association, like the City’s other customers (including Birch Bay Water & Sewer District), is subject to the RCC for each new connection in its retail service area – per the City’s Unified Fee Schedule, the RCC is currently \$854 per equivalent residential unit (ERU).

As a capital cost recovery charge, the Regional Capacity Charge generates funds to be used for capital projects. Given that it is based on both historical and planned capital investment in Regional Water Supply System infrastructure, it is appropriate to use Regional Capacity Charge revenue for either direct

investment in future capital projects or repayment of debt service (either existing debt service based on historical investment or incremental debt service triggered by future capital investments). Use of Regional Capacity Charge revenue is limited to water utility capital costs.

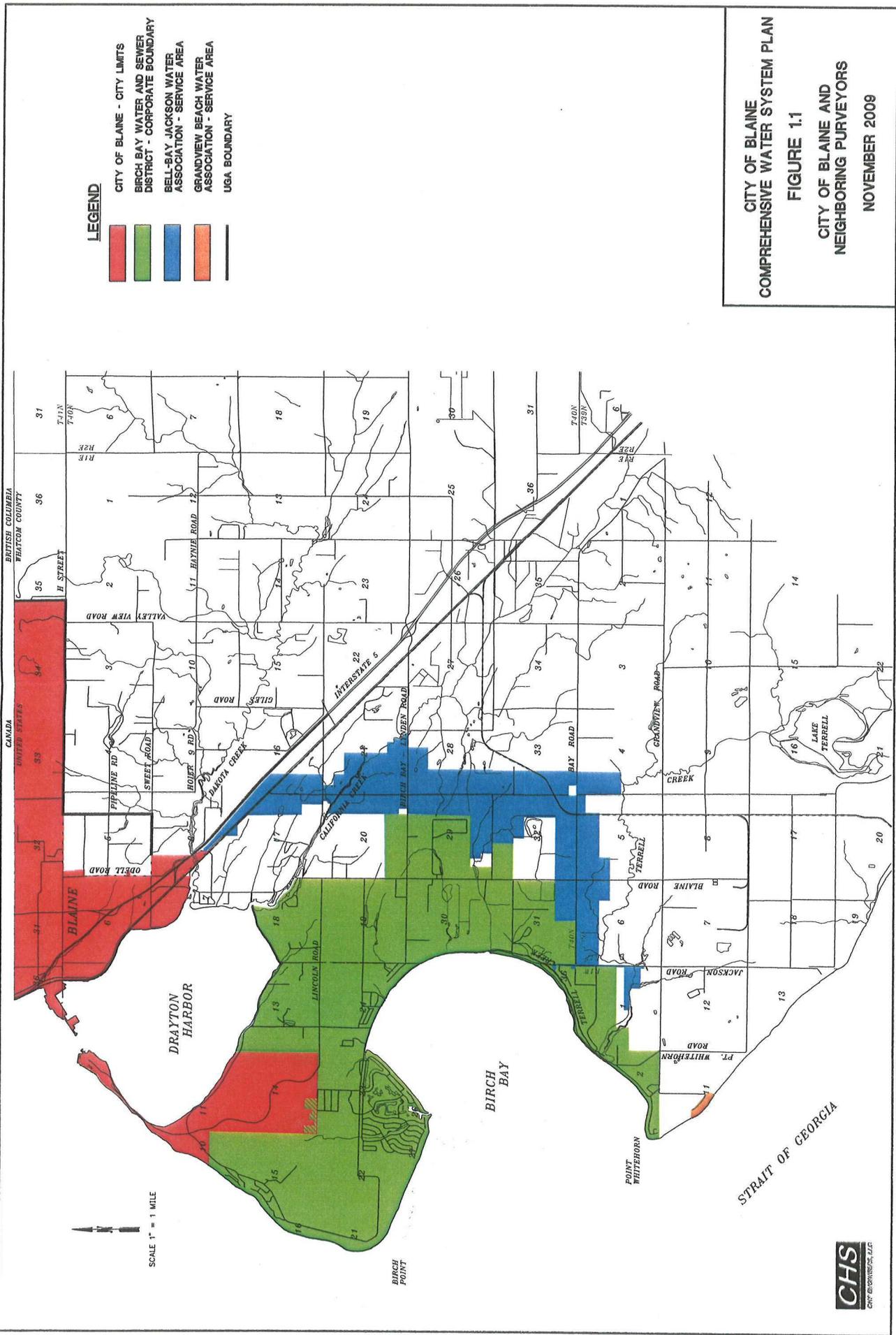
Section 4: Future-Year Calculations

As discussed in Article 7.02 of the Amended Agreement for Wholesale Water Supply, the rates applicable to the Association in 2012 and subsequent years will be adjusted in tandem with the City’s retail water rates. Based on the City’s 2010 rate planning efforts for 2011 rates, the City has currently projected a 3.0% rate increase for 2012. **Table 11** shows how the Association’s rate structure would change for 2012, based on an across-the-board adjustment to the Association’s proposed 2011 rate structure:

Table 11: Summary of Proposed 2011/Projected 2012 Wholesale Rate Structure

BBJWA Wholesale Rate Structure	2011 (Proposed)	2012 (Projected)
Monthly Fixed Charge (Includes First 540 ccf per Month)	\$786.24	\$809.83
Block One Volume Rate (<i>Applies to Usage Between 540 – 1,440 ccf per Month</i>)	\$0.67	\$0.69
Block Two Volume Rate (<i>Applies to Usage > 1,440 ccf per Month</i>)	\$1.46	\$1.50

Note that the projections shown in **Table 11** for 2012 are based on the planned 2012 water rate revenue increase determined during the City’s 2010 rate planning efforts. The actual 2012 rates and revisions to the thresholds for Block One and Block Two based upon payment of RCCs will be determined during the City’s 2011 rate planning efforts, when updated budget projections will be available.



LEGEND

- CITY OF BLAINE - CITY LIMITS
- BIRCH BAY WATER AND SEWER DISTRICT - CORPORATE BOUNDARY
- BELL-BAY JACKSON WATER ASSOCIATION - SERVICE AREA
- GRANDVIEW BEACH WATER ASSOCIATION - SERVICE AREA
- UGA BOUNDARY

**CITY OF BLAINE
 COMPREHENSIVE WATER SYSTEM PLAN**
FIGURE 1.1
**CITY OF BLAINE AND
 NEIGHBORING PURVEYORS**
NOVEMBER 2008



STRAIT OF GEORGIA

SCALE 1" = 1 MILE

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Well Pumping and Distribution Facilities Design Professional Service Agreement
Contract Amendment #8 (Wells 5.1 & 8.1) - Reichardt & Ebe Engineering, Inc

DEPARTMENT: Public Works

PREPARED BY: Stephen R. Banham
Digitally signed by Stephen R. Banham
DN: cn=Stephen R. Banham, o=City of Blaine,
ou=Public Works Department,
email=srb@cityofblaine.com, c=US
Date: 2011.02.09 15:25:53 -0800
(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS:

1. Professional Services Agreement Contract Amendment #8

BACKGROUND/SUMMARY: This amendment provides for the engineering design necessary for Well 5.1 to be upgraded to a larger pump and the smaller pump from Well 5.1 to be transferred and reconfigured for use in Well 8.1. The Well 8.1 work also includes piping to collect the new well to the water distribution system and new controls to be installed in an existing booster pump house. Reichardt and Ebe Engineering designed the existing well 5.1 pump installation and they have been assisting the City with its well improvement projects. The work is planned to be included in a single construction bid package with construction planned to begin in 2011. These well capacity improvements are made possible because of new Department of Ecology water right permits issued to the City in 2010.

BUDGET IMPLICATIONS: This amendment will be funded from Fund 329 - Water System Improvements. Wells 5.1 and 8.1 are in the Capital Improvement Plan for 2011.

RECOMMENDATION: Waive the second reading. Staff recommends that City Council authorize the City Manager to execute a contract amendment to the existing Reichardt & Ebe Engineering, Inc. contract in an amount not to exceed \$36,950 for consulting engineering design services for pumping and water distribution piping for Wells 5.1 and 8.1.

REVIEWED BY:

City Manager Gary R. Tomsic
Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, o=City of
Blaine, ou=City Manager,
email=grt@cityofblaine.com,
c=US
Date: 2011.02.09 14:59:49 -0800
(Digital Signature)

Finance Director Jeff Lazenby
Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of
Blaine, ou=Finance Director,
email=jl@cityofblaine.com,
c=US
Date: 2011.02.09 15:18:08 -0800
(Digital Signature)

City Clerk Sheri Sanchez
Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of Blaine,
ou=City Clerk,
email=ss@cityofblaine.com, c=US
Date: 2011.02.09 14:53:30 -0800
(Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____

**CITY OF BLAINE
CONTRACT AMENDMENT #8
to the
PROFESSIONAL SERVICES AGREEMENT
with Reichhardt and Ebe Engineering, Inc.
for
S06-09 - Professional Engineering Design and Construction Management for
Well Pumping and Distribution Facilities Design**

The contract between the City of Blaine and Reichhardt and Ebe Engineering, Inc. for consulting engineering/professional services to design the pumps and associated piping to bring Well #9 and Well 5R into service and connect them to the municipal water system, effective September 12, 2006 is hereby amended as follows:

Item #1: **Section 1, Scope of Work:** The original scope is amended to provide for the design of larger pumps to be installed in Well 5.1 and the relocation of the pumps from that well into Well 8.1. This includes upgrades to the pump houses to provide adequate controls and piping to connect Well 8.1 to the water distribution system. Further detail on specific tasks is contained in Exhibit A.

Item #2: **Section 2, Term:** Shall remain unchanged.

Item #3 **Section 3, Compensation:** “The City shall pay the Consultant on a time-and-expenses basis, not to exceed Thirty-six Thousand Nine Hundred and Fifty Dollars and NO cents (\$36,950.00), for additional consulting professional services as described above and further detailed in Exhibit A, for a revised total contract amount not to exceed, without prior City approval, \$162,238.50.”

All work shall comply with City standards and shall be approved by the City prior to payment.

All other items, terms and conditions of the contract remain unchanged.

This Contract Amendment is effective February 15, 2011

City of Blaine:

Consultant:

Gary R. Tomsic, City Manager

Luis Ponce, PE Principal

Departmental Approval:

Attest:

Steve R. Banham, Public Works Director

Sheri Sanchez, City Clerk

EXHIBIT A

SCOPE OF WORK – AMENDMENT #8

WELL 8.1 COMMISSIONING

- a) Review existing documentation.
- b) Design pumping, piping and valving system, including coordination of SCADA, power and controls.
- c) Coordinate and provide information to pursue BPA power efficiency incentives.
- d) Subcontract with AESI to prepare Well Susceptibility Assessment.
- e) Hold design review meetings with City at approximately 60% and 90% of design completion.
- f) Prepare Project Report for DOH.
- g) Prepare final plans, specifications, cost estimates and bid documents.
- h) Attend pre-bid conference, respond to bidder questions, and assist in bid evaluation.

WELL 5.1 PUMP UPGRADE

- a) Select appropriate pump for required flow rate.
- b) Prepare Project Report for DOH.
- c) Coordinate with control specialists to define control requirements.
- d) Hold design review meetings with City at approximately 60% and 90% of design completion
- e) Prepare final plans, specifications, cost estimates and bid documents.
- f) Attend pre-bid conference, respond to bidder questions, and assist in bid evaluation.

EXHIBIT A

Well 8.1 COMMISSIONING & WELL 5.1 UPGRADES

Manhour and Cost Estimate

Date: November 16, 2010

Project 1: Well 8.1 Commissioning

Task No.	Task Description	Greg	Luis/Date	Nathan	Ben/Mike/lt Paul	Linda	Barb	Shannon		
		Classification and Level								
		Engr. Level VII	Engr. Level VI	Engr. Level 5	Engr. Level IV	Tech. Level VI	Tech. Level V	Tech. Level III	Cler. Level II	
1.0 Preliminary Engineering										
1.1	Review Existing Documentation		6		2					
1.2	Develop Sub-Contracts		3							
1.3	Pre-design Meeting and Preparation		4		2					
1.4	Coordinate w/ BPA for power efficiency incentives		16							
1.5	Develop Design Criteria & Report		2		3					
	Sub-Total	0	31	0	7	0	0	0	0	
2.0 Design Engineering										
2.1	Site Survey		1		5		3			
2.2	Design Engineering		20		40		20			
2.3	Coordinate w/ City for Power		3		1					
2.4	Coordinate w/ Telemetry Subconsultant		10		2					
2.5	Design Review Meetings and Preparation		4		2					
2.6	Administration							2	2	
2.7	Permit Application Process		2		4					
2.8	DOH Project Report Preparation and Submittal		8		4					
2.9	Specifications		6		16					
2.10	Quantity Take Offs		2		6					
2.11	Cost Estimate		2		4					
2.12	Incorporate Comments from Client		3		2		2			
	Sub-Total	0	60	0	81	0	22	2	2	
3.0 Bidding										
3.1	Prepare Bid Package		1		2		4			
3.2	Prepare & Attend Pre-Bid Conference		3							
3.3	Answer Bidder Questions		2		4					
3.4	Prepare Addenda		2		4					
3.5	Participate in Bid Opening		3							
3.6	Assist in Bid Evaluation		3							
	Sub-Total	0	13	0	8	0	0	0	0	
TOTAL HOURS		0	104	0	96	0	22	2	2	
HOURLY RATE		\$123.11	\$111.79	\$100.47	\$89.15	\$90.56	\$77.83	\$58.02	\$41.04	
SUB-TOTAL		\$0	\$11,626	\$0	\$8,558	\$0	\$1,712	\$116	\$82	
Sub-Total										\$22,094.94
4.0 REIMBURSABLES										
	Reproduction	50	@	\$10.00	/each				\$500.00	
	Communications								\$0.00	
	Office Supplies								\$100.00	
	Sub-Total									\$600.00
5.0 Subconsultants										
	Associated Earth Sciences, Inc	Prepare Well Susceptibility Assessment and Discuss Pump Elevation in Well							\$1,000.00	
	R&E mark-up (5% on Subconsultants)								\$50.00	
	Sub-Total									\$1,050.00
TOTAL										<u>\$23,744.94</u>

Project 2: Well 5.1 Upgrades

Task No.	Task Description	Classification and Level							
		Engr. Level VII	Engr. Level VI	Engr. Level 5	Engr. Level IV	Tech. Level VI	Tech. Level V	Tech. Level III	Cler. Level II
1.0	Preliminary Engineering								
1.1	Review Existing Documentation		4			1			
1.2	Pre-design Meeting and Preparation		4			2			
1.3	Develop Design Criteria & Report		2						
	Sub-Total	0	10	0	3	0	0	0	0
2.0	Design Engineering								
2.1	Design Engineering		10			20			
2.2	Coordinate w/ Telemetry Subconsultant		10			4			
2.3	Design Review Meetings and Preparation		4			2			
2.4	Administration							2	2
2.5	Permit Application Process		2			2			
2.6	DOH Project Report		4			2			
2.7	Specifications		6			12			
2.8	Quantity Take Offs		2			4			
2.9	Cost Estimate		2			3			
2.10	Incorporate Comments from Client		1			2			
	Sub-Total	0	41	0	51	0	0	2	2
3.0	Bidding								
3.1	Prepare Bid Package		1			2		1	
3.2	Prepare & Attend Pre-Bid Conference		3						
3.3	Answer Bidder Questions		2			4			
3.4	Prepare Addenda		2			2			
3.5	Participate in Bid Opening		3						
3.6	Assist in Bid Evaluation		3						
	Sub-Total	0	13	0	6	0	0	0	0
TOTAL HOURS		0	64	0	60	0	0	2	2
HOURLY RATE		\$123.11	\$111.79	\$100.47	\$89.15	\$90.56	\$77.83	\$58.02	\$41.04
SUB-TOTAL		\$0	\$7,155	\$0	\$5,349	\$0	\$0	\$116	\$82
Sub-Total									\$12,701.68
4.0	REIMBURSABLES								
	Reproduction	40	@	\$10.00	/each				\$400.00
	Communications								\$0.00
	Office Supplies								\$100.00
	Sub-Total								\$500.00
TOTAL									\$13,201.68
Grand Total									\$36,946.62

This estimate is based on the knowledge of the project scope at this time. As the project moves forward, changes in the scope may occur in order to make this project successful. For this reason the Consultant would like to reserve the ability to move hours between tasks.

This estimate assumes that full survey of the Well 8.1 site is not required. The scope allows for topographic field measurements which should be sufficient for construction.

This estimate does not include Construction Management or Inspection, as it is more prudent to determine the cost associated with that effort once the design is complete.

This estimate assumes that the City of Blaine will be the permitting authority, and that permits required will be SEPA for Well 8.1.

This estimate assumes that the City will assist the Consultant in the self assessment of Water Right and the Water Facilities Inventory Form required by the DOE & DOH.

This estimate assumes that the City will install the required power to the well 8.1 site in preparation for a Contractor designed and installed service connection.

This estimate assumes that there are sufficient conduits to and from the well area for communication and controls.

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Lighthouse Point Water Reclamation Facility
Project Completion - Stellar J Corporation

DEPARTMENT: Public Works

PREPARED BY: Stephen R. Banham Digitally signed by Stephen R. Banham
DN: cn=Stephen R. Banham, o=City of Blaine,
ou=Public Works Department,
email=sbanham@ci.blaine.wa.us, c=US
Date: 2011.02.09 16:32:11 -0800

(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS:

1. Final Completion Letter from Harris & Associates

BACKGROUND/SUMMARY:

Bids were opened on Thursday, March 27, 2008 for the construction of the new Lighthouse Point Water Reclamation Facility. Stellar J Corporation submitted a bid in the amount of \$26,998,713.21 and was awarded the contract on April 28, 2008. During the course of construction there were twenty-eight change orders on this project in the amount of \$1,076,296.73. The project was substantially completed on July 20, 2010 and certified physically complete (punch list items completed) on January 24, 2011 by Harris & Associates. The City has received all as-built drawings and operations & maintenance (O&M) manuals for the facility.

BUDGET IMPLICATIONS: Funding for the Lighthouse Park Water Reclamation Facility was provided by Public Works Trust Fund Loans, a Department of Ecology Grant and Loan, USDA Rural Development Grant and Loan, and Wastewater Capital Funds. The final construction cost was \$28,075,009.94.

RECOMMENDATION: Waive the second reading and accept the Lighthouse Point Water Reclamation Facility project as complete.

REVIEWED BY:

City Manager Gary R. Tomsic Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, c=US,
o=City of Blaine, ou=City Manager,
email=gtomsic@ci.blaine.wa.us
Date: 2011.02.09 14:46:14 -0800 (Digital Signature) Finance Director Jeff Lazenby Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of Blaine,
ou=Finance Director,
email=jlazenby@ci.blaine.wa.us, c=US
Date: 2011.02.09 14:53:58 -0800 (Digital Signature) City Clerk Sheri Sanchez Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of
Blaine, ou=City Clerk,
email=ssanchez@ci.blaine.wa.us,
c=US
Date: 2011.02.09 14:54:13 -0800 (Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____



Harris & AssociatesSM

*Shaping the Future, One Project at a Time*SM

January 24, 2011

Mr. Stephen R. Banham, PE
Public Works Director
City of Blaine
1200 Yew Avenue
Blaine, WA. 98230

Re: Lighthouse Point Water Reclamation Facility Final Completion

Dear Steve,

Stellar J Construction has completed the construction and associated punch list for the Lighthouse Point Water Reclamation Facility Project as per the contract documents. Harris & Associates recommends the City of Blaine accept the project as 100% complete.

The one year warranty period for this project started on substantial completion, July 20, 2010 and will end on July 19, 2011 excluding lengthier warranty periods as specified in the contract documents and manufacturer's extended warranties.

I have attached a current list of warranty items Stellar J Construction is in the process of resolving for tracking and record.

Should you have any questions please call me.

Sincerely,

Jim Thompson, CCM
Construction Manager

Attach: Warranty List

CITY OF BLAINE
REQUEST FOR COUNCIL ACTION
MEETING DATE: February 14, 2011

SUBJECT: Resolution of Support for Cherry Point terminal project

DEPARTMENT: Manager

PREPARED BY: _____
(Digital Signature)

AGENDA LOCATION: Consent Agenda Council Action Unfinished Business

ATTACHMENTS:

1. Copy of Resolution 1578-1
- 2.

BACKGROUND/SUMMARY: The proponents/developers of the Gateway Pacific Terminal at Cherry Point have requested that cities in Whatcom County formally support the project. They want to use the City's endorsement, through the Mayor, on printed and radio promotions for the project.

BUDGET IMPLICATIONS:

None

RECOMMENDATION: x Waive the second reading

This is not the first time that a project like this has been proposed at this location. In past instances, there was considerable opposition based primarily on the environmental impacts of the project, particularly on herring. This project appears to be better positioned for a positive outcome particularly in this recession period. Never-the-less, there is likely to be a public battle. If the Council is comfortable with the information needed to take a position, then I recommend that you act on the resolution. If there is an interest in hearing other sides of the issue, then you should invite additional information and public comment before taking a position pro or con.

REVIEWED BY:

Gary R. Tomsic
City Manager
Digitally signed by Gary R. Tomsic
DN: cn=Gary R. Tomsic, o=City
of Blaine, ou=City Manager,
email=gartomsic@cityofblaine.com,
c=US
Date: 2011.02.10 16:21:47 -0800
(Digital Signature)

Jeff Lazenby
Finance Director
Digitally signed by Jeff Lazenby
DN: cn=Jeff Lazenby, o=City of
Blaine, ou=Finance Director,
email=jlazenby@cityofblaine.com,
c=US
Date: 2011.02.10 16:23:15 -0800
(Digital Signature)

Sheri Sanchez
City Clerk
Digitally signed by Sheri Sanchez
DN: cn=Sheri Sanchez, o=City of
Blaine, ou=Clerks Office,
email=ssanchez@cityofblaine.com,
c=US
Date: 2011.02.10 16:20:34 -0800
(Digital Signature)

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to: _____

ADDITIONAL INFORMATION: _____

RESOLUTION 1578-11

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLAINE,
WASHINGTON SUPPORTING THE PROPOSED CHERRY POINT SHIPPING
TERMINAL**

WHEREAS, the industrial job base of the state and nation must be protected and nurtured so as to foster the well-being of working Americans; and

WHEREAS, industry-based employment produces family wage jobs that reflect the true value and capabilities of American works; and

WHEREAS, federal, state and local governments should actively promote and facilitate economic and job recovery by encouraging the private sector to reinvest in America's industrial future; and

WHEREAS, our federal and state administrations are seeking to increase the nation's export capacity as an essential element of economic recovery; and

WHEREAS, SSA Marine is working to develop a state-of-the-art shipping terminal at Cherry Point which would support these export initiatives; and

WHEREAS, the SSA Marine project and subsequent operations would be of benefit to the region in terms of jobs, tax base and an overall boost to the economy; and

WHEREAS, a terminal constructed under modern standards will be subjected to appropriate environmental and safety requirements;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Blaine, Washington, that the City supports 1) the viability of the Cherry Point area as an active and healthy industrial site, 2) reinvesting in the existing industries, and 3) expeditious development of the shipping terminal project.

PASSED BY the City Council of the City of Blaine, Washington and approved by the Mayor on this 14th day of February, 2011.

CITY OF BLAINE, WASHINGTON

ATTEST:

Bonnie Onyon, Mayor

Sheri Sanchez, City Clerk



CITY OF BLAINE

344 H Street
Blaine, WA 98230

CITY COUNCIL AGENDA

Monday, February 14, 2011

7:00 PM

- A.** *STUDY SESSION – 5:30PM – Joint Study Session with Birch Bay Water and Sewer District – Hydrogeology and Groundwater Monitoring*
- B.** **CALL TO ORDER**
- C.** Moment of Silence and Pledge of Allegiance - *PLEASE TURN OFF ALL CELL PHONES and PAGERS WHILE IN COUNCIL CHAMBERS*
 - **ROLL CALL:** Alan Black, Scott Dodd, Paul Greenough, Charlie Hawkins, John Liebert, Bonnie Onyon, and Harry Robinson.
- D.** **RECOGNITIONS AND AWARDS**
 - 1. Employee Length of Service Awards
- E.** **AUDIENCE PARTICIPATION**

Sign-up/Comment Forms in Foyer of City Hall

 - 1. Charlie Sheldon – Director for Port of Bellingham
- F.** **COMMISSION, COMMITTEE AND BOARD REPORTS**
 - 1. Blaine Economic Development Advisory Committee – John Liebert
 - 2. Whatcom Economic Development Board – John Liebert
 - 3. Chamber of Commerce – John Liebert
 - 4. WTA Board – Paul Greenough
 - 5. Marine Resources Committee – Paul Greenough
 - 6. Blaine Tourism Advisory Committee – Harry Robinson
 - 7. R.E.D. Loan Committee – Harry Robinson
 - 8. Drayton Harbor Shellfish Advisory Committee – Charlie Hawkins
 - 9. Library Committee – Scott Dodd
 - 10. Planning Commission – Michael Jones

11. Park and Cemetery Board – Michael Jones
12. Law and Justice Council – Mike Haslip
13. Small Cities Caucus – Bonnie Onyon and Gary Tomsic
14. Whatcom Council of Governments – Bonnie Onyon

G. CITY MANAGER AND STAFF REPORTS

1. Public Works
2. Public Safety
 - a. Addressing Update
3. Community Development Services
 - a. Year-end Report
4. Finance
 - a. Year-end Report
5. City Clerk
6. City Manager

Calendars:

Thursday, February 17, **9:30am** – Park and Cemetery Board Meeting

City Offices will be closed on Monday, February 21, in observance of Presidents' Day

Thursday, February 24, **CANCELED**– Planning Commission Meeting

Monday, February 28, **5:30pm** – Study Session – 2011 Comp Plan Docket

7:00pm – Council Meeting

H. PUBLIC HEARING (MEETING)

1. Continuation of Public Hearing - Intent to Form ULID – Vista Terrace Area

I. WRITTEN COMMUNICATIONS

1. Letter dated January 28, 2011 from Dennis Olason regarding wastewater rate schedule.
2. Email dated February 1, 2011, from Gordon Ames regarding development along Peace Portal.
3. Email dated February 3, 2011, from Tracey Helvan regarding ULID in Vista Terrace area.
4. Letter dated February 7, 2011 from Dennis Olason regarding ULID for Vista Terrace.

J. CONSENT AGENDA

Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda at the request of a Councilmember.

1. Approval of Bills – Amount: \$211,636.67
2. Approval of January Payroll Paid in February - Amount: \$471,825.52

3. Approval of January 24, 2011, City Council Minutes and February 7, 2011, Special Council Minutes

K. COUNCIL ACTION ITEMS

1. Revised Interlocal Agreement with Birch Bay Water and Sewer District
2. Ordinance 11-2786, Formation of ULID in Vista Terrace Area
3. Amended Wholesale Water Agreement with Bell Bay Jackson Water Association
4. Amendment to Contract Agreement with Reichhardt and Ebe Well Design
5. LPWRF Close-out
6. Resolution 1578-11, Support of Proposed Cherry Point Shipping Terminal
7. Collective Bargaining Agreements

L. UNFINISHED BUSINESS

M. COUNCIL NEW BUSINESS

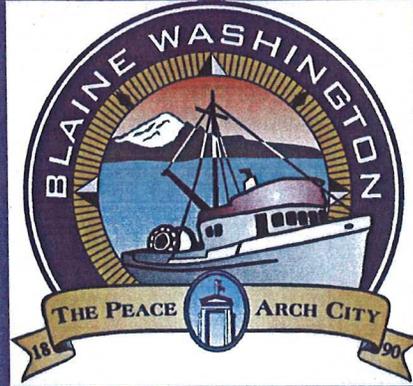
N. MAYOR AND COUNCIL REPORTS

- O.** *Executive Session to Discuss Collective Bargaining Pursuant to RCW 42.30.140(1)*

P. ADJOURN

Americans with Disability Act (ADA) Requirement: The meeting location is accessible. If you require a special accommodation during your attendance at any public meeting, please contact the City Clerk (360) 332-8311, 24 hours prior to the meeting date you will be attending. Thank you.

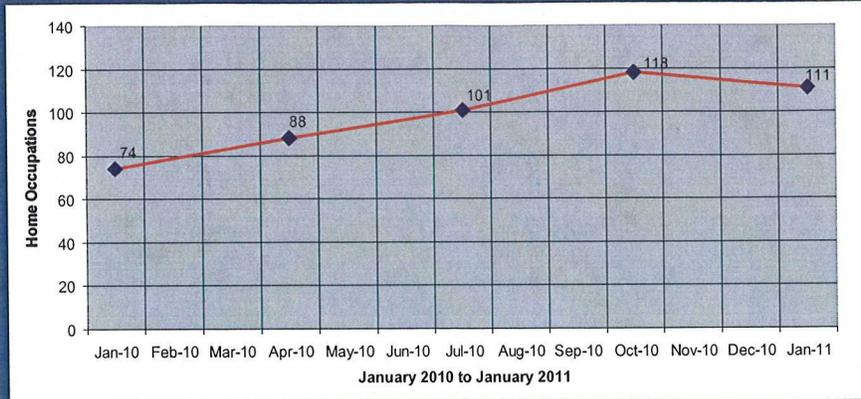
2010 Year-end Development Report



Community Development Services

Active Home Occupation Business Permits

Source: Washington State Department of Licensing



- 4 Home Occupation Permits approved in 4th Quarter 2010
- 38 Home Occupation Permits approved in 2010
- 3 In-Home Care Permits approved in 2010

Building Permits Approved Residential Units – 4th Quarter 2010

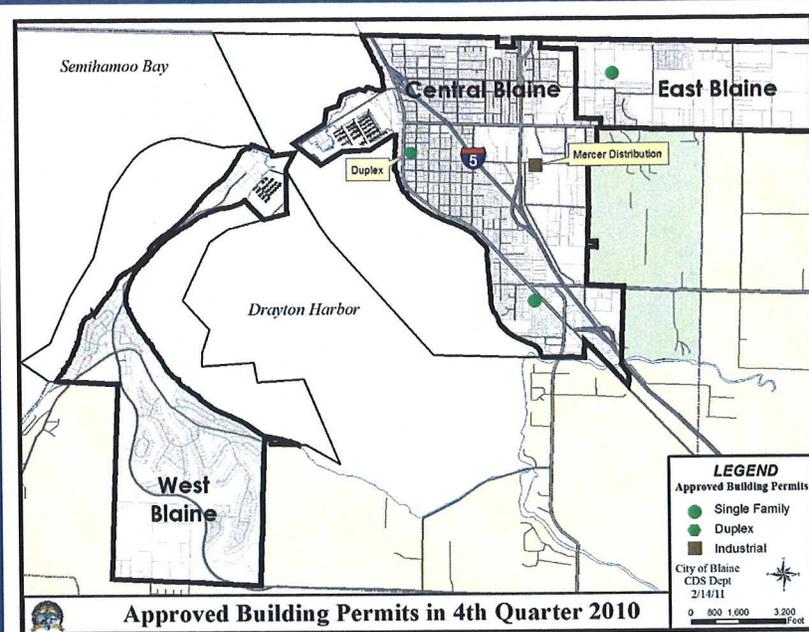


Month	Residential Units	Commercial Units	Industrial Units
October	1	0	0
November	3	0	0
December	0	0	1
4th Qtr 2010	4	0	1
Year Totals	27	0	1

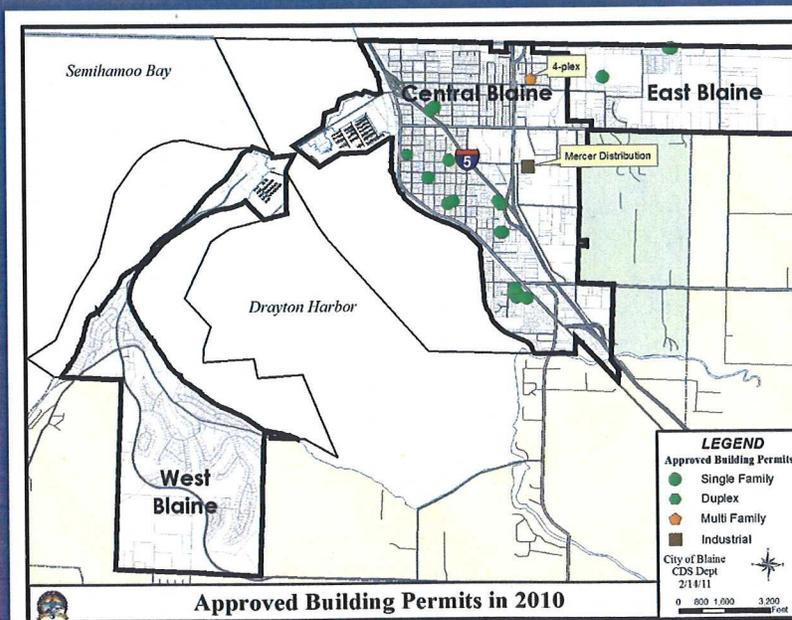
Total Per Year Residential Unit Comparison

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
39	44	68	119	122	96	18	22	24	27

New Construction in 4th Quarter



New Construction in 2010



Development & Land Use Permit Applications



New Projects in 4th Qtr

Description

Interstyle Short Plat

Proposed dividing existing development into 2 properties.

Gateway Specific Binding Site Plan #1

Created a 3.27 acre property for Mercer Distribution in the City's Gateway property.

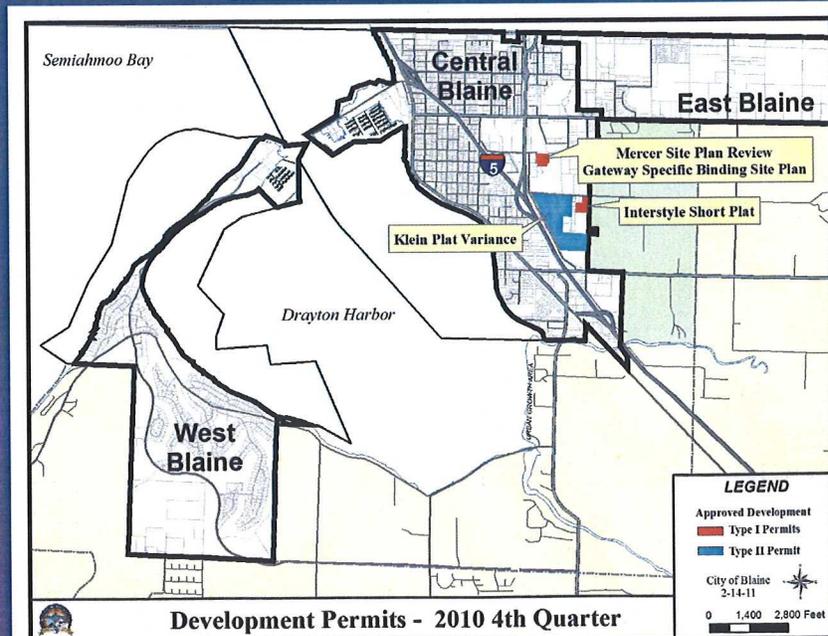
Mercer Distribution Site Plan Review

Proposed 11,250 sq. ft. distribution building.

Klein Plat Variance

Proposed narrower street cross section.

New Land Use Permits



Development & Land Use Permit Applications



Total Land Use Permits in 2010

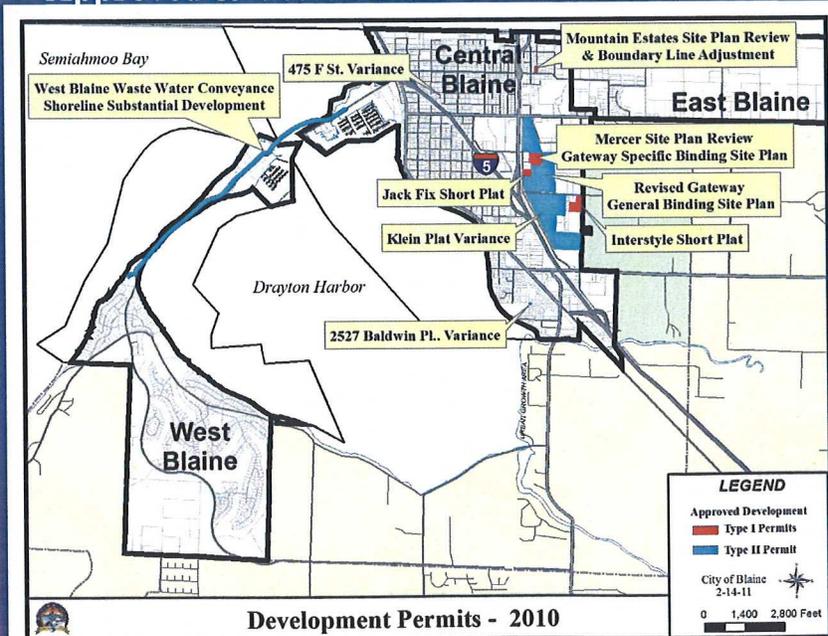
Type I Permits (Administrative Review)

- 2 Site Plan Reviews
- 2 Short Plats
- 1 Boundary Line Adjustment
- 1 Specific Binding Site Plan

Type II Permits (PC or CC Public Hearing Review)

- 3 Variances (2 buildings, 1 plat)
- 1 Shoreline Substantial Development
- 1 General Binding Site Plan

Approved & Vested Land Use Permits in 2010



Total Permits – 2010 4th Quarter

- ☑ 8 Building permits
(additions, remodels, garages, repairs, etc...)
- ☑ 12 Mechanical permits
- ☑ 1 Plumbing permits
- ☑ 1 Re-roof permits
- ☑ 2 Demo permit



Total Construction & Enforcement Inspections

134 construction inspections completed in 4th Quarter - 2010
7 BMC enforcement inspections completed in 4th Quarter - 2010

Total Permits – 2010 Year End

- ☑ 72 Building permits
(additions, remodels, garages, repairs, etc...)
- ☑ 28 Mechanical permits
- ☑ 4 Plumbing permits
- ☑ 19 Re-roof permits
- ☑ 4 Demo permit



Total Construction & Enforcement Inspections

584 construction inspections completed in - 2010
40 BMC enforcement inspections completed - 2010

Part 3
Waste Water Connections Report

**7.4 ERU connections in the 4th quarter
all in Central Blaine**

No connections in West or East Blaine

Waste Water Connections in 2010
23.1 total connections Citywide



City of Blaine
December 2010
Operating Statement

Finance Department
Jeffrey Lazenby,
Finance Director

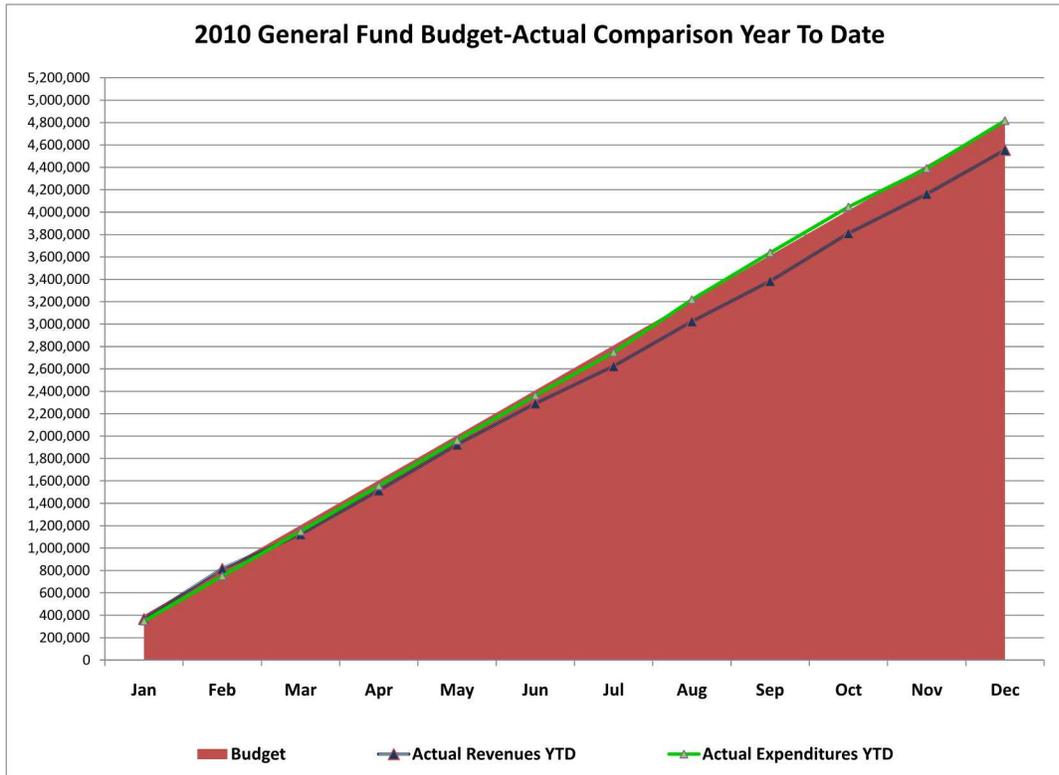


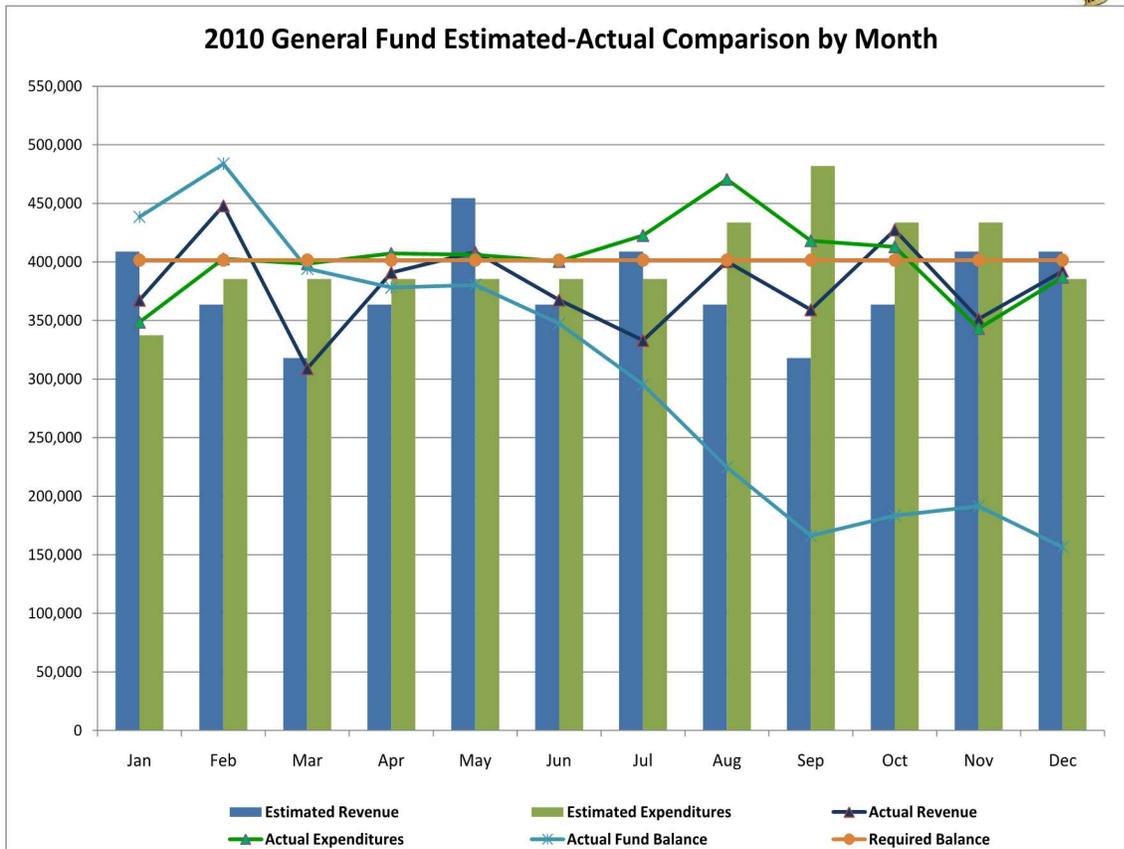
TABLE OF CONTENTS

General Fund Summary	Page 3
General Fund Revenue	Page 5
General Fund Expenditures	Page 11
Enterprise Funds	Page 15
Other Funds Summary	Page 20
Other Funds Revenue	Page 21
Other Funds Expenditures	Page 22
Taxes Received Year to Date	Page 23
Retail Sales & Use Tax	Page 23
Electric, Water, Sewer Utility Tax	Page 24
Other Utility Taxes	Page 25
One Cent Gas Tax	Page 26
Hotel/Motel Tax	Page 27
Real Estate Excise Tax	Page 28
Property Tax	Page 29
Total Expenditures All Funds	Page 30



SUMMARY





SUMMARY

Notes:

Actual General Fund revenue collected is 100% of the amended budget. Actual General Fund expenditures expended is 100% of what is the amended estimate. From a general trend perspective, revenue and expenditures should track at 100% through the end of December.

However, from a cash flow analysis monthly fluctuations do exist based on timing of revenue received and expenditures made. The month to date comparison chart above illustrates the anticipated monthly fluctuations. Investments that have immediate liquidity are used to meet monthly obligations when needed.



GENERAL FUND REVENUE

001 General Fund Revenue--Budget vs. Actual

	2010 Budget Adopted	2010 Budget Amended	2010 Actual Revenues YTD	% of Estimate To Date
BEGINNING FUND BALANCE	\$ 512,604	\$ 419,702	\$ 419,702	100.00%
TAXES	2,673,868	2,627,979	2,453,439	93.36%
LICENSES & PERMITS	210,840	210,840	221,662	105.13%
INTERGOVERNMENTAL REVENUE	131,996	131,996	255,200	193.34%
CHARGES FOR SERVICES	124,864	124,864	112,507	90.10%
FINES & FORFEITS	157,390	157,390	225,827	143.48%
MISCELLANEOUS REVENUE	32,385	32,385	28,391	87.67%
NON-REVENUES	-	-	-	0.00%
TRANSFERS IN	1,257,536	1,257,536	1,257,536	100.00%
TOTAL REVENUE	4,588,879	4,542,990	4,554,562	100.25%
TOTAL REVENUE & BEGINNING FUND BALANCE	\$ 5,101,483	\$ 4,962,692	\$ 4,974,264	100.23%

Notes:

Taxes

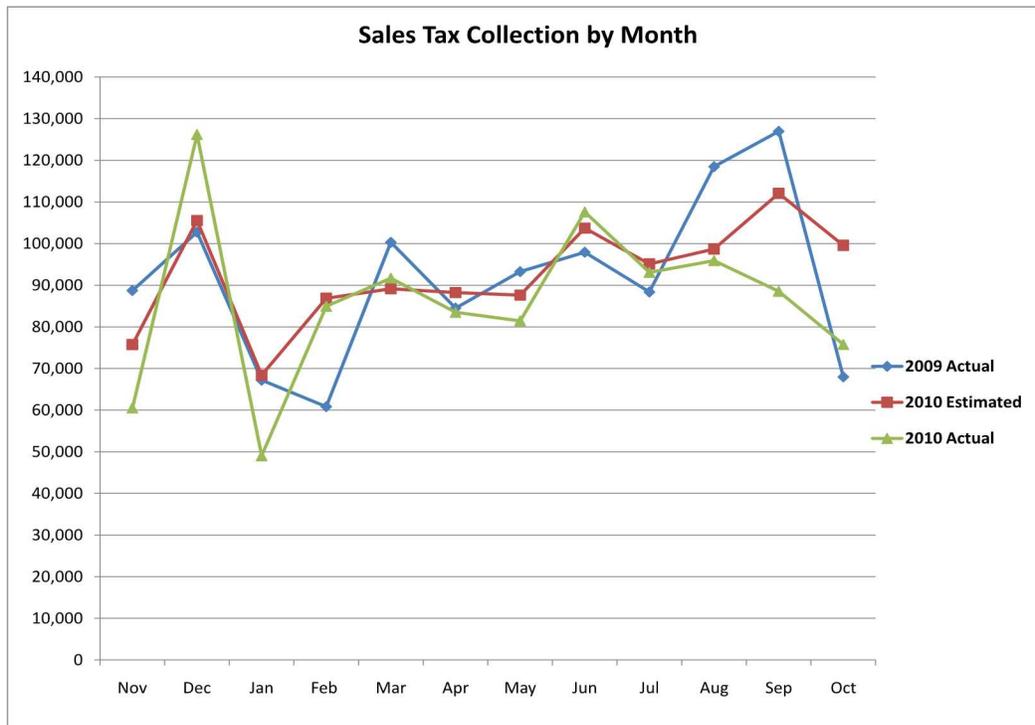
Taxes include property, sales, and utility taxes. Taxes make up 58% of total General Fund revenue. Taxes collected are 93.36% of what is estimated.

Sales Taxes

Sales tax revenue makes up 25% of total General Fund revenue and 44% of General Fund tax revenue. Sales tax revenue collected is 93.48% of what is estimated.

City of Blaine 2010 Operating Statement

For the Month Ended December 31, 2010

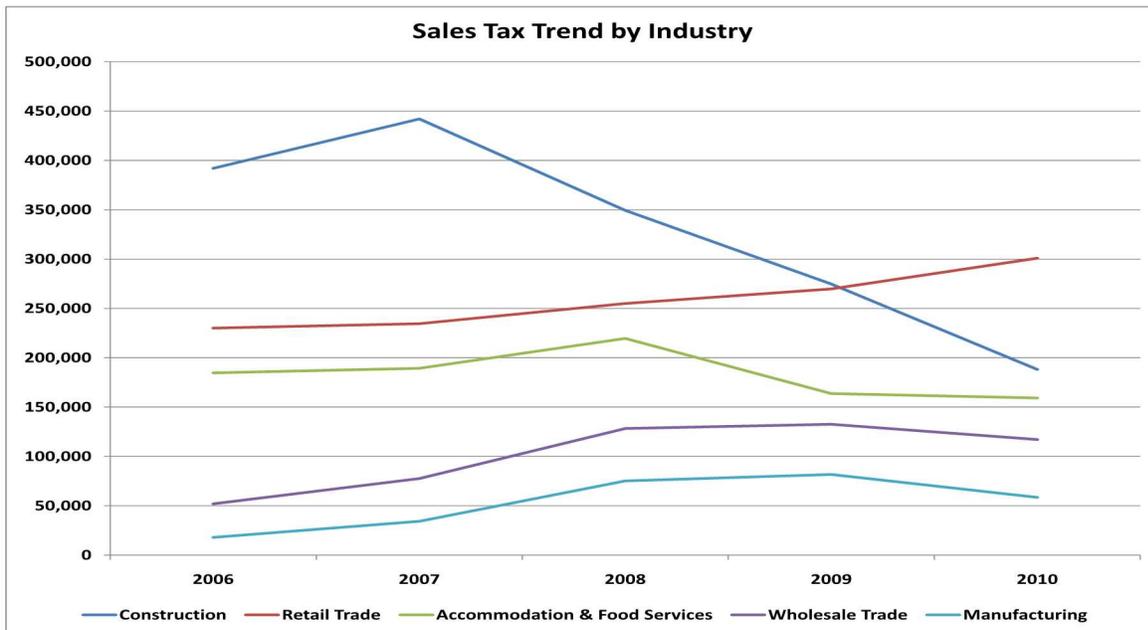
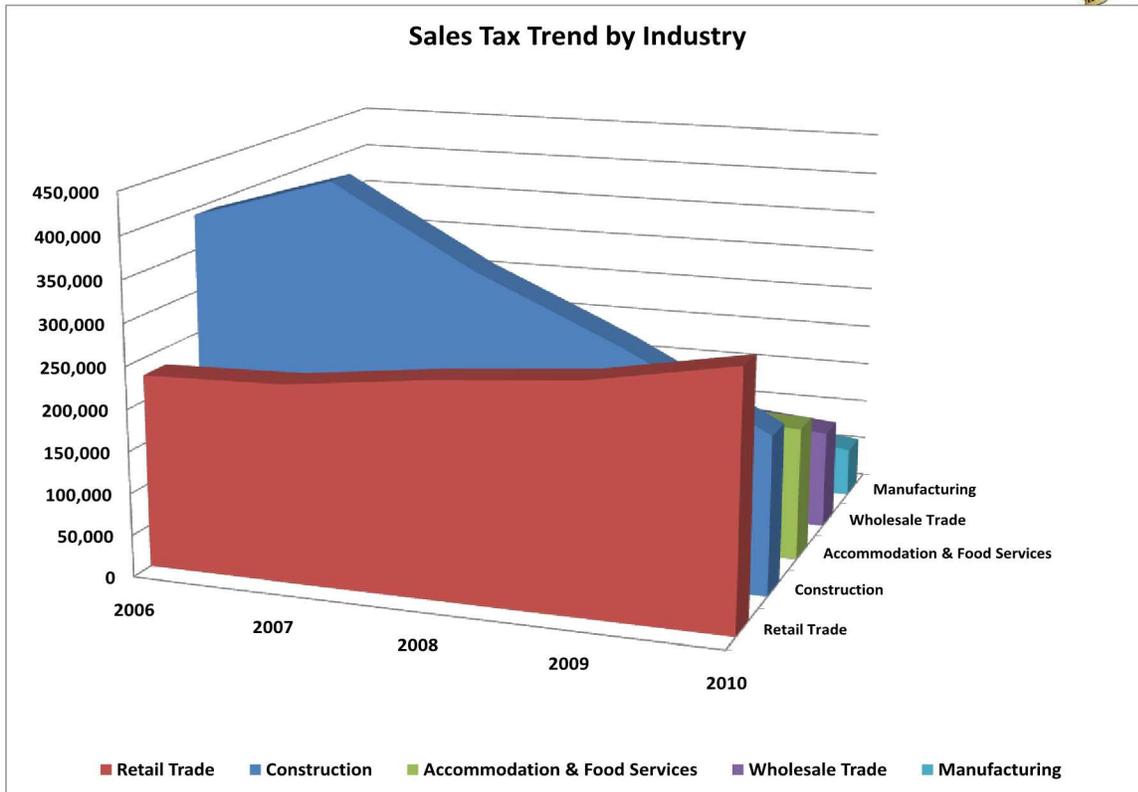


Sales tax revenue is 5% below compared to 2009 actual sales tax year to date. **(Monthly sales tax reported to the State Department of Revenue is received by the City two months later.)** The 2010 October collections (received in December 2010) increased 11% compared to the 2009 October collections.

	2010 Budget	2010 Actual YTD	% of Budget
Sales Tax Revenue	1,110,800	1,038,386	93.48%

	2009 Actual YTD	2010 Actual YTD	% Change
Sales Tax Revenue	1,097,483	1,038,386	-5%

	2009 Actual MTD	2010 Forecast MTD	2010 Actual MTD	% Change from '09 Actual MTD to '10 Actual MTD
Sales Tax Revenue	67,997	99,574	75,783	11%





For the Month Ended December 31, 2010

Licenses & Permits

Licenses and permits consist of business licenses, franchise fees, and building permits. Licenses and permits collected to date are 105.13% of what is budgeted. Business licenses are renewed at the beginning of the year.

Intergovernmental Revenue

Intergovernmental consists of primarily state shared revenue, such as liquor excise taxes, and state and federal grants. This is 193.34% of what is budgeted. This source of revenue is received when it is released by the State. Liquor excise taxes are received at the end of the month; liquor board profits are received quarterly.

Charges for Services

This source of revenue includes fees for court services and building plan check services. The percentage collected to date is 90.10%.

Fines and Forfeits

Fines and forfeits consist primarily of traffic and court fines. To date, this is 143.48% of what is budgeted.

Miscellaneous Revenue

This revenue category consists of interest income and facility rentals. The percentage collected to date is 87.67%.

Non-Revenues

This includes receipt of funds that have not yet been classified. Once classified, they are posted to the appropriate revenue accounts.

Other Financing Sources

This revenue category consists of operating transfers from other City of Blaine funds. The percentage transferred to date is 100%. This revenue source makes up 27% of total General Fund revenue.

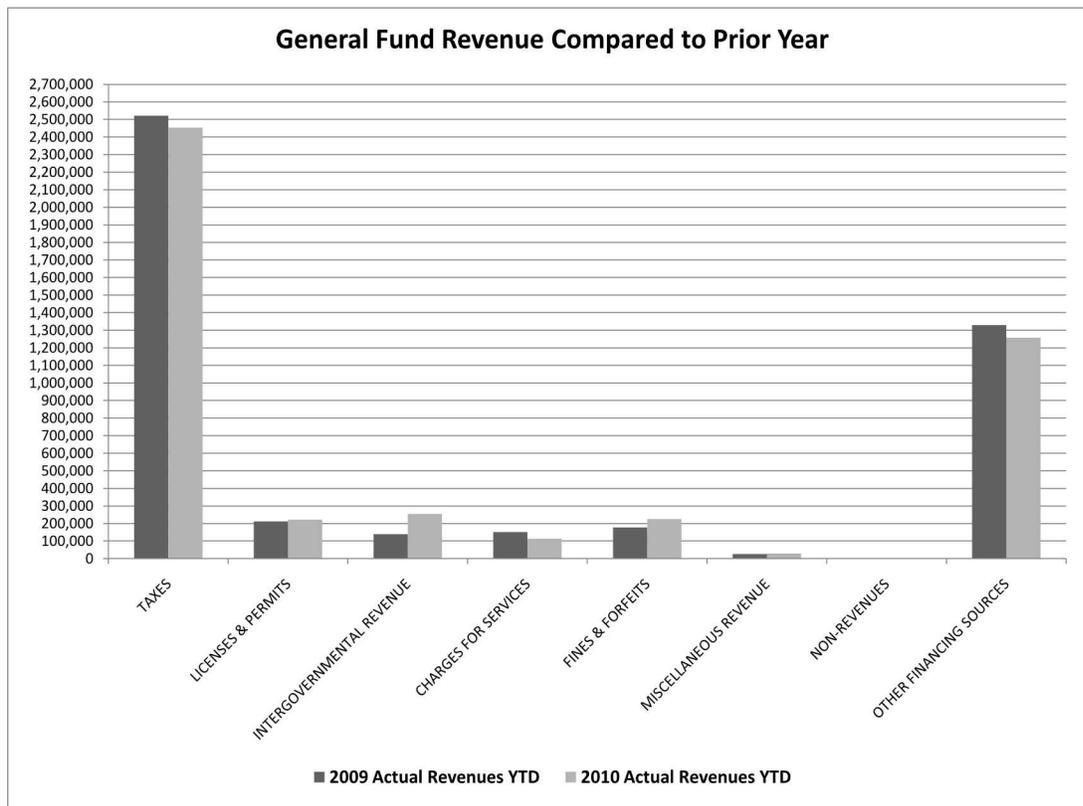


For the Month Ended December 31, 2010

GENERAL FUND REVENUE

001 General Fund Revenue to Date--Compared to Prior Year

	2009 Actual Revenues YTD	2010 Actual Revenues YTD	Dollar Change	% Change
TAXES	2,520,950	2,453,439	(67,511)	-2.68%
LICENSES & PERMITS	211,611	221,662	10,051	4.75%
INTERGOVERNMENTAL REVENUE	139,601	255,200	115,599	82.81%
CHARGES FOR SERVICES	150,310	112,507	(37,803)	-25.15%
FINES & FORFEITS	177,335	225,827	48,492	27.34%
MISCELLANEOUS REVENUE	26,973	28,391	1,418	5.26%
NON-REVENUES	175	-	(175)	0.00%
OTHER FINANCING SOURCES	1,329,618	1,257,536	(72,082)	-5.42%
TOTAL REVENUE	4,556,573	4,554,562	(2,011)	-0.04%





For the Month Ended December 31, 2010

GENERAL FUND REVENUE

Notes:

Overall, total General Fund revenue is down by \$2,000 compared to prior year to date.

Taxes

Taxes have decreased 2.68% compared to 2009 primarily due to the drop in sales tax revenue and the timing of natural gas and garbage utility taxes received compared to last year's timing.

Intergovernmental Revenue

Intergovernmental revenue has increased 82.81% compared to 2009 due to grant revenue received for public safety equipment purchases.

Charges for Services

Charges for services have decreased 25.15% compared to 2009 due to less revenue received from plan check fees.

Other Financing Sources

For 2010, less has been budgeted in transfers from other funds.



For the Month Ended December 31, 2010

GENERAL FUND EXPENDITURES

001 General Fund Expenditures

Description	2010 Budget		2010 Actual	Remaining Appropriations	% Expended To Date
	Adopted	Amended	Expenditures YTD		
SALARIES, WAGES, & BENEFITS	3,216,103	3,216,103	3,221,577	5,474	100.17%
SUPPLIES & MINOR EQUIPMENT*	177,766	177,766	209,212	31,446	117.69%
OTHER SERVICES & CHARGES	801,510	1,018,692	973,348	(45,344)	95.55%
INTERGOVERNMENTAL SERVICES	102,203	102,203	92,782	(9,421)	90.78%
MACHINERY & EQUIPMENT**	16,000	16,000	52,749	36,749	329.68%
LOCAL SALES TAX PASS-THRU	39,520	39,520	33,153	(6,367)	83.89%
TRANSFERS OUT	248,373	248,373	235,040	(13,333)	94.63%
TOTAL EXPENDITURES	4,601,475	4,818,657	4,817,861	(796)	99.98%
ENDING FUND BALANCE	500,008	144,035	156,403	12,368	108.59%
TOTAL EXPENDITURES & ENDING FUND BALANCE	\$ 5,101,483	\$ 4,962,692	\$ 4,974,264	11,572	100.23%

Notes:

Overall, total General Fund expenditures at the end of December are at 100% of the amended budget. The spend trend for December is typically 100%.

Salaries, Wages, & Benefits

This expenditure category includes salaries, wages, and benefits paid to City employees. It also includes overtime hours. This is 100% of what is budgeted.

Supplies & Minor Equipment

This includes office & operating supplies, computer supplies and equipment, fuel, and small tools. This is 117.69% of what is budgeted. **The reason for the major variance in this category is due to the purchase of police communications and computer equipment purchased through grant reimbursements. The grant reimbursement will be used to offset the grant-related expenditures.**

Other Services & Charges

This includes professional services, legal services, postage, phone services, travel and training, advertising, utilities, and property insurance. This is 95.55% of the amended amount.

Intergovernmental

This category includes purchases of services performed by the State or other local governments. This is 90.78% of the estimated amount.

Machinery & Equipment

This category includes purchases of equipment over \$5,000 such as vehicles. This is 329.68% of what is budgeted. **The reason for the major variance in this category is due to the purchase of a police vehicle purchased through grant reimbursements. The grant reimbursement will be used to offset the grant-related expenditures.**



For the Month Ended December 31, 2010

Non-Expenditures (Local Sales Tax Pass-Through)

This category in the General Fund consists of disbursements to other jurisdictions. This disbursement is the portion of sales tax that is collected by the City on behalf of Whatcom County Emergency Medical Services. All cities in the County collect a portion of this sales tax for Whatcom County EMS.

Transfers Out

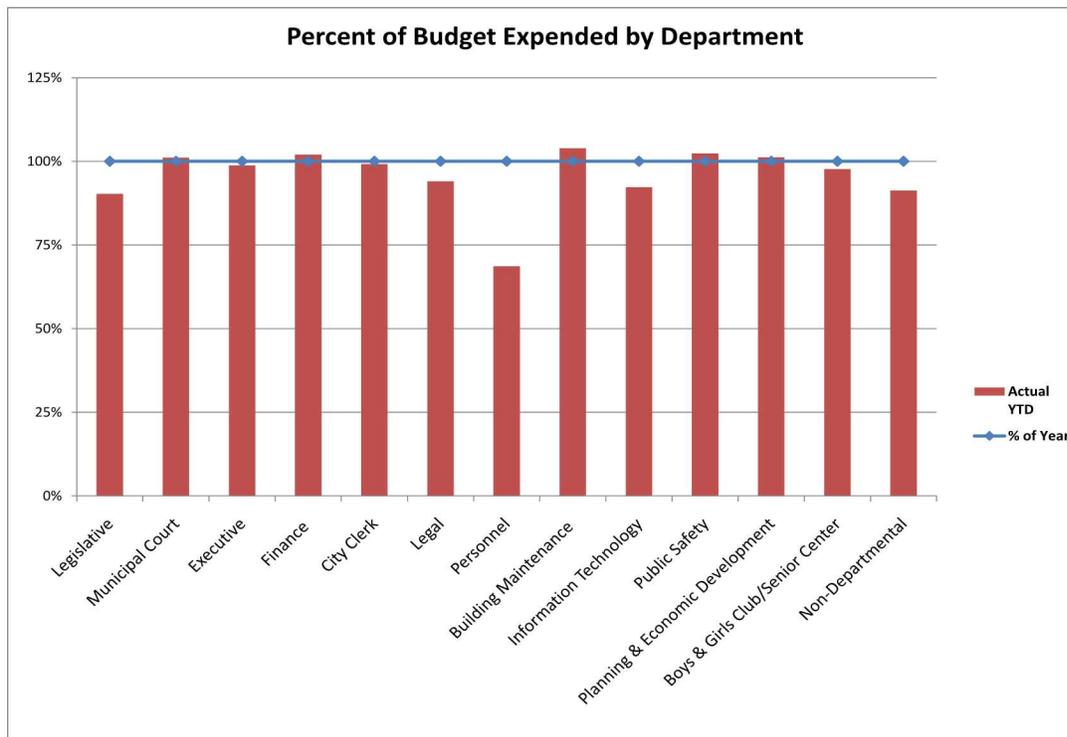
This reflects what is transferred out of the General Fund into other City funds, such as the Street, Park, and Cemetery funds. This is 94.63% of what is budgeted.



For the Month Ended December 31, 2010

001 General Fund Expenditures--Budget vs. Actual

	2010 Budget Adopted	2010 Budget Amended	2010 Actual Expenditures YTD	% Expended To Date
GENERAL FUND				
Legislative	\$ 48,484	\$ 48,484	\$ 43,756	90.25%
Municipal Court	240,374	250,374	253,228	101.14%
Executive	148,101	148,101	146,319	98.80%
Finance	748,278	758,278	763,302	102.01%
City Clerk	196,701	206,701	204,995	99.17%
Legal	30,000	162,182	152,539	94.05%
Personnel	11,888	11,888	8,156	68.61%
Building Maintenance	181,592	206,592	214,728	103.94%
Information Technology	202,194	202,194	186,630	92.30%
Public Safety	1,817,940	1,847,940	1,891,448	102.35%
Planning & Economic Development	560,520	560,520	567,320	101.21%
Boys & Girls Club/Senior Center	95,000	95,000	92,837	97.72%
Non-Departmental	320,403	320,403	292,603	91.32%
TOTAL GENERAL FUND	\$ 4,601,475	\$ 4,818,657	\$ 4,817,861	99.98%





001 General Fund Expenditures to Date--Compared to Prior Year

	2009 Actual Expenditures YTD	2010 Actual Expenditures YTD	Dollar Change	%
				Change
GENERAL FUND				
Legislative	\$ 48,386	\$ 43,756	(4,630)	-9.57%
Municipal Court	210,514	253,228	42,714	20.29%
Executive	146,205	146,319	114	0.08%
Finance	780,057	763,302	(16,755)	-2.15%
City Clerk	192,306	204,995	12,689	6.60%
Legal	65,582	152,539	86,957	132.59%
Personnel	11,934	8,156	(3,778)	-31.66%
Building Maintenance	184,319	214,728	30,409	16.50%
Information Technology	169,507	186,630	17,123	10.10%
Public Safety	1,791,731	1,891,448	99,717	5.57%
Planning & Economic Development	618,445	567,320	(51,125)	-8.27%
Boys & Girls Club/Senior Center	88,781	92,837	4,056	4.57%
Non-Departmental	401,755	292,603	(109,152)	-27.17%
TOTAL EXPENDITURES	\$ 4,709,522	\$ 4,817,861	108,339	2.30%

Notes:

Overall, total General Fund expenditures are up 2.30% compared to prior year to date. This is primarily due to the increase in legal service expenditures.

City of Blaine 2010 Operating Statement



For the Month Ended December 31, 2010

ENTERPRISE FUNDS

Enterprise Funds		2010 Budget	2010 Actual YTD	% of Budget	2009 Actual YTD
401 Electric	Beginning Balance	\$ 1,960,083	\$ 2,148,588	109.62%	\$ 2,518,431
	Revenues				
	Service Charges	4,867,219	4,959,672	101.90%	4,567,778
	Miscellaneous	149,453	291,270	194.89%	157,572
	Transfers In	-	5,109	-	32,047
	Total Revenues	5,016,672	5,256,051	104.77%	4,757,397
	Total Revenues & Beginning Balance	6,976,755	7,404,639	106.13%	7,275,828
	Operating Expenses	3,751,365	3,561,649	94.94%	3,638,936
	Machinery & Equipment	80,000	28,620	35.78%	119,262
	Debt	522,175	521,977	99.96%	523,031
	Transfers Out	909,114	892,300	98.15%	1,037,490
	Total Expenses	5,262,654	5,004,546	95.10%	5,318,719
	Ending Balance	\$ 1,714,101	\$ 2,400,093	140.02%	\$ 1,957,109
410 Water	Beginning Balance	\$ 2,294,284	\$ 2,337,109	101.87%	\$ 3,952,064
	Revenues				
	Service Charges	1,398,583	1,234,828	88.29%	1,344,644
	Miscellaneous	47,409	145,183	306.24%	154,716
	Transfers In	500,000	331,906	66.38%	190,000
	Total Revenues	1,945,992	1,711,917	87.97%	1,689,360
	Total Revenues & Beginning Balance	4,240,276	4,049,026	95.49%	5,641,424
	Operating Expenses	584,115	625,994	107.17%	548,818
	Machinery & Equipment	-	-	-	86,865
	Debt	172,437	172,439	100.00%	169,739
	Transfers Out	1,120,497	955,716	85.29%	2,691,878
	Total Expenses	1,877,049	1,754,149	93.45%	3,497,300
	Ending Balance	\$ 2,363,227	\$ 2,294,877	97.11%	\$ 2,144,124
420 Wastewater	Beginning Balance	\$ 1,397,663	\$ 1,477,073	105.68%	\$ 1,507,544
	Revenues				
	Service Charges	3,090,555	3,031,111	98.08%	2,525,934
	Miscellaneous	21,900	73,900	337.44%	95,937
	Loan Proceeds	14,150,600	13,107,345	92.63%	6,512,250
	Transfers In	200,000	85,795	42.90%	-
	Total Revenues	17,463,055	16,298,151	93.33%	9,134,121
	Total Revenues & Beginning Balance	18,860,718	17,775,224	94.24%	10,641,665
	Operating Expenses	1,014,003	1,016,616	100.26%	759,833
	Machinery & Equipment	62,000	95,157	153.48%	-
	Debt	8,206,812	7,952,187	96.90%	1,077,750
	Transfers Out	8,452,016	7,522,544	89.00%	1,021,511
	Total Expenses	17,734,831	16,586,504	93.53%	2,859,094
	Ending Balance	\$ 1,125,887	\$ 1,188,720	105.58%	\$ 7,782,571
425 Storm Water	Beginning Balance	\$ 94,546	\$ 93,872	99.29%	\$ 78,281
	Revenues				
	Service Charges	302,581	286,630	94.73%	261,476
	Miscellaneous	8,416	9,653	114.70%	13,963
	Transfers In	282,903	281,845	99.63%	59,525
	Total Revenues	593,900	578,128	97.34%	334,964
	Total Revenues & Beginning Balance	688,446	672,000	97.61%	413,245
	Operating Expenses	139,678	114,653	82.08%	105,817
	Machinery & Equipment	200,000	217,740	108.87%	-
	Debt	73,153	72,803	99.52%	69,527
	Transfers Out	159,466	157,630	98.85%	167,895
	Total Expenses	572,297	562,826	98.35%	343,239
	Ending Balance	\$ 116,149	\$ 109,174	93.99%	\$ 70,006
430 Airport	Beginning Balance	\$ 271	\$ 271	100.00%	\$ -
	Revenues				
	Interest Earnings & Other	-	13	-	819
	Space & Facilities Lease	15,012	15,012	-	22,050
	Sale of Property	-	-	-	398,213
	Interfund Loan	115,975	113,677	98.02%	-
	Proceeds Sale of Capital Asset	1,500	1,500	-	-
	Transfers In	-	-	-	1,500,000
	Total Revenues	132,487	130,202	98.28%	1,921,082
	Total Revenues & Beginning Balance	132,758	130,473	98.28%	1,921,082
	Operating Expenses	10,000	9,748	97.48%	90,792
	State Grant Repayments	97,087	97,087	100.00%	291,262
	Leases	-	-	-	1,429,990
	Interfund Loan Principal	-	-	-	-
	2003 Bond Principal & Interest	23,638	23,638	-	19,321
	Debt	-	-	-	4,434
	LID Payments	-	-	-	1,508
	Transfers Out	-	-	-	84,481
	Total Expenses	130,725	130,473	99.81%	1,921,788
	Ending Balance	\$ -	\$ -	-	\$ (706)

Notes: The beginning fund balances include balances for the combined operating, capital reserves, and debt reserves within each utility fund.

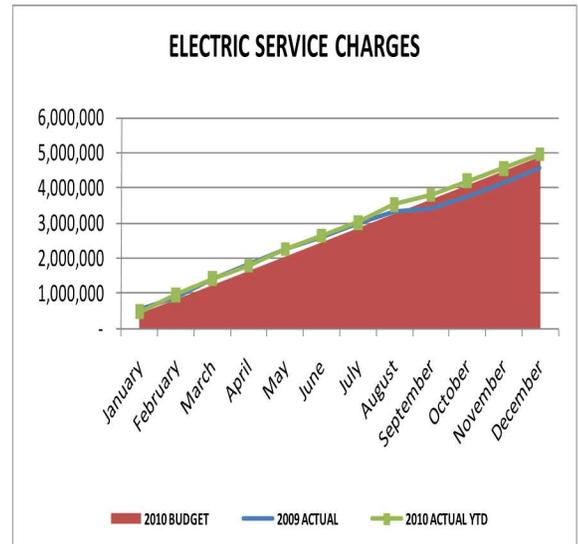
Miscellaneous revenue includes late payment fees, interest income, and facility rental income.



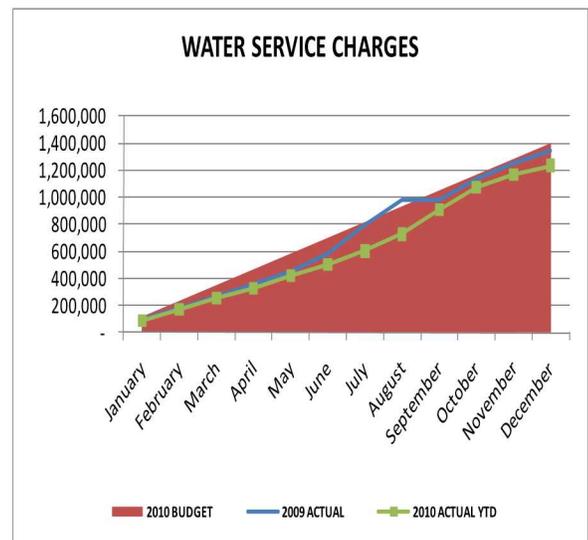
For the Month Ended December 31, 2010

ENTERPRISE FUNDS

Electric Service Charges	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	523,511	405,602	468,121	9.62%	-10.58%
February	893,196	811,203	946,865	19.45%	6.01%
March	1,374,827	1,216,805	1,413,479	29.04%	2.81%
April	1,824,522	1,622,406	1,792,291	36.82%	-1.77%
May	2,230,872	2,028,008	2,247,818	46.18%	0.76%
June	2,583,094	2,433,610	2,635,742	54.15%	2.04%
July	2,982,824	2,839,211	3,002,222	61.68%	0.65%
August	3,329,450	3,244,813	3,515,733	72.23%	5.60%
September	3,396,421	3,650,414	3,792,892	77.93%	11.67%
October	3,764,638	4,056,016	4,193,940	86.17%	11.40%
November	4,136,035	4,461,617	4,546,829	93.42%	9.93%
December	4,567,778	4,867,219	4,959,672	101.90%	8.58%



Water Service Charges	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	97,753	116,549	85,682	6.13%	-12.35%
February	177,777	233,097	169,333	12.11%	-4.75%
March	269,021	349,646	251,633	17.99%	-6.46%
April	356,062	466,194	330,436	23.63%	-7.20%
May	457,091	582,743	418,571	29.93%	-8.43%
June	584,242	699,292	507,009	36.25%	-13.22%
July	791,250	815,840	604,140	43.20%	-23.65%
August	977,158	932,389	728,093	52.06%	-25.49%
September	982,878	1,048,937	909,070	65.00%	-7.51%
October	1,133,609	1,165,486	1,077,694	77.06%	-4.93%
November	1,247,158	1,282,034	1,165,864	83.36%	-6.52%
December	1,344,644	1,398,583	1,234,828	88.29%	-8.17%



Notes:

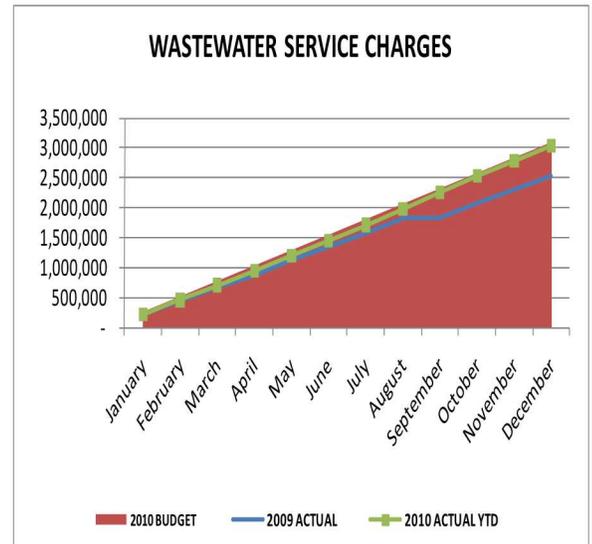
This is the annual (year to date) cumulative revenue received from providing the utility service.



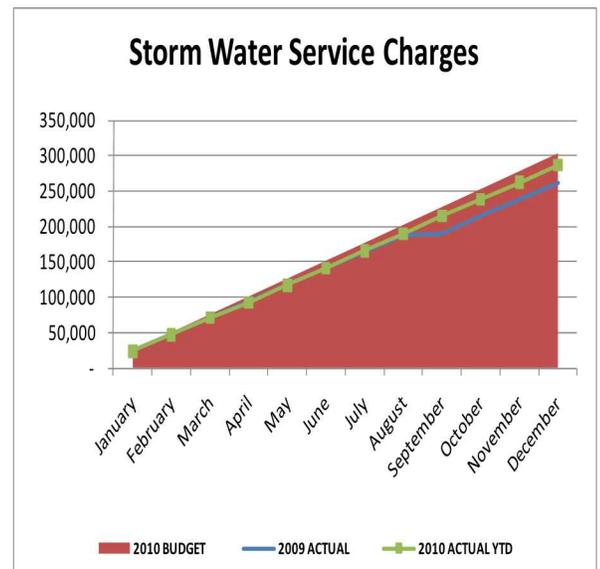
For the Month Ended December 31, 2010

ENTERPRISE FUNDS

Wastewater Service Charges	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	219,272	257,546	217,267	7.03%	-0.91%
February	436,122	515,093	454,086	14.69%	4.12%
March	660,401	772,639	702,274	22.72%	6.34%
April	879,487	1,030,185	943,734	30.54%	7.31%
May	1,111,987	1,287,731	1,201,471	38.88%	8.05%
June	1,340,928	1,545,278	1,455,921	47.11%	8.58%
July	1,585,386	1,802,824	1,710,994	55.36%	7.92%
August	1,820,283	2,060,370	1,978,664	64.02%	8.70%
September	1,831,426	2,317,916	2,250,313	72.81%	22.87%
October	2,068,767	2,575,463	2,524,293	81.68%	22.02%
November	2,302,412	2,833,009	2,779,396	89.93%	20.72%
December	2,525,934	3,090,555	3,031,111	98.08%	20.00%



Storm Water Service Charges	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	23,593	25,215	23,576	7.79%	-0.07%
February	47,214	50,430	46,815	15.47%	-0.85%
March	70,807	75,645	70,856	23.42%	0.07%
April	94,437	100,860	92,681	30.63%	-1.86%
May	118,018	126,075	116,752	38.59%	-1.07%
June	141,638	151,291	140,841	46.55%	-0.56%
July	164,959	176,506	165,437	54.68%	0.29%
August	188,576	201,721	189,718	62.70%	0.61%
September	190,393	226,936	214,219	70.80%	12.51%
October	213,992	252,151	238,129	78.70%	11.28%
November	237,324	277,366	262,377	86.71%	10.56%
December	261,476	302,581	286,630	94.73%	9.62%

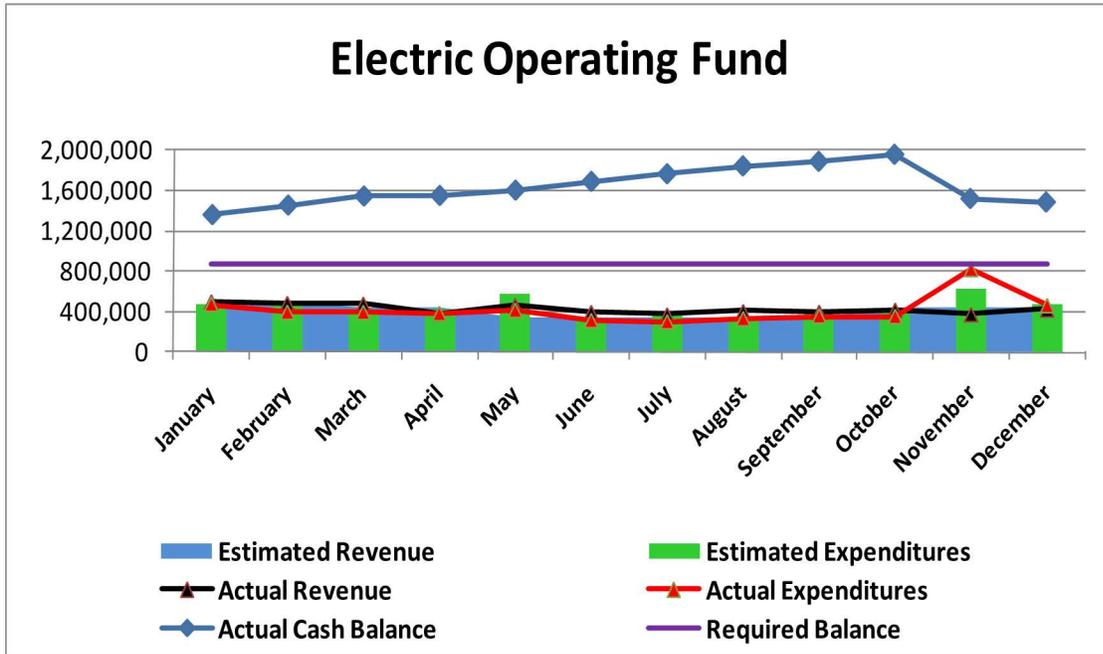


Notes:

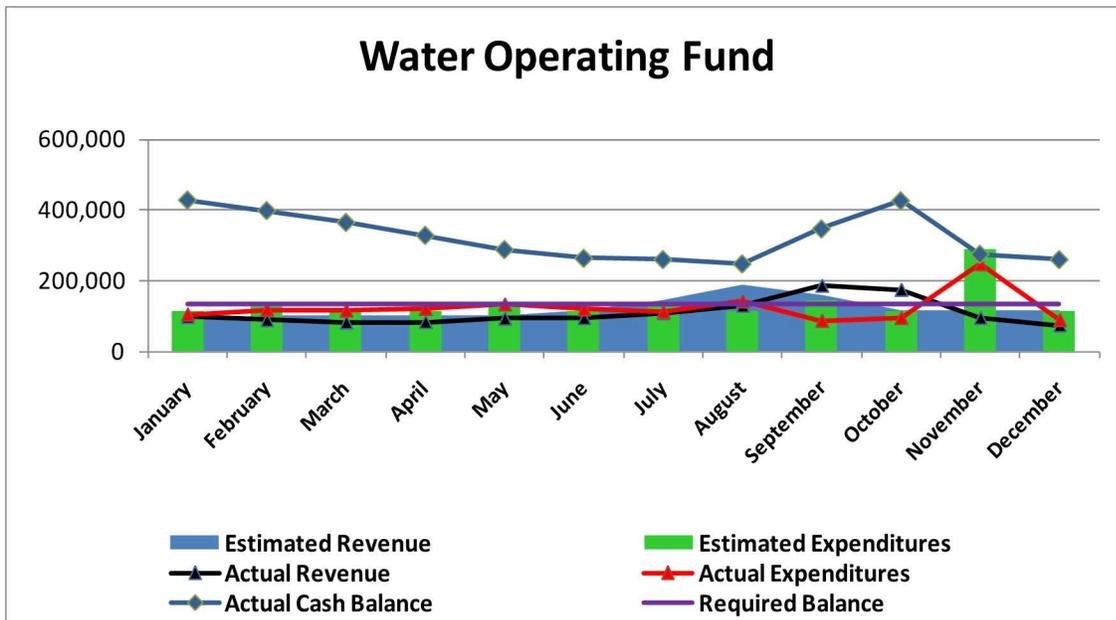
This is the annual (year to date) cumulative revenue received from providing the utility service.



ENTERPRISE FUNDS



A certain percentage of the funds' cash balance is designated or reserved for debt service. The actual cash balance includes the portion designated for debt service. The spikes in expenditures represent debt service payments.

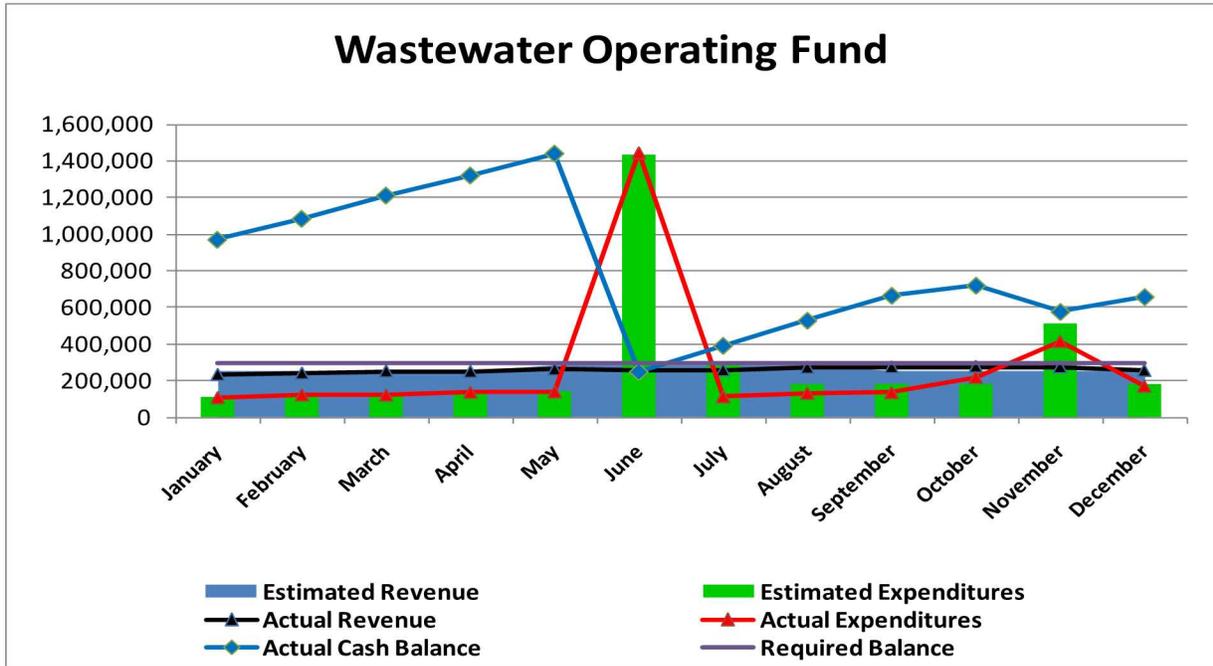


Notes:

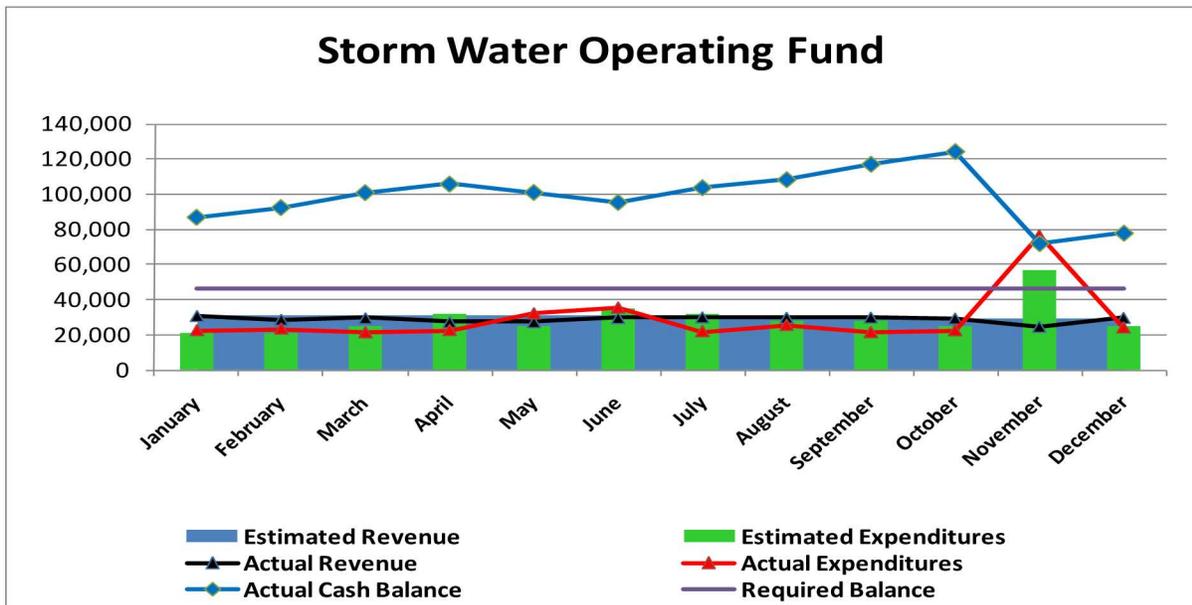
These charts show revenue and expenditures for the utility operating funds, excluding the utility capital reserves and debt reserves. Based on the timing and seasonality of revenue received, sometimes operating expenditures will exceed operating revenue. The operating fund's cash balance is used to cover such fluctuations.



ENTERPRISE FUNDS



A certain percentage of the funds' cash balance is designated for debt service. The actual cash balance includes the portion designated for debt service. The June spike in expenditures represents mid-year debt service payments.



Notes: These charts show revenue and expenditures for the utility operating funds, excluding the utility capital reserves and debt reserves. Based on the timing and seasonality of revenue received, sometimes operating expenditures will exceed operating revenue. The operating fund's cash balance is used to cover such fluctuations.

City of Blaine 2010 Operating Statement

For the Month Ended December 31, 2010



OTHER FUNDS

Other Funds--Revenues & Expenditures		Actual Beginning Balance	2010 Actual Revenue YTD	Total Funds Available	2010 Budget	2010 Actual Expenditures YTD	Ending Balance YTD	Actual Expenditures YTD % of Total Budget
101	Street	\$ 169,071	\$ 464,117	\$ 633,188	488,495	488,046	145,142	99.91%
102	Traffic Impact Reserve	98,220	5,724	103,944	97,635	97,635	6,309	100.00%
103	Park Impact Fee Reserve	86,012	6,025	92,037	20,000	20,000	72,037	100.00%
104	Parks	424	104,358	104,782	103,847	101,744	3,037	97.98%
105	Cemetery	8,301	16,381	24,682	23,477	21,459	3,223	91.40%
107	General Fund Reserve	145,386	37,601	182,987	115,975	113,677	69,310	98.02%
108	Equipment Reserve	916,461	61,783	978,244	252,680	252,680	725,564	100.00%
110	Hotel/Motel Fund	66,753	220,773	287,527	239,441	221,333	66,194	92.44%
111	Hotel/Motel Reserve	111,600	2,543	114,143	33,000	33,000	81,143	100.00%
112	Community Service/Drug Education	4,841	3,405	8,246	3,000	1,222	7,024	40.74%
113	Criminal Justice Funding	14,268	12,069	26,337	10,000	-	26,337	0.00%
114	Law Enforcement Asset Sharing (LEAS)	8,190	195	8,385	3,750	485	7,900	12.92%
115	Canine Program	12,383	470	12,853	8,400	8,300	4,553	98.81%
116	COPS Grant Fund	-	73,396	73,396	100,560	73,207	190	72.80%
201-236	Debt Service Funds Total	277,667	845,225	1,122,893	839,254	830,729	292,164	98.98%
300	Municipal Capital Improvement	62,372	76,460	138,833	113,793	113,793	25,040	100.00%
304	Peace Portal Boardwalk	9,953	244	10,197	-	18	10,179	
307	General Government Capital Improvements	217,425	4,560	221,984	112,471	107,878	114,106	95.92%
308	Capital Facilities-Growth Management	726,839	93,181	820,020	43,045	43,045	776,975	100.00%
314	Park Capital Improvement Program	99,661	43,300	142,961	139,000	84,693	58,268	60.93%
320	East Blaine CIP	37,322	914	38,236	-	-	38,236	
324	Light Capital Construction	2,831,367	182,983	3,014,350	2,775,000	1,659,589	1,354,761	59.81%
325	Wastewater System Improvements	2,797,405	8,376,931	11,174,335	12,505,000	10,217,810	956,525	81.71%
328	Stormwater Improvements	113,324	198,102	311,426	405,000	311,426	-	76.90%
329	Water System Improvements	1,642,506	389,866	2,032,373	835,000	333,386	1,698,987	39.93%
332	Street Overlays	127,222	163,355	290,577	65,000	12,676	277,901	19.50%
333	Residential Street Levy Improvements	2,957,144	862,758	3,819,903	3,636,775	2,322,729	1,497,173	63.87%
340	I-5 Access Study	36,783	10,187	46,969	50,000	10,767	36,202	21.53%
300-340	Capital Improvement Funds Total	11,659,323	10,402,840	22,062,163	20,680,084	15,217,810	6,844,353	73.59%
503	Public Works Administration	73,495	643,496	716,991	749,439	715,621	1,370	95.49%
505	Advance Travel Fund	1,694	2,530	4,224	3,300	2,387	1,837	72.32%
622	LEOFF I Medical Reserve	38,609	30,858	69,467	48,067	44,372	25,094	92.31%
631	WIN Team Agency Fund	\$ 8,169	\$ 200	\$ 8,369	-	-	8,369	



For the Month Ended December 31, 2010

OTHER FUNDS

Other Funds--Revenues		2010 Adopted Budget	2010 Amended Budget	2010 Actual YTD	% of Total Budget Collected To Date
101	Street	\$ 418,094	439,146	\$ 464,117	105.69%
102	Traffic Impact Reserve	-	-	5,724	
103	Park Impact Fee Reserve	1,040	-	6,025	579.33%
104	Parks	94,218	104,218	104,358	100.13%
105	Cemetery	19,550	-	16,381	83.79%
107	General Fund Reserve	40,000	-	37,601	94.00%
108	Equipment Reserve	40,000	-	61,783	154.46%
110	Hotel/Motel Fund	213,000	-	220,773	103.65%
111	Hotel/Motel Reserve	1,166	-	2,543	218.07%
112	Community Service/Drug Education	-	-	3,405	
113	Criminal Justice Funding	1,000	-	12,069	1206.89%
114	Law Enforcement Asset Sharing (LEAS)	-	-	195	
115	Canine Program	150	-	470	313.51%
116	COPS Grant Fund	100,000	-	73,396	73.40%
201-236	Debt Service Funds Total	888,397	-	845,225	95.14%
300	Municipal Capital Improvement	85,828	-	76,460	89.09%
304	Peace Portal Boardwalk	-	-	244	
307	General Government Capital Improvements	-	-	4,560	
308	Capital Facilities-Growth Management	77,588	-	93,181	120.10%
314	Park Capital Improvement Program	460,000	80,000	43,300	54.13%
320	East Blaine CIP	-	-	914	
324	Light Capital Construction	150,000	-	182,983	121.99%
325	Wastewater System Improvements	11,000,000	-	8,376,931	76.15%
328	Stormwater Improvements	425,000	-	198,102	46.61%
329	Water System Improvements	280,000	-	389,866	139.24%
332	Street Overlays	130,801	-	163,355	124.89%
333	Residential Street Levy Improvements	1,172,978	-	862,758	73.55%
340	I-5 Access Study	50,000	-	10,187	20.37%
300-340	Capital Improvement Funds Total	13,832,195	-	10,402,840	75.21%
503	Public Works Administration	602,000	-	643,496	106.89%
505	Advance Travel Fund	2,300	-	2,530	109.99%
622	LEOFF I Medical Reserve	30,000	-	30,858	102.86%
631	WIN Team Agency Fund	\$ -	-	\$ 200	

Notes:

The funds presented above do not include beginning fund balances.



OTHER FUNDS

Other Funds--Expenditures		2010 Adopted Budget	2010 Amended Budget	2010 Actual YTD	% of Total Budget Expended To Date
101	Street	\$ 467,443	488,495	\$ 488,046	99.91%
102	Traffic Impact Reserve	97,635	-	97,635	100.00%
103	Park Impact Fee Reserve	20,000	-	20,000	100.00%
104	Park	93,847	103,847	101,744	97.98%
105	Cemetery	23,477	-	21,459	91.40%
107	General Fund Reserve	82,975	115,975	113,677	98.02%
108	Equipment Reserve	212,000	252,680	252,680	100.00%
110	Hotel/Motel Fund	239,441	-	221,333	92.44%
111	Hotel/Motel Reserve	33,000	-	33,000	100.00%
112	Community Service/Drug Education	3,000	-	1,222	40.74%
113	Criminal Justice Funding	10,000	-	-	0.00%
114	Law Enforcement Asset Sharing (LEAS)	3,750	-	485	12.92%
115	Canine Program	532	8,400	8,300	98.81%
116	COPS Grant Fund	100,560	-	73,207	72.80%
201-236	Debt Service Funds Total	846,254	-	830,729	98.17%
300	Municipal Capital Improvement	113,793	-	113,793	100.00%
304	Peace Portal Boardwalk	-	-	18	
307	General Government Capital Improvements	60,000	112,471	107,878	95.92%
308	Capital Facilities-Growth Management	43,045	-	43,045	100.00%
314	Park Capital Improvement Program	497,000	139,000	84,693	60.93%
320	East Blaine CIP	-	-	-	
324	Light Capital Construction	2,775,000	-	1,659,589	59.81%
325	Wastewater System Improvements	12,505,000	-	10,217,810	81.71%
328	Stormwater Improvements	405,000	-	311,426	76.90%
329	Water System Improvements	835,000	-	333,386	39.93%
332	Street Overlays	65,000	-	12,676	19.50%
333	Residential Street Levy Improvements	3,636,775	-	2,322,729	63.87%
340	I-5 Access Study	50,000	-	10,767	21.53%
300-340	Capital Improvement Funds Total	20,985,613	20,680,084	15,217,810	73.59%
503	Public Works Administration	749,439	-	715,621	95.49%
505	Advance Travel Fund	3,300	-	2,387	72.32%
622	LEOFF I Medical Reserve	48,067	-	44,372	92.31%
631	WIN Team Agency Fund	\$ -	-	\$ -	

Notes:

The funds presented above do not include ending fund balances.

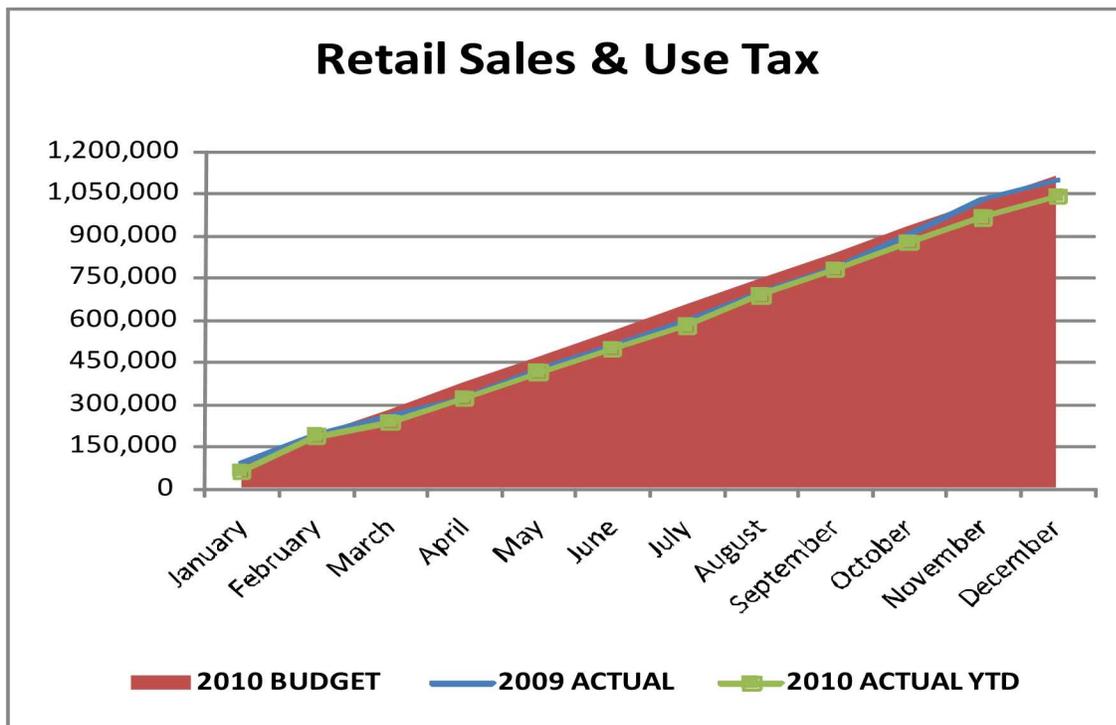
Expenditures in most funds presented are project-driven and do not follow regular spending patterns.



For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

Retail Sales & Use Tax	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	88,746	92,567	60,526	5.45%	-31.80%
February	191,516	185,133	186,744	16.81%	-2.49%
March	258,726	277,700	235,793	21.23%	-8.86%
April	319,585	370,267	320,772	28.88%	0.37%
May	419,899	462,833	412,474	37.13%	-1.77%
June	504,416	555,400	495,967	44.65%	-1.68%
July	597,695	647,967	577,432	51.98%	-3.39%
August	695,638	740,533	685,035	61.67%	-1.52%
September	784,023	833,100	778,135	70.05%	-0.75%
October	902,511	925,667	874,046	78.69%	-3.15%
November	1,029,487	1,018,233	962,615	86.66%	-6.50%
December	1,097,483	1,110,800	1,038,403	93.48%	-5.38%



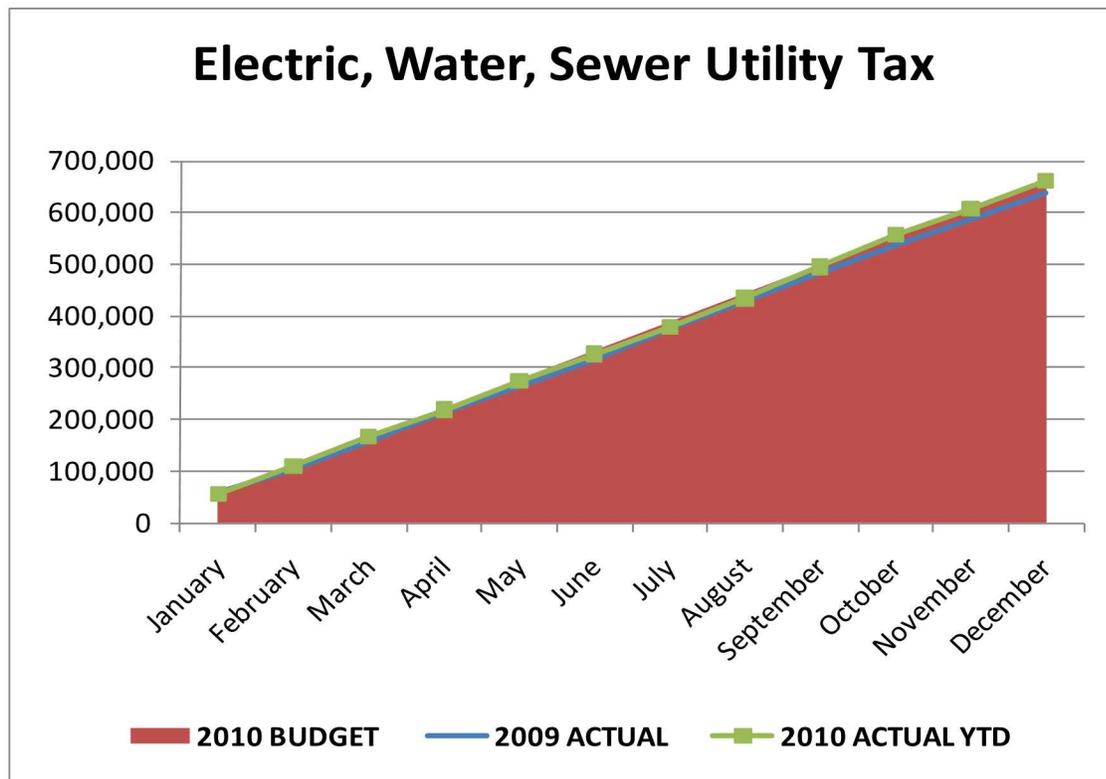
Notes: Monthly sales tax reported to the State Department of Revenue is received by the City two months later (i.e. April reported received in June). This chart reflects sales tax revenue when received by the City from the State.



For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

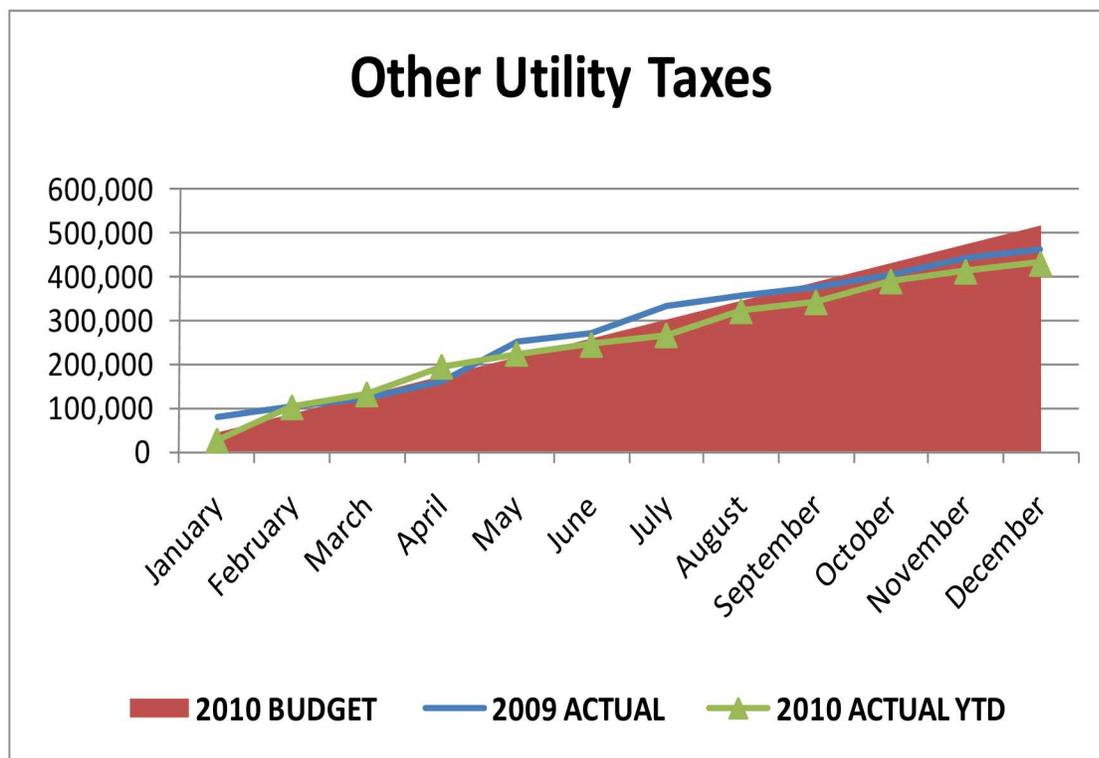
Electric, Water, Sewer Utility Taxes	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	57,513	55,424	54,589	8.21%	-5.08%
February	104,035	110,848	110,411	16.60%	6.13%
March	157,704	166,273	165,513	24.89%	4.95%
April	213,331	221,697	218,202	32.81%	2.28%
May	264,500	277,121	274,385	41.26%	3.74%
June	314,059	332,545	326,096	49.03%	3.83%
July	376,226	387,969	379,259	57.02%	0.81%
August	429,652	443,393	434,633	65.35%	1.16%
September	482,049	498,818	495,099	74.44%	2.71%
October	536,956	554,242	557,615	83.84%	3.85%
November	588,189	609,666	607,507	91.34%	3.28%
December	638,770	665,090	660,785	99.35%	3.45%





TAXES RECEIVED YEAR TO DATE

Other Utility Taxes (Natural Gas, Telephone, Cable)	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	80,064	43,274	25,753	4.96%	-67.84%
February	103,421	86,548	102,422	19.72%	-0.97%
March	124,513	129,822	132,189	25.46%	6.16%
April	160,602	173,096	195,748	37.70%	21.88%
May	250,644	216,370	225,350	43.40%	-10.09%
June	269,902	259,644	245,976	47.37%	-8.86%
July	333,661	302,917	268,245	51.66%	-19.61%
August	358,116	346,191	323,455	62.29%	-9.68%
September	378,207	389,465	343,835	66.21%	-9.09%
October	407,888	432,739	391,908	75.47%	-3.92%
November	445,228	476,013	414,136	79.75%	-6.98%
December	464,730	519,287	432,254	83.24%	-6.99%

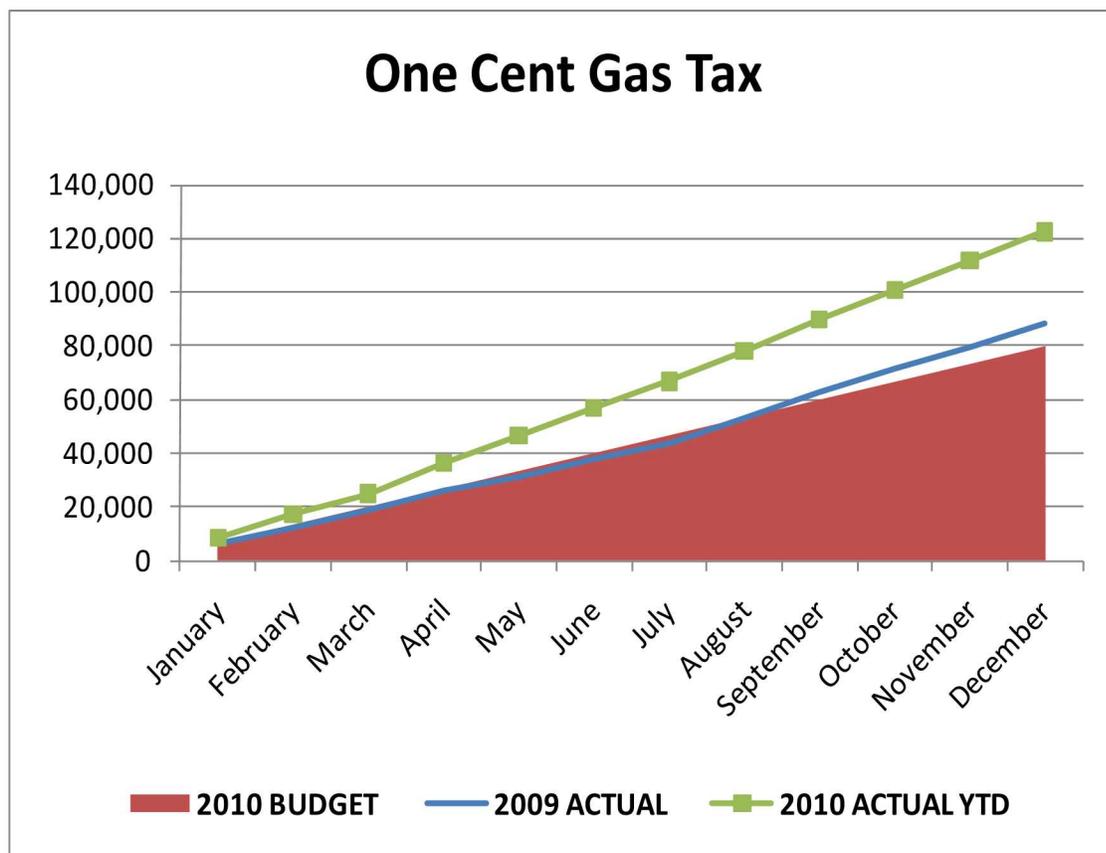




For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

One Cent Gas Tax	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	6,449	6,667	8,507	10.63%	31.92%
February	11,947	13,333	17,025	21.28%	42.51%
March	18,905	20,000	24,898	31.12%	31.70%
April	25,668	26,667	36,304	45.38%	41.44%
May	30,895	33,333	46,603	58.25%	50.84%
June	37,494	40,000	56,792	70.99%	51.47%
July	43,813	46,667	66,782	83.48%	52.42%
August	52,884	53,333	78,111	97.64%	47.70%
September	62,314	60,000	90,015	112.52%	44.45%
October	71,726	66,667	100,751	125.94%	40.47%
November	79,835	73,333	111,663	139.58%	39.87%
December	88,274	80,000	122,446	153.06%	38.71%

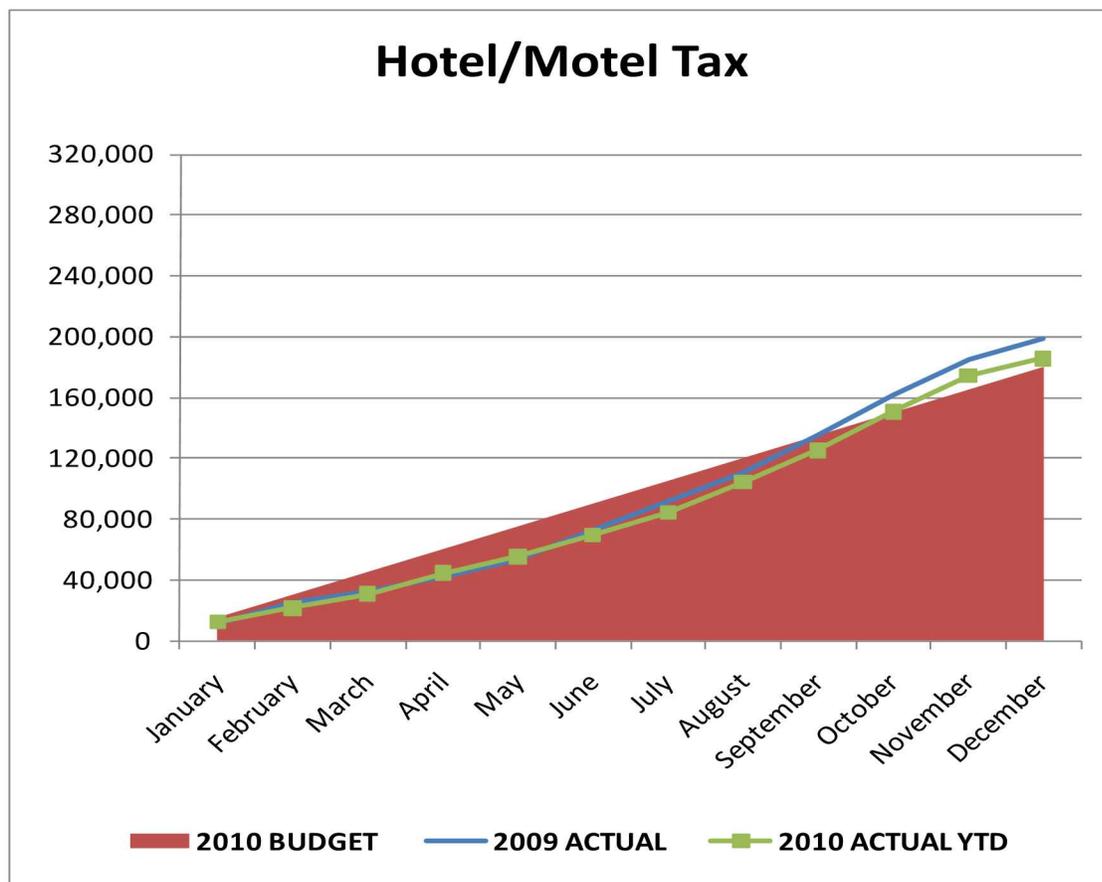




For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

Hotel/Motel Tax	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	11,502	15,000	12,484	6.94%	8.54%
February	24,509	30,000	21,260	11.81%	-13.26%
March	32,445	45,000	30,664	17.04%	-5.49%
April	42,073	60,000	44,363	24.65%	5.44%
May	53,734	75,000	55,108	30.62%	2.56%
June	72,509	90,000	69,114	38.40%	-4.68%
July	91,183	105,000	84,522	46.96%	-7.30%
August	110,478	120,000	104,247	57.91%	-5.64%
September	135,255	135,000	125,155	69.53%	-7.47%
October	161,513	150,000	150,477	83.60%	-6.83%
November	185,117	165,000	174,183	96.77%	-5.91%
December	199,105	180,000	185,602	103.11%	-6.78%

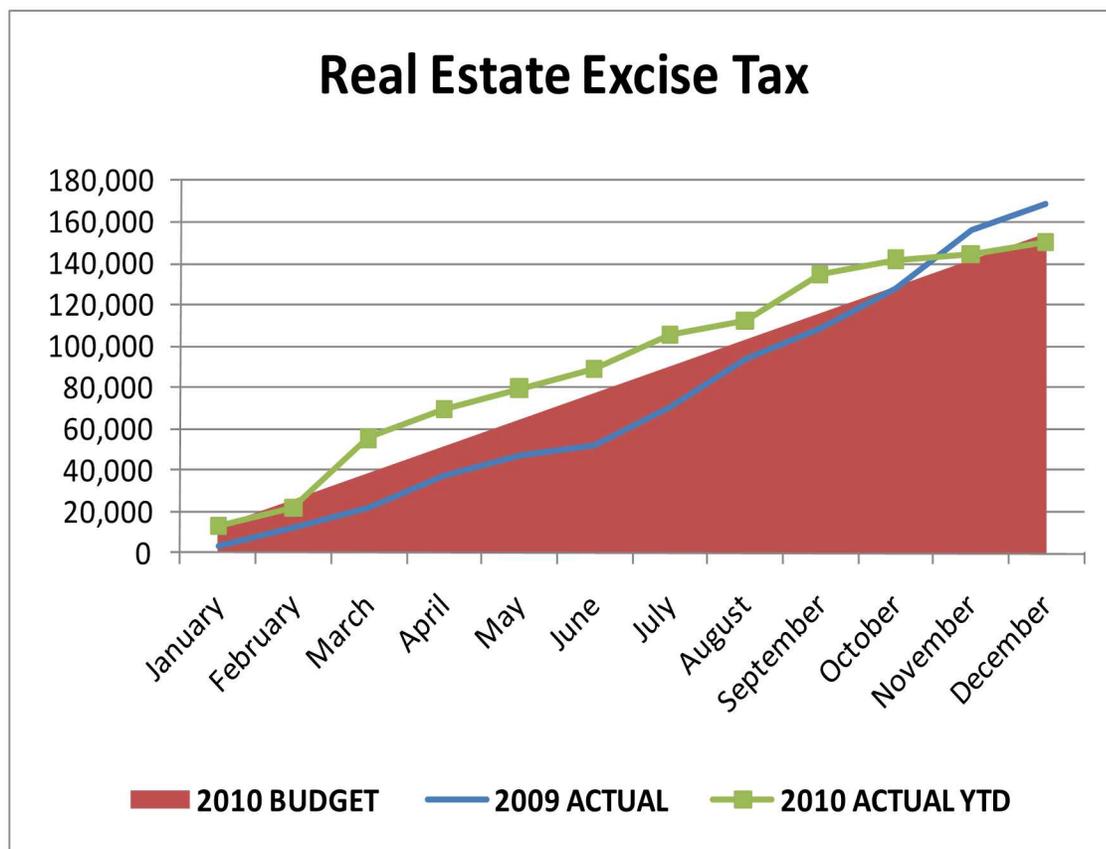




For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

Real Estate Excise Tax	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	3,236	12,931	13,236	8.53%	309.05%
February	12,314	25,863	21,712	13.99%	76.32%
March	22,154	38,794	55,560	35.80%	150.79%
April	37,716	51,725	69,246	44.62%	83.60%
May	47,115	64,657	79,706	51.36%	69.17%
June	52,488	77,588	89,047	57.38%	69.65%
July	70,821	90,519	105,874	68.23%	49.49%
August	93,667	103,451	112,633	72.58%	20.25%
September	108,662	116,382	134,671	86.79%	23.94%
October	127,768	129,313	141,976	91.49%	11.12%
November	156,011	142,245	144,265	92.97%	-7.53%
December	168,425	155,176	150,280	96.84%	-10.77%

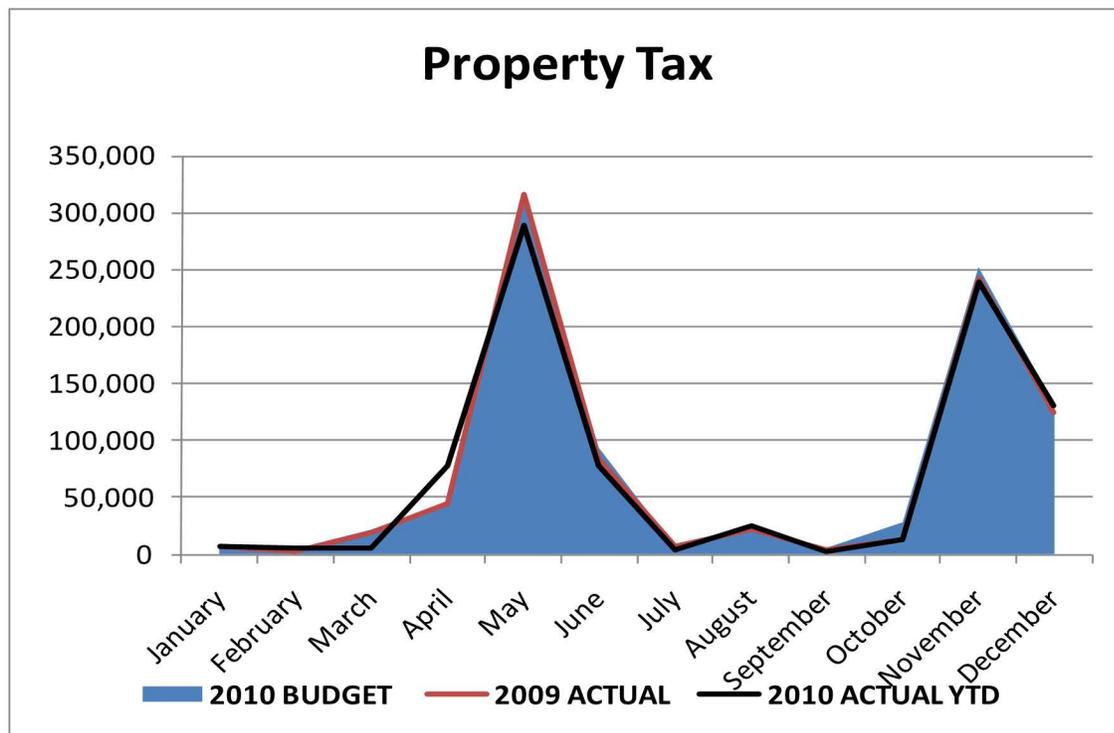




For the Month Ended December 31, 2010

TAXES RECEIVED YEAR TO DATE

Property Taxes (General Government & Capital Funds)	2009 ACTUAL	2010 BUDGET	2010 ACTUAL YTD	% of Total Budget	% Change from 2009 YTD to 2010 YTD
January	6,392	6,528	6,139	0.66%	-3.96%
February	2,112	4,663	4,812	0.52%	127.83%
March	19,083	21,448	4,782	0.51%	-74.94%
April	44,254	44,761	77,984	8.36%	76.22%
May	315,560	316,123	289,488	31.04%	-8.26%
June	83,379	93,252	78,168	8.38%	-6.25%
July	7,227	6,528	4,152	0.45%	-42.55%
August	22,340	23,313	24,643	2.64%	10.31%
September	4,217	5,595	3,002	0.32%	-28.81%
October	12,372	27,975	12,449	1.34%	0.62%
November	242,848	251,779	239,831	25.72%	-1.24%
December	124,525	130,552	130,027	13.94%	4.42%
Total	884,309	932,515	875,476	93.88%	-1.00%



Notes: The 2010 actual property tax receipts include collections in arrears.

City of Blaine 2010 Operating Statement

For the Month Ended December 31, 2010



Total Expenditures All Funds

Total 2010 Appropriations	Total 2010 Actual Expenditures	% of Total Budget
54,273,617	47,831,564	88%

February 1, 2011

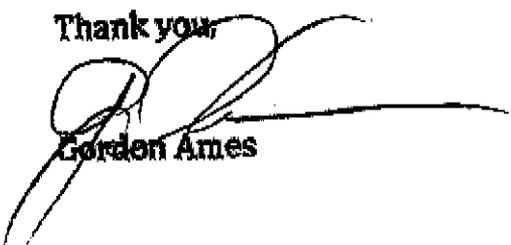
Blaine City Council
John Liebert- Economic Development Chairman
Fax: 332-8330

As a Chairman/member of the City Economic Development Committee I want you to know that both Mr. Imus and Harbor Lands Co have found that these properties along Peace Portal are still undeveloped in large part due to the restriction zoning on the ground floor (requiring commercial).

The future of Blaine, Martin Street south depends on the city realizing that there will be no investor we are aware of that will build commercial stores and put condos on top. The choice must be theirs. I hope you will agree and will advance these changes. The owner of this property and its future benefit to Blaine depends upon such options being open to developers!

We have had several Chinese investors with necessary means that would not consider a property with commercial mandates.

Thank you,



Gordon Ames

Gordon Ames, Broker
"Ames Team"
Muljat Group Realtors
510 Lakeway Drive
Bellingham, Wa. 98225
Direct: 360-733-3030
Cell : 360-303-0340
Fax : 360-671-4124
E-mail : gordon@muljatgroup.com
Website: <http://kimberlyames.com/>

From: [Steve Banham](#)
To: [Sheri Sanchez](#)
Cc: [Bill Bullock](#)
Subject: FW: Vista Terrace Local Improvement District (LID)
Date: Thursday, February 03, 2011 10:50:39 AM

- *Steve B.*

From: Helvan Tracey [mailto:htracey@msn.com]
Sent: Thursday, February 03, 2011 9:33 AM
To: pwwdir
Subject: Vista Terrace Local Improvement District (LID)

We are property owners in Vista Terrace and would like to thank the Blaine Public Works Department in taking the timely initiative to propose the extension of the sewer main into the Vista Terrace subdivision. Despite the added expense in this weak economy it is sensible and in the best interests of the current and future property owners.

We are advocating that the project proceeds as planned.

Regards,

Helvan & Judy Tracey
htracey@msn.com

From: [Danne Neill](#)
To: [Written Communication City Council](#)
Subject: SSA project at Cherry Point
Date: Sunday, February 13, 2011 9:27:00 PM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robnon and Hawkins,

Thank you for all of the positive work you have done for Blaine. I appreciate the city's efforts to protect water quality in Dakota and California Creeks, assist the Drayton Harbor Community Oyster Farm and adjustments to the CAO to help ensure important protections.

Monday's proposed resolution is support of the SSA project at Cherry Point, however, doesn't acknowledge probable problems that will accrue directly to Blaine and the region, with very little benefit to the city itself. I encourage you to delay voting on this resolution in order to spend some time considering the potential negative impacts of this project.

The proposal, especially with coal as the probable main export, has become increasingly controversial. This situation deserves deeper study and consideration. Who will benefit? What are the long term costs to the environment and personal health?

Sincerely,

Danne Neill



Danne Neill, Realtor®, CRS, AE EcoBroker
The Muljat Group
1313 Broadway, Bellingham, WA 98225

Mobile: 360 303-4428
Office: 360 714-1880
Fax: 360 714-0001

dannen@muljatgroup.com
DanneNeill.com

From: [david nellis](#)
To: [Written Communication City Council](#)
Subject: SSA Terminal.....
Date: Sunday, February 13, 2011 8:53:36 PM

**Really,
You guys pass a necessary stormwater tax to
protect your watershed from stormwater runoff
and then are even considering this?**

**IMAGINE your crabbing areas poisoned, streams,
water and air tainted with coal dust and its metal
and biocarbon contaminants. Are the cars going
to be covered? What assurances are we residents
to get that this project will not vitiate our marine
waters and our air?**

David Nellis

1458 Hillspring Rd. Bellingham Wa 98226
(360) 734-3497
(360) 927-5276

From: [Frank James MD](#)
To: [Written Communication City Council](#)
Subject: Coal Train issue
Date: Sunday, February 13, 2011 10:25:35 PM

Council Persons Black, Liebert, Greenough, Dodd, Robinson, Hawkins and Mayor Onyon

The upcoming vote on supporting the terminal for international trade seems like a great idea in terms of local jobs with significant wages. But I urge you to look more closely at this and to evaluate the possible down sides for our community. There may well be a downside impact that is much greater than the few jobs that it will create. Negative impacts on the local fishery, the reduction in quality of life for everyone with massive trains cutting out community into parts while is slowly slithers through town. The ultimate return on investment may be the continued deposition of mercury in places like Lake Whatcom that are already being impacted by the unbridled burning of coal in China. Please consider these and the many other impacts and delay a vote until you can learn more about this important issue. Talk with the other communities that are already being impacted by these trains.

I live near the track and do not believe that these enormous trains filled with coal that allow dust to blow off along the way are good for the people or the plants and animals that live along the route. Nor do I believe that there will be a significant impact on jobs and the impact over the long run could show that the costs outstrip the short term benefits substantially.

There are already many challenges to the quality of our water and way of life do we really need to add this additional burden on the community? The people in our community already have many challenges to face to maintain our lives and those of our children, do not add this burden to what they are already struggling with.

Please take the time to study this issue more closely before you vote on it.

Consider [negative impact on boaters](#), specifically in the Point Roberts Marina.

Why make [Warren Buffet wealthier](#) at our expense by putting our water quality at risk?

Learn from others, like [Seward, Alaska about the real impacts](#) BEFORE they happen.

Do not encourage and make more 'affordable' the [ongoing contamination](#) of our land by China!

Ask the question what is in this for the vast majority of those who live in Blaine?

Frank

Frank James MD
San Juan County Health Officer
Associate Prof of Public Health
University of Washington
former Health Officer, Whatcom County

cell 201-2505

From: [Lee First](#)
To: [Written Communication City Council](#)
Subject: Please do not support SSA proposal
Date: Sunday, February 13, 2011 8:16:03 PM

Greetings:

Please do not support the proposal SSA marine has brought to the City of Blaine.

--

Lee First
Field Investigator, North Sound Baykeeper Team
RE Sources for Sustainable Communities
2309 Meridian Street
Bellingham, WA 98225
(360) 733 8307
><(((°>
www.re-sources.org

Check out the new [North Sound Baykeeper team blog](#)

From: [Loren Vander Yacht](#)
To: [Written Communication City Council](#)
Subject: Cherry point
Date: Sunday, February 13, 2011 8:13:07 PM

I am writing in support of the resolution. You are correct in voting for this resolution. This terminal will provide jobs and economic support for Blaine and Whatcom County.

Thank you,

Loren Vander Yacht

Sent from my iPad

From: [marj.leone](#)
To: [Written Communication City Council](#)
Subject: Export Terminal
Date: Sunday, February 13, 2011 8:43:18 PM

Dear Mayor Onyon and Council Members,

The SSA Marine Terminal would be a big mistake. The ramifications of a coal shipping terminal would decrease the quality of life in Whatcom County, and that's not good for the health of people, animals, plants, or the economy. Please reconsider your vote.

Sincerely,

Marjorie Ann Leone
98225

From: [WILLIAM HUNTER](#)
To: [Written Communication City Council](#)
Subject: Proposed SSA Terminal - The Blaine connection
Date: Sunday, February 13, 2011 9:41:41 PM

Blaine City Council,
Mayor Onyon, Mr. Black, Mr. Liebert, Mr. Greenough, Mr. Dodd, Mr. Robinson, and Mr. Hawkins:

I have been made aware that your council soon will have the opportunity to express support or opposition to the proposed SSA terminal at Cherry Point. I am opposed to the terminal for several reasons but a major factor is that a major commodity to be handled there is coal. Please consider the adverse impacts the terminal will have on the local marine and upland environments. The gain a few jobs at the expense our valuable marine and upland environments to say nothing of the impacts to the livability of our communities does not seem to be a trade-off wisely made. From a philosophical standpoint why would the citizens of Blaine or anywhere else in Whatcom County want to facilitate increased use of the world's dirtiest fuel - coal? Why would we want to facilitate backward steps in our efforts to clean up our energy diet. Building the SSA Terminal and handling export coal in it in an insult to the hard earned steps toward clean energy that we all are trying to take.

At the very least please withhold Blaine support for this proposal. Better yet, please express clear and reasoned opposition to it.. Thoughtful arguments for opposing the terminal are widely circulated and easy to acquire. I urge you to become familiar with these arguments and oppose the SSA Terminal. The citizens of Blaine and Whatcom County are looking to you to help lead our way toward cleaner energy and healthy marine, upland and community environments.

Al Hunter

From: [Alistair Jackson](#)
To: [Gary Tomsic](#)
Cc: [Sheri Sanchez](#); [Jeffrey Lazenby](#); publisher@thenorthernlight.com
Subject: Re: Resolution 1578-11 - Please Forward to MAyor Onyon and City Council
Date: Monday, February 14, 2011 5:46:17 PM
Importance: High

From Alistair Jackson, Resident of the City of Blaine
8174 Sehome Rd, Blaine WA 98230

Dear Mr. Tomsic and Blaine City Council,

As a resident of Birch Bay Village since April, 2005, I want to voice my opposition to the proposed Council Resolution of Support for the Cherry Point terminal project, offering instead an alternative approach. I am not against the development of this terminal – properly developed with a sound business model that is responsive to the changing global economic and political climate. I do not believe that SSA's proposed plan meets that standard:

I suggest that, rather than resolving support for this project just yet, let's ask SSA to resolve to do what the people of the State of Washington have asked of them and to which they have already agreed but failed to do – for several years! When they show themselves to be good actors, committed to real, sustainable economic development opportunity that creates a net increase in jobs and tax base over the long term, the citizens of Blaine and Birch Bay will, I'm sure be happy to support their efforts.

In response to the language of the resolution:

Protection and nurturing of jobs – The US lost close to 500,000 jobs to China in 2010. Leaving aside the issue of how the pollutants from the coal that is burned in China are impacting the viability of productive biological resources in North America, US coal is not a bottomless pit. In fact, we may already be approaching the peak of "easy coal." Deep mined coal is increasingly plagued by dangerous mining conditions and strip mining is destroying productive land and vital water resources. At best, this pier will provide jobs in the community until the Republican congress puts muscle behind its commitment to lessen America's dependence on imported fossil fuels. Better to protect America's strategic coal reserve for the longer term health of the US economy – perhaps the promise of clean coal will come good and we'll be able to use it here at home to fuel our own economic recovery;

Family-wage jobs – By selling coal to fuel China's growing manufacturing economy, all we do is undermine the foundations of middle class America by increasing China's ability to provide out-source labor to US companies seeking to move family-wage jobs offshore;

Re-investment in US economic recovery – Selling raw resources has never been a pathway to sustained economic stability. The US is a value-added economy; we should be conserving our natural resources to leverage locally, rather than exporting them in raw form to others more enterprising; that's how the less developed world got trapped in the cycle of poverty;

A state-of the art shipping terminal – As part of their existing agreement with the State of Washington regarding the potential development of this site, SSA was required to perform a variety of studies and monitoring to develop a baseline understanding of the health of the Cherry Point herring fishery and other critical natural resources. They have ignored this obligation to date – perhaps because without a baseline it will be hard to understand how the new state of the art pier is or will impact the ecosystem. State of the Art thinking? I don't think so – not even state of the

art business. At a time when the smart investment money is recognizing that company's who are successful at developing sustainability strategy are a sound investment, SSA's ignorance of the likely importance of protecting resources that support Puget Sound salmon, orcas, seabirds and commercial and tribal fishermen should be an amber alert to Wall Street.

A benefit to the region, a boost to jobs, tax base and the economy – Personally, I'm not against the development of this pier as long as it is done properly. If the developers do their due diligence, understand the larger geopolitical issues that will impact the long-term viability of the project and recognize that failure to take full account of the viability of the critical Puget Sound ecosystem (upon which far more jobs and families depend on) will result in yet another failed effort to use this location for sustainable economic development of the County and surrounding communities.

Subject to appropriate environmental and safety standards – Here's the rub! We can all feel good that environmental and safety standards will be optimally implemented by this organization – as they are by so many other enterprises who's primary role is to maximize short term return on the cost of capital. SSA's non-compliance with the conditions of their existing agreement suggests two things – 1) They are not pro-active about engaging with the broad environmental and safety issues; and 2) they recognize that more information about the health and vulnerability of other important economic resources may undermine their efforts to navigate a least-cost pathway to completion. This is cynical behavior.

Yours very sincerely

Alistair Jackson

Alistair Jackson, CSBA, LEED AP BD+C, Homes · Principal
alistair@obrienandco.com · Tel 206-621-8626 x 114 · Fax 206-621-8649
O'Brien & Company · 811 First Avenue, Suite 380 · Seattle, WA 98104

Big news! [Read more](#) about O'Brien & Company's leadership transition.

From: [Amy L Mower](#)
To: [Written Communication City Council](#)
Subject: Cherry Point SSA Terminal Proposal
Date: Monday, February 14, 2011 1:24:59 PM

Dear Honorable Council Members,

As a resident of Whatcom County, Maple Falls, I support the letter that was recently sent to you by the North Sound Baykeeper. For all of the reasons listed in the Baykeeper's letter, for all of us who live in Whatcom County and enjoy the unique benefits of our corner of the world, adding this terminal at Cherry Point is not a good idea and has terrible long term impacts.

Please do not approve the terminal proposal.

Sincerely,

Amy Mower
PO Box 2004
Maple Falls, WA 98266
360-599-3372

From: [Andrew Renaud](#)
To: [Written Communication City Council](#); [Matt Krogh](#)
Subject: Cherry Point Terminal Resolution
Date: Monday, February 14, 2011 2:53:15 PM

To Whom It May Concern:

I am writing to you out of concern regarding the resolution supporting the proposed export terminal at Cherry Point. I won't belabor the details in this letter, but I would like to urge you to at least delay any decision until further investigation can be done on the short and long-term environmental effects of transporting uncovered coal cars through our community. That is the local short-term concern. The long-term concern is for the rest of the environment and global climate change inherent in using increasing amounts of coal for energy and the accumulation of the dust from transport and loading along our nearshore environment. I have seen a picture from Google Earth showing a "black eye" that is unmistakable around the coal loading facility in Tswassen, just north of us. And this is with a "covered" facility.

I urge you to be good stewards of the environment for generations to come and not approve any resolution for coal exporting in Whatcom County without due diligence and research on its effects. Thank you.

Regards,

Andrew Renaud
Bellingham, WA

From: [Ann Nugent](#)
To: [Written Communication City Council](#)
Subject: Oppose SSA Project at Cherry Point
Date: Monday, February 14, 2011 10:21:31 AM

To: Blaine City Council

From: Ann and Frank Nugent
1300 Whatcom Street
Bellingham, WA 98229

For reasons presented by the North Sound Baykeeper Team, we are strongly opposed to the proposed SSA Project at Cherry Point.

From: [bob and mary](#)
To: [Written Communication City Council](#)
Date: Monday, February 14, 2011 12:29:06 PM

Monday's proposed resolution in support of the SSA project at Cherry Point, however, doesn't acknowledge probable problems that will accrue directly to Blaine and the region, with very little benefit to the city itself. I encourage you to delay voting on this resolution in order to spend some time considering the potential negative impacts of this project.

From: [bob and mary](#)
To: [Written Communication City Council](#)
Subject: SSA Project Vote
Date: Monday, February 14, 2011 12:40:18 PM

Dear Blaine City council:

I am writing to urge you to delay voting on the proposed resolution in support of the SSA project at Cherry in order to spend some time considering the potential negative impacts of this project.

Voicing support for industrial jobs is understandable, and they are essential to our economy, but consider *existing jobs provided right now* by the nearshore habitat along the train line and at Cherry Point: jobs in fisheries, shellfish, tourism, and recreation. Please consider how the SSA project will disrupt and might destroy existing jobs. Please consider how nearshore spawning grounds at Cherry Point are a unique linchpin in the entire food web of Georgia Strait and Puget Sound, and directly support the health of the local ecosystem in Birch Bay.

Goldman Sachs (49% owner of SSA), Berkshire Hathaway (owner of Burlington Northern), and commodity vendors stand to profit tens if not hundreds of millions of dollars annually. Whatcom County and Ferndale may get some jobs and tax revenue, it's true; we will also get huge increases in rail traffic, reduced marine productivity, negative impacts on waterfront businesses, increased air pollution, and a community once again taken over by corporate interests. Blaine itself may well be the recipient of a short-term building boom and housing bubble during construction, which will then almost certainly collapse after the two year construction period.

Please, delay a vote on this resolution and consider the project widely: Who is going to receive the greatest benefit from this project? Certainly not Whatcom County, nor the cities in it nor the people in it nor the natural systems that support us.

Mary Loquvam

Whatcom County

From: [Charles Law](#)
To: [Written Communication City Council](#)
Subject: SSA Terminal
Date: Monday, February 14, 2011 10:11:49 AM

Old King Coal is a merry old soul,
And a merry old soul is he;
He'll run his trains through you town

He'll never slow down

With coal dust abound, in the air and around
to boost the car-wash economy.

As they travel by night

Their sounds are a fright

From whistles that blow, eternally

It makes such a sound

That your ears will shutdown

will the EPA have earplugs for free?

So get out your brooms, your nixes and your mops

It's time to clean house,

put coal in their socks.

Just say, "No" to the Gateway steal.

This isn't a done deal.

Let's cure this terminal illness,
help relieve the Bellingham chamber's willingness
to **diagnose** with no tax benefit or job guarantee.

--

Charles Law

from Bellingham

From: [clint duncan](#)
To: [Written Communication City Council](#)
Subject: Possible coal shipping facility consideration.
Date: Monday, February 14, 2011 5:23:54 AM

Hello,

I live south of Cherry Point, so am sending this note as an interested Whatcom county resident.

I Hope the council will support responsible planning concerning a coal shipping terminal at Cherry point. It would be irresponsible. At this point to shut down consideration.

A final consideration should be based on the weighing, point by point, of perceived negatives vs positives of such a facility.

I looked at the letter sent to me from Resources. It would be irresponsible to vote down further study based on the facts and information of that communication.

Clint Duncan

From: [Eleanor Hines](#)
To: [Written Communication City Council](#)
Subject: SSA Marine Export Terminal
Date: Monday, February 14, 2011 3:05:35 PM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

On behalf of the Northwest Straits Chapter of the Surfrider Foundation, I would like to thank you for all the wonderful work you have done for Blaine's community. We recognize that the city has put forth efforts to protect the water quality of your watershed and greatly appreciate the benefits of these efforts that hopefully will last for generations to come.

It has come to our attention, however, that tonight there will be a proposed resolution in support of the SSA project at Cherry Point that does not take into account the magnitude and complexity of the problems this project would cause for Blaine and the surrounding region. There is very little benefit for Blaine to gain, and the negative impacts far outweigh the positives gains. Blaine has already suffered from water quality issues; this project would surely make it impossible to achieve water quality standard goals if the open transport of coal via railroad were permitted. It would even undo all the efforts already put forth to improve water quality. Already, north of us at Roberts Bank near Tsawwassen, coal export off the coast has created aquatic dead zones. Additionally, if you look at the area from satellite imagery, there is a very visible cloud of purplish-black haze over the area due to the export of coal. It is hard to think of what ways this project could possible benefit Blaine.

SSA Marine claims that this project will create jobs, and I realize that it is difficult to argue against more jobs during difficult economic times; however, due to the environmental and community impacts, it seems that more jobs will be lost than created if the marine environment were to be harmed, such as the aquatic dead zones forming at Roberts Bank. Additionally, this project would put the health and safety of Blaine's residents at risk. It could stunt economic and community growth, as no one would choose to live in a haze of coal dust if given the choice. It has also come to our attention that SSA has had 11 years to complete environmental impact assessments, and has yet to do so. How can the health and safety of Blaine and surrounding communities be secured if SSA hasn't done proper studies? Surfrider urges you to at least demand an environmental impact statement so that it is more transparent what risks are being taken.

Please reconsider your support for the SSA project to build a fourth deepwater terminal for exports at Cherry Point. Surfrider's mission is to protect the world's oceans, waves, and beaches for all people and we stand by this letter in saying that this project proposal does much greater harm than good to both Blaine's people and water. Thank you for your time.

Sincerely,

Eleanor Hines
Chapter Chair
Northwest Straits Chapter

Surfrider Foundation
215.287.0043
surfrider.org/nws

The Surfrider Foundation is an International 501(c)(3) non-profit environmental organization dedicated to the protection and enjoyment of the world's oceans, waves, and beaches, for all people, through conservation, activism, research and education.

From: [Erin Page](#)
To: [Written Communication City Council](#)
Subject: In opposition of the coal shipping terminal
Date: Monday, February 14, 2011 4:38:05 PM

Respected council,

As a member of this community I am appalled at the thought of the installation of a shipping port for the export of coal and other goods from what is left of our beaches.

As you know, Bellingham is a unique community, and is one of the last great places for outdoor recreation and healthy living. I live here because it is an innovative, and progressive place to live. As an environmental scientist, living and working here in Bellingham, I have dedicated my life's work to green solutions. Listed below are just a FEW reasons that coal is deleterious not only to our local community, but to the communities from which it is harvested, processed, and used as an energy source.

1. Mountaintop removal
2. Coal residue in the bay, the inhabitants of the bay, and nearby structures (people's houses)
3. Burning coal contributes to climate change, which could ultimately flood our local communities from sea level rise.
4. It is unsustainable
5. It is carcinogenic
6. Coal spills create a toxic slurry that we do not have the resources to respond to
7. Burning coal creates acid rain

The list goes on.....

In order to keep the areas of Bellingham and Blaine places that attract visitors and businesses, we must continue to inspire, and step outside of the box, not looking for quick solutions in our forward movement of progress. There are alternative solutions, and I beg the council to look for sustainable ways to bring needed infrastructure while maintaining a dedication to the health of our local and global environment and its inhabitants.

In addition, I ask that you thoroughly review how creating a coal terminal is of benefit financially to the City of Blaine. Take into the account the cost of construction, fees, and most importantly, the health and well being of your community that you have vowed to serve.

Warmest regards,
Erin Page

--

Erin L. Page
MS Environmental Science, Water and Wetland Resources
SUNY College of Environmental Science and Forestry
http://www.esf.edu/efb/horton/Page_bio.htm

From: [Jennifer Hahn](#)
To: [Written Communication City Council](#)
Subject: SSA's Proposed Export Terminal
Date: Monday, February 14, 2011 11:05:21 AM

Dear Council Members and Mayor Onyon,

Please delay voting on the SSA's Proposed Export Terminal. There is so much at stake. And we must live with the impacts of such a change for a long time. A few more weeks would allow the deeper issues to be discussed.

Dear Mayor Onyon and Honorable City Council Members,

I am writing to urge you to please delay voting on the SSA's Proposed Export Terminal.

There is much at stake here. And as Whatcom County residents who enjoy the shores of Blaine, we must live with the potential impacts of such a Export Terminal for decades to come. A few more weeks delay would allow the extensiveness of the issues to be discussed and reviewed in detail.

For instance, there is the important issue such as how the SSA Proposed Export Terminal will change the local economy in relation to fisheries, shellfish, tourism, and recreation. As well, I'm concerned about the impacts on the Salish Sea--the nearshore spawning grounds at Cherry Point affect the food chain of Georgia Strait and Puget Sound. As well, they directly support the health of the local ecosystem in Birch Bay including the bio-accumulation of toxic particulates in marine organisms such as shellfish, fish and on up through harbor seals.

I ask you to please protect our local economy that revolves around a healthy ocean ecosystem first. If we protect the unique and God-given base of the natural systems here in the northwest, we will also protect tourism, fishing, and the myriad of recreational opportunities for everything from beach walking to vacation homes.

Thank you for your care and consideration in this issue. Thank you for postponing the voting to consider the farthest-reaching consequences.

Kindly,
Jennifer Hahn
1896 Yew St Rd
Bellingham, WA 98229
pacificfeast@gmail.com

From: [LIZ WASHBURN](#)
To: [Written Communication City Council](#)
Subject: SSA's proposed project
Date: Monday, February 14, 2011 8:04:33 AM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

Thank you all for all the good work you have done for Blaine. I appreciate the city's efforts to protect water quality in Dakota and California Creeks, assist the Drayton Harbor Community Oyster Farm, and adjustments to the CAO to help ensure important protections.

Monday's proposed resolution in support of the SSA project at Cherry Point, however, doesn't acknowledge probable problems that will accrue directly to Blaine and the region, with very little benefit to the city itself. I encourage you to delay voting on this resolution in order to spend some time considering the potential negative impacts of this project.

The proposal, especially with coal as the probable main export, has become increasingly controversial in the wake of the Longview coal terminal proposal on the Columbia River. Please be aware of these issues, and the local (Whatcom County) furor that has been stirred up (the "furor" is in the comments section):

<http://blogs.bellinghamherald.com/politics/ferndale/gateway-pacific-terminal-project-ready-to-start-permit-process/>

The article below discusses the negative impacts on boaters and quality of life that Point Roberts Marina deals with due to the Tsawwassen coal terminal--which is only a few miles farther away than the Cherry Point terminal will be from Blaine:

http://tdn.com/news/local/article_35ad9c0c-3634-11e0-8eea-001cc4c03286.html

SSA Marine's proposal for this bulk commodity terminal revolves around the export of coal; their own corporate promotions list "grain, potash, coal and minerals." The growing market for coal in Asia, and the extensive coal holdings of BNSF Railroad's owner Warren Buffett, point directly to the use of Cherry Point as a coal export terminal: <http://www.hedgeco.net/blogs/2009/11/23/giddy-up-buffett-berkshire-hathaway-climb-aboard-coal-bandwagon/> and <http://articles.latimes.com/2009/nov/04/business/fi-buffett4>

Seward, AK knows how tough having a coal terminal nearby can be: <http://www.adn.com/2009/11/10/1007256/coal-dust-an-ugly-problem-in-scenic.html>

And when China burns that coal in their power plants, the mercury and other contaminants return to the US through atmospheric deposition:

http://www.nytimes.com/2006/06/11/business/worldbusiness/11chinacoal.html?_r=1

Voicing support for industrial jobs is understandable, and they are essential to our economy. But right now--today--the nearshore habitat along the train line and at Cherry Point supports our economy with jobs in fisheries, shellfish, tourism, and recreation. And these nearshore spawning grounds at Cherry Point are a unique linchpin in the entire food web of Georgia Strait and Puget Sound, and directly support the health of the local ecosystem in Birch Bay.

The proposed resolution has a single "Whereas" associated with environmental protection. Please find attached the Department of Ecology's recent list of environmental tasks SSA has not completed in the 11 years since they committed to do so in a Settlement Agreement with state agencies and environmental groups. If they haven't done them in the last 11 years, should we trust them to do so now? The longest study was scheduled to take 3 years.

Goldman Sachs (49% owner of SSA), Berkshire Hathaway (owner of Burlington Northern), and commodity vendors stand to profit tens if not hundreds of millions of dollars annually. Whatcom County and Ferndale may get some jobs and tax revenue, it's true; we will also get huge increases in rail traffic, reduced marine productivity, negative impacts on waterfront businesses, increased air pollution, and a massive headache. Blaine itself may well be the recipient of a short-term building boom and housing bubble during construction, which will then almost certainly collapse after the two year construction period.

Why is this a good deal for Blaine?

Liz Washburn
2019 Racine St
Bellingham, WA 98226

From: [Mara G. Mitchell](#)
To: [Written Communication City Council](#)
Subject: SSA Marine Export Terminal
Date: Monday, February 14, 2011 1:12:55 PM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

As a resident within Whatcom County, I would like to add my voice to those opposing the shipping terminal proposed for Cherry Point. Exporting coal and other bulk commodities promotes unsustainable overseas development at the expense of locally based economies.

In addition to the environmental impacts of the terminal construction and traffic, we will receive air pollution from the fuel we ship to Asia. Given the massive carbon releases from burning coal, we will also support climate change and all its associated devastation.

Despite the pressure from large companies to continue such industrial developments, I support you standing on the side of local residents. I request you to uphold the right of local self-governance and democracy by rejecting this proposal until more time can be spent considering its ecological and local economic impacts.

Thank you very much.

Sincerely,

Mara Mitchell
Bellingham

From: [Anderson, Paul K](#)
To: [Written Communication City Council](#)
Subject: Coal facility
Date: Monday, February 14, 2011 2:29:00 PM

Gentlemen,

I believe it is shortsided to bring dirty industry to Whatcom County.

We currently have some of the best quality air here of any city in size comparable to Bellingham.

It one stroke that could be destroyed.

I know and have talked to the owners of several large businesses in the area that are here because of the quality of life we enjoy here. If we do anything to dimenish that quality they will move their respective companies out of Whatcom County. The loss of their jobs and potential loss to tourism far outweigh any short term benefits that would be gained by having a coal loading facility.

It is time that all of us look at a paradigm shift in the way we deal with long distance ownerships like Goldman Sachs and Berkshire-Hathaway - they do not have our interests at heart.

Paul Anderson
The Chuckanut Conservancy
1011 40th St.
Bellingham, Wa 98229
360-920-4299

From: [Walter Lockwood](#)
To: [Written Communication City Council](#)
Subject: SSA Project at Cherry Point
Date: Monday, February 14, 2011 2:57:02 PM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

Thank you all for all the good work you have done for Blaine. I appreciate the city's efforts to protect water quality in Dakota and California Creeks, assist the Drayton Harbor Community Oyster Farm, and adjustments to the CAO to help ensure important protections.

Monday's proposed resolution in support of the SSA project at Cherry Point, however, doesn't acknowledge probable problems that will accrue directly to Blaine and the region, with very little benefit to the city itself. I encourage you to oppose or at least delay voting on this resolution in order to spend some time considering the potential negative impacts of this project.

Walter Lockwood

9007 Shearwater Rd.

Blaine, WA, 98230

From: [Wanda Cucinotta](#)
To: [Written Communication City Council](#)
Cc: [Wanda Cucinotta](#)
Subject: SSA is no sweetheart deal for Blaine or Puget Sound
Date: Monday, February 14, 2011 10:23:36 AM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

Today you have before you a proposed resolution in support of the SSA project at Cherry Point. Beware **this is no sweetheart deal!** I have concerns that you are not properly investigating the potential negative impacts of this project to Blaine and the rest of the region, and the benefits to the city itself. I encourage you to delay voting on this resolution in order to consider all negative consequences to such an action. In my opinion, this a not a good deal for Blaine?

The proposal, especially with coal as the probable main export, has become increasingly controversial. The article below discusses the negative impacts on boaters and quality of life that Point Roberts Marina deals with due to the Tsawwassen coal terminal--which is only a few miles farther away than the Cherry Point terminal will be from Blaine:
http://tdn.com/news/local/article_35ad9c0c-3634-11e0-8eea-001cc4c03286.html

SSA Marine's proposal for this bulk commodity terminal revolves around the export of coal; their own corporate promotions list "grain, potash, coal and minerals." The growing market for coal in Asia, and the extensive coal holdings of BNSF Railroad's owner Warren Buffett, point directly to the use of Cherry Point as a coal export terminal:
<http://www.hedgeco.net/blogs/2009/11/23/giddy-up-buffett-berkshire-hathaway-climb-aboard-coal-bandwagon/> and <http://articles.latimes.com/2009/nov/04/business/fi-buffett4>

Seward, AK knows how tough having a coal terminal nearby can be:
<http://www.adn.com/2009/11/10/1007256/coal-dust-an-ugly-problem-in-scenic.html>. And when China burns that coal in their power plants, the mercury and other contaminants return to the US through atmospheric deposition:
http://www.nytimes.com/2006/06/11/business/worldbusiness/11chinacoal.html?_r=1

Voicing support for industrial jobs is understandable, and they are essential to our economy. But right now--today--the nearshore habitat along the train line and at Cherry Point supports our jobs in fisheries, shellfish, tourism, and recreation. And these nearshore spawning grounds at Cherry Point are a unique linchpin in the entire food web of Georgia Strait and Puget Sound, and directly support the health of the local ecosystem in Birch Bay.

The proposed resolution has a single "Whereas" associated with environmental protection. Please find attached the Department of Ecology's recent list of environmental tasks SSA has not completed in the 11 years since they committed to do so in a Settlement Agreement with state agencies and environmental groups. If they haven't done them in the last 11 years, should we trust them to do so now? The longest study was scheduled to take 3 years.

Goldman Sachs (49% owner of SSA), Berkshire Hathaway (owner of Burlington Northern), and commodity vendors stand to profit tens if not hundreds of millions of dollars annually. Whatcom County and Ferndale may get some jobs and tax revenue, it's true; we will also get huge increases in rail traffic, reduced marine productivity, negative impacts on waterfront

businesses, increased air pollution, and a massive headache. Blaine itself may well be the recipient of a short-term building boom and housing bubble during construction, which will then almost certainly collapse after the two year construction period.

Please delay or deny this resolution as it is not a good deal for Blaine?

Thank you for your Consideration,
Wanda Cucinotta
Lummi Island Watershed Enhancement Committee Chair
forestflor@aol.com
Forest Flor Recovery
360-220-3077
<http://liwec.wordpress.com/>

From: [Hannah Coughlin](#)
To: [Written Communication City Council](#)
Subject: Proposed SSA export terminal
Date: Tuesday, February 15, 2011 12:24:42 PM

Dear Blaine Council Members:

In regards to the proposed export terminal at Cherry Point:

Please, take great time and caution to consider the impacts of SSA's proposed contract. Who really benefits? What are the real costs to our community, marine life, transportation, natural resources, native beauty, and values as a region? What does Blaine really get out of this deal? Is it worth the cost?

I would love to see Whatcom County continue to strive toward being a role model for how to create a thriving economy, *not* rooted in destruction and disrespect. I would love our community and environment oriented priorities to be preserved. These assets are a huge determinant of why so many folks are choosing to move here. Please, let's not jump on the bandwagon to destroying our assets and values.

Thank you for your time, consideration, and representation of the public voice.

--

Hannah Coughlin

From: [Jack Stansfield](#)
To: [Written Communication City Council](#)
Subject: SSA Project at Cherry Point
Date: Tuesday, February 15, 2011 6:42:52 PM

Dear Mayor Onyon and Mr. Black, Liebert, Greenough, Dodd, Robinson, and Hawkins:

Thank you all for all the good work you have done for Blaine. I appreciate the city's efforts to protect water quality in Dakota and California Creeks, assist the Drayton Harbor Community Oyster Farm, and adjustments to the CAO to help ensure important protections.

Monday's proposed resolution in support of the SSA project at Cherry Point, however, doesn't acknowledge probable problems that will accrue directly to Blaine and the region, with very little benefit to the city itself. I encourage you to delay voting on this resolution in order to spend some time considering the potential negative impacts of this project.

The proposal, especially with coal as the probable main export, has become increasingly controversial in the wake of the Longview coal terminal proposal on the Columbia River. Please be aware of these issues, and the local (Whatcom County) furor that has been stirred up (the "furor" is in the comments section):

<http://blogs.bellinghamherald.com/politics/ferndale/gateway-pacific-terminal-project-ready-to-start-permit-process/>

The article below discusses the negative impacts on boaters and quality of life that Point Roberts Marina deals with due to the Tsawwassen coal terminal--which is only a few miles farther away than the Cherry Point terminal will be from Blaine:

http://tdn.com/news/local/article_35ad9c0c-3634-11e0-8eea-001cc4c03286.html

SSA Marine's proposal for this bulk commodity terminal revolves around the export of coal; their own corporate promotions list "grain, potash, coal and minerals." The growing market for coal in Asia, and the extensive coal holdings of BNSF Railroad's

owner Warren Buffett, point directly to the use of Cherry Point as a coal export terminal:<http://www.hedgeco.net/blogs/2009/11/23/giddy-up-buffett-berkshire-hathaway-climb-aboard-coal-bandwagon/> and <http://articles.latimes.com/2009/nov/04/business/fi-buffett4>

Seward, AK knows how tough having a coal terminal nearby can be:<http://www.adn.com/2009/11/10/1007256/coal-dust-an-ugly-problem-in-scenic.html>

And when China burns that coal in their power plants, the mercury and other contaminants return to the US through atmospheric deposition:http://www.nytimes.com/2006/06/11/business/worldbusiness/11chinacoal.html?_r=1

Voicing support for industrial jobs is understandable, and they are essential to our economy. But right now--today--the nearshore habitat along the train line and at Cherry Point supports our economy with jobs in fisheries, shellfish, tourism, and recreation. And these nearshore spawning grounds at Cherry Point are a unique linchpin in the entire food web of Georgia Strait and Puget Sound, and directly support the health of the local ecosystem in Birch Bay.

The proposed resolution has a single "Whereas" associated with environmental protection. Please find attached the Department of Ecology's recent list of environmental tasks SSA has not completed in the 11 years since they committed to do so in a Settlement Agreement with state agencies and environmental groups. If they haven't done them in the last 11 years, should we trust them to do so now? The longest study was scheduled to take 3 years.

Goldman Sachs (49% owner of SSA), Berkshire Hathaway (owner of Burlington Northern), and commodity vendors stand to profit tens if not hundreds of millions of dollars annually. Whatcom County and Ferndale may get some jobs and tax revenue, it's true; we will also get huge increases in rail traffic, reduced marine productivity, negative impacts on waterfront businesses, increased air pollution, and a massive headache. Blaine itself may well be the recipient of a short-term building boom and housing bubble during construction, which will then almost certainly collapse after the two year construction period.

Why is this a good deal for Blaine and for Western Washington?

Sincerely,

Jack Stansfield
Stanwood, WA 98292

From: borsope@aol.com
To: [Written Communication City Council](#)
Subject: SSA Terminal
Date: Monday, February 14, 2011 6:03:18 PM

Dear all,

I am completely opposed to the location of this terminal. It will have a tremendous effect on the water quality of the last deep water, herring spawning site in the area and hence the effect on everyone up the food chain.

Thank you,

Pam Borso

EMPLOYEE LENGTH OF SERVICE AWARDS FEBRUARY 14, 2011

20 YEARS OF SERVICE \$175

Rod Smith began his tenure with the City of Blaine on March 15, 1990, in the newly established City of Blaine Engineering Department. Rod is the City's GIS Coordinator and Engineer. Rod and his wife Kathy have four children and 10 grandchildren. Rod and Kathy are founding elders of Blaine Christian Fellowship church. Rod enjoys day hikes in the mountains, and fishing with his sons.

Tom Erickson (*may not be able to make it – driving back from Eastern Washington*) became a full time Police Officer for the City of Blaine on February 1, 1990. Prior to that Tom worked as a Reserve Officer for the City. Tom and his wife Linda have three children.

Bill Dodd - Lineman (*has prior commitments*)

15 YEARS OF SERVICE \$125

Dan Sartain began his tenure with the City of Blaine Police Department in October 10, 1995. Dan hails from Santa Clarita, California. He graduated from Pepperdine University (Malibu) in 1991 with a B.A. in Spanish. He served four years with the Los Angeles County Sheriff's Department before working with the Blaine Police Department. Officer Sartain enjoys scuba diving, reading and spending time with his family.

Jon Landis – Police Officer (*has prior commitments*)

10 YEARS OF SERVICE \$75

Tim Esposito began his tenure with the City of Blaine on August 28th, 2000, and is our maintenance worker and building custodian. Tim spends his free time coaching girls middle school and high school fast pitch leagues in Blaine and Bellingham. Tim and his wife Debbie enjoy spending time with their 6 grand children.

Steve Hrutfiord has worked for the City of Blaine since September 1, 2000. Steve currently works in the water department and in fleet maintenance for public works. Steve is married with 2 kids. His hobbies are boating, crabbing and he enjoys playing pinball machines as well as working on them.

Ed Yurgalevicz comes from the New York/Connecticut area and relocated to this area in the fall of 1995. Ed began working for the City on February 13th, 2000, as the City's Building Official. Ed enjoys living in this area and particularly loves its wildlife.

Steve Banham began as Assistant Public Works Director for the City of Blaine in 2000, and became the Public Works Director on January 4, 2003. Steve had a twenty year Navy career, and retired as Commander prior to coming to Blaine. Steve enjoys reading, gardening and camping with his family.

Gary Tomsic served the City as the interim City Manager in 2000. In July of that year, Gary was hired as the City Manager. Gary has been married to his wife Renate for 40 years. Gary obtained his auctioneer license in 2005 and donates his skills to local organizations for fundraising events. Gary enjoys fly fishing and listening to music on his iPod.

1 YEAR OF SERVICE Pin

Scott Langton is originally from British Columbia, Canada, and has travelled and backpacked throughout the world including Australia, Egypt, Israel and Europe. Scott served 4-1/2 years in the British Army's "Kings Own Royal Border Regiment" as an infantry soldier and served in Bosnia as part of the NATO security force and also served in Cyprus and the Falkland Island. Scott immigrated to the US and became a US citizen. Scott was a Blaine reserve officer for 4 years prior to being hired as a Blaine police officer on May 1, 2009, and says that he loves his job! Scott enjoys spending time with his friends and family, especially his daughter and son, and he enjoys working out in the gym and travelling.

Bill Bullock started his public service career with Mason Co. after working for Lewis County and engineer for the City of Sequim Bill settled in Blaine. Bill has been an active "scouter" for the last 13 years in the communities where he has lived. His son, Alex, will be working on an eagle scout project in Lincoln Park later this month.

Amy Bundy – Police Officer (*has prior commitments*)

Matt Luttrell – LPWRF Operator (*has prior commitments*)

January 28, 2011



Blaine City Council Members:

Mayor Onyon asked that I clarify my concerns regarding the Wastewater rate schedule.

First, there is an inequity in the amount paid for the same service demand. Single family/duplex presently pay \$92.88 per month whereas multifamily and now condominiums pay \$82.43 per month. (I assume these figures are correct.) The difference amounts to \$10.45 per month or \$125.40 per year. (This would equate to $\{\$125.40/\$82.43 = 1.52 \text{ months}\}$ an additional month and a half of service or over a 10 year period 15 additional months of service at the lower rate!!)

Second, I can find no logical justification that must assume that individuals require more wastewater service if they live in a single family/duplex versus a multifamily/condominium. I believe it can be assumed with a reasonable degree of accuracy that whether you have one toilet facility in a residence or several toilet facility each individual resident will use the facilities the same number of times.

Third, in order to develop a rate system that is fair and equitable the system must be able to be quantified and based on the demand made on the service. To this end the following should take place:

1. There should be a base rate for water and a rate for the actual water used. (Eliminate the 3Ccf that is presently associated with the base rate. It is unfair because some individuals do not use the 3 Ccf and are charged for it and it does not promote conservation of the water resource.)

2. A base rate and a use rate needs to be established for Wastewater. These rates should be the same for all residences.

A concern has been raised that a “flow monitored” system would be unfair for those that irrigate in the summer. As I mentioned at the Council meeting, Seattle uses a billing system for Wastewater based on the amount of water used-- summer or winter. Ironically, based on an actual bi-monthly bill, that happen to include the time period when each rate was noted, the monthly rate per Ccf was higher in the summer than was in the winter. In addition, from the on-line information I gathered (copies of which I left with Mr. Robinson) Ferndale and Anacortes used a “flow” system that allows for the “separation of irrigation water” from the billing period in the summer. It is based on establishing a AWWU (Average Wastewater Use) value for each customer based on water use during the “winter months”. There is a slight difference as to which months these are for the two cities.

As to Blaine developing “a flow based system” the following information would be enlightening: A percent breakdown of the wastewater fees in terms of 1) Payment on loans 2) Maintenance and Operation 3) Other. If this were done the percents should be the same whether the rate is for single family/duplex or multifamily/condominium. However, the dollar amounts will not be and yet the demand on the system is the same independent of the residential type.

In conclusion, I sincerely believe that the computer program must be developed that makes it possible to bill based on use rather than “historical data” (which by its vary nature is out of date). If a \$30 million dollar facility can be financed and built it makes no sense that a fair/equitable billing system cannot be put in place. Furthermore, it would eliminate “massaging the rate system” each time a new situation arises.

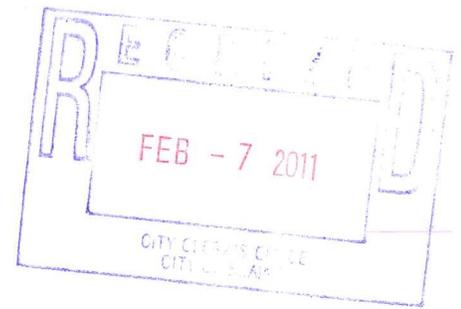
I ask that the development of a “flow based rate system” be placed as a priority item for the 2011 Docket.

Thank you for your time and consideration.

A handwritten signature in cursive script that reads "Dennis M. Olason". The signature is fluid and written in black ink.

Dennis M. Olason
860 Georgia St.
Blaine, WA 98230

Feb. 7, 2011



Blaine City Council:

Re: Vista Terrace ULID

The proposed ULID for Vista Terrace would be beneficial to the residents of Vista Terrace since it would provide access to the wastewater system presently available to most Blaine residents. With the construction of the new Wastewater Plant there is now sufficient capacity to easily treat wastewater from the Vista Terrace area. Additionally, the sooner septic fields and septic tanks can be removed it lessens the possibility of pollution of Drayton Harbor and Blaine's water source.

I do have concerns after listening to the discussion at the last Council meeting on Jan. 24, 2011. There should be no "riders" attached to the LID agreement. Specifically, a grandfather clause for General Facility Fee of zero for those in the LID boundaries. I believe the City Attorney has previously indicated that the sitting Council cannot establish conditions for the future Council(s).

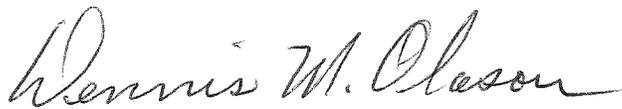
The Council should reconsider the decision to remove the one year requirement to hookup to the wastewater system if a sewer main is within 200 ft of a residence. Ecologically it makes sense and financially it would be more fair for those who are presently paying wastewater rates if the number of rate payers could be increased. The present wastewater rate payers are the only source of funds to make the payments on the outstanding loans for the Treatment Plant. If the number of rate payers is not increased and the GFF remains at zero then any increased expense will fall on the present ratepayers. **The present rate payers were not exempt**

from the economic crisis.

When the decision was made to construct the new Treatment Facility it was decided that the cost of construction would be funded through Grants and Loans. Furthermore, certain assumptions were made regarding how the Loans would be repaid. One would be a monthly fee assessed to those properties connected to the wastewater system and secondly, a connection fee (GFF) would be assessed on each new connection. The latter was recently reduced to zero. Hence, the only source of funds at present to pay the outstanding Loans are the current ratepayers and any new hookups. With the present economy the number of new ratepayers has been few.

It appears to me that the City cannot continue to ask it's citizens to "pickup the slack" if what the Council does in it's decisions is to only worsen a tough economic situation for these individuals.

It is time for the Council to consider the concerns not only of special interests but all of the resident taxpayers. Only responding to special interests, without considering long term affects, is generally unproductive and frequently counter productive.



Dennis M. Olason
860 Georgia St.
Blaine, WA. 98230

