

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **March 10, 2011**

Commission President Don Montfort called the meeting to order at 4:30 PM. Other persons present included Commissioners Patrick Alesse and Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Interim Finance Director Meredith Riley, Operations Manager Mike Sowers, Jeremy Schwarz.

Agenda additions/changes: None.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of February 24, 2011 as amended; Accounts Payable Warrants #40419-40458 paying Claims #40419-40458 for \$124,383.73; February Payroll Warrants #7101-7124 for \$86,514.66, and warrants 7044, 39088, and 40075 totally \$3,383.67 to be voided. It was moved by Alesse and seconded by Reichhardt to approve the Consent Agenda as amended. The motion passed unanimously.

Developer Extensions: No input.

HRA VEBA Trust Contribution for \$14,403.55: It was moved by Reichhardt and seconded by Alesse to approve the HRA VEBA Trust Contribution. The motion passed unanimously.

BP – Potable Water Service: Dan reported regarding the new business development person at BP (Jeff Chalfant), and other issues regarding BP potable water. Roger added additional information on City of Blaine water issues.

2011 Budget: The 2011 Budget was presented for the third meeting. Montfort had questions on connection charges and developer extensions. Roger and Dan answered these revenue questions. Montfort also had a question on PWTF closeouts. It was moved by Reichhardt and seconded by Alesse to approve the 2011 Budget. The motion passed unanimously.

Rate Model: Roger reviewed the rate model again, focusing on the CIP and the bond market criteria. Dan and Mike reviewed the CIP with the Board.

Accounting Procedures: Roger discussed the review of the accounting procedures written up and presented to the Board. The Advance Travel Fund Resolution No. 700, eliminating the Advance Travel Fund was presented. It was moved by Alesse and seconded by Reichhardt to approve Resolution No. 700. The motion passed unanimously.

Roger discussed the recommendation from the Insurance Pool to get an independent specialized audit of the internal controls of the accounting system. Roger acquired three proposals from local accounting firms for this review; Metcalf Hodges' proposal being the most responsive. Montfort expressed some concerns that the cost-effectiveness of recommended procedures be considered. Roger explained that Metcalf Hodges' review was expected to improve internal control procedures, but that it was anticipated that there would be a need for an additional review to verify that internal controls were being properly implemented. He said he believed cost effectiveness could be considered as part of the second review. It was moved by Reichhardt and seconded by Alesse to approve Metcalf Hodges' proposal to perform this accounting service. The motion passed unanimously.

Headworks Scope and Fee: Dan discussed the WWTP Engineering Report and Headworks predesign report with CHS Engineers; \$43,000 for WWTP Engineering Report and \$34,000 for Headworks. It was moved by Reichhardt and seconded by Alesse to approve CHS Engineers' proposal. The motion passed unanimously.

Forcemain Project: Dan provided the Board with a copy of a power point presentation he made at WASWD meeting last week.

Developer Extensions: Dan reviewed developer extensions with the Board. Bleakney is almost completed. Request came in for one single family house building permit near Bleakney's project, which the Board concurred did not require an extension to provide service. Dan expects to be requesting scheduling a public hearing for the Loomis Trail annexation at the next Board meeting.

The State Park pump station: The state parks are having some issues with the District's standard DE agreement and are proposing a separate interlocal agreement. Dan requested entering into the interlocal agreement with the State Park, and then the State Park will fund the District's deposit. The Board requested that the DE agreement be signed at the same time as the interlocal agreement.

Personnel Issue: Roger requested to push his carryover date for vacation to June for this year only. The Board authorized his request.

There being no further business, it was moved by Reichhardt and seconded by Alesse to adjourn the meeting at **7:04 pm**. The motion passed unanimously.

COMMISSIONER

COMMISSIONER

COMMISSIONER

THIS IS TO CERTIFY that the above is a true and correct copy of the minutes for the regular meeting of the Board of Commissioners of Birch Bay Water and Sewer District, Whatcom County, Washington, held **March 10th, 2011**.

BOARD SECRETARY