

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **March 24, 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, and Jeremy Schwarz.

Agenda additions/changes: Roger asked Bob Carmichael if he was ready to address whether telephonic participation would constitute actual attendance at Board meetings for compensation purposes. Bob stated he was aware of two opposing opinions; one attorney was indicating compensation for telephonic attendance was inappropriate, while another from MRSC opined that commissioners can receive compensation for telephonic participation. He will research this topic further more and bring it back at a later meeting

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of March 10, 2011; Accounts Payable Warrants #40460-40508 paying Claims #40460-40508 for \$80,833.15; March Payroll Warrants #7125-7137 for \$15,900.00. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: No input.

Steve Jilk contacted Roger this week; stating that there was renewed interest in a Cherry Point Potable Water system. He was inquiring if the District was interested and had the supply. Roger had mentioned this as a potential future customer at the Joint Work Session with the Blaine City Council earlier this year. Roger has indicated to Steve Jilk that the District has the capacity for and interest in pursuing this project. Roger and/or Dan will talk with Steve Banham, City of Blaine, next week.

Water Alliance: Had the kick off meeting; confirmed watering schedule. Emily provided information on Water Sense; collecting Water Use Efficiency Reports from Alliance members and water loss information. The Wayne-drop photo-op will be after the May 11 COG meeting. WTA has free advertising available inside their buses. Ferndale can put messages on the Lummi Casino sign along the freeway. Logo will be changed for the Water Alliance to make it easier for agencies to use without getting approval from the entire Alliance each time.

Montfort thought there would be some technical or semi-technical approach for educating the large water users; develop some standards to help the large users determine what they can do to manage their water usage.

Montfort talked to a WSU professor regarding how to determine long range savings from conservation. Puget Power apparently had done some work previously on this. Montfort was in a meeting with Utility Districts, and three large districts suggested that they not promote conservation, as their revenues are going down. Montfort thought they should cut expenses. Roger said that the District intended to work with high water users on conservation prior to summer and that he would report back on this and quantification of savings from conservation.

Life Station #6 Pump Replacement: Dan stated that a pump failed at lift station #6; a replacement pump was brought in as a temporary replacement. The failed pump is not worth rebuilding. The budget is \$7,000 for pump replacements, so budget is not sufficient to cover. Roger approved the PO for purchase of a new pump on an emergency basis, proposing to take dollars out of the Lift Station 4 capital project, as it is expected to be under budget by about \$20,000. A new pump will be about \$14,000. The Board concurred with this approach.

Accounting Procedures: Roger discussed the review of the accounting procedures by Metcalf Hodges. Roger expects their report to be out by the first part of April.

Roger discussed a procedure on AP check writing so there will be two control points for this procedure. Roger reviewed the procedure with the Board.

Roger talked about delegation of spending authority. POs are signed off by Roger. As the Budget is not adopted prior to January 1st, the District is basically operating without a budget for a period of time. The best way to improve this is to adopt a budget before January 1st. Board was in agreement with this; and Roger will write up a Board policy on this. Roger asked the Board for any preferences on the budget policy. Board would like to delegate authority to Roger for operating budgets, and require a reporting function as a monthly budget report to the Board. After discussion, the Board directed that Roger draft policies for further review.

Lincoln Road Waterline Replacement: The County's storm drainage project for Lincoln Road runs right down the center of the road. Blaine feeder is also a conflict. Dan contacted the County a couple of weeks ago; they want all the utilities relocated by May 1st. Dan reviewed the project with the Board. Dan contacted a vendor (Trenchless) about relocating pipe; a price of around \$126,000 was given. May get a price from the County's contractor, and will get prices from possibly two other vendors. Will report back to the Board at the next meeting.

Forcemain Project: Dan is trying to close out the Forcemain Project with PWTF. Haven't heard anything new on the liens. Montfort had a question on the archeology report; and if everything was done on the project.

Birch Point Pump Station Status: A pump and 4" pipe costing \$12,900 to improve pumping capacity from 50 gal/minute to 150 gal/minute was approved in the budget. Dan reviewed the additional costs with different options. It would be worth the investment of additional costs for a 6" pipe and larger pump. Dan wanted to know if he had authority to go forward with the increased pipe size. Dan will check the easement with Trillium. Board will authorize up to \$20,500; Alesse moved and Reichhardt seconded to increase the CIP. Motion passed unanimously.

Regional Connection Charge: Roger explained that the \$852 charge should be \$854 for the RCCs. Roger asked for this change. Reichhardt moved and Alesse seconded to change the RCC to \$854 per Resolution 701. Motion passed unanimously.

Advance Travel Reconciliation Form: Roger brought back the Advance Travel Fund form. Alesse moved and Reichhardt second to approve Resolution 702 to change the authorization and reconciliation forms. Motion passed unanimously.

BBWARM: Dan discussed the quarterly meeting with BBWARM. There was a design plan about 60% done for a storm water project on Charel Drive. There was a discussion regarding who's project this is; the County or BBWARM's. The District would need to relocate a water meter with this plan. The Board asked that Roger follow up with BBWARM to check on the status of the request to exempt the District from BBWARM rates.

Risk Management Pool Semi-Annual Membership Meeting: Roger attended this meeting last week. The Pool talked about new items they'll be bringing forward, new training, and the insurance market. The insurance market is anticipating a rate increase for next year.

The Pool is forming an ad hoc committee for fraud prevention. Roger is part of that committee.

Developer Extensions: Dan reviewed developer extensions with the Board.

Bay Street Acreage; brought a maintenance bond into the District and is working on close-out.

Bleakney has one remaining item, maintenance bond. It is in the mail to the District.

Bay Road lots; preconstruction meeting next week with the District.

The State Park pump station: Board comments were sent back to the State Parks. The District has not heard back yet from State Park.

Meditation Center up above Birch Bay View may be coming back to the District for water and sewer service. Dan is in discussion with Blaine

Loomis Trail Annexation; Montfort asked for a packet on the different forms of annexation.

Executive Session: The Board went into Executive Session at 7:00 PM. It was stated that the session was expected to last 5 to 10 minutes for discussion of potential litigation, with no action expected.

Out of Executive Session at 7:05 pm.

There being no further business, it was moved by Alesse and seconded by Reichhardt to adjourn the meeting at **7:05 pm**. The motion passed unanimously.

COMMISSIONER

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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 24th, 2011**.

BOARD SECRETARY