

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **April 14, 2011**

Commission President Don Montfort called the meeting to order at 4:35 PM. Other persons present included Commissioners Patrick Alesse and Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Conservation Specialist Emily Resch, Interim Finance Director Meredith Riley, and Jeremy Schwarz.

Agenda additions/changes: Customer request to be reviewed at the end of the meeting.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of March 24, 2011; Accounts Payable Warrants #40509-40557 paying Claims #40509-40557 for \$107,302.05; and March Payroll Warrants #7138-7161 for \$94,556.29; March adjusting entries and EFTPS Federal withholding for \$24,354.75. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

Conservation Program Update: Emily Resch, Conservation Specialist, reported to the Board regarding the conservation program. She gave them an update on the School program. She discussed the I-5 signage for the Water Wise schedule. The annual Junior Ski to Sea parade is another avenue for free advertising. This year the logo is going to be for all Districts. Emily purchased the soil sensors to measure soil saturation, and Mike Sowers, Operations Manager, is interested in them as I&I sensors.

Emily attends Partnership for Water Conservation in Seattle, and thinks it's a worthwhile program.

Emily and Dustin Sellinger, IT Specialist, looked at what customers used the most water in the summer; and then looked at changes in the water rates. Emily will be sending letters to the customers whose bills will increase by 20% or more letting them know that if they don't reduce their summer water usage, their bills will be going up.

The Board had requested Emily to quantify water conservation savings. She looked at peak demand usage and reduction. The District is below the projected peak day demand. Emily quantified the savings in gallons per day and in dollars annually. The District has been able to put off two projects because of conservation.

Don asked a question regarding whether the District may be running into water cash flow problems, if the water conservation program is very successful. The wastewater side can then be worked on, for solids and grease etc. Some customers are upset that the lower block of water seems to lack conservation incentives.

First Quarter Financial Reports: The following reports were revised with the Board: Cash & Investment report, and the Revenues and Expenses for the first quarter, budget to actual.

Bill Blaise: made a partial payment earlier this month; the partial payment was hang-tagged back to his door, and he was shut off the next day. He was asking for the shutoff fee to be forgiven. It was moved by Reichhardt and seconded by Alesse to waive the lock-off charge. Motion carried unanimously.

Accounting Procedures: Roger discussed the State Auditors Fraud Report that should be out soon in draft form. Original budget was a little under \$10,000 and latest figures are estimated at over \$23,000 for the fraud report.

Roger discussed a policy on Budget and CIP to be adopted prior to January 1 annually. Board thought it looked good and it should go on consent agenda next meeting.

The Bank reconciliation was reviewed by Roger and the Board.

Roger reported on a teleconference he had as a participant in the ad hoc fraud prevention committee, with the Water & Sewer Insurance Pool. He believes their recommendation will be to work with the State Auditor's Office to review fraud risks differently. Larry Bailey is going to try and get other pools to be interested in this approach; also to try to develop some good teaching tools.

Lincoln Road Waterline Replacement: Whatcom County opened bids on Monday; Stremmer Gravel was the apparent low bid. The District has worked with them before. Dan met with Stremmer on Wed, April 13, and they are working up a price. Dan will be working for a sole source recommendation if Stremmer can give the District a good price. Dan has a price from Trenchless that can be used as a comparison. The District could also use the small work roster process. Dan is in contact with County Public Works with what direction the District is looking at. Dan will try and bring a recommendation to the Board on April 26.

Forcemain Project: Dan appreciated Don's help getting through the lien process for this project. The District has only one claim left that is not resolved. The archeology report is not a public document, and the District can not disclose it. Dan is still working on closeout of the project.

Birch Point Pump Station Status: The Easement for the existing water line with Trillium was signed while the property was under a different zoning. The conditions for water service are not very clear if the property were to develop now. There was various discussion of what would be required of a development. Dan said he would continue to look into this and bring it back to the Board before proceeding.

Surplus List: Resolution 703 is a surplus clean-up list for the Shop. Motion was made by Reichhardt, seconded by Alesse to accept Resolution 703. Motion carried unanimously.

Board Meeting Schedule April 28th: Resolution 704 amends Chapter 2.04 regarding telephone participation at Board meetings and provides for per diem compensation. Resolution was referred back to staff for revision, for the consent agenda next meeting. The Board decided to hold a special meeting on April 26th at 4:30pm, and that the April 28th regular meeting will be canceled because of lack of a quorum.

Developer Extensions: Bay St Acreage – needs an easement and bill of sale; the DE agreement is no longer valid. Dan would like to extend the date of the agreement.

Bay Rd 3 lots – started construction on Monday.

Harbor Shores – discussed with Steve Banham, City of Blaine, on sewer extension. The question here is the process for allowing Blaine to take over the sewer service area. Dan will continue to look into this.

Bleakney is completed and maintenance bond came in.

Dan discussed develop project accounting clean-up with the Board.

Appears to be a sewer extension problem in the UGA per the district's comp plan. Dan will work with the county on this.

Chapter 1.12.050 Threshold criteria for annexation. This may be a problem with the Loomis Trail annexation policy. Bob mentioned that the Board would be able to waive that policy without changing the code. Dan recommended that the policy on annexation within the Loomis Trail UGA be reviewed and possibly rescinded as it was outdated. It was moved by Reichhardt, and seconded by Alesse, to rescind the policy. Motion passed unanimously.

Some maps have been updated and the remaining maps in the Board folders are being worked on.

Baywood Park – they have a private system, but the meters are read by the District. They are all being charged for 4 ccfs and it is more expensive. This agreement has expired and the District needs to offer a new agreement.

Customer Request: request from David Determan for a leak credit. He was notified after the January bill, and the leak wasn't repaired until April. District policy is the leak must be repaired within a two week time period. Board granted the leak credit to the leak event.

There being no further business, it was moved by Reichhardt and seconded by Alesse to adjourn the meeting at 7:47 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 **April 14th, 2011.**

BOARD SECRETARY