

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD June 23, 2011

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

Agenda additions/changes: none.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of June 9, 2011; Accounts Payable Warrants #40702-40731 paying Claims #40702-40731 for \$46,090.77; June Payroll Warrants #7236-7248 for \$15,900.00; and Utility Tax EFT Debit for \$12,001.69 paid in June. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: None

Labor & Industries Review: Mike S said that the L&I review was a complete surprise. Conservation is a big part of their review. L&I came back in two weeks, and everything was completed. The inspector had some concerns with some of the wet wells. Mike is looking at grates for the wet wells, which work much more safely than just the hatches. He asked for trench safety equipment, and Mike was able to get them in a short time period. The report came back with no violations.

DOH Sanitary Survey: Mike S reported on this survey. The report was good, with some suggestions for the Birch Pt reservoir.

DOE 2010 Wastewater Treatment Plant (WWTP) Outstanding Performance Award: DOE awarded the District the 2010 Wastewater Treatment Plant Outstanding Performance award. The District has a better track record than any other WWTP in our area.

Lincoln Road Waterline Replacement: Dan sent the invitation to quote to five contractors; two bids were received, one from Iverson and one from Stremler. The original quote was \$195,000. Dan had removed 580 feet of ductile iron pipe. Iverson's quote was \$197,911 and Stremler came in at \$215,020. The low bidder is Iverson, but \$50,000 over what Dan expected. Dan's recommendation is it's not worth pursuing. Stremler has started the County project, and none of the District's pipe has broken yet. Dan and Mike talked about a reduced scope; they would need to do a new scope and bid. The District's crew is doing some limited work. The Board decided to follow Dan's recommendation.

Headworks PWTF Loan Acceptance: Dan was at PWTF loan training this last Tuesday. There is now a potential to drop the interest down 0.025 as an incentive for completing projects in a shorter period of time. Another big change is "cost incurred" based reimbursements. Actual invoices will need to be sent in to PWTF, and reimbursements can occur monthly. Prior to this, you received a percentage of the award. The big item for the Board to review is do you want to give the General Manager the authority to sign the contract, or bring it back to the Board. Don had a comment on the Investment grade energy audit. There was a motion to authorize Roger to sign the contract with the PWTF when it is received. It was moved by Alesse and seconded by Reichhardt to authorize Roger to sign the application. Motion carried.

PWTF Opportunities: Dan reported on the scoring criteria on the new PWTF applications. The meeting with City of Blaine on a joint project went well. The City is pursuing their Southeast Transmission line including connecting to PW-2. The District discussion was on a project on Blaine Rd from Loomis Trail to Birch Bay Lynden Rd; CHS has started the design and is about 70% done. There are 19 points for readiness to proceed. This will be the District's application. Roger said the City of Blaine agreed that we

could use the regional connection charge (RCC) for local match which would show a regional support of their project. Don mentioned that green house gas is a new item ramping up in the application.

Board Policy-Delegation of Expenditure Authority: Roger has been working on clarifying expenditure authority. The District's attorney wrote a memo on the legal authority of expenditures. Roger's understanding is that this is an audit function. Bob's memo also speaks to the Treasurer's function at the District level; basically the Treasurer has both the treasurer and auditor function unlike the County-level, where these functions are separate. Roger believes the District needs a Resolution spelling out the segregation of these functions. Roger presented a draft of a resolution to the Board for their review and also a draft policy on delegation of expenditure authority. Roger presented these for discussion. Roger will bring the resolution and the policy back for further review.

Procedures for Utility Shut-off Policy: Dan spoke to this issue. A trailer park in the District called and told the District they would be paying late. This trailer park has been late seven times in the last several years. Dan proposed that the lock off procedure be updated, as the policy/procedure has not been updated since 1993. In the past the Board didn't want to penalize the occupants of a trailer park by shutting off the water meters for non-payment by the owner. Bob thought that legally the District had the right to shut off. Dan explained that it's almost five months before we lock off. This could be a problem when you have a landlord/tenant situation. Also partial payments are an issue. Dan would like input from the Board before updating the policy. Don was wondering if there have been legal changes since 1993. Bob suggested that we write a policy separate for multi-unit dwellings that could include a foreclosure procedure. Dan thought that there should be a written consequence for the multi-unit dwellings when they pay late. Dan will bring this back to the Board.

BBWARM: Dan reported on a special stakeholder meeting that he attended. They want to come up with some pilot projects for this area. Dan had given Craig from BBWARM an estimate of how much it costs for the District to treat stormwater. The District may receive in-kind credits toward the stormwater costs from the County. Emily, District Conservation employee, had her third meeting on rain barrels last night. This program has been very successful.

WASRMP Fraud Prevention Committee: Roger has been participating with the Water & Sewer Risk Management Pool's fraud prevention committee. Larry Bailey from WASRMP is planning on making fraud prevention presentations to WASWD, ERWOW and PRIMA with an emphasis on providing simple information that is focused on areas where the risks of fraud are greatest. The underwriter for employee dishonesty insurance has given the Pool a checklist to give Districts during the insurance renewal process. Using the County as the Treasurer and Auditor doesn't guarantee fraud prevention. There have been frauds with Districts using King County as their Treasurer and Auditor. Roger thinks the Pool's fraud prevention committee is a good group to work with.

City Coordination: Dan stated there was discussion on PWTF projects, and conservation coordination. Both parties are watching water usage and weather. They'll be watching the July 4th weekend. Well 9 is just about up and running. Well 3 will be decommissioned. Carl asked about City reclaimed water. The City just opened bids on pumping sewage from Semiahmoo to the WWTP. The project is between 1 and 2 million dollars, and will need to be completed before the City can complete their reclaimed water project.

Vacation Carry Forward Request: Meredith has been documenting employees' anniversary dates. Dustin's accrual date and anniversary date were different. This was not in compliance with the employees' contract. The request is to carry forward 23 hours for Dustin to bring him in compliance with the contract. Reichhardt moved and Alesse seconded to approve the carry forward. Motion carried.

Warrants No. 40732-40748 for \$16,488.68: Meredith explained there are three weeks between Board meetings in June and July, and so brought these invoices forward so they would be paid timely. It was moved by Alesse and seconded by Reichhardt to approve these warrants. Motion carried.

Developer Extensions: None.

There being no further business the meeting was adjourned at **6:47 pm**.

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 **June 23rd, 2011**.

BOARD SECRETARY