

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD September 8, 2011

Commission President Don Montfort called the meeting to order at **4:32 pm**. Other persons present included Commissioners Carl Reichhardt and Patrick Alesse, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Simi Jain, and Interim Finance Director Meredith Riley.

**Agenda additions/changes:** Pull No. 11 Delegation of Spending Authority, move No. 12 WRIA 1 to bottom before No. 15 Developer Extensions.

**Public Input:** None.

**Consent Agenda included:** Don had a question on UB Adjustments for J Ruth; Meredith will check on the late fee charged. Minutes for the Regular meeting of August 25, 2011; Accounts Payable Warrants #40888-40914 paying Claims #40888-40914 for \$52,824.26; August Payroll Warrants #7301-7311 and auto payments 10022-10034 for \$93,909.44 in total including the Federal EFTPS withholding deposit of \$23,523.12, and August State utility tax payment to be made on 9/27/11 for \$7,124.82. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

**Developer Extensions:** None.

**Accounts Payable:** A separate run of Accounts Payable Warrants #40915-40919 paying Claims #40915-40919 for \$35,799.34 was presented. It was moved by Reichhardt and seconded by Alesse to approve Accounts Payable. The motion passed unanimously.

**Accounting Basis:** Meredith presented a review of Accrual and Cash Basis accounting. The merits of both were discussed. It was moved by Alesse and seconded by Reichhardt to change to Cash Basis accounting. The motion passed unanimously.

**Foreclosures:** Last meeting the Board asked staff to request from the County what properties were being foreclosed. Two properties are going through foreclosure by the County, both illegal lots. Carmichael's office has filed a Notice of Appearance, which notifies all parties that all information should be sent to his law office, and is also preparing an Answer, which will present legal arguments.

**Lien Process:** Dan reviewed the lien process and the previous Resolution passed in 2010. Dan presented a red-lined copy of the Resolution to the Board, which brings the Resolution up to current practice. Dan also presented the list of properties presently lienied by the District. Dan then reviewed the late fees that the district charges. Staff had reviewed some of the large utility districts to see what their codes authorized them to charge on past due balances. Most charged 10% on past due balances. Staff reviewed different penalty rates and possible effects on revenue. Staff could look at all the local community utilities and what they charge. Staff needs clear direction of when and if the Board wants penalty waivers. Board was supportive of 10% penalty on new past-due balances plus interest on delinquent accounts, and the ability to waive penalties.

**Delegation of Spending Authority:** pulled.

**Loomis Trail Annexation:** Dan presented a letter sent the County regarding the Loomis Trail annexation area having been served by the District for water and sewer for many years, the County's response back, and a letter from the Boundary Review Board to not invoke jurisdiction on the annexation. Dan also presented a Resolution approving the annexation to the District. Dan then reviewed the accounting information on the payment and costs of the annexation to date. There are some additional costs that have not yet been billed. Board recommended that staff ask for payment of additional costs; with annexation retroactive to August 29<sup>th</sup>.

**WRIA 1 Watershed Plan:** Roger had a meeting on Sept 6 with Patrick Sorenson of Lake Whatcom Water & Sewer District and their attorney. The meeting went well, and Lake Whatcom W&S was interested in working with the District in developing a position for their district on the Lower Nooksack Strategy. Roger has drafted a letter to the County for Board review and has notified interested parties to anticipate the letter, with good response. There is a funding proposal going to the County on Sept 13. The Board authorized the letter to be sent.

**BBWARM:** Roger reported to the Board that the interlocal agreement brought by Kraig Olason seems to be moving along.

**Developer Extensions:**

Lincoln Park Retirement Home: this project is for a 170 unit retirement home off of Blaine and Lincoln Roads. CHS has made an initial review of this project. Dan noted that it takes at least the initial deposit to make the initial review. Dan has concerns regarding this project and would like Carmichael to review the letter going to the developer. There is a question whether sewer can be provided in a rural area to a grandfathered property no longer in an urban growth area. Board is leaving it up to staff to decide if additional deposit is required.

The Board meeting adjourned at **6:11** pm

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COMMISSIONER

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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 **September 8, 2011.**

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BOARD SECRETARY