

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD May 10, 2012

President Pat Alesse called the meeting to order at **4:30 pm**. Other persons present included Commissioners Don Montfort and Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Interim Finance Director Meredith Riley, and Jeremy Schwartz.

Agenda additions/changes: None.

Public Input: None.

Consent Agenda included: Minutes for the regular meeting of April 26, 2012; Accounts Payable Warrants #41501-41521 paying Claims #41501-41521 of \$74,478.19; April Payroll Warrants #7396-7404 and auto payments #10214-10227 for \$84,609.14 in total, including Federal EFTPS for April payroll of \$21,450.69, Manual Warrant #901144 of \$141.13 to Key Bank for March analysis, and first quarter Financial Reports. It was moved by Montfort and seconded by Reichhardt to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: None.

Customer Requests: Customer Mr. Dufour is asking relief of the \$4 late penalty assessed in March. Mr. Dufour's renter skipped out and left him with the utility bill and lock off charges. Mr. Dufour received the billing statement on April 7 and paid it on April 10. Board granted the relief.

Dr. Singh is asking for relief of the \$4 late penalty assessed in April. As he was late three times in 2010 and two times in 2011, according to the current policy he does not qualify. The Board asked staff to review the late penalty policy.

Request for leak credit \$241.80 for John Hall; the leak was fixed but not in the time frame of the policy. Board granted the credit.

Additional Accounts Payable: Accounts Payable Warrants #41522-41542 paying Claims #41522-41542 of \$24,633.44 were presented. It was moved by Montfort and seconded by Reichhardt to approve the additional Accounts Payable. The motion passed unanimously.

State Funding: Dan reported that the Public Works Trust Fund applications due date was extended to May 31. Don thinks the PWTF Board will allow additional funding. Dan indicated which applications are completed and sent in to the PWTF Board. These are: 1) Water project on Blaine Rd from the Double R Ranch to the Birch Bay Bible Church for \$1.5 million, and Automatic Meter Reading (AMR) program for \$1 million; 2) Sewer project for WWTP aeration upgrades for \$0.5 million. He has held off on Sewer Pump Station #3 to #4 capacity upgrades for \$1.6 million, and Pump Station #8 for \$0.35 million, and 3) Birch Bay Berm Pump Station #4 to #8 larger pipes for \$3 million. Dan is recommending putting in for \$1 million for water line along Birch Bay Drive, \$2 million for Pump Station 3 to 4, and \$3 million for Pump Station 4 to 8. Don doesn't think the County Berm project is very well considered. Dan will bring back the applications related to the berm project at the next Board meeting. The previous Blaine Rd transmission line project, Loomis Trail, Dan was thinking we should commit to the 5% local match. The Board agreed.

Cash Reserve Policies: Roger again spoke to implementing changes to the District's cash reserve policies based on FCSG's review of these issues. This included the current policies of \$2.6 million, results of FCSG study of \$1 million, then Staff recommendation for minimal level of \$748,686, and optimal policies for the Bond market of 1.75-2.0 for debt service coverage and 150-180 days cash balance. Roger walked the Board through rate modeling of each potential cash reserve policy. Roger will look at additional options for transitioning to increased cash reserves more slowly.

WRIA 1 Watershed Planning: Roger called some information to the Board's attention regarding WRIA 1 watershed planning issues. He then gave a presentation to the Board on the WRIA 1 watershed planning process, problems that have arisen, and possible solutions.

NPDES Permit: Dan reported that the NPDES permit is due on May 15, and we are close to being completed.

BBWARM Update: Dan and Emily had a quarterly meeting on BBWARM; Dan included the agenda for the Board. They got a good turnout for their first rain barrel workshop.

Developer Extensions: None to report.

Pat Alesse adjourned the Board meeting at **7:30 pm**.

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 **May 10, 2012**.

BOARD SECRETARY