

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD July 26, 2012

President Pat Alesse called the meeting to order at **4:30 pm**. Other persons present included Commissioner 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: Item #7 SCADA was moved to next meeting; and the personnel issue under Executive Session was removed.

Public Input: Three letters from the public were included in the packet to be reviewed.

Consent Agenda included: Minutes for the regular meeting of July 12, 2012; Accounts Payable Warrants #41694-41705 paying Claims #41694-41705 of \$17,205.69; July Payroll Warrants #7427-7428 and auto payments #10276-10285 for \$15,475.00 in total; Manual Warrant #901157 to Dept of Revenue of \$7,888.91 for July excise tax; Manual Warrant #901158 to Key Bank of \$131.97 for monthly analysis fee; and LID Assessment July interest and penalties of \$10,036.99. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

Public Input: The first letter stated that the owner had asked for the utility service at his rental to be terminated. He was told he would have to sever and cap his service to stop the base charges, which he chose not to do. The base rates have continued to be charged and have not been paid for over a year. The District has filed a lien on the property. Staff recommends no relief, and the Board concurred.

The second letter is from a renter that claims she did not receive the first bill from the District; she is asking for additional time to pay the first and second bills. Staff recommends removal of two late fees, and to extend lock-off for one additional week; the Board concurred.

The third letter is asking for the Board to waive half of his bill, as his renter skipped out without paying. The staff recommends no relief, and the Board concurred.

Dan spoke on changing to lock-off at two (2) months instead of the current four (4) months. This would make it possible to take partial payments, and also reduce the time that renters could incur charges without paying. Their landlords would know sooner that there is a problem with their tenant for non-pay. The Board would like staff to bring this back at the next meeting.

Developer Extensions: none.

Additional Accounts Payable: Accounts Payable Warrants #41706-41722 paying Claims #41706-41722 of \$14,293.26 were presented. It was moved by Reichhardt to approve the additional Accounts Payable. The motion passed unanimously.

Usage Update: Dan reported on this issue. Dan showed the weekly water usage trend for the summer months of 2010, 2011 and 2012. The trends show that usage is way down for June and July for 2012. We should be averaging 1.4M gpd and we're averaging 1M gpd; and we haven't hit our average for the peak day yet this summer. Dan then discussed the graph showing the revenue trends for 2011 and 2012 and the 6 year average. He used this information to project the revenue for 2012, and the forecast is an estimated \$165,000 shortfall. Dan then went over the budgeted capital projects, discussing some projects that could be moved forward into next year, with an estimated savings of \$145,000. Staff will continue to monitor revenue and expenditures.

Policy Updates: Dan spoke to these issues.

1. Fees and charges: Staff has several fees and charges that are being recommended to be reviewed. The Board would like to wait for Don to return to discuss this issue next meeting.
2. Adjustment to Utility Bill – Water Leaks. Dan proposed waiting for Don to return to review this policy; the Board concurred.
3. Dan reviewed a leak credit request with the Board that was outside of the time of the present policy. Staff recommends granting the request, and the Board concurred.

State Funding: The Public Works Trust Fund Loan Board has requested all applicants to review their project requests, and determine if some requests could be pulled as not immediately necessary. The PWTF Board has received projects over and above the moneys they have available.

As the PWTF Board has asked for responses by July 31, Dan has reviewed the District's applications. Dan recommends keeping all of the District's projects and with the same terms. The Board concurred with staff recommendation.

County Rural Element Update: Roger shared with the Board a memo from Sam Ryan, Whatcom County Planning Director to Whatcom County Council, recommending that the Council make the language change recommended by the District. Bob stated that he understands that the Council has accepted the change but must formally adopt it.

WRIA 1 Watershed Planning: Roger met with the Water Districts Caucus on July 18, 2012, and he reviewed with the Board the agenda and actions taken. Roger will be making a presentation on August 7 to the County Council Public Works Committee. Some of the Water Districts would like to move forward with an interlocal agreement to fund legal counsel. They asked Roger and the manager of Lake Whatcom Water and Sewer District to prepare a proposal and report back. Bob and Roger met with Lake Whatcom's attorney on this subject today.

Developer Extensions: None.

Meeting went into executive session at **5:21 pm** to discuss potential litigation. The time in executive session is estimated to be 10 minutes; no action is expected. The meeting came out of executive session at **5:35 pm**. No action was taken.

The Board meeting was adjourned at **5:35 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 **July 26, 2012**.

BOARD SECRETARY