

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **November 29, 2012**

President Pat Alesse called the meeting to order at **4:35 pm**. Other persons present included Commissioner Don Montfort, Commissioner Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Interim Finance Director Meredith Riley.

Agenda additions/changes: Executive Session on potential litigation, and discuss a customer request after Developer Extensions.

Public Input: None.

Consent Agenda included: Minutes for the special meeting of November 1, 2012 and regular meeting of November 8, 2012; Accounts Payable Warrants #41977-41983 paying Claims #41977-41983 of \$23,888.95; Accounts Payable Warrants #41984-42002 paying Claims #41984-42002 of \$13,252.08; November Draw Payroll Warrants #7470-7471 and auto payments #10372-10381 for \$15,475.00 in total; Manual Warrant #901169 to Elavon of \$813.24 for credit card fees paid in November; Manual Warrant #901170 to Key Bank of \$226.85 for bank fees paid in November; Manual Warrant #901171 to Dept of Revenue of \$14,662.32 for excise taxes paid in November; and Resolution No. 721 extending the Interim Finance Director position until December 31, 2013. It was moved by Montfort and seconded by Reichhardt to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: None.

Additional Accounts Payable: Accounts Payable Warrants #42003-42012 paying Claims #42003-42012 of \$1,747.90 were presented. It was moved by Montfort and seconded by Reichhardt to approve the additional Accounts Payable. The motion passed unanimously.

WRIA 1 Watershed Planning: Roger had a meeting with the Whatcom Water Districts Caucus. Roger reviewed the Whatcom Integrating Team meeting that Dan had attended on November 7, 2011. Roger briefly discussed his presentation to NW Business Club on November 14, 2012 and also a meeting with Whatcom County Public Works on November 16, 2012. Roger also attended a meeting with WASWD with Don Montfort and Bob Carmichael on November 20, 2012. Rod Kaseguma of WASWD will begin contacting water attorneys preliminarily, and suggested that a facilitator might be a good option, in addition to a water rights attorney. Roger will be attending the WASWD Board to put on a presentation in a workshop format.

It was suggested that the Whatcom Water Districts Caucus hire a water attorney to assess the water right needs for Whatcom County W&S Districts; also to share in the costs. The Caucus position on the LIO process was discussed. Roger said the group asked him to draft a letter for Caucus approval to DOE on the LIO process.

Don reported that Rod Kaseguma offered to share information on interlocal agreements that address hiring an attorney for multiple parties. Don would like someone from the Whatcom Water Districts Caucus to attend the meetings of the Whatcom Integrating Team, to keep track of what is going on.

Budget Review: Roger spoke to the 2013 Budget that was presented at the last meeting on November 8, 2012. Roger then spoke to the replacement of the Finance Director in 2013 and also the replacement of the accounting software during 2013. Roger would like the accounting software replaced by the third quarter and the decision on Finance Director replacement before the end of the year.

Don asked a number of questions regarding the 2013 Budget. Roger discussed that the water contract with the City of Blaine will be reviewed and updated in 2013. This may bring down the cost of water purchases. Dan reviewed the water and sewer rates in Whatcom County districts and cities. The District

is the lowest in the County among the entities surveyed. Dan then reviewed two potential ways to increase the rates in 2013. Roger said we will review the rates again next meeting.

Annual Meeting with the City of Blaine: Roger is trying to get a meeting date set up with the City of Blaine Public Works in December.

Headworks – County Pre-application Meeting: Dan reported on the Headworks pre-application meeting with the County. The County said they will try and get the project in front of the hearing examiner in six (6) weeks from application. Dan recommended moving forward with the Headworks building and the aeration basin for the hearing.

Fire Hydrant Policy: Dan reported that WASWD asked the District to review and comment on a draft Fire hydrant Legislative bill. Dan recommended that the District tell WASWD that they should support this bill. The Board was in concurrence.

Sager Lots: Dan attended the County sale which included the Sager lots, which did not sell. Bob thinks it's a little premature to lose interest in this issue. Bob thought we should attend the meeting at Double R Ranch and the County. Dan will attend.

Developer Extensions:

Bay Street Acreage and Harbor Shores: Dan stated that staff performed an inspection on this project. The District did receive the payment \$10,000 from Skip Jansen. Dan recommended that the Board accept the Bay Street Acreage project and close out both projects, and write-off any moneys outstanding.

Montfort moved and seconded by Reichhardt to accept the Bay Street Acreage project and close out both projects, without further payments. The motion passed unanimously.

Customer Request: Roger explained an issue with a customer account. It had to do with the customer trying to make partial payments on their account that were not accepted because of the District's policy. Dan explained that if we locked off accounts every two months, we could then accept partial payments. Montfort moved and Alesse seconded to forgive the \$35 lock off charge. The motion passed with Reichhardt voting against.

Executive Session: the meeting went into executive session at **6:24 pm** to discuss potential litigation. The time in executive session is estimated to be **20** minutes; action may happen. The meeting came out of executive session at **6:54 pm**.

Reichhardt moved and Montfort seconded that the District budget \$5,000 for the District's share of the cost of a water rights attorney in 2013. The attorney's services will be shared with other participating members of the Whatcom Water Districts through an interlocal agreement. Bob will draft the agreement. The Board expressed concern that costs be shared fairly, given that Roger has contributed most of the staff work to date, and that the District is also incurring Bob's legal costs. The District's initial position will be to put up \$5,000 and seek participation from other Caucus members. Roger will come back to the Board if additional funding appears to be needed.

The Board meeting was adjourned at **6:55 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 **November 29, 2012.**

BOARD SECRETARY