

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD **May 9, 2013**

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

**Agenda additions/changes:** Add an executive session for potential litigation; put in a VEBA discussion before Developer Extensions.

**Public Input:** None.

**Consent Agenda included:** Minutes for the regular meeting of April 25, 2013; Accounts Payable Warrants #42385-42397 paying Claims #42385-42397 of \$38,235.58 for 2013 Budget; April Payroll Warrants #7536-7544 and auto payments #10499-10516 of \$121,382.99 in total; Utility Billing adjustment charges of \$1,390.07 and credits of \$2,863.94; and LID Assessment adjustment charges of \$28.50 and credits of \$402.93 for April. It was moved by Reichhardt and seconded by Alesse to approve the Consent Agenda. The motion passed unanimously.

**Developer Extensions:** None.

**Additional Accounts Payable:** Accounts Payable Warrants #42398-42426 paying Claims #42398-42426 of \$38,846.74 were presented. It was moved by Reichhardt and seconded by Alesse to approve the additional Accounts Payable. The motion passed unanimously.

**Customer Account:** Meredith spoke to this issue. Mr. Scott Svege has LID Account 89008500 located at Birch Bay View Lots 84S & 85 that is a rental property. He is two years behind, having made a partial payment on year 2011, and is asking for relief on the interest and penalties on this property. He has been unemployed for seven months, and has just started working again. It was moved by Reichhardt and seconded by Alesse to **not** approve forgiveness of interest and penalties. The motion passed unanimously.

**WRIA 1 Watershed Planning:** Roger spoke to the Northern Light on some of the WRIA 1 issues and there may be a story in the Blaine paper next week.

There is a letter from Jack Louws to Roger regarding a number of WRIA 1 and Joint Board issues. He also asked Roger to participate in the Water Supply Symposium. Roger will seek clarification from Jack if the invite is as General Manager or as the Water Districts Caucus. If it is the Water Districts Caucus, Roger will discuss the issue further with the Caucus.

Roger discussed a number of other WRIA 1 issues.

Roger then gave the Board the current level of spending on legal fees on this issue as of the end of April.

**Payment & Collection Procedures:** Dan reviewed the proposed District newsletter on the new shutoff policy with the Board. Don had a question on the change in late charges. Dan will bring back the information on penalties and interest that the District can charge to the next Board Meeting.

**PWTF and SRF Loan Funding:** Dan updated the Board on State funding. There is nothing new on PW Trust Funds. Don also expressed that nothing has passed the State Legislature. The State Revolving Fund Loan (SRF) application will be updated and sent in next week. The County called Dan regarding the Berm project at Birch Bay, and they had a discussion on coordinating a District project with the County project and the timing of such a project.

**Accounting & Utility Billing Software RFP:** Dan went over the RFP list for the software, and what vendors made the short list. Don asked about having a utility usage chart print on the bills.

**VEBA:** Roger discussed potential changes to the Affordable Care Act and VEBA payments and changes in 2014. Specifically how this may affect retirees.

**Developer Extensions:**

The Reserve at Semiahmoo

Dan discussed the Semiahmoo project with the Board regarding a will-serve letter. Dan reviewed the Commission policy on Limited Availability of Water and/or Sewer Service with the Board. He then reviewed the letter that was sent to the developer advising him to get clarification from the County whether the property can be served by public sewer.

**Executive Session:**

The Board went into executive session at **5:26 pm** to discuss potential litigation. The anticipated time in executive session is 15 minutes; possible action is expected. The meeting came out of executive session at **5:39 pm**.

Roger asked for approval of the Professional Services Agreement with the Water Rights Attorney with the change noted. The motion was made by Alesse and seconded by Reichhardt to authorized Roger to sign the Professional Services Agreement. After discussion, it was decided that the change noted was not necessary. It was also noted that the agreement is still circulating for comment among the parties to the interlocal agreement. The motion passed unanimously.

The motion was made by Reichhardt and seconded by Alesse to approve the Horizons settlement agreement. The motion passed unanimously.

Dan asked if the District should continue to send the new owner of Horizons a bill for the irrigation account. Bob suggested sending a letter to the new owner. Dan had a question on any moneys left over in the developer extension account. Bob thought the District had the right to pay bills related to this project with this money.

Carmichael discussed the RCW that governs utility penalties and interest. The Board then concurred that the District newsletter looked fine and should go ahead and mail it with the next billings.

The Board meeting was adjourned at **5:59 pm**.

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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 **May 9, 2013.**

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BOARD SECRETARY