

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **December 12, 2013**

President Don Montfort called the meeting to order at **4:33 pm**. Other persons present included Commissioner Carl Reichhardt, Commissioner Pat Alesse, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael and Finance Director Sandi McMillan. In the audience were Peter Winterfeld and Ken Hoffer.

Roger announced that Bob needed to leave at 5:30 for another meeting so the agenda as presented is updated to reflect topics that may need his input in the beginning of the meeting.

Public comment:

Birch Bay Village staff were present to discuss a property they owned and its delinquent amount due to the District. The Village had acquired this property through a judicial foreclosure and they explained other details. District policy on 'capping off' services was mentioned by Dan Eisses. Commissioners were briefed on District billing policy to the property owners. District staff will explore the possibilities on the request and report back to the Commissioners. Audience members left at 4:50.

Ian Ferguson, a reporter from the Northern Light arrived at 5:07.

Consent Agenda included: Minutes for the regular meeting of November 14, 2013. Accounts Payable Warrants #442872-42874, paying for claims #42872-42874 for \$3,616.14 for 2013 budget; and Warrants #42875-42909, paying claims #42875-42909 for \$67,666.93 for 2013 budget; and Payroll Warrants #7609, Warrants #11686-11695 paying claims #7609, 11686-11695 for \$16,400.00 and Payroll Warrants #7610-7618, #11696-11714 paying claims #7610-7618, #11696-11714 for a total of \$141,298.65 for the 2013 budget; Manual warrants: MW901212 \$1,044.74, MW901211 \$37.53, MW901210 \$183.40, MW901209 \$15,874.33. Utility billing adjustments for November of \$1,052.50 and (\$1,232.85). It was moved by Carl Reichhardt and seconded by Pat Alesse to approve the consent agenda. The motion passed unanimously.

Four additional manual warrants for December 2013 were motioned by Don Montfort to be added to the consent agenda and approved. These had been included in the Accounts Payable section. The motion was seconded by Pat Alesse. The motion passed unanimously. The Manual Warrants are MW901213 for the Dept of Revenue \$8,930.89, MW901214 for Key Bank \$166.76, MW901215 for American Express \$42.20, and MW901216 to Elavon for \$650.08.

Developer Extensions: None.

District Treasurer Position:

Roger followed up on a question from Don at the previous Board meeting regarding the District code in terms of the Treasurer responsibilities. Internal controls during audit function were discussed. The resolution was proposed and discussed further. It was moved by Pat Alesse to pass Resolution 728. The motion was seconded by Carl Reichhardt. The motion passed unanimously.

Annual Blaine meeting:

Dan discussed the meeting and Roger shared information on the Interlocal agreement under which the District and City share costs on certain tasks. The Commissioners reviewed watershed planning and scope of tasks involved. Roger indicated there was conceptual agreement to pursue the Groundwater Management Plan update for the Drayton Harbor Watershed and to implement a task order to secure \$5,000 in City support to watershed planning.

It was moved by Carl Reichhardt that the "Third Amendment to Agreement for Wholesale Water Supply" with City of Blaine be signed by Roger. The motion was seconded by Pat Alesse. The motion passed unanimously.

2014 Water and Sewer Rates:

Dan started the rate conversation by explaining a usage of water graph. Since 2009 usage has fallen significantly. In the past the district had used a six year average of usage to establish rates, however for 2014 budget we moved to a three year average for usage to set more accurate rates. The data showed that 2014 usage would fall between 1%-2%. Dan continued by tying back to the Commissioners request from last meeting of an approximately 4% rate increase. And the desire by the Commissioners to add that rate increase to both the fixed and variable component. Three exhibits were explained for the different usage assumption and fixed/variable bases.

Commissioners responded that the three proposed rate exhibits look very similar, but Exhibit 3 looked best by them. The 2014 water and sewer rates Resolution 729, with Exhibit A, which as presented was the third to be approved, was made by Carl Reichhardt. The motion was seconded by Pat Alesse. The motion passed unanimously.

WRIA 1 Watershed Planning:

“Amendment #1 to the Interlocal Agreement between the Birch Bay Water and Sewer District, Columbia Valley Water District, Glacier Water District, and Whatcom County Water District #13”, was moved to be approved by Carl Reichhardt. The motion was seconded by Pat Alesse. The motion passed unanimously.

Discussion continued between Roger and the Commissioners about the WRIA 1 Planning Unit. Commissioners felt that legal support resources are needed to understand watershed issues as the planning unit continues.

Roger shared the Whatcom Water District Caucus (WWDC) information. He explained the open public meetings act opinion in the memo from Bob Carmichael and its application to meetings that the Commissioners attend. He believes the Planning Unit needs to use parliamentary procedures rather than consensus in order to have meetings function efficiently. Roger shared a proposed work plan for the Planning Unit and also explained Dan’s review of data gaps identified in the “2005 Watershed Management Plan.” The Board also discussed in stream flow issues.

Pat emphasized elected official presence on the planning unit, and that transparent governance is a slow yet necessary process.

Customer request:

Sandi recommended that Mrs. Martin’s request for relief of \$35 lock-off fee should occur as the circumstance to the customer’s lock-off was exceptional. Commissioners discussed billing process and lock off procedure. Relief of lock off fee was approved by Don and unanimous amongst Commissioners.

On the prior Birch Bay View request from the prior Board meeting, District staff had researched the total penalty and those were shared with Commissioners. This request has no special circumstances to set his account apart from the others. Dan shared additional information on this issue will be available at the next meeting.

Headworks Update:

Dan gave a project update by detailing excavation work that began last week. Over excavation, fabric and gravel will resolve an issue of unstable clay materials. Dan is pleased with progress on this project given the soil conditions. He also shared District staff Emily’s involvement inspecting.

Additional Accounts Payable: Warrants #42910-42919, to pay claims #42910-42919 for \$8,288.50 were reviewed. A motion was made by Carl Reichhardt to approve the additional accounts payable as presented. The motion was seconded by Pat. The motion unanimously passed.

Billing procedures discussion:

Dan followed up on a prior Commissioner question regarding pre-shut off requests for extenuating circumstances. He mentioned that customers usually pay their bill even during extenuating circumstances. Staff have observed customers are now use to the new billing procedures and for a majority of customers we would follow the usual deadline policy. However, for extenuating circumstances a grace period could be granted which would reduce the number of customers that would make requests to Commissioners. Commissioners discussed in detail and granted the District an extension of due date, to grant customers that come to the District prior to getting shut off from services. This concept was moved for approval in principle and the District staff will return with a policy at the next meeting. Pat Alesse moved that the concept be approved, Carl Reichardt seconded the motion and it passed unanimous.

Logics Software Implementation:

Implementation, training and data conversion was discussed. Commissioners were happy with the progress.

Developer Extensions:

Commissioners discussed the property and details.

The Board meeting was adjourned at **6:54 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 **December 12, 2013**.

BOARD SECRETARY