

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD **February 27, 2014**

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

Audience members included Nathan Dalla Santa, reporter from the Northern Light; Jerry Williams, Director Community Assistance Program of Blaine; and Ed Magner, District customer.

Agenda additions/changes: The Commissioners reordered the agenda to move the customer account leak credit review regarding Ed Magner to occur after the consent agenda.

Public Input: None.

Consent Agenda included: Minutes for the regular meeting of February 13, 2014; and MW901217 January 2014 American Express fee of \$38.85. It was moved by Don Montfort, and seconded by Pat Alesse to approve the consent agenda as presented. The motion carried and passed unanimously.

Customer Accounts: Ed Magner, a District customer, asked the Board for a leak credit adjustment of \$4,395.60. He brought property details to the attention of the board including the fact that the residence is currently vacant and he has plans to tear down the current structure and sell the property. Thus he didn't notice the water pipe broke until a realtor called and informed him. Ed Magner explained that he shut off the water at the meter immediately when the leak was identified, however he would rather not repair the leak as he plans to sell the property.

Dan Eisses further explained that the shut off valve isn't installed and the leak is not repaired so currently it doesn't meet the District's policy on leak credit adjustments. Mr. Eisses reminded the Commissioners of a similar situation in 2007 where a leak credit was approved without leak repair but the meter was pulled.

Don Montfort recommended pulling the meter until the property needs water service restored and Ed Magner agreed. Don Montfort moved the approval of leak credit with removal of the meter. Pat Alesse seconded that motion. The motion was carried and passed unanimously. District staff reminded Mr. Magner the regular monthly charges would continue even though no services were being used.

Developer Extensions: None.

Community Assistance Program (CAP): Sandi McMillan brought forward the Resolution 730 and MOU with the CAP for the Commissioners decision. The program will allow District customers to donate so that low-income customers in need can receive assistance on their utility bill. Jerry Williams spoke about CAP operations and other funding sources the CAP receives to provide support to eligible people. The CAP annual report and last year's supported customers account details were distributed to the Commissioners. District clients will be served first by BBWSD dedicated funds and then by other CAP resources. It was moved by Don Montfort to approve the Resolution #730 and the MOU. Pat Alesse seconded the motion. The motion was carried and passed unanimously.

Blaine Coordination: Dan Eisses summarized a recent monthly meeting with Blaine. His update included information that Whatcom County had notified the City of Blaine of a seismic retrofit bridge project that is scheduled for May of 2015. Conversation continued with Commissioners expressing interest in location and effect on services, as well as alternative ideas for location of the water line during the project.

WRIA 1 Watershed Planning: Roger Brown updated the Board on a number of recent watershed planning related meetings. The Planning Unit meeting on 2/26/14 was debriefed and attendance discussed. One of the agenda items for the planning unit meeting was continued discussion on the Whatcom County Council agenda bill. DOE participation in the Planning Unit was discussed. Roger Brown gave Nathan Dalla Santa a copy of the "Draft WRIA 1 Planning Unit 2014 Annual Work Plan". Also, Roger Brown indicated a press release regarding the draft work plan was expected to be issued soon. Mr. Brown also highlighted two current event articles and Don Montfort requested additional information regarding the non-profit listed in one of those articles. Lastly, Roger Brown discussed the proposal to the Washington Association of Sewer and Water Districts as scheduled for March and reviewed the approach to this presentation.

Headworks Update: Dan Eisses updated the Board on the progress of this project, citing current freezing weather conditions as delaying the next large concrete pour. He hopes that on Monday 3/3/14 the concrete pour will commence.

Verizon Lease Kickerville: Dan Eisses presented the Commissioners with information on the Verizon Cell Tower proposal at the Kickerville Water Tank. Mr. Eisses relayed that Verizon wants to begin the permitting process with Whatcom County. He presented a summary table of similar Verizon leases in other water and sewer districts in the Seattle and Northern areas. Since Verizon defines their rate setting dependant on the customers in the area and benefit, Mr. Eisses researched the City of Blaine leases and learned those are compensated at \$1,395/month. He also followed up on the Commissioners prior question of trees that would be cut down, answering there will be eleven. He also clarified that future carriers wanting to join this particular proposed tower at Kickerville would be handled by the carriers approaching the District and also Verizon since it's their equipment. Mr. Eisses had asked Verizon if they would not unfairly restrict future carriers. Possible contract language would be considered to address that concern.

Don Montfort asked several questions on the lease proposal, including: the egress location, the size of the leased area, the new gravel road proposed, and whether the comp plan included anything about the site. Dan Eisses answered that only earthquake improvements for the reservoir were identified in the comp plan.

He also brought to the attention of the Commissioners that the water tank is out of the District's service area. He said that for that reason, the cell tower lease would financially benefit District customers, while the parties living immediately around the tank might have concerns.

Mr. Eisses proposed approaching Verizon for a revised lease more similar to the City of Blaine leases and not to allow Verizon to begin the permitting process. The Commissioners agreed with District staff to negotiate for a lease rate similar to City of Blaine.

Additional Accounts Payable: Vouchers MC5 and 148-174, paying warrants MC5 and 43482-43504; for budget year 2014 were presented totaling \$36,777.22. It was moved by Don Montfort to approve the additional accounts payable as presented. The motion was seconded by Pat Alesse. The motion was carried and passed unanimously.

Logics Software Implementation: Sandi McMillan updated the Commissioners that implementation of the new billing, payroll and accounting software is nearing completion. Few milestones remain with estimated completion of ULID assessments in the next few months. Recently, temporary staffing was used to catch up on filing. Staff looks forward to completion of this software implementation project. Commissioners commended District staff on this accomplishment.

Customer Accounts: Sandi McMillan presented account 140003600 for a water leak credit adjustment of \$2,173.05. She informed the Board that the adjustment met District policy "Adjustment to Utility Bill-Water

Leaks", but for being over the \$1,000 staff allowance. Don Montfort moved that the leak credit adjustment be approved. Pat Alesse seconded the motion. The motion carried and passed unanimously. Sandi McMillan presented a request for late fee removal on a water leak credit adjustment on account 70007000. Pursuant to District policy "Adjustment to Utility Bill-Water Leaks", this customer received a water leak credit but incurred a \$14.83 late fee. Mrs. McMillan brought to the attention of the Commissioners that the District is in the process of amending this policy to include removal of related late fees. Don Montfort moved that the late fee be removed. Pat Alesse seconded the motion. The motion was carried and passed unanimously.

Dan Eisses brought account #40010506 for discussion to remove \$285 in lock off fee and after hours service reconnection. District code was indicated by Mr. Eisses to include reconnection of service once all fees and charges have been paid. Staff applied the code correctly. Don Montfort explained that this type of situation is an "issue of the heart" and District management should find exception to code. Further conversation occurred with Code, Policy and notification of customers prior to lock off of services. Don Montfort moved to refund the \$285 thru issuing a check to the account holder. Pat Alesse seconded the motion. The motion was carried and passed unanimously.

Lastly, Mr. Eisses followed up on a prior Commissioner's question concerning lock off volume. He described two graph handouts concerning data on the most recent lock offs compared to those prior to the billing cycle changes. He explained the bills are much smaller now averaging \$100-\$150/month rather than the prior billing process which was \$250-\$300/month. He suggested we should wait a little longer to see more data and base our decisions on data rather than the few recent exceptions. The proposed billing chart was discussed.

Developer Extensions: None

Before the end of the meeting, Roger Brown handed out a copy of the statement the Department of Ecology made on County funding of the Planning Unit. This statement was presented at the last meeting of the Planning Unit.

The Board meeting was adjourned at **6:11 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 **February 27, 2014**.

BOARD SECRETARY