

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD August 28, 2014

Board President Pat Alesse called the meeting to order at 4:33pm. Other persons present included Commissioner Don Montfort, Commissioner Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Finance Director Sandi McMillan, and IT Specialist Dustin Sellinger. Two audience members were also present: Ronald DeBoer, and Tim Golovashev.

Public Input: None

Agenda additions/changes: None

Consent agenda included:

2. **Minutes of August 14, 2014 Regular Meeting**
3. **Manual Checks:**

Elavon credit card fees for July 2014 MC#36	\$ 770.83
American Express fees for July 2014 MC#37	\$ 8.24
Invoice Cloud monthly service fee for July 2014 MC#38	\$ 53.40
Sage Pymt Solutions on-line credit card fees for July 2014 MC#39	\$ 242.25
Sage Pymt Solutions extra portal fee July 2014 MC#40	\$ 10.85
Key Bank analysis fees for July 2014 MC#41	\$ 286.05
Dept of Revenue excise tax for July 2014 MC#42	\$10,187.69
4. **ULID Adjustments (July 2014)** \$ 5,418.61
5. **Utility billing adjustments (July 2014)** \$ 1,901.94
6. **Void Check #43871** to KCDA Purchasing Cooperative \$ 150.61

Mr. Reichhardt noted more manual checks were in the consent agenda this month and asked to meet with Sandi McMillan to understand the credit card fee transaction fees. All three Commissioners agreed they would like to meet also to understand the fees. Mrs. McMillan will make those meeting arrangements.

It was moved by Mr. Montfort to approve the consent agenda. The motion was seconded by Mr. Reichhardt. The motion passed unanimously.

Double R Ranch: Roger Brown stated the process for opening the sealed bids. He explained that the Board President, Mr. Allesse will open the bids and then hand them to the attorney to review and then to Mrs. McMillan to record on the worksheet. Mr. Allesse opened the only two bids the District received. The worksheet prepared by Mrs. McMillan noted one of the bids was not on the District bid form. Mr. Carmichael noted the bid form announces the terms of the sale and is an important part of the bid process. Mr. Carmichael recommended not accepting Mr. Golovashev's bid as it was handwritten and not on a bid form and lacked the terms of the sale. Mr. Carmichael also noted Mr. Golovashev's bid was for lot 10 whereas we were selling lot 10w. The Commissioners questioned whether the handwritten bid was a "minor irregularity" as mentioned in the Bid Form. Mr. Carmichael advised the handwritten bid was not a minor irregularity.

Mr. Montfort moved to reject Mr. Golovashev's bid. Mr. Reichhardt seconded the motion. The motion passed unanimously.

Mr. Montfort moved that Mr. DeBoer's bid was in conformance with the terms on the bid form and to accept Mr. DeBoer's bid of \$37,100 for lot 10W. Mr. Reichhardt seconded the motion. The motion passed unanimously.

Mr. Montfort moved to authorize the General Manager to waive existing water and sewer assessments from the property and for Mr. Carmichael to work through escrow to finalize the sale. Mr. Reichhardt seconded the motion, which passed unanimously.

Mr. Reichhardt moved to have Mr. Brown sign Mr. DeBoer's bid form as bid accepted. Mr. Montfort seconded the motion. The motion passed unanimously.

Mr. Reichhardt asked how to proceed with selling lots 80 and 84 & 84A. Mr. Eisses mentioned feedback from interested parties that have walked those lots. There is a concern as to what the County requirements for development would be. Mr. Reichhardt suggested the District get a 'predevelopment' assessment from the county on the three remaining unsold lots. Mr. Carmichael suggested we get a wetland delineation. The Commissioners instructed District staff to get either or both the predevelopment and wetland delineation. Mr. Reichhardt mentioned his experience has been delineation first and then predevelopment letter. Mr. Eisses will proceed with getting either the delineation or the predevelopment letter or both.

Developer Extensions:

Finance Report: Mrs. McMillan presented a memo comparing the PWTF loan program to traditional bond financing. The memo indicated District customers have saved an average of about \$900 each over twenty years due to the District financing infrastructure improvements through the PWTF loan program.

Mrs. McMillan updated the Board on the recent WASWD L&I retro rating program reimbursement. She stated that since 2005 the District has averaged an effective \$1,6777.04 per year in savings due to participation in the program. She indicated the Third Party Administrator fees as 23% of the return from the program and that seemed high for the technical assistance actually received. Mr. Brown offered to follow up with WASWD with feedback on the Third Party Administrator.

Mrs. McMillan informed the Board that the State Auditor's Office will begin conducting their audit on September 15, 2014 for the years 2012 & 2013. The Commissioners requested she send them the entrance and exit meeting dates and times.

Blaine Coordination: Mr. Eisses explained the coordination meeting this month consisted of a telephone conference, rather than a face to face meeting due to the City of Blaine's workload. The SOS developer extension was discussed.

Mr. Brown mentioned scheduling a meeting with City of Blaine at the District's office to discuss the concept paper on the Interbasin Water Transfer project. He said highlighting connection fee revenue and decreasing the discharges will be part of that meeting. Mr. Brown also highlighted a potential funding plan related to the Interbasin Water Transfer project.

Coordinated Water System Plan (CWSP) Meeting:

WRIA 1 Watershed Planning: Mr. Brown updated the Board on the 8/27/14 Planning Unit meeting. He read and discussed the notes from Skip Richards. Mr. Brown highlighted the need for coordinating water resource with land use and salmon recovery planning processes.

Mr. Carmichael said he was contacted by Mr. Hirst for a meeting to discuss two recent letters Mr. Carmichael had written on to the County Executive regarding watershed planning issues.

Mr. Brown handed out the email from Gary Stoyka regarding a “2014 update of the Data Integration Project”. Mr. Brown indicated a need to peer review this work.

Headworks update: Mr. Eisses showed a series of pictures of the Headworks equipment after it has been in operation for a few weeks. He explained there is an auger after the screens that feed an inclined auger which then dries out the screenings. That inclined auger has technical issues with getting slowed down and stuck by items within its bristles. He is impressed with the volume of grit being extracted. He brought to the attention of the Board there are two grit testing services that can be purchased which would total approximately \$17k. Mr. Eisses recommends not doing the grit tests as visual inspection of the grit volume supports the concept that it is working sufficiently. Mr. Eisses also said the screenings are not appearing in the primaries and there has been no need for vactoring grease out of the primaries either. Mr. Eisses is having the supplier come back out to inspect the binding issues. Mr. Montfort shared that he thought the grit testing costs were too high and that testing should not be pursued.

Accounts Payable & Payroll: Accounts payable of \$240,764.42 for checks #43953-43984, paying vouchers 906-976 and July 2014 payroll for \$147,494.75. Mr. Montfort moved to approve the additional accounts payable. Mr. Reichhardt seconded the motion. The motion passed unanimously.

BBWARM Water Line Conflicts: Nothing to report per Mr. Eisses.

Customer Accounts: Mrs. McMillan explained the two customer accounts included in the Board binders. Account #130045600 customer requested to waive all or part of its recent fees of \$285 (\$250 after hours return of service and \$35 lock off fee). Mrs. McMillan discussed the customer letter and highlighted the District's auto-debit payment system, and that some customers make payments in advance of vacation. The Commissioners denied the customer request.

Account #90009624/90009628 customer request letter was read. Mrs. McMillan indicated she had prepared a timeline of events and reassured the board that the delinquency certification process and lien process were followed correctly. The Board felt compassion for the circumstances of the customer but denied the request to waive the fees.

September 11, 2014 Board Meeting: Mr. Brown and Mr. Eisses informed the Board they will not be available for the 9/11 Board Meeting. Mr. Montfort will also be absent. Mr. Montfort moved to cancel the 9/11/14 meeting. Mr. Reichhardt seconded the motion. The motion unanimously passed.

Developer extension: Mr. Eisses brought the Interlocal Agreement between the City of Blaine and the District regarding SOS developer extension. Article 2.3 was discussed as Blaine inserted hold harmless language for their interests. Article 1 was also discussed in terms of the 10 year termination language inserted by Blaine wasn't definitive per Mr. Eisses. Commissioners agreed with staff recommendation to edit the language in Article 1 to include approximately: “If the service area transfer becomes permanent, the COB is required to pay the District the currently applicable connection fee,” with the actual amount due stated in the agreement. With this change, the Commissioners indicated they would be comfortable with Mr. Brown signing the agreement.

Executive session: None

Mr. Carmichael left at 6:30 pm

The Board meeting was adjourned at **6:52 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 **August 28, 2014.**

BOARD SECRETARY