

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT  
HELD **October 23, 2014**

Acting Board President Carl Reichhardt called the meeting to order at 4:30 pm. Other persons present included Commissioner Don Montfort, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael (arrived at 4:40), Finance Director Sandi McMillan and Operations Manager Mike Sowers. Absent was Commissioner Pat Alesse.

**Public Input:** None

**Agenda additions/changes:** The Board deleted items #13, #15 and #18 as there was no information to discuss and also moved the tour of headworks project to follow the public hearing. On #6 Roger Brown stated that because the public hearing would only be informational with no decisions to be made, he was recommending removal of actions establishing GFC and amounts due on utility bills for this item. The Board agreed with this change.

**Consent agenda included:**

3. **Minutes of October 9, 2014 Regular Meeting**

4. **Manual Checks:**

Vendor	Service Month	Manual Check	Description	Amount
Key Bank	Sep-14	49	Bank fees	\$ 208.57
Sage Pay. Solutions	Sep-14	50	Online bill merchant fees	\$ 348.47
Dept of Revenue	Sep-14	51	Excise and use tax	\$ 9,956.17
Elavon	Sep-14	52	Merchant fees	\$ 704.41
American Express	Sep-14	53	Merchant fees	\$ 22.51
Invoice Cloud	Sep-14	54	Online bill payment site	\$ 58.50
Paychex	Sep-14	55	Payroll fees	\$ 286.98
			Total manual checks	<u>\$ 11,585.61</u>

5. **2014 3rd Quarter Financial Statements**

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

**Public Hearing:** Mr. Reichhardt opened the public hearing at 4:35 for the Local Facility Charges (LFC) for the accounts in the Double R Ranch. There was no public present. Mr. Reichhardt closed the public hearing at 4:36 pm and announced action will be taken at a later meeting on the LFC, General Facility Charges and delinquent accounts.

**Headworks tour:** Mr. Sowers led the group of attendees on a tour of the recently finished wastewater treatment plant headworks project.

**Developer Extensions:** None

**Finance Report:** Mrs. McMillan reviewed the 2015 Preliminary Budget as presented in each person's budget binder. Mr. Eisses spoke on vehicles in the Capital Improvement Plan (CIP) and indicated which vehicles should

be purchased in each of the ten years. He summarized water and sewer CIPs and noted that the CIP included comprehensive water and sewer plan updates for 2015. He reminded the Board that when the County does their 2016 comprehensive plan we will have ours completed and ready to be incorporated into the County's document.

Mr. Montfort spoke on the Public Works Trust Fund application for the Automated Meter Reading program. He said at a recent conference he heard the PWTF Board person suggest a correction to the AMR loan application could be made and we could reapply in the next loan cycle. District staff offered to follow up with the PWTF Board person to learn more of those details.

Mrs. McMillan informed the Board that the State Auditor's Office (SAO) exit meeting occurred 10/13/14. The Commissioners said they received the email from the SAO and the four verbal exit items. Mrs. McMillan passed along the SAO's comment in the email that the District had a very clean audit for 2012 and 2013.

**Risk Pool Updates:** Mr. Eisses said that he and Mrs. McMillan went to the semi-annual risk pool update. He spoke on the insurance pool confidence level, the allocation plan and a formula change in how the risk pool will allocate premiums. Mr. Eisses also spoke on a handout he included in the Board binder "claims 101 summary" and how important it is for District staff to consistently handle claims. He reminded staff that District vehicles involved in an accident must result in a call to the police to record the accident. Mr. Eisses and Mrs. McMillan shared with the Board the fact that the Risk Pool update meeting gives Districts a great opportunity to network and Mr. Eisses highlighted a new idea he learned from another District that they lock-off water service to delinquent accounts by using a zip tie and honor unlock process. He will look into that new idea further with District staff.

**City of Blaine (COB) Coordination:** Mr. Eisses met with City of Blaine staff regarding the Peace Portal Bridge waterline project. He showed the Board a summary of the recommendations. Alternative C and D were no longer considered. The consultant said the best earthquake consideration would be to bore the pipe underground. Mr. Eisses noted that if the waterline were bored it would be the only main water supply line to the District from Blaine that wasn't hanging on a bridge.

Paying for the project was discussed by Mr. Eisses as three different options were presented. Mr. Eisses said the first option was that the District would pay depreciation and a rate of return per its water supply contract with City of Blaine. He said the other option would be utilizing the Regional Connection Charge revenue as a payment for the project. He presented the third option as paying cash for half of the contracted project costs.

Mr. Reichhardt said he believed the bore would cost more than the listed amount. Mr. Montfort wanted more information on the benefits of directional drilling. The Commissioners directed staff to continue investigating options for the project.

Mr. Brown spoke on the status of the Interbasin transfer project concept paper, which he expects to be presented to the Blaine City Council in November.

**Coordinated Water System Plan (CWSP) Meeting:** Mr. Brown indicated a letter from Whatcom County convening the Water Utility Coordinating Committee (WUCC) and he recommended the primary representative as Mr. Eisses and the alternative representative as himself. The Commissioners were amenable to this approach.

**WRIA 1 Watershed Planning:** Mr. Brown updated the Board on the recent meeting of the Planning Unit (10/22/14). He said one topic at the meeting was to direct that approval of the agenda to be the first item of business at their meetings. The Draft Workplan was discussed, with the Water Districts Caucus taking the position that the Lower Nooksack Strategy had neither been reviewed nor approved by the Planning Unit. He said the Water Districts Caucus' position that instream flow and closure rules needs to be a major focus of the

work plan attracted some support. He reviewed several documents and emails focused on WRIA 1 Planning Unit issues.

**Accounts Payable:** Mrs. McMillan presented the details for Accounts Payable of \$122,060.34 for check numbers 44088-44128 and vouchers numbered 1147-1237. Mr. Montfort moved that the Accounts Payable be approved as presented. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

**Community Assistance Program (CAP):** Mrs. McMillan presented the first quarterly report from the CAP and indicated many District customers are utilizing the CAP utility payment service. She reminded the Board that the CAP service is for customers who are about to have their water service terminated due to a delinquent account. She highlighted a portion of the CAP report that illustrated Salvation Army vouchers were used to satisfy the current demand level of District customers. The Commissioners were interested in utilizing District contributions for District customers so staff will follow up with the CAP on those comments.

**Customer Accounts:** Mrs. McMillan presented Account #20000938 which requested a waiver of the \$35 shut off fee. She explained the customer request and further highlighted staff recommendation based on the policy for utility shut off includes prior notice by the customer to the District of extenuating issues. The Commissioners denied the requested waiver based on staff recommendation in the context of current policy.

Mr. Eisses presented an account 110003100 as a termination request but the paperwork from the customer wasn't correctly submitted. He said that when the District staff requested the information be corrected the customer was delinquent in replying. Mr. Eisses recommended the remaining fee of \$22.50 be removed. The Commissioners agreed with Mr. Eisses for removal of the fee.

**Executive session:** None

The Board meeting was adjourned at **7:09**

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COMMISSIONER

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COMMISSIONER

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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 **October 23, 2014.**

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BOARD SECRETARY