

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT
HELD December 11, 2014**

Board President Pat Alesse called the meeting to order at 4:33 pm. 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 Information Technology Specialist Dustin Sellinger.

Public Input: None

Agenda additions/changes:

Consent agenda included:

2. Minutes of November 13, 2014 Regular Meeting

3. Manual Checks:

Vendor	Service Month	Manual Check	Description	Amount
State of Wa Dept of Revenue	Nov-14	62	October Excise and Use Tax	\$ 15,593.82
Paychex	Nov-14	63	November Payroll Fees	\$ 663.11
Invoice Cloud	Dec-14	64	November Online Bill Pymt Site	\$ 50.00
Sage	Dec-14	65	November Merchant Services	\$ 375.55
Elavon	Dec-14	66	November Merchant Services	\$ 506.00
Total manual checks				\$ 17,188.48

4. November 2014 Utility Billing Adjustments \$ 1,847.53

5. November 2014 Payroll \$161,216.67

Mrs. McMillan briefed the Board of a November 2014 payroll correction that will be made in December 2014 during the regular processing of payroll.

Mr. Montfort moved to approve the consent agenda as presented. The motion was seconded by Mr. Reichhardt. The motion was carried and passed with Mr. Alesse abstaining. Mr. Alesse mentioned since he wasn't at the last meeting he didn't want to approve the minutes of that meeting.

Finance Report: Mrs. McMillan stated to the Board that according to the 2015 budget schedule this meeting is the last scheduled budget presentation. She said the budget binders had been updated with expenditure and revenue amounts through November 2014. She also included a combined summary by account to follow up on Mr. Montfort's recommendation at the last meeting and she commented the combined summary is helpful. Although the updated expenditures and revenues didn't change the estimated year end cash balance materially it did result in an updated 2015 budget. She also presented the revenue model which included four scenarios and recommended the 5% revenue increase for 2015 as it maintained a sufficient cash balance for capital improvement projects.

Dan Eisses spoke on the two potential City of Blaine capital projects which would be cost shared. The Peace Portal Bridge waterline project and the Interbasin Water Transfer project are two potential shared City of Blaine and District projects. He said that since cost sharing would occur our financial commitment would need

to be listed in our Capital Improvement Plan (CIP). He proposed to fund the two projects by delaying a total \$250,000 worth of currently scheduled CIP projects.

Mr. Eisses described the meter “flat rate” worksheet analysis and also described how the District historically has billed the flat rate meter charge. He recommended the District adopt a per meter charge for water customers only rather than the historical method of applying the charge to both water and sewer customers. He also described the effect of the adopting this new application of the meter charge to water only customers and the effect to multi units on a single account. Mr. Eisses handed out a multi unit analysis showing the increased cost to multi units and Mr. Sellinger further discussed the equity of adopting the water only customer meter charge.

Mr. Montfort moved to adopt the 2015 budget of \$6,204,995 which included operating expenses of \$3,267,339, capital improvement projects of \$2,506,200 and debt payments with interest of \$431,456. The motion was seconded by Mr. Reichhardt. The motion was carried and passed unanimously.

Mr. Montfort moved to adopt the Resolution 737 establishing rates and Exhibit A as presented which indicated a 5% revenue increase. The motion was seconded by Mr. Reichhardt. The motion was carried and passed unanimously.

Mr. Sellinger left the meeting.

Public Works Trust Fund (PWTF): Mr. Eisses mentioned there will be a presentation scheduled soon to discuss with legislators the effects of diminishing PWTF monies on infrastructure.

City of Blaine (COB) Coordination: Mr. Brown reported on a recent meeting with City of Blaine staff regarding the Peace Portal Bridge waterline project and the Interbasin water transfer project feasibility monitoring well. He said they discussed a tentative budget for both projects. He said the District’s share of the projects combined will be about \$250,000. Mr. Brown also described a potential interlocal agreement with City of Blaine which would include a potential \$5,000 COB contribution toward the District’s continued work at the Planning Unit.

Mr. Eisses recommended to the Board that a contract for a hydrologist will need to be approved soon. The hydrologist is needed in regards to the Interbasin Water Transfer project and drilling a test monitoring well during the feasibility study. Although the estimated cost of \$5,000 for a hydrologist would be borne by the District he hopes that COB would eventually cost share on that. The Commissioners inquired on specifics to the well field location.

Mr. Montfort motioned to authorize Mr. Brown to sign a contract for a hydrologist in regards to preparations to drill a test monitoring well. The motion was seconded by Mr. Reichhardt. The motion was carried and passed unanimously.

Coordinated Water System Plan (CWSP) Meeting: Mr. Eisses indicated there is a meeting scheduled next week to prepare topics for the CWSP. The next CWSP meeting is scheduled for January 2015.

WRIA 1 Watershed Planning: Mr. Brown spoke on the recent Department of Ecology (DOE) Instream Flow Presentation 12/3/14. He also mentioned Mr. Carmichael’s questions to DOE during that presentation. Mr. Brown relayed that one of the DOE presenters said they didn’t have a legal interpretation on policy or rule related to certain of their positions on water rights and instream flow rules. Mr. Brown mentioned possible work toward getting an Attorney General review of the Instream Flow rule and cited a recent conversation with the attorney Mr. Pors regarding pending litigation in the Dungeness area.

Mr. Brown updated the Board on the Planning Unit. He said they will be involved on the Request for Proposals (RFP) for a facilitator for the Planning Unit meetings. He said Mr. Stoyka with Whatcom County projected that RFP will be issued in January 2015 and would include a scope of work for a facilitator. Mr. Brown discussed the benefits of including Clerk of the Board type tasks in the scope of work and also staff work for the Planning Unit.

Mr. Brown highlighted an article in their Board binder "Finding Rural Domestic Water Solutions While Protecting Instream Resources". Mr. Carmichael further illustrated a few topics in the rule on exceedance and how DOE interprets safe and adequate water supply as a water quality issue not a supply issue.

Headworks: Mr. Eisses described the final change order for Award Construction with an exception for the remaining retainer payment which is estimated to occur in January 2015. He said this contractor was good to work with and came in under budget. Mr. Eisses recommended a motion to approve the final change order for Award Construction. Mr. Montfort motioned that Mr. Brown be authorized to sign the final change order and accept the final project reconciliation. The motion was seconded by Mr. Reichhardt. The motion was carried and passed unanimously.

Accounts Payable: Mrs. McMillan presented the details for Accounts Payable as \$152,126.72 for check runs #43 (11/26/14) and check run #44 (12/11/14). Check numbers 44209-44235 and vouchers numbered 1348-1473. Mr. Montfort moved that the Accounts Payable be approved as presented. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Mr. Reichhardt noted on the signature page of the report there is probably a software reporting error as an incorrect last check number is listed in a report footnote although all checks presented on the report are itemized correctly. Mrs. McMillan will report the error to the software company.

BBWarm Water Line Conflicts: Mr. Eisses indicated District staff worked with Honcoop Construction on moving the lines in conflict with BBWARM. He said having that having District staff do the work saved the District money.

Blaine Road Waterline: Mr. Eisses said the design on the Blaine Road waterline project was done in 2009 and since recently funded by the Public Works Trust Fund loan program he needed to have CHS Engineering update their 2009 design. Mr. Eisses indicated CHS needs an additional \$18,000 to finish effort on updating the design. That additional cost he said would cover permitting, application fees, staff time and effort on the design. Mr. Montfort moved to approve the \$18,000 increase to the CHS Engineering contract. The motion was seconded by Mr. Reichhardt. The motion was carried and passed unanimously.

Mr. Reichhardt noted a possible property for sale that the District operations might benefit from purchasing. Mr. Montfort suggested the customer be included during the comprehensive plan update process.

Customer Accounts: Mrs. McMillan shared positive feedback from District customers regarding the online bill payment. Mr. Eisses shared customer feedback on the past due notice bills being in purple and the phrase "past due" stamped on the outside of the envelope. The Commissioners thanked staff for the customer feedback updates.

Mr. Montfort mentioned to District staff that a customer gave him feedback about not receiving enough notice on a shut off of services and missed receiving a door hanger. Mr. Eisses shared that he wants to more automated methods of service shut off notification such as email and automatic phone messages.

Mr. Eisses indicated the District will be implementing a delinquent payment service shut off schedule to meet the RCW 57.08.081. He said the resolution for this implementation will be presented 1/8/15 and will clean up the code and policy related to implementing the new. Mr. Reichhardt motioned that the District staff be

directed to write a resolution cleaning up the code and policy for 1/8/15 and be retroactive to 12/30/14. Mr. Montfort seconded the motion. The motion was carried and passed unanimously.

Developer Extensions: Mr. Eisses updated the Board on the Calluna development progress. He also updated the Board on items scheduled to be heard by the Hearing Examiner.

Mr. Eisses spoke on Tab 20 items which included handouts on Open Government training and public records including convenient checklists to help remember the key items.

Executive session: None

The Board meeting was adjourned at **12/11/14 at 6:50 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 11, 2014.**

BOARD SECRETARY