

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT
HELD **February 26, 2015 - REVISED**

Board President Don Montfort called the meeting to order at 4:30 pm. Other persons present included Commissioner Pat Alesse, Commissioner Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael and Finance Director Sandi McMillan. In the audience was Heather Wolf, Attorney for Brownlie Evans Wolf and Lee representing applicants on the Calluna Development Extension request.

Public Input: None

Agenda additions/changes:

Consent agenda included:

2. Minutes of February 12, 2015 Meeting
3. Manual Checks

Vendor	GL Month	Manual Check	Description	Amount
State of Wa Dept of Revenue	Feb-15	77	January 2015 Excise and Use Tax	\$ 9,942.55
Sage Payment Solutions	Feb-15	76	January 2015 Customer CC Pymt Fees	\$ 500.76
Elavon	Feb-15	75	January 2015 Customer CC Pymt Fees	\$ 642.36
Paychex	Feb-15	74	January Payroll & Feb Mid Month Payroll Fees	\$ 186.67
KeyBank	Feb-15	73	November & December 2014 Banking Fees	\$ 323.45
Total manual checks				<u>\$ 11,595.79</u>

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

Developer Extensions: Mr. Eisses introduced Heather Wolf representing applicants on the Calluna Development Extension application. He explained to the Board the variances in the draft agreement with Calluna. Mr. Eisses explained that prior to construction we usually have half of the General Facility Connection (GFC) charges receipted and the second half is collected after project construction. Since this developer is requesting to bond for the construction activities, we are requesting that the full GFC's be collected prior to issuing a letter to the county stating that we are in agreement on allowing the short-plats to move forward. Heather thanked the Commissioners and District staff for their work. She questioned why all of the GFC charges would need to be paid up front. Mr. Montfort gave Heather the historical reasoning on receiving GFC charges in advance.

Mr. Alessee moved to have the General Manager sign the Developer Extension agreement with Calluna as presented. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

BBWARM WWTP Powerpoint Presentation: Mr. Sowers presented a powerpoint that he had given at the recent BBWARM meeting. The Commissioners asked questions about various parts of the presentation including the ammonia spikes and some of the data. The Commissioners thanked Mr. Sowers for the great presentation.

Finance Report: Mrs. McMillan presented Resolution 741 to Surplus Personal Property which consisted of scrap hydrants. Mr. Reichhardt moved that Resolution 741 be approved. Mr. Alesse seconded the motion. The motion was carried and passed unanimously. Mr. Alesse mentioned he would be willing to write a

personal check to the boy scout group that would like to use a scrap hydrant in a memorial to fallen fire fighters.

City of Blaine (COB) Coordination: Mr. Eisses updated the Board on the Portal Way Bridge project progress.

Mr. Eisses said the monitoring well bid package is almost done and will go out to approximately four well drillers for bid in the next three to four weeks. He also summarized the City of Blaine's work on securing the easement for the well. Mr. Montfort asked if this was a permanent well and Mr. Eisses said it was.

Mr. Brown said the Department of Ecology (DOE) has verbally committed to granting \$30,000 for the capital items on the well drilling project. He stated this would match the \$30,000 from the Department of Health (DOH). Mr. Brown also said there is a \$10 million State Capital request from Senator Ericksen to support the project. Mr. Brown said that Representative Buys has made a parallel request in the House. Mr. Montfort asked Mr. Brown to clarify if either the DOE or DOH monies are federal funds.

Coordinated Water System Plan (CWSP) Meeting: Mr. Eisses spoke about the meeting on 2/18/2015.

WRIA 1 Watershed Planning: Mr. Eisses explained the recent Governance and Funding Committee meeting was well organized and to him functioned well. He mentioned one topic explored was how to support the county in their taking a leadership role.

Mr. Brown summarized an email from County Council Member Carl Weimer and said he will comment for the Water Districts Caucus to Mr. Weimer. Mr. Brown said a stronger reference to the Watershed Planning Act is needed. Another comment that Mr. Brown said he would mention would be that the Flood Control Zone District can appropriate without being subject to Executive veto. The Commissioners continued a conversation on the Planning Unit's ability to recommend changes to existing instream flow rules and Mr. Brown mentioned the need to understand how the rules in WRIA 1 were set by DOE.

Accounts Payable: Mrs. McMillan presented the details for Accounts Payable as \$26,938.65. Checks numbered 44428-44450 and vouchers 1756-1805. Mr. Reichhardt moved that the Accounts Payable be approved as presented. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Customer Accounts: Mrs. McMillan presented an update on the lock off of account #20000525. The Commissioners agreed with Mrs. McMillan's reasoning to leave the account locked off until payment is made.

Mrs. McMillan presented the request from Mr. Smyth regarding a change to the existing connection charge. The Commissioners reviewed all of the information from Mr. Smyth and denied the request.

Bell Bay Jackson Water Association: Mr. Eisses used a map to explain the current service area for this water association and potential areas where the District could probably provide service. He said that we may be better off to delay decisions until a Developer wants to make application for connection. He will bring back a formal recommendation after talking to Bell Bay Jackson. Mr. Reichhardt clarified that the March 31, 2015 update to the MOU would be to provide clarity on the temporary service to the specific three properties affected by the temporary service agreement. The costs for the project were discussed by Mr. Eisses. He proposed eliminating the 15% overhead on attorney, permits and rental as this overhead rate was not specifically in code. The Commissioners agreed to that. The District staff mentioned they would update District code to reflect a 5% overhead on services to be similar to how DE agreements are written.

Blaine Road Waterline Projects: Mr. Eisses said there are two projects on Blaine Road. He informed the Board that he was approved by DOT for an open cut rather than bore drilling the first section of the project that goes under a portion of California Creek. Mr. Eisses said the project will now be reviewed for wetlands. He then discussed a proposal to the Board of combining the two Blaine road projects into one project. He said

there would potentially be cost savings in less permitting and the potential to not use the State Revolving Loan fund which is federal funding and adds another layer of burdensome expense. Mr. Eisses said the first cost proposal on the Loomis Trail section was \$1.631 million and the PWTF loan was for \$1.2 million. The second project Mr. Eisses is estimating at \$961,559. Mr. Montfort questioned if the SRF loan included an initiation fee, District staff will follow up. Mr. Eisses mentioned we would lose on one year of the PWTF early completion incentive. Mr. Reichhardt requested an update on Representative Mr. Buys proposed bill for insuring bond issuance on utilities, District staff will follow up. Mr. Montfort mentioned Cashmere Bank and the Infrastructure Assistance Coordinating Council (IAC) conference might both be good opportunities for less expensive financing mechanisms on small projects, District staff will follow up on both.

Tsunami: Mr. Eisses updated the Commissioners on his email to the Sheriff's office that the District was agreeable with locating the Tsunami siren at the District and had received no response.

Developer Extensions: Mr. Eisses presented the conditions letter on the Lincoln Road Plat Developer Extension application. He explained each of the exhibits in the letter and focused on reasons for the sewer line placement. The summary of recommendations was detailed by Mr. Eisses. With the schedule for the Blaine Rd water lien not yet decided, the waterline recommendation will need to be changed to require the developer to connect as written or across the frontage and west to the nearest waterline. Mr. Alessee moved to approve the conditions letter with that modification. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Executive session: Mr. Brown announced an Executive session to discuss a personnel issue. He said the session is estimated to last 30 minutes until 7:30 pm. The Board reconvened at 7:20 pm and no actions were taken.

The Board meeting was adjourned at **2/26/15 at 7:21 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 26, 2015.**

BOARD SECRETARY