

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT  
HELD April 23, 2015**

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 (arrived at 6:20 pm), Operations Manager Mike Sowers (left after the customer presented) and Finance Director Sandi McMillan. A District customer Ted Blakeslee was present for public input.

**Public Input:** Mr. Blakeslee thanked the Commissioners for putting water and sewer to the residences at Double R Ranch, he said it was the best thing that happened. Mr. Blakeslee commended two District employees; Mike Trueblood and Lawrence Gonzalez. He said that those two staff helped him during a minor incident and they were highly professional, dedicated and caring. Mr. Sowers clarified how the employees helped the customer during the incident. The Commissioners thanked Mr. Blakeslee for bringing this to their attention.

**Agenda additions/changes:** None

**Consent agenda included:**

2. Minutes April 9, 2015 Meeting
3. Manual Checks

Vendor	GL Month	Manual Check	Description	Amount
PAYCHEX OF NEW YORK LLC	Mar-15	78	February and March Payroll Fees	\$329.92
ELAVON CORPORATE SAGE PAYMENT SOLUTIONS	Mar-15	79	February Merchant Processing Fees	\$552.40
KEY BANK OF FERNDALE	Mar-15	80	February Merchant Processing Fees	\$386.65
DEPT. OF REVENUE	Mar-15	81	January and February Bank Fees	\$303.19
		82	February Excise Tax	<u>\$9,966.43</u>
			Total manual checks	<u><u>\$11,538.59</u></u>

4. Q1 2015 Financial Statements

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

**Finance Report:** Mrs. McMillan presented a summary flow chart for the wholesale water purchase contract with the City of Blaine. She also highlighted a memo that illustrated how three different scenarios would affect the District expenses. The scenarios included increasing joint asset costs, increasing consumption of water and retaining regional connection charges.

Mrs. McMillan presented the Fixed Asset policy as draft. She cited four main reasons for the policy including inventory control, general facility charge calculation, property insurance and a general idea of depreciation for replacement of capital.

Mr. Eisses described the decision to purchase a water meter reading unit to replace a broken unit. He said he would charge the unit to the waterline infrastructure replacement CIP budget line item. The new unit would cost approximately \$4,500. He said this is an urgent need since the water department is down to just one meter reader. The Commissioners referred this back to District staff as a management decision.

Mrs. McMillan presented the Resolution to update the Public Records code. She explained the differences between the prior code and the new updated one by referring to a redlined version. Mr. Alesse moved to adopt Resolution 742 Procedures for Public Access to District Records. Mr. Reichhardt seconded the motion. The motion was moved and passed unanimously.

**City of Blaine (COB) Coordination:** Mr. Eisses updated the Board on the recent well bid results by referencing a bid tabulation sheet. He stated that the City of Blaine awarded the well drilling contract to Holt Services. He mentioned well drilling may begin May 11.

Mr. Eisses also updated the Board on the quote for monitoring the well drilling. He said that quote was for services from Associated Earth Sciences, Inc. (AES) which is for the Hydrogeologist and the quote was higher than expected. He said he will work with AES on reducing the scope and cost of the quoted services. Mr. Alesse moved that Roger Brown be approved to sign the contract with AES, subject to further negotiation by Mr. Eisses. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

In terms of funding the well drilling, Mr. Eisses said he will draft an Interlocal Agreement to share the Hydrogeologist cost with the City. He indicated the Interlocal Agreement may not be needed though if the District secures appropriate and adequate funding as some of the costs could be paid by the District and not shared with the City.

**Coordinated Water System Plan (CWSP) Meeting:** Mr. Eisses referenced an email with the topics for the recent meeting.

**WRIA 1 Watershed Planning (also continued later):** Mr. Eisses presented the information on the recent Whatcom County Surface Water work session regarding the Planning Unit presentation. Mr. Brown presented the email from Gary Stoyka with legal advice from the Whatcom County Prosecuting Attorney stating that nothing else needs to be done to recognize the Planning Unit's advisory function relative to the Whatcom County Council. Mr. Brown also highlighted other agenda items for the April 29<sup>th</sup> WRIA 1 Planning Unit.

**Accounts Payable:** Mrs. McMillan presented the details for Accounts Payable as \$34,393.21. Checks numbered 44546-44568 and vouchers 1988-2044. Mr. Alesse moved that the Accounts Payable be approved as presented. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

**Customer Accounts:** Mr. Eisses reviewed a leak credit request on customer account #120030600. He explained that although the overall volume was minimal the customer spent approximately \$3,000 to repair a series of leaks. Mr. Reichardt moved to waive the one leak credit per three years and grant a \$52 credit. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

**Aeration Basin:** Mr. Eisses reported there was no progress on this item since the last Board meeting.

Mr. Carmichael arrived at 6:20pm

**WRIA 1 Watershed Planning (Cont.):** Mr. Brown referenced a document he wrote titled "Lower Nooksack Strategy/Instream Flow Action Plan". He described a two part concurrent process that included the State rulemaking in conjunction with a federal negotiated settlement. He said State rulemaking would potentially assign new water rights to farmers and others. He said that concurrent the Federal Negotiated Settlement Process would occur concurrently with the State process. Mr. Brown stated the Instream Flow Action Plan (IFAP) was supposed to develop recommendations for instream flow in a public process but confidentiality agreements had been put in place to support mediated settlement discussions which eliminated public involvement. He also explained that the Lower Nooksack Strategy (LNS) would continue mediated settlement discussions.

Mr. Brown summarized his conversation with Duane Mecham, Office of the Regional Solicitor (US Dept of Interior). He said that he understood Mr. Mecham to say that once the mediated settlement goes to court then the United States needs to be present to carry out its trust responsibility relative to the tribes.

**Developer Extensions:** Mr. Eisses brought a question from a developer regarding adding a unit to a prior DE. He said this was regarding The Tides DE and adding "unit E". He suggested charging the developer the \$800 application fee to add the unit to the DE with similar prior documentation. The Commissioners gave a nod to the District staff to instruct the developer to make application for connection.

**Executive session:** Mr. Brown announced an Executive session to discuss a personnel issue as authorized pursuant to RCW 42.30.140(4)(b). He said the session is estimated to last 15 minutes until 7:07 pm. Mr. Montfort said the Commissioners may take action after the session. The Board came out of executive session at 7:27. Mr. Reichhardt moved to open contract negotiations with Mr. Eisses for the position of General Manager. Mr. Alesse seconded the motion. The motion was moved and passed unanimously.

The meeting adjourned at 7:30 pm.

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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 **April 23, 2015.**

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BOARD SECRETARY