

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT
HELD May 14, 2015**

Board President Don Montfort called the meeting to order at 4:33 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.

Public Input:

Agenda additions/changes: None

Consent agenda included:

2. Minutes April 13, 2015 Special Meeting
3. Minutes April 23, 2015 Special Meeting
4. Minutes April 23, 2015 Meeting
5. Manual Checks

Vendor	GL Month	Manual Check	Description	Amount
PAYCHEX OF NEW YORK LLC	Apr-15	83	April Payroll Fees	\$259.61
ELAVON CORPORATE	Apr-15	84	March Merchant Processing Fees	\$711.38
SAGE PAYMENT SOLUTIONS	Apr-15	85	March Merchant Processing Fees	\$419.78
INVOICE CLOUD	Apr-15	86	March 2015 Online Portal Fee	\$50.00
KEY BANK OF FERNDALE	Apr-15	87	March Bank Fees	\$170.45
DEPT. OF REVENUE	Apr-15	88	March Excise Tax	<u>\$9,791.79</u>
			Total manual checks	<u>\$11,403.01</u>

6. April 2015 Payroll \$150,513.13
7. April 2015 Utility Billing \$ 8,640.60

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 the revised schedule for policy and code updates. She also presented the Fixed Asset Policy for approval. She indicated this policy had been discussed at the last Board meeting and she mentioned the main reason to modify the policy was to address the State Auditor’s Office exit item to clarify small and attractive items. 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. The Commissioners raised the issue of inventory management also on the brass items. Mr. Eisses said there is a purchase order system which tracks purchases for inventory so the District has knowledge of how much inventory should be on hand. Mr. Reichhardt moved to adopt the Fixed Asset policy. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

City of Blaine (COB) Coordination: Mr. Eisses showed the Board a plaque presented to the District for winning the regional best tasting water competition. He also mentioned that at the State competition our water came in second place.

Mr. Eisses updated the Board on the recent well drilling progress in the InterBasin water transfer project. He said the exploration drill and test process changed to a less expensive option at \$272,800 yet will still supply accurate data. This type of drilling, Mr. Eisses said, also reduces the time and effort onsite for the hydrologist. The new amended contract amount is \$44,850. Mr. Eisses presented a draft of task order 27 to split the

hydrologist contract with COB. Mr. Reichhardt moved to have Mr. Brown sign the Task Order #27 with City of Blaine. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Mr. Eisses presented Task Order #28 with City of Blaine regarding a seismic upgrade project to Peace Portal Bridge. He used a map on the wall to inform the Commissioners of where the project impacts are. He said the main use of task order #28 is to eliminate the need for the Birch Point surcharge in the contract. Mr. Alesse moved to have Mr. Brown sign the Task Order #28 with City of Blaine. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Mr. Eisses shared that he had submitted a DoE grant for \$1,400,000 in the 2015-17 for portions of the North County InterBasin water transfer project. The DOE funding would be allocated to \$200,000 for a water bank design and implementation and \$1,200,000 for construction of a series of wells. He said he used the current InterBasin water transfer project monitoring well as local match to this grant application.

Coordinated Water System Plan (CWSP) Meeting: Mr. Eisses detailed the agenda for 5/20/15. He discussed the receivership of failing systems issue. He also said there is a lack of clarity on the topic of 8-2 and whether it was just the Nooksack basin area or a more larger area. Mr. Eisses also said that Section 8 regarding the wastewater discharge to industrial customers at Cherry Point for use in the refining process was a positive in terms of the relationship with the PUD.

WRIA 1 Watershed Planning: Mr. Brown presented the progress on WRIA 1 issues. He presented the memo regarding the Instream Flow Action Plan (IFAP) to the Board. He also talked about two correspondences from the US Department of the Interior regarding the status of the Federal water rights negotiations. Mr. Brown discussed the 2003 Action Plan for Instream Flow Selection and indicated the Plan did not include the Federal negotiating process. Mr. Brown handed out the WRIA 1 Planning Unit agenda for 5/27/15. He discussed the need to have the Planning Unit involved in the county budget.

Accounts Payable: Mrs. McMillan presented the details for Accounts Payable as \$191,751.61. Checks numbered 44569-44617 and vouchers 2045-2146. Mr. Reichhardt moved that the Accounts Payable be approved as presented. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously. 0

Customer Accounts: Mrs. McMillan reviewed the customer request on account #150010565 to remove \$43.76. The Commissioners denied the request to remove \$40. The Treasurer will remove the late fee of \$3.76 as it meets District policy.

Aeration Basin: Mr. Eisses spoke on the proposal for engineering services from CHS on this project. In further discussions CHS has agreed to a lower fee of \$13,700. He described a separate process for gaining permit approval and actual installation of the aeration basin. The NPDS deadline to complete headworks and these aeration basins is 12/31/15 which would then give us increased WWTP capacity from that point forward. Mr. Eisses described the current aeration basin project as fine bubble diffusers at the bottom of the basins rather than the current process of distributing effluent up into the air. He said there is potential for electricity savings also. Mr. Alesse moved to approve the CHS engineering services and have Roger Brown sign the contract. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Developer Extensions: Mr. Eisses described a contact with the District which regarded potentially 51 lots and he mentioned those connections would include a local facilities charge also.

Mr. Eisses also mentioned contact with the District regarding servicing a marijuana farm. Mr. Carmichael explained his research on this topic and how other local governments have placed moratoriums. District staff will wait to hear back from the potential customer.

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 30 minutes until 6:50 pm. Mr. Montfort said the Commissioners may take action after the session. The Board came out of executive session at 6:30pm. No action was taken

The meeting adjourned at 6:31 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 **May 14, 2015**.

BOARD SECRETARY