

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT
HELD May 28, 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, and Finance Director Sandi McMillan. Audience member was Duane Nelson.

Public Input:

Agenda additions/changes: None

Consent agenda included:

2. Minutes May 14, 2015 Meeting

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

Developer Extension: Mr. Eisses presented a draft letter on Mr. Nelson's request. Mr. Nelson spoke on the need to get this approval first and then get the project going. Mr. Reichhardt moved that Mr. Eisses sign the Tides Building "DE" modification letter after receiving the final numbers. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Finance Report: Mrs. McMillan presented the 2014 Annual Financial Report which she said she will file online with the State Auditor's Office. She explained the notes to the Financial Statements are an integral part to the report. She highlighted a difference this year where the SAO included in Note 1 more attention to cash basis accounting differences to generally accepted accounting principles. She also mentioned the ease to reconcile a cash basis financial report as it ties to the yearend bank reconciliation. Mr. Alesse moved to approve the 2014 Annual Financial Report. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Mrs. McMillan described to the Board that she would like to delay bank authority changes until the General Manager position is finalized. She said that the position may be finalized in the next day and she would recommend waiting to make changes to the bank authority. Mr. Reichhardt moved to defer the appointment of the bank authorization person until the GM is finalized. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

City of Blaine (COB) Coordination: Mr. Eisses presented a chart on the daily average usage rate for the District and indicated for the recent few weeks the usage has been over one million gallons per day. He said the recent nice weather is causing usage to rise sooner than compared to previous years. He mentioned the water supply to Bell Bay Jackson has been working really well.

Mr. Eisses presented the final version of the DOH grant for \$30,000 as ready to sign. He mentioned this grant will pay for the majority of the Hydrogeologist on the North County Interbasin Transfer project which is \$44,850. He said the District will split the remaining \$14,850 on the Hydrogeologist with the City of Blaine under a task order. Mr. Alesse moved that Mr. Eisses sign the DOH grant. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Mr. Eisses explained a recent discussion with Chuck Lindsey regarding the bedrock formation for the county as one which slopes toward the coast but a dimple depression exists approximately west of Lynden. This

depression would explain the high chloride content of the water from the deep aquifer in this area. Conversation by the Commissioners continued on the nitrate problems in that area.

Coordinated Water System Plan (CWSP) Meeting: Mr. Eisses spoke on the agenda for May 20, 2015 and said he will give comments to the consultant on the regional resource issues section.

Mr. Eisses showed the Board a map on regional water quantity issues with projected build out and mentioned that the green area on the map meant that adequate water quantity would exist. Mr. Eisses said that some of the service areas and contracted water information may be incorrect so the consultant RH2 will receive feedback and make adjustments.

WRIA 1 Watershed Planning: Mr. Brown highlighted the Water Districts Caucus meeting 5/20/15 agenda which included a discussion with the new Planning Unit facilitator. He also mentioned that Mr. Eisses was named the new representative for the Water District Caucus.

Mr. Eisses updated the Board on the Planning Unit meeting on 5/27/15 including his presentation on Instream Flows. He stated that the Whatcom County Council resolution 2015-004 expected a comparison of the Lower Nooksack Strategy to the agreed upon Instream Flow Action Plan. He said the result of the meeting on 5/27 was that most likely nothing substantial will be available to report at the Surface Water Work Session on 7/28/15.

Mr. Brown spoke on the Mediator's Term Sheet draft 7/15/05 and the diversion from the Middle Fork.

Accounts Payable: Mrs. McMillan presented the details for Accounts Payable as \$20,699.80. Checks numbered 44628-44658 and vouchers 2147-2202. 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: None

Developer Extensions: Mr. Eisses presented information from Verizon on a possible cell phone tower at the Bayvue water tank location. He asked if the Board was interested in proceeding with Verizon and approving the Right of Entry. Mr. Reichhardt moved that Mr. Eisses sign a Right of Entry similar to the Kickerville tank with Verizon. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Executive session: Mr. Montfort 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 6:16 pm. Mr. Montfort said the Commissioners may take action after the session. The Board came out of executive session at 6:43 pm. The Board directed Mr. Carmichael to draft a General Manager contract for Mr. Eisses and have it available at the 6/11/15 Board meeting.

The meeting adjourned at 6:47 pm.

COMMISSIONER

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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 28, 2015**.

BOARD SECRETARY