

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT
HELD June 11, 2015**

Board President Don Montfort called the meeting to order at 4:30 pm. Other persons present included Commissioner Pat Alesse, Commissioner Carl Reichhardt, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Operations Manager Mike Sowers and Finance Director Sandi McMillan.

Public Input:

Agenda additions/changes: Move agenda item #8 in front of item #7 and change #10 to a discussion.

Consent agenda included:

- 2. Minutes May 28, 2015 Meeting
- 3. Manual Checks

Vendor	GL Month	Manual Check	Description	Amount
ELAVON CORPORATE	May-15	89	April Merchant Processing Fees	\$653.89
SAGE PAYMENT SOLUTIONS	May-15	90	April Merchant Processing Fees	\$394.07
SAGE PAYMENT SOLUTIONS	May-15	91	April Merchant EFT Processing Fees	\$43.70
INVOICE CLOUD	May-15	92	April Online Portal Fee	\$50.00
PAYCHEX OF NEW YORK LLC	May-15	93	May Payroll Fees	\$168.27
DEPT. OF REVENUE	May-15	94	April Excise Tax	\$11,276.11
KEY BANK OF FERNDALE	May-15	95	April Bank Fees	\$168.70
Total manual checks				<u>\$12,754.74</u>
4. May 2015 Payroll				\$161,600.16
5. May 2015 Utility Billing				\$ 2,446.74

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

2015 Capital Improvement Plan (CIP) Update: Mr. Eisses presented a budget amendment to add a new CIP item "Portable Confined Space Safety Lift". He indicated the District's current confined space safety lift is a tripod that sits over the manhole or entry point and has chains that link the tripod together for stability which makes usability by a person very difficult if not dangerous. He then presented details on the new "Portable Confined Space Safety Lift" as being vehicle hitch mounted and much easier and safer for staff to use since it isn't a tripod type. Mr. Eisses said this new safety lift would cost \$10,386 and paid through using the District's recent L&I Employer "Return to Work Program" reimbursement which was \$5,068. The remainder of the new CIP item would be paid through an underspend on Lift Station #7 pump replacements. The overall effect to the 2015 budget is zero cost increase. Mr. Alesse moved to amend the 2015 budget as presented in the budget amendment. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Mike Sowers described the progress so far on the 2015 CIP item AMI/AMR. He described a number of different attributes to the recent four AMI/AMR vendor presentations. Mr. Sowers also mentioned the District's specific needs in an AMI/AMR system. He stated that all four of the vendors are compatible with the existing infrastructure for the District. He shared that existing meters measure in 100 cf and would need to be reprogrammed for better resolution to .01 or .1 cf which would allow better leak detection. He said the District's needs would be met by a drive-by type meter reading system. He said we could always move to a fixed system at any point in the future but for now the cost to benefit analysis doesn't support a fixed system. The Commissioners asked how fast the meter readers could drive through and pick up the readings. Mr.

Sowers explained the bubbling up process for the transmitters and the range for the frequency would probably allow a normal driving speed. Mr. Eisses talked about a phased in implementation where our current utility operators would install the transmitters as part of their regular tasks. Mr. Eisses reminded the Commissioners we had applied for PWTF for \$1million which was not funded and that the District has \$100k in the 2015 budget and \$50k for the following 9 years. Mr. Montfort questioned if the transponder units would include trimble units for GPS and a potential GIS additional layer could be generated. Mr. Montfort said the hydraulic analysis that exists through an AMI/AMR system would be important data for comprehensive planning. Mr. Alesse suggested the District communicate with the gas and electric companies to see which meter reading system they use.

Mr. Sowers then described CIP Lift Station 4 flow meter installation progress. He highlighted items on a handout that showed the basins and basins flow. Mr. Sowers explained how the flow data alerted him to a pump issue where a t-shirt was wrapped around the pump and indicated without the new flow meter it would have taken longer to identify a problem.

Mr. Sowers explained that the water department truck was delayed because General Motors accepted too many orders for the vehicle. He said he will roll that budget over into 2016 and has been guaranteed the same price on the truck.

Transition Plan: Mr. Eisses described the General Manager contract as approved from his side. Conversation continued with the Commissioners. Mr. Reichhardt moved that the General Manager contract with Dan Eisses be approved. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Mr. Eisses reviewed an organization chart for the District as his proposed structure. Mr. Montfort pointed out that the General Manager appears to be working two jobs and asked that additional items be delegated as appropriate.

Mr. Eisses presented a draft employee contract negotiation schedule. He said the goal is to be done with negotiations by the end of October so we have accurate personnel cost tables for 2016. He shared the concept of a two year budget and looking into a simpler 10 year revenue model.

Mr. Eisses said employees received the news of his promotion through presentations he conducted with both the field operations staff and separately with the administration staff. He said that all employees felt comfortable with his transition to General Manager. He said an "all staff" welcome BBQ potluck is scheduled for June 26.

Mr. Eisses discussed various other transition items such as the fleet car and the organization of the Board agendas to allow him a regrouping break in the middle of a meeting. Mr. Montfort reminded District staff that the Board appreciates the District's details on projects so try not to cut the Board meetings too short.

Finance Report: Mrs. McMillan reminded the Board that at a previous meeting she delayed naming the authority on all District bank accounts until Mr. Eisses was named as General Manager. Mr. Reichherdt moved that Mr. Eisses be named as the bank authority on the KeyBank, LGIP and U.S. Bank accounts. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Mrs. McMillan presented a resolution "authorizing investment of District monies in the local government investment pool" which names Mr. Eisses as the authority on the LGIP account. The resolution is required by the LGIP. Mr. Reichardt moved that resolution #741 be approved. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Mrs. McMillan presented the revised policy on credit card use to name Information Services Specialist Dustin Sellinger as a credit card holder and to reflect the new General Manager and delete the Assistant General

Manager reference. Mr. Alesse moved to approve the revised policy on credit card use. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

City of Blaine (COB) Coordination: Mr. Eisses showed the recent water consumption as higher than daily averages back to 2009. He indicated on June 7 the District volume of water was 1.5 mgd. Mr. Montfort asked if the District was concerned at the rate of water usage. Mr. Eisses shared that he doesn't think the water usage will continue to build and cited the fact the grass will soon be dead and watering should decrease.

Mr. Eisses said the Peace Portal line has been working fine. Mr. Reichhardt noted the Dakota Creek usage costs appeared on the bills. Mr. Eisses clarified that COB will make adjustments to the bill two or three times this summer based on the agreement.

Mr. Eisses updated the Board on the North County Interbasin Water Transfer project and discussed the preconstruction notes. He said the contractor believes by July 10 the drilling for the well will be done.

Mr. Eisses indicated there was a stop work order from DOH, due to the State of Wa potentially not having an approved budget. He shared the stop work order is on a contract that hasn't been finalized yet so there is no effect to the District.

Blaine Road Waterline Project: Mr. Eisses reminded the Board that the two waterline projects on Blaine Road were condensed into one project and the District had omitted the federal loan monies. He had thought that tonight's Board meeting would be a recommendation for a decision on wetland analysis, but he changed the agenda item to a discussion as there may be potential for an alternate pipeline route along Kickerville. Mr. Eisses said that the modeling will be needed and he will address that sooner during the comprehensive plan process.

Coordinated Water System Plan (CWSP) Meeting: Mr. Eisses spoke on the email from Andy Dunn and the next two meetings as being cancelled.

WRIA 1 Watershed Planning: Mr. Eisses highlighted topics from a recent tribe and WID meeting. Conversation continued on topics of water supply in WRIA 1. He shared the 2005 WRIA Wide Program for Water Use Tracking. He said the benefits of this data would be usage versus existing paper water right records versus future needs for water quantity.

Mr. Eisses shared the WRIA 1 April 2 staff meeting summary where the future of the joint board was discussed. He indicated the tribe, in those meeting summary notes, expressed no interest in the joint board being advisory to the Council. Mr. Eisses also shared the Bertrand WID minutes from 1/7/2014 and the WID's view there was no value in the Planning Unit as another independent water planning and implementation body. Mr. Eisses stressed the need to educate all of the WIDs on the value of the Planning Unit.

Mr. Eisses shared the preliminary agenda for the Planning Unit meeting on 6/24/15. Mr. Eisses also mentioned the Bertrand Watershed Conference flyer.

Accounts Payable: Mrs. McMillan presented the details for Accounts Payable as \$422,598.50. Checks numbered 44659 - 44696 and vouchers 2203-2257. 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: Customer account 140020900 was discussed and approved for a \$50 refund consistent with how other customer accounts are handled in regards to a data entry error by the customer. Mr. Alesse moved to approve the credit. Mr. Reichhardt seconded the motion. The motion was carried and passed unanimously.

Customer account 30006400 was reviewed and discussed for a leak credit requested as \$1,425. Mr. Alesse moved to approve the credit. Mr. Reichardt seconded the motion. The motion was carried and passed unanimously.

Developer Extensions (DE): Mr. Eisses brought the Calluna DE agreement and recommended the Board approve him to sign. Mr. Reichardt moved to authorize Mr. Eisses to sign the DE agreement with Calluna. Mr. Alesse seconded the motion. The motion was carried and passed unanimously.

Mr. Eisses introduced Northshore Corporation's "Availability of Public Fire Water" and an additional fire hydrant per fire marshall recommendation. He recommended allowing them to construct a fire hydrant. The Commissioners gave a nod to complete the form.

Executive session: Mr. Montfort announced an Executive session to discuss actual litigation on land use as authorized pursuant to RCW 42.30.110. He said the session is estimated to last 15 minutes until 7:15 pm. Mr. Montfort said the Commissioners are not likely to take action after the session. The Board came out of executive session at 7:06 pm. No action was taken.

The meeting adjourned at 7:07 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 **June 11, 2015**.

BOARD SECRETARY