

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD August 11, 2011

Commission President Don Montfort called the meeting to order at **4:30 pm**. Other persons present included Commissioner Patrick Alesse, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Interim Finance Director Meredith Riley, and Jeremy Schwarz; Commissioner Carl Reichhardt was absent.

Agenda additions/changes: An Executive Session was added, and an item Blaine Water Sample discussion was added following BBWARM.

Public Input: None.

Consent Agenda included: Minutes for the Regular meeting of July 28, 2011; Accounts Payable Warrants #40818-40851 paying Claims #40818-40851 for \$95,111.55; July Payroll Warrants #7286-7296 and auto payments 10000-10012 for \$90,252.40 in total; July EFTPS withholding deposit made on 7/29/11 for \$22,528.10; July adjusting entries to UBS for \$1,104.97 charges and \$1,095.86 credits; July billing entries to ULID Accounts for \$11,089.05; and the June bank and ASP reconciliation. It was moved by Alesse and seconded by Montfort to approve the Consent Agenda. The motion passed unanimously

Developer Extensions: None.

Board Policy-Delegation of Expenditure Authority: Roger had talked to Bob Carmichael about a review of Funds in District Code, verifying what needs to be classified as funds versus accounts. Also, the question of whether authority for interfund transfers could be delegated to the General Manager is being reviewed. A memo from Bob is included in the packet. Roger will continue working with Bob on this policy and bring it back for Board approval.

Procedures for Utility Shut-off Policy: Dan spoke to this issue again. Dan brought back the same packet as was brought before the Board last meeting. There was a question on partial payments. The software system has a problem allocating partial payments. If a partial payment is accepted, it starts the clock running again for the past due bill. It works for a monthly process, but doesn't work for a two-month process. It was moved by Alesse and seconded by Montfort to approve the policy. The motion passed unanimously.

Book 19 Payment Adjustments: Staff has developed a recommendation for the Book 19 payment adjustments: The lots that paid a GFC higher than the connection charges at the time of the development should receive a refund to the current owner of record (8 lots, 4 are the same owners, 3 were sold within 1-4 years, one house was foreclosed). Nine lots are not connected but are paying the basic water and sewer charges. When they connect they will pay the old connection charge rate. One lot has not paid at all and will need to pay the current connection charges when they connect. This lot will have all current charges removed and will not be billed monthly basic in the future. From this point forward, if any of the nine lots paying the basic service want to terminate, they would receive additional GFC credit for the amount of connection charge in effect at the time of termination minus the connection charge at time of development. It was moved by Alesse and seconded by Montfort to approve staff's recommendation. Motion carried.

Surplus Vehicles Resolution: 1975 Jet Truck has been replaced by a new hydro-excavator and the 2001 Ford Taurus is no longer needed. Both vehicles will be taken to the Bellingham auction, as this worked well before. They charge a 10% buyers fee, but it's not taken from the District's amount. It was moved by Alesse and seconded by Montfort to approve the Surplus Resolution 708. Motion carried.

Lincoln Road Update: Dan brought some photos of the Lincoln Road project and updated the Board on this County project. The major storm system down the center of the road is complete. The District's fire

hydrants have been moved; and one seven foot section of District water line was replaced. Most of the potential problems have been avoided and the project seems to be going well.

WRIA 1: Roger had a meeting with Patrick Sorenson of Lake Whatcom Water & Sewer District, regarding the Watershed Planning. Roger gave the Board an outline of his discussion with Patrick. Patrick was going to meet with the Lake Whatcom District's attorney to discuss the issues, and he would also like to meet with Lake Whatcom's attorney and together with Roger and Bob. Roger also met with Gary Tomsic, City of Blaine Manager, to see what the small cities' perspective is on the current direction on Watershed Planning.

Bob reviewed a recent Supreme Court case that relates to Eastern Washington Growth Management Hearings Board. The case discusses in part the importance of the county to regulate so land use is not incompatible with water use.

WASWD Survey: A Bylaws Committee of WASWD was tasked to review the bylaws of the Association. They developed this survey in order to provide information to help guide their review. The survey has gone out to all the water and sewer districts, whether they're members or nonmembers of WASWD. The district managers were asked to bring the survey to their boards for discussion. The Board reviewed and answered the three questions in the following manner: Question 1-agree; Question 2-strongly agree; Question 3-strongly agree. Roger will respond to the survey, as indicated by the Board, on behalf of the District.

BBWARM: Roger brought to the Board a proposed interlocal agreement from BBWARM by Kraig Olason that would provide for recognition of the relationship of the District's sewer system and the County's storm water system. The Agreement states that neither party would pay the other for services. Roger asked for approval by the Board subject to Bob's review. Alesse moved and Montfort seconded, authorizing Roger to negotiate final terms and sign the interlocal agreement. Motion carried.

Blaine Water Sample: City of Blaine notified the District yesterday that they had a non-acute coliform violation based on multiple samples. Dept of Health requires City of Blaine to notify their customers, and in turn the District needs to notify our customers. The District has taken multiple samples this month with clean results. Dept. of Health has suggested notification wording that the City sent to the District and DOH gave the District two months to notify our customers. It was agreed by the Board that the District would forward on the City of Blaine's notification with a District note attached.

Developer Extensions:

Drayton Harbor Meadows: Five lots are going to pick up an 8 inch line, and then a 4 inch connection to Drayton Harbor. They would like to get started with construction soon.

Birch Bay Meadows: This is 97 parcels on 64 acres just off Double R Ranch. They are presently working with the County.

Executive Session:

The Board meeting went into executive session at **5:52 pm** to discuss potential litigation. The time in executive session is estimated to be 15 minutes; no action is anticipated. The meeting came out of executive session at **6:35 pm**. No action was taken.

The Board meeting adjourned at **6:35 pm**

COMMISSIONER

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 **August 11, 2011.**

BOARD SECRETARY