

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD June 28, 2012

President Pat Alesse called the meeting to order at **4:33 pm**. Other persons present included Commissioners Don Montfort and Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Skip Jansen from Harbor Shores, Craig Parkinson from Cascade Engineering, Interim Finance Director Meredith Riley, and Jeremy Schwartz.

Agenda additions/changes: correction of one word in Resolution 718.

Public Input: None.

Consent Agenda included: Minutes for the regular meeting of June 14, 2012; Accounts Payable Warrants #41631-41643 paying Claims #41631-41643 of \$7,181.87; June Draw Payroll Warrants #7416-7417 and auto payments #10252-10261 for \$15,475.00 in total, Manual Warrant #901154 to Elavon of \$478.81 for May credit card fees, Manual Warrant #901155 to Key Bank of \$105.52 for May analysis fees, Capital Asset Policy and Resolution No. 718 'Updating authorization and governance of payments of District funds.' It was moved by Montfort and seconded by Reichhardt to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: Dan went over the information on Harbor Shores from the previous meeting regarding water availability and the water comprehensive plan requirements for this project. The District's water comp plan includes a 16" water line that goes through a portion of Harbor Shores. It would work as a second source of water into the District. According to the District's limited availability of water and sewer policy, water and sewer service is not assured until connection to the system is complete. In 2008 this area met our design standards. There was nothing in the 2008 Comp Plan to upgrade. Since then the new comp plan has new standards that part of the development needs to meet. The Comp Plan was approved by the Dept of Health in 2009, and there has been limited communication with the Developer since that time.

Dan hasn't run into this problem often. The District's policy needs to be updated regarding this issue. Dan indicates he cannot sell connections to these parcels according to this policy. Dan wanted some input from the Board as far as policy direction.

Skip Jansen said he spoke to the Fire Chief in 2008 and he stated that the 4" water line was adequate. Skip stated that Harbor Shores existed before Birch Bay Water & Sewer District. He said he has been talking to the District about this project since 1995, and until June 7, 2012 he was not aware that he would need to conform to the new comp plan.

Craig feels that it doesn't make sense to build a 16" line that may not be used for 30 years.

Don feels that the Board should look at this issue and consider it. The developers and engineers are well aware that comp plans are updated on a regular basis.

The Board decided to have staff look at the policy and bring it back to the Board.

Additional Accounts Payable: Accounts Payable Warrants #41644-41657 paying Claims #41644-41657 of \$5,628.82 were presented. It was moved by Reichhardt and seconded by Montfort to approve the additional Accounts Payable. The motion passed unanimously.

State Funding: Dan reported the Public Works Trust Fund staff continues to ask additional questions as they go through the District's applications, and Dan continues to answer those questions. The process seems to be easier to manage than the previous years applications.

County Rural Element Update: Bob alerted the District to some zoning code questions with the County. The County is proposing changes to the rural element of their comprehensive plan and the current language going before the County Council on July 10 has concerns to the District. The language at issue is that water lines greater than 8” are only allowed in the rural area if they are “to protect public health, safety and environment”.

Bob proposes sending a letter to County Council before July 10 and explaining the District's request for a minor change to the zoning code. The Board agreed.

Cash Reserve Policies: Roger drafted policy language for the Cash Reserve policy update. He redlined a copy to show any changes to this policy, which comply with the Board's previous decisions. Roger went over the policy changes again. Roger would like to bring it back as a Commission Policy if the Board is in agreement. The Board was in agreement, and the policy will be brought back on the Consent Agenda.

WRIA 1 Watershed Planning: Roger provided the Board with draft letters he would like to send to two State agencies. He would like to send them out the week of July 9. The water district caucus will be meeting on a more regular basis as they want to be more involved with water issues.

Public Employees Benefits Board (PEBB): The previous Interlocal with PEBB signed in 2002, is very much like the new Interlocal except for language clarifying that employees must pay any extra life and disability premiums they choose to take, not the employer. The MOU Agreement is required by the national Health Insurance Portability and Accountability Act (HIPAA). Staff is asking the Board for authorization for the General Manager to sign these documents.

It was moved by Montfort and seconded by Reichhardt to authorize the General Manager or his designee to sign these agreements. The motion passed unanimously.

Developer Extensions: Calluna Beach Properties consists of 16 parcels. The District received applications for the first two of these properties consisting of two short plats segregated into three lots each, for a total of six lots. Dan will get the review letter ready for the next Board meeting.

The meeting went into executive session at **6:00 pm** to discuss potential litigation. The time in executive session is estimated to be 10 minutes; potential action is expected. The meeting came out of executive session at **6:08 pm**.

It was moved by Reichhardt and seconded by Montfort authorizing the terms of the settlement agreement with Jay James, and authorizing the General Manager or his designee to sign this agreement. The motion passed unanimously.

Pat Alesse adjourned the Board meeting at **6:10 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 **June 28, 2012.**

BOARD SECRETARY