

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD January 24, 2013

President Don Montfort called the meeting to order at **4:30 pm**. Other persons present included Commissioner Carl Reichhardt, General Manager Roger Brown, Assistant General Manager Dan Eisses, and Interim Finance Director Meredith Riley. Commissioner Pat Alesse and Attorney Bob Carmichael joined the meeting at 4:33 pm.

Agenda additions/changes: Add an Executive Session potential litigation. Add Decision under WRIA.

Public Input: None.

Consent Agenda included: Minutes for the regular meeting of January 10, 2013; Accounts Payable Warrants #42109-42127 paying Claims #42109-42127 of \$43,272.29 for 2013 Budget; January Draw Payroll Warrants #7492-7495 and auto payments #10421-10429 of \$45,105.11 in total; Manual Warrant #901175 to Dept of Revenue of \$8,734.40 for excise taxes paid in January; Manual Warrant #901176 to Elavon of \$572.45 for credit card fees paid in January, Manual Warrant #901177 to Key Bank of \$107.06 for bank fees paid in January; voided warrant #42093 to Double R Ranch Association for annual dues of \$2,451.85; 2012 Year-end Financials and 2012 ELUs. It was moved by Reichhardt and seconded by Montfort to approve the Consent Agenda. The motion passed unanimously.

Developer Extensions: None.

Additional Accounts Payable: Accounts Payable Warrants #42128-42145 paying Claims #42128-42145 of \$54,497.78 were presented. It was moved by Reichhardt and seconded by Alesse to approve the additional Accounts Payable. The motion passed unanimously.

WRIA 1 Watershed Planning: Roger discussed the correspondence regarding WRIA activity over the last several weeks. Roger also discussed some of the meetings regarding WRIA that have taken place over the last two weeks. Roger attended the County Council's Surface Water Work Session meeting on January 22nd and apprised the Board of the discussion that took place. Roger distributed a Whatcom County Council Agenda Bill regarding a budget request of \$255,000 to fund PUD #1 water supply planning from the County Public Utilities Improvement Fund. This will be on the County Agenda as an ordinance to be introduced on January 29, 2013.

Roger then discussed the Interlocal Agreement with Whatcom Water District Caucus for obtaining legal services in the area of water rights. Roger is requesting the Board to approve his signing of the Interlocal if the rest of the parties agree to the funding. Montfort called for a motion; Reichhardt moved and Alesse seconded to authorize Roger to sign the Interlocal Agreement. The motion passed unanimously.

Roger then reviewed potential agenda items for the Whatcom Water Districts Caucus on January 30, 2013.

Budget Amendment & Budget Policy: Roger discussed the Budget Amendment to the 2013 Budget, increasing legal fees by \$5,000 for water rights and transferring the budget for labor from the CIP project to the operating budget. Alesse moved and Reichhardt seconded to authorize the 2013 Budget amendment. The motion passed unanimously.

Roger then discussed the two Commission Policies regarding Budgets and Delegation of Spending Authority. This would combine the two policies together under Budget and CIP Adoption, Amendment and Management, and rescind the Delegation of Spending Authority. Montfort called for the motion; Reichhardt moved and Alesse seconded to approve the Commission Policy changes as presented. The motion passed unanimously.

Joint Work Session: Roger discussed the joint work session with the Blaine City Council. Another joint work session was set up for March 4th at 5:30pm at Blaine City Hall. Reichhardt and Alesse asked for reminders of date and time, and Roger said he would send out reminders. The agenda is not set as yet. Some items to discuss would be cooperation, communication, resource management, and interlocal agreements between the District and the City of Blaine.

PWTF Loan Funding: Roger discussed the information on the proposed cuts to PWTF Loans that Dan received from Isaac Huang. A proposed letter was presented to the Board from the Whatcom Water District Caucus that would be sent to State Legislators regarding the loss of PWTF loans. Montfort discussed the funding cuts to the PWTF loans put forth by former Governor Gregoire. Montfort recommended one change to the funding amount in the proposed letter.

Dan discussed a technical detail on the Headworks Project. Dan has received a copy of a letter from the State Archaeologist to the Public Works Board. Dan would like to have the Board approve the General Manager to authorize \$5,000 for archeologist review. Alesse moved and Reichhardt seconded to authorize up to \$5,000 for archeologist review. The motion passed unanimously.

Cherry Point Aquatic Reserve Implementation: Dan told the Board the next meeting of the Cherry Point Aquatic Reserve Implementation will be January 29, 2013. The Dept of Natural Resources Aquatic Reserves Program Manager asked for a list of priorities to be emailed before the meeting. Dan will be attending their next meeting.

Customer Issues: Dan discussed one of the District's customers, Paul Phillips. He allowed a local developer use of an outside hose on his house for water. Phillips felt his continued high water usage was caused by a faulty water meter, not the developer using the water. The most recent discussions with the customer indicated that the customer was not as adamant that the meter was the problem. The District is recommending a leak credit and to take off any returned check fee. Reichhardt moved and Alesse seconded to grant credit based on a year ago and refund of any returned check fee. The motion passed unanimously.

Dan then discussed the York account that went into bankruptcy. The District needs to file a lien before a bankruptcy is filed; any charges before the bankruptcy are lost. There appears to be differences between City utility rights and Districts utility rights, with cities having greater rights. Dan explained the York account charges, and what the District can legally charge according to our legal council. Staff will continue to investigate this issue.

Roger explained the different ways of the public have with communicating to other boards and commissions. Roger asked the Board if they would like our website to show their email addresses for the public in order to communicate directly with the Board. The Board agreed that their District email addresses should be on our website.

Developer Extensions:

Dan there is no new development at this time.

Dan did discuss an individual named Keith Troske who paid connection charges for Lot 45 in Malibu Estates but then never purchased the property. Troske has also accrued base charges on a utility account. Dan asked the Board if the connection charges should be refunded. The Board decided not to refund the charges.

Executive Session

The meeting went into executive session at **6:28 pm** to discuss potential litigation. The time in executive session is estimated to be **10 minutes**; action is expected. The meeting came out of executive session at **6:38 pm**. No action was taken.

The Board meeting was adjourned at **6:40 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 **January 24, 2013.**

BOARD SECRETARY