

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF BIRCH BAY WATER AND SEWER DISTRICT,  
HELD March 27, 2014

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

**Public Input:** None

**Agenda additions/changes:** Roger Brown added rescheduling April 10 meeting and changing #9 to a decision.

**Consent Agenda included:**

- **Minutes for the regular meeting of March 13, 2014;**
- **Manual Checks:**
  - **Dept of Revenue** excise tax for February 2014 paid in March with MC#14 \$ 8,615.86
  - **Elavon** credit card fees for February 2014 paid in March with MC#15 \$ 811.43
  - **American Express** fees for February 2014 paid in March with MC#17 \$ 12.70
  - **Key Bank** analysis fee for February 2014 paid in March with MC#16 \$ 108.20
- **Accounts Payable** Checks #43553-43564 for 2014 Budget \$ 3,797.99
- **Paying claim vouchers #262-286**
- **February Utility Billing and LID Adjustments** \$ 2,444.89

It was moved by Don Montfort, and seconded by Carl Reichhardt to approve the consent agenda as presented. The motion carried and passed unanimously.

**Developer Extensions:** None.

**Conservation Update:** Emily Resch updated the board on the Consumer Confidence Report progress and the 3/20 AWWA water tasting competition. The District/City finished 2<sup>nd</sup> out of 9. The District also participated in the World Water Day on 3/22 in the City of Bellingham. Rain barrel workshops are scheduled for 4/5 and 4/9. The school program is scheduled for May and June in classrooms. Water use efficiency program will be updated this next year as it's on a six year renewal cycle. Conversation continued between Board and District staff. Cooperative in Conservation annual report was distributed.

Dan Eisses mentioned that Emily Resch is also spending up to half her time and effort inspecting the Headworks project. Her efforts on GIS projects were also discussed in relation to District needs. The Commissioners asked if intern or temp help could be used to progress Emily's GIS efforts. Dan stated that staff would look into the idea and report back.

**Risk Pool Update:** Dan Eisses summarized the handout in the Board binder from the recent Risk Pool update meeting (3/20/14). Staffing for the pool was detailed as well as the '2013 budget to actual' and the total claims were summarized in reference to a graph in the handout. A potential insurance rate increase is anticipated to be flat or up to 5% more. Mr. Eisses relayed to the Commissioners that FMLA is applicable to the District and that a presentation on it had been given. An update on case law regarding a public records request was discussed.

Don Montfort updated everyone on the topic of L&I retro rebates coming in 2014 after a successful appeal regarding the retro rating program.

**Blaine Coordination:** Dan Eisses updated the Board on the recent Blaine Coordination meeting. Blaine is leaning toward placing a temporary water line on the Portal Way Bridge, summer of 2015, during the

county construction project. Roger Brown updated the Board on the 'Blaine to Lynden' project. Mr. Brown asked the Commissioners for their approval to sign a consulting agreement and Task order #28 with City of Blaine. Don Montfort moved that Roger Brown be authorized to sign the "Proposal for Consulting Services, Concept Paper: North Whatcom Integrated Water Resources Management" and Task order #28 with City of Blaine, subject to the changes needed by Roger Brown. Carl Reichhardt seconded the motion and it was carried and passed unanimously.

**WRIA 1 Watershed Planning:** Roger Brown updated the Board on the Water Districts Caucus meeting on 3/19/14. Included in that update were details on the Water Action Plan, Planning Unit Funding and Council Policy Oversight. Mr. Brown also reviewed the Planning Unit meeting from 3/19/14 and reported that Ellen Baker, Glacier Water District commissioner, will represent the Water Districts Caucus at the next meeting of the Planning Unit. Mr. Brown relayed that the Planning Unit will probably pass the Process and Procedural Agreement. Conversation continued on WRIA 1 Watershed Planning efforts.

**Headworks Update:** Dan Eisses updated the Board on the progress of this project by showing a picture of recent construction progress. Aeration basins are basically complete. Construction is going well in terms of identified issues with no new items requested. Next week the building slab should be poured. The PWTF invoice for \$520,214.04 was discussed in terms of when the interest would be charged. If the interest is charged for the whole year, the District would want to revoke the request and wait until PWTF next fiscal year which is only three months away.

Dan Eisses also updated the Board on the NPDES permit renewal process with the Department of Ecology.

**Public Works Board Call for Projects:** Dan Eisses brought a notice for Public Works Board "Construction Loan Program" applications. He detailed that only 'unfunded projects' from 2014 year would be eligible for application during this call for projects. A list of unfunded projects was discussed in detail, and resulted in only a few possible projects to make application. Mr. Eisses mentioned he is leaning toward skipping this applicant round and utilizing District cash to fulfill the "Automatic Meter Reading" (AMR) replacement project. Don Montfort mentioned that he likes getting the entire AMR project done at once since there are system and customer benefits. Carl Reichhardt mentioned another option also to the AMR project. Mr. Eisses recommended applying this round for the Automatic Meter Reading project.

Conversation continued about Automatic Meter Reading systems and the District's current meters. The Commissioners relayed their interest in customer service and accurate data by progressing with an AMR project.

Mr. Eisses then mentioned to the Commissioners that he will apply for PS 3&4 Sewer Capacity Increase project. The Commissioners agreed that he should apply for both projects.

**Verizon Lease Kickerville:** Dan Eisses updated Don Montfort with information on the Verizon Cell Tower proposal at the Kickerville Water Tank since Mr. Montfort was absent at the prior meeting.

**Additional Accounts Payable:** Accounts payable of \$6,110.42 paying check numbers 43565-43580 (vouchers 287-306) were presented. The motion was made by Don Montfort to approve the additional accounts payable as presented. The motion was seconded by Carl Reichhardt. The motion was carried and passed unanimously.

**Customer Accounts:** Dan Eisses presented the Commissioners with an RCW citing delinquency must be 30 days prior to the District shutting off services to the customer. The District had looked at Blaine' shut-off schedule (all completed within one month) when we were making recent changes to the schedule. The District pushed the "shut-off of services" out a week once they noticed this RCW. This achieved diligence in working toward the RCW but now we need to make a further adjustment to fully meet the RCW. Data on shut-offs was given to the Board in terms of diminishing shut-off of services. The Commissioners commended Mr. Eisses in catching this issue.

**Double R Ranch:** Dan Eisses brought information to the Board on the location of the four lots that the District owns and the annual costs of the lots since 2004. The RCW 57.08.016 was discussed in terms of how to sell the real estate. Appraisals a few years ago were for \$20-\$40,000 approximately. Appraisals cost approximately \$1,000-\$2,000. District staff wondered if using an appraiser would be beneficial for a potential customer to read and understand if building on the lots were possible. Mr. Carmichael mentioned that we should look at the tax appraisal value. Differences between brokers and appraisers were discussed. The Commissioners understood the process and want staff to proceed with getting prices.

Dan Eisses recommended a code change proposal to Chapter 9.02 "Local Facilities Charges" to add a section D "Other costs borne by the District which are directly attributable to the improvements required by property owners seeking to connect to the system". This change is needed to be able to set a "local facilities charge" to the 3 lots that have not paid the LID. The Commissioners agreed for staff to proceed with the code change.

Mr. Reichhardt set the goal that in 2014 he wants the lots to be dealt with. Mr. Carmichael identified potential issues with placing a facilities charge on the county owned property lots, which will need to be investigated.

**Developer Extensions:**

Arnie Road: Mr. Eisses discussed this request and the "will serve policy". His recommendation was to grant a service for each existing lots of records but they cannot subdivide and get additional lines of services without upgrading the main line. District boundaries were discussed on the map included in the Board books. This is water only, no sewer service. There was further discussion on fire flow and eight inch pipe versus two inch. Commissioners agreed to the staff recommendation. If the owner is interested in sub-dividing, they will need to make application.

Meditation Center: The Center made application for sewer service in the past and we had notified them water service hook-up would also be needed. Mr. Eisses referred to an email from Ravyn Whitewolf, City of Blaine, where the relationship of this customer was indicated as a wholesale arrangement and other details. Carl Reichhardt mentioned the concept of establishing an interlocal agreement between the District and the City of Blaine to provide services to customers in City of Blaine jurisdiction. Further conversation limited that idea as each site has unique issues. Staff recommended a joint comprehensive plan for the general area and will proceed with conversations with City of Blaine.

Dan Eisses updated the Commissioners that he had received a phone call from the owner of the Anderson Park property that they were interested in starting on 15 more lots.

The April 10, 2014 meeting will be cancelled per Commissioners.

The Board meeting was adjourned at **7 pm**.

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COMMISSIONER

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COMMISSIONER

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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 **March 27, 2014.**

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BOARD SECRETARY