

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF BIRCH BAY WATER AND SEWER DISTRICT,
HELD May 22, 2014

Board President Pat Alesse called the meeting to order at 4:32. Other persons present included Commissioner Carl Reichhardt, Commissioner Don Montfort, General Manager Roger Brown, Assistant General Manager Dan Eisses, Attorney Bob Carmichael, Finance Director Sandi McMillan, and District Information Services Specialist Dustin Sellinger.

Public Input: None

Agenda additions/changes: Roger Brown added an executive session regarding potential litigation.

Consent Agenda included:

2. **Minutes of May 8, 2014 Regular Meeting**

3. **Accounts Payable:**

Checks #43689-43698 for 2014 Budget

\$ 14,570.04

Paying claim vouchers #495-523

It was moved by Don Montfort to approve the consent agenda. The motion was seconded by Carl Reichhardt. The motion passed unanimously.

Developer Extensions: None.

Customer Accounts: Sandi McMillan presented a proposed amendment to the "Adjustment to Utility Bill – Water Leaks" policy. She explained the proposed amendment would allow staff to remove applicable late fees as part of the leak credit adjustment process. Don Montfort moved to adopt the amended policy as presented. The motion was seconded by Carl Reichhardt. The motion passed unanimously.

Dan Eisses updated the Board on the service lock-off schedule. The Commissioners asked questions regarding the lock-off schedule and dates when payments are due on bills. Mr. Eisses introduced District staff Dustin Sellinger to describe online billing system options, as that new service may help customers pay on time and avoid a service lock-off. Mr. Sellinger explained his research on a number of online billing system vendors. He compared monthly and per item costs for each of the vendors. Mr. Sellinger referred to a handout from a vendor, "Invoice Cloud," which he cited as the least expensive of the vendors reviewed. Mr. Eisses mentioned credit card transaction costs will increase as District customers make greater use of the on-line service. The Commissioners asked a variety of questions related to on-line billing. Mr. Sellinger will investigate those concerns and report back to the Board. Mr. Montfort summarized the on-line billing efficiency as a potential customer service but cautioned that if the associated costs get too high the District may need to recover through a transaction fee.

Mr. Montfort reviewed the lock-off schedule. He suggested District staff examine moving the lock-off date out another week. Mr. Montfort said we need to assure enough time prior to lock off. Mr. Montfort requested that staff bring the the lock-off schedule topic to a future meeting for additional review.

Finance Report: Sandi McMillan informed the Board of progress toward implementing voluntary customer contributions for the Community Assistance Program of Blaine (CAP). She said the District mailed new bills last week to over 800 customers. Those bills included the ability to make a voluntary CAP contribution. The Commissioners suggested creating an insert to include in billings and also placing information regarding this program on the District's website.

Mrs. McMillan presented an amended policy "Budget and CIP Adoption, Amendment, and Management". She indicated the single word change from "monthly" to "quarterly" needed in the section, "Budget-Operating". She further explained this would make quarterly reporting to the Board consistent throughout

the financial policies. Mr. Montfort moved to approve the amended policy as presented. Mr. Reichardt seconded the motion. The motion passed unanimously.

Blaine Coordination: Mr. Eisses updated the Board on Blaine's progress on the Portal Way Bridge report. He also shared with the Commissioners the WUE goals were to be set every 6 years, or when a comp plan is finalized.

Mr. Brown shared with the Commissioners that Senator Erickson is hosting a town hall on 5/29/14 which will include information on watershed issues. Mr. Brown indicated a 6/9/2014 meeting is scheduled with the Lummi Nation regarding the Inter-Basin transfer project. Mr. Brown summarized a recent meeting with Carl Weimer.

WRIA 1 Watershed Planning: Mr. Brown highlighted the agenda from the 5/21/14 Water Districts Caucus meeting. He anticipates the WRIA 1 Planning Unit "Process and Procedural Agreement" is ready to sign.

Mr. Brown summarized the recent 5/13/14 Water Forum held at Ten Mile Grange. The Commissioners requested Mr. Carmichael provide a presentation "Watershed Legal Issues" at the next Board meeting.

Mr. Brown described a request from Gary Stoyka regarding the "Whatcom County Coordinated Water System Plan (CWSP) Update". He mentioned Mr. Stoyka's email request, included in the Board binder, to participate in a preliminary meeting on the CWSP on June 4. Mr. Eisses will attend.

Mr. Brown highlighted an article regarding the US Department of Justice supporting the Agua Caliente Band of Cahuilla Indians in a water rights lawsuit.

Headworks Update: Mr. Eisses reported the Headworks project is on schedule. He showed a picture of the force main project up to the influent box. He showed another picture from inside the influent box, showing the 10" overflow pipe and discussed a piping conflict.

Mr. Eisses discussed the desire to coat the influent and effluent channels, although this work was not reflected in the original plans. He discussed a quote in the binder as indicating that adding epoxy to channels at this point would be too expensive. Mr. Reichardt spoke about chemicals one can add to the sewage to prevent damage to the walls and discouraged epoxy coating as his experience with this type of coating was not positive.

Additional Accounts Payable: Accounts payable of \$221,801.20 for checks #43722-43744, paying vouchers 524-552 from 2014 budget. Mr. Montfort moved to approve the additional accounts payable. Mr. Reichardt seconded the motion. The motion passed unanimously.

Double R Ranch: Mr. Eisses received appraisal information on the three lots owned by the District. Lot 10W appraised at \$35,000, Lot 84 with 84A appraised at \$30,000 and Lot 80 appraised at \$30,000. He referenced RCW 57.08.016 as included in the Board binders for discussion on proceeding with the sale of the lots. Mr. Eisses shared options for public advertisement including mobile home selling companies and the real estate "Multiple Listing Service". Advertising in the Northern Light was suggested by Mr. Montfort.

Mr. Carmichael described receiving a letter from the County regarding dismissal of District foreclosure action pertaining to lot 103. He explained the District could foreclose on that lot and then pay assessments. Mr. Eisses recommended not responding to the dismissal letter and letting the foreclosure action be dismissed. Commissioners agreed unanimously with District staff recommendation. The Commissioners requested Mr. Carmichael not respond to the dismissal letter.

PWTF Applications: Mr. Eisses spoke on the two recent Public Works Trust Fund applications. Both had been received by The Department of Commerce according to the email he included in the Board binder. He mentioned applicants selected for funding will be notified in August 2014.

Developer extensions: Mr. Eisses described pending information from Science of Spirituality (SOS) on usage. He will bring that to the next meeting.

Mr. Eisses informed the Board of the issue regarding a cut side sewer line. Since it is on private property the District's risk pool was notified.

Executive session: The Board entered an Executive session at 6:35, they estimated 20 minutes and would return at 6:55. The Board came out of Executive session at 6:59.

The Board meeting was adjourned at **7 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 **May 22, 2014**.

BOARD SECRETARY