

**Beacon Hill Sewer District
Commissioners' Meeting Minutes
Wednesday, June 12, 2010**

President Branch called the regular meeting to order at 5:05 pm. This meeting was held at the Cowlitz PUD Auditorium, 961 12th Avenue, Longview.

In attendance were: Commissioners Branch & Takko
Alan Engstrom, Legal Counsel
Kim Adamson, General Manager
Jan Zintz, Office Staff
Brian Wilson, Field Lead

It was moved by Dean Takko, seconded by Ted Branch, to approve the May 12, 2010 meeting minutes as drafted. Motion carried.

Manager Report. The Manager Report, which had been prepared for and delivered prior to this meeting, was the Board's first item of consideration. A copy of this report is, by attachment, made a part of this permanent record.

Item 1 – Surplus Property. Kim recommended declaring the '91 GMC pickup surplus property as it is not safe to drive after an electrical fire. She suggested that the truck be sent to the Cowlitz County auction scheduled for June 22, 2010. It was moved by Dean Takko, seconded by Ted Branch, to declare the 1991 GMC pickup surplus property and authorized staff to sell it at the county's auction . Motion carried.

Item 2 – Jeep Cherokee. Kim reported that the new replacement truck for the '91 GMC is currently on order. Staff has been using the Trailblazer in the interim for meter reads, hanging door tags and water service lock offs. It is convenient and cost effective not to drive a large truck to perform these duties. Cowlitz PUD is surplusng a late model Jeep Cherokee with 65,000 miles on it for around \$2,000.00. This vehicle would be ideal for our summer helper to drive, and with a small trailer it could be useful for carrying the lawnmower and other landscape equipment.

It was moved by Dean Takko, seconded by Ted Branch, to authorize the manager to pursue purchase of the 2006 Jeep Cherokee from Cowlitz PUD for around \$2,000.00. Motion carried.

Item 3 – Summer Help. The summer help position is currently posted at Lower Columbia College at a rate of \$10.00 per hour. Kim reported that she has received two applications to date, one from LCC and one forwarded from Cowlitz County summer help pool.

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It was decided at last month's meeting to base the District's hourly rate for summer help on the County's rate for summer help. They pay \$9.40 the first year and step up each year for four years, topping out at \$11.30 per hour. Kim likes the idea of increasing pay each year to encourage experienced employees to return. A proposal for increasing the hourly rates will be incorporated in next year's discussion regarding summer helpers.

Item 4 – Fee Schedule. The District does not have a current rate schedule for equipment and personnel reimbursement. Resolution No. 419 establishes a reimbursement schedule for occasional work performed at outside agencies or jurisdictions. Personnel fees are based on a survey from other entities and equipment rates are based for the most part on FEMA's reimbursement schedule.

It was moved by Dean Takko, seconded by Ted Branch, to adopt Resolution No. 419 which establishes a schedule of rates and charges for equipment and personnel when used for outside services. Motion carried. This rate schedule will remain in effect until it is amended by resolution.

Item 5 – Property Purchase. The Lexington Marketplace property located on Solomon Road was going into foreclosure. Kim initially inquired about the property as it would be a great location for a new District facility. The trustee sale has been temporarily postponed because the bank that owns the property, Bank of Clark County, is in receivership. It was noted that the property located on the east side of West Side Highway, owned by Ostrander, is also available. Additional discussion regarding necessary financing and costs to buy real estate and to build a new facility was briefly discussed. The Board tabled further discussion until after the June 15th joint meeting.

Item 6 – Joint Meeting. As a reminder, a joint meeting will be held to discuss possible legal ownership transfer of the water system on Tuesday, June 15, 2010.

Kim provided a brief overview of discussion at last month's meeting with regard to the advantage of completing a water system comprehensive plan earlier than necessary to identify potential problems or projects that are needed. A \$127,024.00 proposal by Kennedy/Jenks for a Water System Master Plan, Attachment MR6, will determine the needs and condition of the system, necessary corrective actions and suggestions for a long-term capital improvement plan prior to ownership transfer. Water utility maintenance and reserve funds cannot sustain such a large expense, so some arrangement will be necessary with Cowlitz PUD, either they could pay for the plan or loan the water utility money to cover this expense.

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Item 7 – Cashflow. Kim reported that the water utility maintenance fund has a net increase of \$70,000.00 so far this year and currently has a balance of \$140,000.00. Annual PWTF loans in the amount \$54,600.91 are due this month in addition to regular expenses. Water Utility Reserve currently has a balance of \$167,000.00. Kim suggested that the Board adopt Resolution No. 420, which authorizes a \$54,600.91 transfer from Water Utility Reserve funds to cover payment of the debt service.

It was moved by Dean Takko, seconded by Ted Branch to adopt Resolution No. 420 which authorizes the Cowlitz County Treasurer to transfer \$54,600.91 from the water utility reserve fund to the water utility maintenance fund for the purpose of paying debt service. Motion carried.

Other Items. 1. Kim recommended paying off the District's PWTF loan for the 2006 sewer interceptor failure at the corner of Westside Highway and Early Bird Lane. Principle and interest are \$24,145.72 and the payment amount will not burden sewer maintenance fund balances. She explained that the interest rate on the loan is .5% and investment interest over the past six months has been .25%. Paying the loan off would also save \$10,000.00 in interest over the remaining life of the loan. After brief discussion the Board agreed with Kim's recommendation to pay off the loan.

2. Verizon Wireless rejected the District's request to pay estimated attorney fees, not to exceed \$1,500.00, prior to counsel's review of the final draft for placement of a tower on District property. Their attorney is looking at ways to avoid any decision to thwart negotiations.

3. Kim apprised the Board that she will be considering options to move our employee medical benefits from the county. Pursuant to the Board's decision to allow Peggy Skeahan prorated medical benefits last year, we signed her up for VEBA through the County. The County decided that Peggy would no longer qualify for medical benefits, effective January 1, 2010, because her hours worked does not qualify for medical benefits under their policy; even though she qualifies under the District's policy. Kim has been working on benefits for Peggy and just recently made arrangement with VEBA to accept monthly deposits for Peggy through her account already established with Cowlitz County but we would need the County's VEBA account number. The County rebutted VEBA's decision to allow us to deposit into their account. VEBA is now checking on the legality of all county entities contributing through Cowlitz County. Brian Wilson also qualifies for VEBA under federal law, but cannot participate because he does not qualify under County Policy.

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Kim will check into the local medical benefits pool that CWCOG, the City of Kelso and the City of Longview are participants in. She hopes to have a recommendation by year's end. Brief discussion ensued on the District choosing another Treasurer and the cost ramifications in doing so. Kim will gather more information before recommending a move from the County Treasurer.

Claims & Payroll. The Board reviewed the June monthly VISA statements, including detailed backup.

Vouchers audited and certified by the auditing officers as required by RCW 42.24.080, and those reimbursement claims certified by auditing officers as required by RCW 42.24.090, have been made available to the Board.

As of this date, June 9, 2010, the Board, by unanimous vote, does approve those vouchers and payroll in the above lists and further described as follows: shaded May claims in the amount of \$9,582.07; June claims submitted 6/15/10 and 6/30/10 in the amount of \$181,023.49; PPE 5/31/10 payroll and benefits in the amount of \$37,162.26 and PPE 6/15/10 payroll and benefits in the amount of \$29,117.29.

Lien Information. The Board reviewed the monthly lien synopsis. It was moved by Dean Takko, seconded by Ted Branch, to confirm the filing of Lien No. 1359 as filed with the Cowlitz County Auditor. Motion carried.

A joint meeting with Cowlitz PUD will be held at 4:30pm on Tuesday, June 15, 2010. The next regular meeting, to be held at Cowlitz PUD, was scheduled for July 14, 2010 at 5:00 pm. There being no further business, the meeting was adjourned at 6:10pm.

Ted A. Branch, President

Dean A Takko, Commissioner

Monte J. Roden, Secretary

