

**Beacon Hill Sewer District
Commissioners' Meeting Minutes
Wednesday, September 8, 2010**

President Branch called the regular meeting to order at 5:10 pm on Wednesday, September 8, 2010 in the Cowlitz PUD Auditorium, 961 12th Avenue, Longview, Washington. Those in attendance were:

Commissioners Ted Branch, Dean Takko and Monte Roden
Kim Adamson, General Manager
Jan Zintz and Vicki Kruse, Office Staff

It was moved by Dean Takko, seconded by Monte Roden, to approve the minutes of the August 11, 2010 minutes as drafted. Motion carried.

The Manager Report, which was delivered to the Board prior to the meeting, was the first item of discussion. A copy of said report is attached as a part of this permanent record.

Item 1 – Backflow Testing Update. Kim reported that Troy is dedicating about 1 day per week to do backflow testing in addition to his regular job duties and is expected have all existing devices tested by the end of October.

Item 2 – Cost of Service Analysis (COSA). Kim displayed a PowerPoint presentation of the COSA to the Board and explained how the data is compiled to project future rate increases. Lengthy discussion continued among Kim and Commissioners about projected rate increases, Capital Improvement Projects and debt service. The Board discussed eliminating projects to minimize the increase and Kim will prepare three different rate scenarios to be presented at the October meeting.

Item 3 – Capital Projects Status. The Williams-Finney project will break ground on September 13. Kim advised the Board that the State Archeology Department gave approval for the project and a PWTF loan draw has been submitted.

The Lexington/Nevada Generator project is scheduled to begin in two weeks.

At the time of this meeting, there is not yet a scheduled start date for the Eastside/Louise Street pump station upgrade.

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Item 4 – Financial Policy. Kim stated that she consulted with three different districts who are their own Treasurer to develop a Financial Policy for the District. She has spoken with Judy Ainslie, Cowlitz County Treasurer, and Jasen McEathron, Washington State Auditor's Office who have no objections to the District becoming their own Treasurer with an expected start date of January 1, 2011. The District would need to have the Financial Policy and payroll software in place by year-end as well as a bond, estimated to cost \$300.00. Monte Roden, seconded by Dean Takko, made a motion to approve the \$5,000.00 purchase of a payroll module necessary to become the District's own Treasurer. Motion carried. The Financial policy will be addressed again at the October meeting along with a Resolution for adoption.

Other Business. Kim expressed office security issues and stated she would like to gather quotes for shatterproof glass for the office. The Commissioners were agreeable to obtaining cost for this project.

Kim has been working with Brian Skeahan, Cowlitz PUD, to gather information for the transfer and asked the Board the amount of detail they would like to see as the date of transfer nears. Commissioners unanimously agreed that a summary would be sufficient. Kim advised that a public hearing to discuss the water system transfer would be held in the daytime on November 9 in conjunction with the PUD's regular meeting. On November 10, a public hearing in the evening will be held in conjunction with the District's regular meeting. Future hearings will be held if necessary based on public interest.

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

Vouchers audited and ratified by the auditing officers as required by RCW 42.24.080, and those reimbursement claims ratified by auditing officers as required by RCW 42.24.09, have been made available to the Board.

As of this date, September 8, 2010, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: Shaded August invoices the amount of \$29,905.18; and September invoices in the amount of \$135,161.31.

Lien Information. The Board reviewed the monthly lien synopsis. It was moved by Monte Roden, seconded by Dean Takko, to confirm the filing of Lien Nos.1370-1377. Motion carried.

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The next regular meeting was scheduled for October 13, 2010. There being no further business, the meeting was adjourned at 7:05 pm.

Ted A. Branch, President

Monte J. Roden, Secretary

Dean A. Takko, Commissioner