

**Beacon Hill Water and Sewer District  
Commissioners' Meeting Minutes  
Wednesday, May 11, 2011**

President Roden called the special meeting to order at 5:05 pm on Wednesday, May 11, 2011 at the Cowlitz PUD Auditorium at 961 12<sup>th</sup> Ave in Longview, Washington. Those in attendance were:

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

Also in attendance:  
Mr. & Mrs. Virgil Christofferson  
Mr. Scott Morris

It was moved by Ted Branch, seconded by Dean Takko, to approve the minutes of the April 20, 2011 meeting as drafted. Motion carried.

The Board welcomed Mr. & Mrs. Christofferson and Mr. Morris to the meeting. Mr. Christofferson began discussion by explaining that he had a garden hose left running and due to the wet weather, he could not safely turn it off. While the existing policy does not allow for an adjustment, Mr. Christofferson requested an exception. After discussion, the Board approved the adjustment based on current leak adjustment policy.

Mr. & Mrs. Christofferson thanked the Board for their consideration.

Mr. Morris explained that he phoned the office in February 2011 to have water shut off for a broken pipe. At that time, he was under the impression that having water shut off eliminated future billing statements. After receiving two statements, he called in May. Mr. Morris stated that he was notified by staff that he would continue to receive minimum monthly charges until the water was locked off and a completed vacancy form signed. He has been out of the home and he requests an adjustment. Following discussion, the Board agreed to accept his vacancy retro-active to the date of the first call in February 2011 and adjust March – April water/sewer charges to the vacancy rate.

Mr. Morris thanked the Board for their consideration.

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 – Budget.** As a result of the recent audit, Kim advised the Board that the Auditor has requested that the Board re-adopt the budget including the wage grid. To that end, it was moved by Ted Branch, seconded by Dean Takko, to re-adopt the bound copy of the Maintenance, Operations and Reserves Budget for 2011 with the cover date of December 15, 2010, including all six tabbed sections of material. Motion carried.

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**Item 2 – Employee Manual.** Kim presented the Employee Manual that was presented at last month's meeting for review and approval by resolution. Kim explained the areas of the manual that are being changed are benefits from Cowlitz County to the District and a modification of the cellular telephone use policy. Monte inquired about requirements for employee's with a CDL. After brief discussion, it was agreed that Kim would review state statute and update the Employee Manual for approval at a future meeting. It was moved by Ted Branch, seconded by Dean Takko, to approve Resolution 432 modifying the Employee Manual as presented. Motion carried.

**Item 3 – Financial Policy.** Kim presented the Purchase Policy that was presented at last month's meeting for review and approval by resolution. Kim stated the policy is revising our bank account from a single savings account to three checking accounts including a sweep account for our daily deposits, a main checking and a checking account for claims/payroll. It was moved by Dean Takko, seconded by Ted Branch, to approve Resolution 433 modifying the Purchase Policy. Motion carried.

**Item 4 – Wellness Plan.** As part of the District's participation in the Insurance Rate Stabilization Pool, Kim advised that the District is required to adopt a wellness plan drafted by staff. It was moved by Ted Branch, seconded by Dean Takko, to approve Resolution 434 that will adopt the Wellness Plan.

**Item 5 – Emergency Response/Customer Complaint Plans.** Kim presented updates to water system emergency response and customer complaint plans as a requirement of the water system plan. The emergency response plan has been amended to reflect ownership with the District from Cowlitz PUD. The Board will review and notify Kim of any changes.

**Item 6 – Proposed Fee/Penalty Changes.** As currently stated in the General Terms and Conditions, late penalties are presently charged at 10% of the delinquent balance. In an effort to streamline how the penalties are charged and credited within the billing software program, Kim is requesting a change from the 10% penalty to a flat rate \$10.00 penalty. This would allow the software program to more easily distribute the fees between water and sewer.

Kim explained that a significant amount of staff time is spent on generating and delivering door hangers for customers who are delinquent. She stated that discussion with other agencies in a similar situation have found that instituting a door hanger fee lowered the number of door hangers generated. A door hanger fee of \$20 is proposed. After Board discussion, it was moved by Ted Branch, seconded by Dean Takko, to approve Resolution 435 which adopts these two changes. Motion carried.

**Item 7 – Visa Processing.** As an informational item, Kim advised that the office is currently in the process of changing our Merchant Card Services carrier locally to Heritage Bank. This change will reduce the rates the District is charged and decrease the

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number of days in process. A module enhancement to the billing software for payments accepted over the internet would cost \$575.00. This amount will be saved within the first two months.

**Item 8 – Visa Purchase Reviews.** Kim inquired if the Board would be opposed to office staff emailing the monthly credit card purchases and supporting documentation for review prior to the meeting. The Board agreed and will receive the statements by email with complete credit card numbers removed.

**Item 9 – Audit/Harris.** At last month's meeting, Kim informed the Board that the District will receive an Audit Finding for the 2008/2009 audit period. The Auditor's Office will provide a statement to The Daily News and the District will have an opportunity to respond to the Auditor's statement. Kim acknowledged that the Financial Statements for this time period were submitted late and suggested that the Harris software may be part of the cause. She explained that all funds received in are accounted for at the bank, however, fund totals electronically transferred from the billing module to the General Ledger module daily are not always in balance. Kim has authorized an employee of Harris to initially dedicate 6 hours of time on a conference call to assist staff in locating these issues. If necessary the District may need to bring a Harris employee on-site to work with District staff for a week to discover why the activity in the billing module doesn't transfer to the General Ledger module. In the event some of these issues are a result of poor set up at implementation, Kim stated she will be requesting compensation for the District. Considerable staff time is being spent on this issue as well as hiring contractually for assistance. Discussion continued with the Board agreeing move forward with the conference call and if necessary, bring a Harris staff member on site for closer review. Kim will report on this matter next month after further discussion with Harris staff.

**Item 10 – Alderwood Pump Station Proposal.** Kim requested approval of the attached Kennedy Jenks proposal not to exceed \$30,848.00. A Public Works Trust Fund Loan is anticipated. It was moved by Dean Takko, seconded by Ted Branch to authorize Kim to sign the proposal drafted by Kennedy Jenks. Motion carried.

**Item 11 – CAD Station.** The CAD computer, which was previously scheduled to be replaced this year, has been having problems recently. At budget time, the replacement was removed from the budget because the computer had been working fine. Kim has requested approval to purchase a replacement after recent parts did not correct the problem. It was moved by Ted Branch, seconded by Dean Takko to authorize Kim to purchase a new CAD computer. Motion carried.

**Item 12 – Transfer of Funds from Sewer Capital Reserve to Sewer Maintenance.** Kim stated that Capital Reserve project payments, to date, have been paid out of Maintenance Funds and requested approval to transfer \$500,000.00 from Sewer Capital Reserve to offset those payments made by the Sewer Maintenance Fund. It was moved by Ted Branch, seconded by Dean Takko to sign Resolution 436 authorizing a

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transfer of \$500,000.00 from Sewer Capital Reserve to Sewer Maintenance. Motion carried.

**Claims and Payroll.**

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, May 11, 2011, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: Shaded April invoices the amount of \$144,814.57; and May invoices in the amount of \$68,846.98.

**Lien Information.** The Board reviewed the monthly lien synopsis. It was moved by Ted Branch, seconded by Dean Takko, to confirm the filing of Lien Nos.1402-1405. Motion carried.

A workshop was scheduled for May 18, 2011 at 5:00 p.m. to discuss the General Manager Contract and Executive Session for an issue related to personnel.

The next regular meeting was scheduled for June 8, 2011 at 5:00 p.m. After brief discussion, the Board adjourned at 7:02 p.m.

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Monte J. Roden, President

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Ted A. Branch, Secretary

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Dean A. Takko, Commissioner