

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, January 13, 2012**

President Roden called the meeting to order at 3:30 pm on Friday, January 13, 2012 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Monte Roden, Ted Branch, Dean Takko
Alan Engstrom, Legal Counsel
Kim Adamson, General Manager
Vicki Kruse, Office Staff
Brian Wilson, Field Lead

Also in attendance:
Mr. Jim Zintz

It was moved by Dean Takko, seconded by Ted Branch, to approve the minutes of the December 14, 2011 meeting as drafted. Motion carried.

Monte reviewed the agenda with staff and audience to clarify audience participation.

Monte moved to audience participation and asked Mr. Zintz if he had anything he wanted to address with the Board and he replied that he did. Mr. Zintz referenced the minutes of November 18, 2011 specifically paragraph 3, page 3 of Other Business. Mr. Zintz felt the minutes were intentionally misleading in reference to a conversation regarding the transfer of the water system and whether Monte Roden was employed by the PUD at the time the water system was purchased from the PUD. Kim again clarified that the District did not purchase the system because both the PUD and BHWSD were in agreement that the rate payers had already purchased the system and should not have to repurchase it. The PUD and the District are basically just the guardians for the publicly owned system. Kim clarified the District provided \$10.00 in consideration to Cowlitz PUD to satisfy the Washington State Auditor for the PUD and noted that the minutes would be clarified if necessary to accurately reflect the meeting discussion.

Managers Note: The taped minutes on November 18, 2011 were reviewed and the minutes were correct, accurate and clear. The question asked by Mr. Zintz was whether Mr. Roden was employed by the PUD at the time the District bought the water system. Mr. Roden answered yes he was employed by the PUD at the time of the transfer and that the District did not "purchase" the water system. Upon review of the minutes there is no need to clarify because they very accurately reflect the tape (see attached). One additional note, General Manager Kim Adamson paid the \$10 transfer fee personally and did not submit for reimbursement. The District did NOT provide any money to the PUD in consideration for the final transfer of the system.

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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 – Resolution 442. Kim advised the Board that the rate schedules attached to Resolution 442 which were presented and approved at last month's meeting did not reflect the correct rates. Alan stated that the resolution itself did not need to be readopted but the attached rate schedule modification did need to be acknowledged. New schedules were presented which correspond with the written notification that was mailed to the customers and the information that was provided to the board during the hearing. The revised rate schedules were acknowledged by the Board.

Item 2 – Yelton Drive PS. Kim reminded the Board of a discussion months ago to relocate the Yelton Drive Pump Station for safety reasons. Kim presented a revised scope of work to relocate the pump station. Geo-tech inspection for the original bid to rehab the Yelton Drive Pump Station was minimal and Kim is recommending a full-scale geo-tech inspection with soil samples. By consensus, the Board approved to have Richmond Engineering proceed with additional investigatory work. It was moved by Ted Branch, seconded by Dean Takko to approve additional engineering by Richmond Engineering for the design not to exceed \$28,620.00 and the reimbursable geo technical expenses. Motion carried.

Item 3 – Finance Administrator and Finance Update. Kim informed the Board that four candidates for the position of Finance Administrator were interviewed by Kim, Pat Lloyd and Vicki Kruse. Debbie Vela was the first choice. Kim met with Monte to discuss making an offer to Debbie and recommends that Debbie be hired at 110% of mid-point based on her extensive experience. Kim met with Debbie on January 9th and she accepted the offer. It was moved by Dean Takko, seconded by Ted Branch to confirm the hiring of Debbie Vela at 110% of mid-point. Motion carried.

Kim notified the Board that she has reconciled with the bank through November 2011 and will be completing December reconciliation later in the week. She will continue to complete the monthly bank reconciliation.

Other Business. Alan presented the Board with the current year retainer agreement which was signed and a final draft of the General Manager employment contract. After review, the Board was agreeable to the draft and approval of the contract will be on the agenda for next month's meeting.

Expenditures.

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 42.24.90, have been made available to the Board.

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As of this date, January 13, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: Shaded December invoices the amount of \$119,567.11; and January invoices in the amount of \$60,097.42, payroll for December. The December Visa statements were provided to the Board at the meeting with exception of Kim and Brian's which will be sent electronically for review after the meeting.

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 Nos. 1441-1446. Motion carried.

There being no further business, the Board adjourned at 6:20 p.m. and the next meeting was scheduled for Friday, February 10, 2012.

Monte J. Roden, President

Ted A. Branch, Secretary

Dean A. Takko, Commissioner

Attachment: November 18, 2011 Meeting Minutes