

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, March 23, 2012**

President Roden called the special meeting to order at 4:10 pm on Friday, March 23, 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

It was moved by Dean Takko, seconded by Monte Roden, to approve the minutes of the February 10 special meeting and February 24, 2012 Water System Plan Public Hearing 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 – Hillside Pump Station Study. Kim advised the Board that Richmond Engineering has completed the joint study with the City of Longview to determine the alternatives for the aging pump station owned by the District. The City of Longview also has their own pump station and neither of the stations have pumps that can draw from the full capacity of the reservoir. Of the four options presented in the study by Richmond Engineering, the preferred alternative would be to eliminate both pump stations and replace with a new single pump station that is either shared by the entities or owned by Longview who allows the District to wheel through it. The wheeling contract with Longview is currently up for review. At the time the contract is re-negotiated, consideration could be given to add a clause that would prohibit assumption from the City in the future should the District eliminate its pump station to wheel through Longview if that option is explored.

Monte expressed concern of the District's priority for wheeling and the ability for a non-assumption agreement to be enforced. Dean questioned who would pay for capital costs if the District wheeled through Longview. Attorney Engstrom stated that he thought 10 years was the longest amount of time a current administration could bind a future administration. After discussion, the Board agreed to look at this further.

Item 2 – STAG Grant/CATEX. Kim notified the Board that the STAG Grant obtained 3 years ago was approved. Kim stated that Senator Murray's office, EPA and Lobbyists with the PUD provided a lot of assistance. The grant reimburses 55% of expenses on the approved projects and 90 days prior to the approval of the NEPA (National Environmental Policy Act)/CATEX (Categorical Exclusions). The grant was originally approved for the construction of the Williams-Finney and Beacon Hill pump stations. With construction of Williams-Finney completed and paid for by the District, the scope of work was modified to include on-site emergency power at Williams-Finney and the Curtis Road Intertie as well as the Beacon Hill pump station project.

Item 3 – Finance Report/Meeting with Auditor. Kim informed the Board that she and Debbie Vela as well as Pat Lloyd met with Tina Watkins at the State Auditor's Office recently. Tina was pleased with the progress the District has made to resolve the reconciliation issues. Kim

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advised the Board that Pat Lloyd has submitted his final invoice and will be on hand for consultation. Debbie was able to get into a BARS class due to a cancellation and will be attending the workshop later this month.

Action Items:

Item 1 – Officer Elections. Monte Roden made a motion that Dean Takko be nominated for President. The motion was seconded by Ted Branch. Motion Carried.

Ted Branch made a motion to nominate Monte Roden as Secretary. The motion was seconded by Dean Takko. Motion carried.

Item 2 – Surplus. Kim presented a list to declare surplus. It was moved by Monte Roden, seconded by Ted Branch, to declare the list as surplus and dispose of the items in the most fiscally responsible fashion. Motion carried.

Item 3 – Water System Plan/Water Use Efficiency. It was moved by Monte Roden, seconded by Ted Branch, to adopt the Water System Plan/Water Use Efficiency Goals as presented at the February 24, 2012 meeting. Motion carried.

Item 4 – Cross Connection Policy. It was moved by Ted Branch, seconded by Monte Roden, to approve Resolution 444 relating to the Cross Connection Policy as presented. Motion carried.

Item 5 – Beacon Hill Pump Station Bid Award/Construction Services. Kim advised the Board that 7 bids were received and the apparent low bidder was PR Worth Construction. It was moved by Ted Branch, seconded by Monte Roden, to award the construction contract to PR Worth Construction for a base bid of \$356,831.00 plus the alternate of \$131,435.00 for a total of \$525,374.22 which includes tax. Motion carried.

The Board expressed dissatisfaction of the proposal received for construction oversight and rather than authorize Kim to sign the agreement with Kennedy-Jenks, the Board requests Kennedy-Jenks review their pricing. Kim will discuss costs submitted with Kennedy-Jenks and present at the April meeting.

Item 6 – Yelton/Niblett/Kelsey Pump Station Bid Award. Kim presented the bid results for the Yelton/Niblett/Kelsey Pump Station project. The low bidder was Schneider Equipment with a base bid of \$337,800.00 which covers Niblett and Kelsey and an Alternate Bid No. 1 of \$333,200.00 which covers Yelton for a total bid of \$671,000.00 excluding tax. It was moved by Ted Branch, seconded by Monte Roden, to award the contract to Schneider Equipment. Motion carried.

Item 7 – Curtis Road Intertie Engineering Proposal. Kim presented a proposal for engineering from Kennedy-Jenks. The Board declined to approve the proposal and requested that Kim contact Richmond Engineering to submit a proposal.

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Item 8 – Williams-Finney Generator Engineering Proposal. Kim provided a proposal for design from Richmond Engineering for the emergency back-up generator. It was moved by Ted Branch, seconded by Monte Roden, to approve the proposal from Richmond Engineering not to exceed \$11,200.00. Motion carried.

Item 9 – Title Company Payoff Quotes. The Board requested Kim bring this for review at the April meeting once Alan has reviewed the legislation pertaining to payoffs.

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.

As of this date, March 23, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: Shaded February invoices the amount of \$111,737.07; and March invoices in the amount of \$174,109.41, payroll for February. The February Visa statements were provided to the Board electronically.

Lien Information. The Board reviewed the monthly lien synopsis. It was moved by Monte Roden, seconded by Ted Branch, to confirm the filing of Lien Nos. 1451-1452. Motion carried.

The Board moved to Executive Session to discuss a confidential employment matter for approximately 10 minutes.

There being no further business, the Board adjourned at 6:10 p.m. The next meeting was scheduled for Wednesday, April 11, 2012 at 5:00 p.m.

Dean A. Takko, President

Monte J. Roden, Secretary

Ted A. Branch, Commissioner