

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, July 18, 2012**

President Takko called the meeting to order at 5:00 pm on Wednesday, July 18, 2012 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Dean Takko, Monte Roden, Ted Branch
Alan Engstrom, Legal Counsel
Kim Adamson, General Manager
Debbie Vela, Finance Administrator
Vicki Kruse, Office Staff

It was moved by Monte Roden, seconded by Dean Takko, to approve the minutes of the June 13, 2012 meeting 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 – Hydro-Excavator Bids. Kim informed the Board the District advertised for bids on a Hydro Excavator. The District's purchasing policy requires Board approval for purchases in excess of \$50,000.00. Two bids were received; one from E.H. Wachs and the other from Vermeer NW. The bid received from E.H. Wachs was non-compliant. The bid from Vermeer NW, in the amount of \$50,900.00 plus sales tax, met all specifications.

Item 2 – Construction Updates.

Beacon Hill Pump Station. Kim advised the Board that PR Worth has started pipe replacement from Scenic View Drive to NW Continuum on Beacon Hill Drive; now averaging about 180' per day. The contractor is currently potholing the area at the pump station. The main sewer pressure line going under the foundation is more shallow than originally expected and the building location will need to be moved approximately two feet.

Yelton/Niblett/Kelsey. Kim said that working with Schneider Equipment has been challenging. They are not a contractor from the area and have made 2 change order requests. The first request was for additional time and money after they asked the District to obtain permission to work on adjoining property from property owners near the project. The District complied with the contractor's request and got signed release forms from all affected property owners within two weeks but they contractor claims this prevented them from starting the project. The other change request was to add a receptacle for the tri-pod at Yelton Drive pump station but this request was returned because the overhead was too high at 29% and the contractor charged for an increase to their bond. Kim expressed concerns over response time in the case of an afterhours

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emergency, stating that the contractor is located in Southern Oregon and they don't have anyone here on the weekends as far as the District knows. Kim added that after hours calls are routed through dispatch to Schneider who can have All Out Sewer respond on their behalf.

Williams-Finney Emergency Generator. Kim stated that she has received 100% completed drawings for the generator project and plans have been submitted to Cowlitz County Building and Planning. Due to the size of the project, work will be done by a general contractor selected from our small works roster.

Item 3 – Payoff Requests. Kim advised the Board that she received a call from a local realtor who expressed concerns for the \$500.00 overage assessment added to title company payoffs. The realtor, who also contacted Dean to express her concern, stated that the overage assessment would stop a short sale through Fannie Mae. The current legislation states that Districts lose their lien ability as well as collection ability if a payoff is under-estimated. Kim will be meeting with the local realtor board and has spoken to the WASWD Legislative Committee about a possible modification to the legislation.

Item 4 – Columbia Crest Estates. Kim notified the Board that the court settlement conference was postponed from June 29, 2012 to July 27, 2012. The District will continue operations of the system.

Item 4 – Investments. Kim stated that one of the three sewer reserve investment bonds was recently called. The \$835,000.00 original value of the bond plus \$5,218.75 in interest was deposited by wire transfer to the District's Heritage Bank checking account earlier this month. Since the District is funding the current sewer construction projects with cash, the funds will remain in the Heritage Bank account until the projects are completed.

Item 6 – Property/Architect. Kim provided a follow-up to the discussion of what process other Districts used in planning/designing new facilities. All Districts spoken to stated that they began the process 5-10 years prior to building; completing an architectural programming study similar to the proposal from Steve Masini. An overview of the process discovered by other agencies and development of a timeline was proposed by Kim.

Action Items:

Item 1 – Hydro-Excavator Bid. It was moved by Monte Roden, seconded by Ted Branch, to accept the bid of \$50,900.00 plus applicable sales tax submitted by Vermeer NW as the lowest qualified bid. Motion carried.

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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, July 18, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: June claims in the amount of \$88,011.21; and July invoices in the amount of \$183,673.52, payroll for June. The June Visa statements were not available at the time of the meeting and will be provided to the Board electronically after the meeting.

There being no further business, the Board adjourned at 6:32 p.m. The next meeting was scheduled for Tuesday, August 7, 2012 at 5:00 p.m.

Dean A. Takko, President

Monte J. Roden, Secretary

Ted A. Branch, Commissioner