

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, September 7, 2012**

President Takko called the meeting to order at 5:02 pm on Wednesday, September 7, 2012 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Dean Takko, Monte Roden, Ted Branch
Kim Adamson, General Manager
Brian Wilson, Field Lead
Debbie Vela, Finance Administrator
Vicki Kruse, Office Staff

Audience: Ms. Angela Fletcher
Mr. Steve Riggs
Mr. Craig Matson, Richmond Engineering

The Board welcomed Ms. Fletcher to the meeting. Ms. Fletcher stated that she had a leak at the house that she rents which wasn't noticed until the weather improved. Once she noticed the standing water in the yard, she contacted the property owner who made the repairs. A door hanger was hung on April 24, 2012 to advise the customer of a leak at the residence. Ms. Fletcher stated that she did not receive the door hanger to advise of the leak in April but said that she has an autistic son who may have taken the door hanger. Ms. Fletcher received a leak adjustment for \$467.67 but there were additional water consumption charges during the time of the leak that were not factored in to the adjustment. Kim explained that policy states a leak adjustment is for one billing period and not multiple billing periods. Ms. Fletcher received an adjustment for a full billing cycle and the duration of the leak included part of an additional billing cycle. The Board asked Ms. Fletcher if they could discuss this further and let her know of their decision. Ms. Fletcher said that would be fine and thanked the Board for their time.

It was moved by Monte Roden, seconded by Ted Branch, to approve the minutes of the August 8, 2012 meeting as drafted. Motion carried.

The Board welcomed Mr. Riggs to the meeting. Mr. Riggs explained that he works out of town frequently. He left in May and called the District to notify of the vacancy. He was told at that time that he would need to complete a vacancy form and have his water locked off. He neglected to do so and when he returned home after 3 months, had received a \$211.00 sewer bill for zero water consumption. After discussion, the Board denied Mr. Riggs request to mitigate charges because he did not meet requirements of the vacancy policy and there were no extenuating circumstances.

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.

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Item 1 – Construction Updates.

Beacon Hill Pump Station. Kim stated there are two change orders submitted for Beacon Hill Pump Station. Change Order #3 consists of 3 components; fire line vault and detector check device, additional investigation/revised piping and the third is a credit for parts that the contractor did not use due to the revisions. For the first part of the change order a line serving the lower building was investigated and turned out to be a fire line. It was not metered nor protected by backflow as required by the district. Part two is the result of existing piping not matching as-built documentation. After extensive investigation, the piping had to be redesigned. The total amount of Change Order #3 is \$37,050.00. Ted inquired why NW Continuum is not paying for the detector check assembly. Kim explained that the nursing home is required to install a vault and backflow device for their domestic service but metering of fire flow has always been paid for by the utility. Monte explained that this is part of the Districts fire protection budget and had been so under the PUD as well.

Change Order #6 is for additional paving as required by Cowlitz County. The final location for the road cut required a 5' width rather than the original 3 ½' width. The total for Change Order #6 is \$5,846.72.

Yelton/Niblett/Kelsey. Kim said the retaining wall has been poured and wet well partially completed for the Niblett Pump Station. The walls are formed at the Yelton Pump Station and the new wet well is in place. The work at the Kelsey Pump Station has not started but the electrician will begin work in the next week or two. Construction at Niblett was originally expected to be completed the week of September 9th but that timeline has been pushed back. Work at Yelton Drive Pump Station is expected to be completed the week of October 7th. Kim notified the Board that there will be a change order coming for additional fencing at the Niblett Pump Station. There is a considerable amount of illegal dumping in the area and the additional fencing will help prevent it.

Williams-Finney Emergency Generator. Kim informed the Board that drawings were sent to 3 contractors on the Small Works Roster for quotes and 1 quote was received from Five Rivers Construction for \$45,631.00. The quote came in well under the budget of \$100,000.00 for the project and the contract was issued to Five Rivers Construction.

Item 2 – Yelton/Niblett/Kelsey Additional Engineering Request. Richmond Engineering has submitted a request for \$31,000.00 (hourly NTE) to cover additional engineering services due to numerous change requests from the contractor. Kim explained the contractor has required additional management time due to a high number of RFI's and substitution requests. Kim said that an email was sent to Patrick Snyder requesting that he attend the weekly construction meetings because the representatives that he sent had no authority to discuss change orders. Mr. Snyder has since been in attendance of the meetings and has stayed

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on to supervise the site work as well. The project has been going much more smoothly since Patrick arrived.

Item 3 – Columbia Crest. Kim notified the Board that she spoke with Brig Belvin of the newly formed Columbia Crest Water Association and the first available date to meet with all necessary parties to turn over the water system is October 19th. Until that time, District staff will continue to read meters, take water samples, and bill for service. The last meter reading will be on October 19th and future billings will be done by the Water Association. Kim said that the District is expected to break even and any remaining funds will be sent to the Columbia Crest Water Association.

Item 4 – Summer Help. Kim stated that due to attendance issues, William Landry was terminated and Cody Whitten was selected as the replacement. Since all hiring and terminations are approved by the Board, Kim recommends the termination of Mr. Landry and the hiring of Mr. Whitten. Monte requested that a summary of costs associated with the hiring and training of the last few years summer help be compiled for review at a future meeting. Kim will compile and present to the Board.

Item 5 – Budget Update. Kim notified the Board that she will have a draft of the 2013-2014 budget for the October meeting. The financial stability of the water utility continues to improve and the sewer utility remains in good fiscal condition. Kim said that 2013 is the third of three scheduled water rate increases of 15%. Early review of the rate model shows that a 15% increase may not be necessary and may be able to reduce to the inflationary increase of 2.6%. Monte suggested a rate study workshop be scheduled to discuss 2013 rates. Several capital improvement projects have been included the budget. A project to remove the Grandview Reservoir and rebuild the Grandview Pump Station is estimated to cost \$900,000.00 and is included pending availability of financing. Customers served by Grandview would be served by Cedar Gates after the project. Design is estimated to cost \$150,000. Kim already submitted an application for a P WTF pre-construction loan because the deadline for applications was September 13.

Action Items:

Item 1 – Beacon Hill Pump Station. It was moved by Monte Roden, seconded by Ted Branch to approve Change Order #3 for \$37, 050.00 and Change Order #6 for \$5,846.72. Motion carried.

Item 2 – Yelton/Niblett/Kelsey Additional Engineering. Mr. Matson of Richmond Engineering explained that it has been running approximately \$14,000.00 per month in engineering costs for the Yelton/Niblett/Kelsey project. Mr. Matson stated that he has increased the budget request \$5,000.00 - \$10,000.00 adding that the costs are billed “hourly not to exceed”, so the District will retain those funds not used on the project. Monte asked for explanation on what is driving the engineering costs. Mr. Matson explained that the contractor, to date, has

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submitted 60 requests for information and each of those requests need to be researched. He added that the contractor continues to need a lot of guidance on the project. It was moved by Monte Roden, seconded by Ted Branch to approve additional engineering costs not to exceed \$30,970.00. Motion carried.

Item 3 – Summer Help Employment Changes. It was moved by Monte Roden, seconded by Ted Branch to approve the termination of William Landry and the hiring of Cody Whitten. Motion carried.

Confirmation of Lien Filings. The Board reviewed the monthly lien synopsis. It was moved by Monte Roden, seconded by Ted Branch, to approve the filing of liens 1468 through 1472. Motion carried.

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, September 12, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: August claims in the amount of \$418,775.38; and September invoices in the amount of \$95,333.19, payroll for August. The August Visa statements were reviewed at the meeting.

Other Business. Discussion resumed to Ms. Fletcher's request for additional consideration on the leak adjustment she received in June. Monte stated that given the extenuating circumstances, he would be inclined to extend the leak adjustment to the additional month. The autistic family member who may have taken the door hanger after it was hung in April was beyond Ms. Fletcher's ability to control given she was recovering from surgery during that time. Kim explained that she believes the renter was not aware of the leak until she received her first billing that showed the two months of high water consumption which would have been the end of May, first of June. The owner made the repairs on June 8th and the adjustment was processed. After lengthy discussion, it was moved by Monte Roden, seconded by Ted Branch, to approve the excess usage water consumption charges based on the District's raw water cost given the extenuating circumstances of the special needs family member, the renter's own medical issues and recognizing that once the renter notified the owner, repairs were made within approximately one week. Motion carried.

Kim reported that the County notified the TRRWA that they have replaced their board representative. There were concerns with the long-time representative and as the Chairperson, Kim contacted County Commissioner Raiter with those concerns. The representative has been

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replaced with Cowlitz County Public Works Director, Kent Cash. The County is now reconsidering their role within the TRRWA since they represent less than 1% flow in the plant. TRRWA will be looking to possibly restructure the ownership agreement to take less of a management role.

There being no further business, the Board adjourned at 7:16 p.m. A special meeting was scheduled for September 25, 2012 at 3:30 p.m. to review rates. The next regular meeting was scheduled for Wednesday, October 10, 2012 at 5:00 p.m. with a special meeting for a tour of the treatment plant at 3:30 p.m..

Dean A. Takko, President

Monte J. Roden, Secretary

Ted A. Branch, Commissioner