

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, October 10, 2012**

President Takko called the meeting to order at 5:10 pm on Wednesday, October 10, 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
Vicki Kruse, Office Staff

It was moved by Monte Roden, seconded by Ted Branch, to approve the minutes of the September 12 and September 25, 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 – Construction Updates.

Beacon Hill Pump Station. Brian advised the Board that the 8” mainline has been installed and the paving at Northwest Continuum has been completed. The temporary by-pass is being mobilized.

Yelton/Niblett/Kelsey. Kim said there have been concerns since the last meeting with the quality of work which will be discussed in Executive Session at the end of the meeting. Monte met Kim on-site last week to review.

Williams-Finney Emergency Generator. Kim informed the Board that the contractor will mobilize tomorrow. Brian stated the generator is scheduled to arrive on October 19, 2012.

Item 2 – Wellness Program. Kim reminded the Board that Peggy will be leaving at the end of October and Payroll/Human Resource duties will be absorbed by Debbie. Kim said the Wellness Grants for the District have been done by Peggy with grant applications as well as other wellness activities. Kim would like to establish a Professional Services contract with Peggy to continue those activities for the District’s Wellness Program. It is estimated to be 35-45 hours annually. Ted inquired if the contract cost would be paid from the grant funds. Kim replied that it would be her preference to minimize the amount of grant money used to pay since it would reduce the amount available for the various programs. Dean asked how long the Wellness Program continues. Kim replied that we would continue to be eligible for grants as long as the District is in the Rate Pool. Monte stated that it was his opinion to look at it on a year to year basis and continue in the program as long as the District is still receiving benefit.

Item 3 – Greenhouse Gas Policy. Kim notified the Board that as part of our application for Public Works Trust Fund pre-construction funds, we need to adopt a Greenhouse Gas policy. Previously, the District was covered under the Cowlitz PUD’s adopted Greenhouse Gas policy. The Resolution has been reviewed and approved by Alan Engstrom.

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Item 4 – Summer Help. Kim stated that our Personnel policy specifies September 30th as the final day for employment of a summer help employee, Cody Whitten. Kim said that Cody doesn't start school right away and requests to modify to extend the date beyond September 30th. Monte suggested removing the dates from the personnel policy. Brian stated that Cody has finished the hydrant project and is nearly finished with the meter marking projects. Brian stated that he has additional projects that could be completed by Cody. By consensus, the Board approved the leave the Summer Help position open ended.

Item 5 – AT&T Easement at Cedar Gates. Kim said she forwarded the Board's comments to Alan Engstrom to be re-written and the revised copy is presented.

Item 6 – Audit. Kim notified the Board that the Auditor is nearly finished with the 2010-2011 Audit. The Auditor has identified a concern with how the assets taken over from the PUD were reported. Kim said the assets were clearly reported throughout the report but in one area, it was not reported. Kim has asked the Auditor for direction on where it should have been reported on the area in question and the Auditor has been unable to determine where it should have been reported. This may result in a management letter or a finding. Pat Lloyd was brought in for 2 days to work with the Auditor to identify a discrepancy in 2010 financials. Monte stated that he attended the entrance meeting with the Auditor who praised the District on the aggressive changes made since the last audit.

Item 7 – Budget. Kim reviewed the 2013-2014 draft budget with the Board. She is working on the Executive Summary. The TRRWA is still working on their budget and will have treatment costs for 2013 at the next meeting. Kim is budgeting for a new utility vehicle in 2013 to replace the Jeep Cherokee. Kim clarified the loans are tracked separately from the interest and are listed on separate line items in the budget. Brian stated that he is requesting a dump truck in 2014 with a bed that dumps to the back or side. Monte suggested looking at a hook lift truck. Kim reviewed capital projects for 2013-2014. Kim explained that Brian's position as Field Lead has evolved into a full supervisory position and Kim is including a position for Field Lead.

Action Items:

Item 1 – Resolution 448. It was moved by Ted Branch, seconded by Monte Roden to approve Resolution 448 as written. Motion carried.

Item 2 – Summer Help. It was moved by Monte Roden, seconded by Ted Branch to change spring to fall hours to work that would be based on need dependent on whichever school they attend. Motion carried.

Item 3 – AT&T Easement. It was moved by Ted Branch, seconded by Monte Roden to grant the easement with the conditions that we remove the first paragraph with the language for removal of trimming trees. Motion carried.

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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 1473 through 1481 except lien 1476 and lien 1480. 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, October 10, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: September claims in the amount of \$338,564.82; and October invoices in the amount of \$157,343.57, payroll for September. The September Visa statements were not available at the time of the meeting and will be provided electronically once received.

There being no further business, the Board moved to Executive Session to discuss pending litigation not to exceed 5 minutes. No action was taken in Executive Session. The Board adjourned at 7:00 p.m.

Dean A. Takko, President

Monte J. Roden, Secretary

Ted A. Branch, Commissioner