

**Beacon Hill Water and Sewer District  
Commissioners' Meeting Minutes  
Wednesday, August 21, 2013**

President Branch called the meeting to order at 4:08 pm on Wednesday, August 21, 2013 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Ted Branch, Dean Takko and Monte Roden  
Alan Engstrom, Legal Counsel  
Dell Hillger, General Manager  
Debbie, Finance Administrator  
Vicki, Office Staff

Audience: April Moore for Melinda Kleppen

The Board welcomed Ms. Moore to the meeting. Dell provided the Board with a summary of the activity on the account. Ms. Moore explained that she is the representative payee for her mother, Ms. Kleppen. Ms. Moore stated that in the past year, while Ms. Kleppen has been living with her, she discovered the charges owed to and lien filed through the District. Ms. Moore also found that a leak, which was detected in January 2010, explaining that Ms. Kleppen moved away after the leak was detected. The Board reviewed the details of the account at length including the dates the water was locked off, leak detection and account balance. When asked if the leak has been repaired, Ms. Moore stated that she had a leak detection specialist on-site and they believe they have located the source of the leak. Dean suggested going back to the \$266.00, retroactive vacancy rate and pay the lien costs with interest. Ted agreed with Dean's suggestion. Monte expressed the importance of fairness to all ratepayers and the Board agreed. Alan inquired if Ms. Kleppen has been declared incompetent. Monte asked Alan if it would be acceptable to ask an administrator to write a statement that supports the claim that Ms. Kleppen is unable to manage her own finances. Ms. Moore will provide a statement from one of Ms. Kleppen's health care workers. The account will have vacancy be retroactive to the date May 2012 when the account was removed from vacancy. The Board authorized Vicki to schedule payment arrangements with Ms. Moore and the lien remains until the account is paid current. Ms. Moore thanked the Board and left.

It was moved by Dean Takko, seconded by Monte Roden, to approve the minutes of the July 16, 2013 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 – Patrick Lloyd Consultation.** Dell notified the Board that he received a letter from Patrick Lloyd expressing his thanks for the opportunity to assist during the General Manager transition. Dell asked the Board if he could keep the service agreement with Mr. Lloyd open and the Board concurred.

**Item 2 – Accounting Assistance.** Dell updated the Board that a meeting is scheduled for the first week of September with TDJ CPA to provide a mid-year financial review.

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**Item 3 – New Facility.** Dell advised the Board that Dave LaFave and Bill Hallanger of Cowlitz 2 Fire and Rescue stopped by to discuss the option of a shared facility. Dell stated that it is his understanding that the District is not ready to move forward at this time. Dell informed the Board that he told Mr. LaFave and Mr. Hallanger that, at this time, the District cannot commit to moving forward with a shared facility. The Board concurred.

**Item 4 – Water Quality Complaints.** Dell explained that the District is receiving a number of water quality complaints primarily due to water hardness. Dell contacted the City of Longview to see what they are doing to remedy the situation. Jackie Masters, Utilities Manager, said they have hired Confluence Engineers to discuss remedies. One option they are looking at is a bypass treatment system that would treat maybe 50% of the water and co-mingle the water to reduce the overall hardness. Dell said they had an issue with the pH and that has been remedied.

**Item 5 – Capital Projects.** Dell stated the Beacon Hill Pump Station project is nearing completion. There is an issue with the hatch lid insulation and the contractor is working to make a permanent repair. To date, the District is awaiting O & M manuals and record drawings before closing the project.

Dell said the Yelton, Niblett, Kelsey Pump Station upgrade projects have been completed and approved by both the project engineer as well as District staff. Dell recommends approval of the project. Ted recalled the additional review on the part of the engineer with the contractor. Monte asked if the change orders were the result of the contractor's reluctance to follow industry standard. Alan asked if there was some agreed upon adjustment with the project engineer on the contract price. Monte is reluctant to agree to project completion and would like to postpone until next month. Monte requested that the District review the engineering costs to determine if they were as a result of an inexperienced project manager or additional review needed due to push back from the contractor. Alan believes there may have been some agreement made with Kim to remedy the situation and asked if Dell had seen anything in the file. Alan recalled that the District agreed to waive liquidated damages but an adjustment would be made to the final contract agreement. Alan suggested that Dell contact Kim to discuss and approve the project contingent on discussion with Kim.

**Item 6 – Water shut off at 3403 Columbia Heights Road.** As an informational item, Dell stated that a customer called to dispute his water bill after the water was locked off for non-payment. Monte asked what the status is and Dell responded that the water is still off. The homeowner has indicated that he will take this to the next level.

**Item 7 – Pending Foreclosures.** As discussed at last month's meeting, the Board has decided to have Cowlitz County move forward with their foreclosure and the District will attend the auction that is in December 2013.

Dell advised that two additional properties have reached the \$4,000.00 threshold and two additional properties will reach the threshold in the coming months. In the case of all four properties, the taxes are current. Alan inquired if the properties have mortgages and it was

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unknown. Alan will check to see if the properties have mortgages and send correspondence to the lenders. Monte asked if staff could send notice, registered mail and Dell responded that he would send a 30-day letter by registered mail. Alan asked Dell to hold off until he checks the mortgage foreclosure process to verify if any other information needs to be sent to the owner.

**Item 8 – District Boundary Consolidation.** Dell stated the Boundary Review Board has approved the request and the 2010 resolutions with the PUD are sufficient for fulfilling RCW requirements. Dean inquired if the Cowlitz County Auditor was notified for elections and Dell will follow up with the Boundary Review Board.

**Item 9 – Minor Injury Accident.** Dell notified the Board that one of the summer help employees had sprained his wrist after falling into a hole. The employee was checked by medical staff and released with no restrictions.

**Action Items:**

**Item 1 – Customer request – Melinda Kleppen.** By consensus, the Board approved the request from Ms. Moore on behalf of Ms. Kleppen to make the vacancy retroactive to May 2012 pending receipt of written correspondence from one of Ms. Kleppen's health care workers substantiating the claim that she is incapable of caring for her own finances.

**Item 2 – Customer request – Alita Fausett.** A letter from Alita Fausett requesting to settle her utility lien for \$500.00 was presented to the Board for consideration. Ms. Fausett has since paid her bill in full and lien removed to allow for a renter to move in but still requested that the letter be presented to the Board. Ted stated that he did not see any extenuating circumstances as written and the Board agreed. Alan asked the Board if they wanted Dell to write a letter to the customer to explain our policy. Dean asked if there is anything on our bill that explains the base charges and suggested that staff consider adding that information the next time billing cardstock is ordered. By consensus, the Board denied the request at this time until more information is received from Ms. Fausett.

**Item 3 – Accept Yelton, Niblett, Kelsey Pump Station Upgrades.** It was moved by Dean Takko, seconded by Monte Roden to approve the completion of the Yelton, Niblett, Kelsey Pump Station upgrade project for \$671,000.00 plus sales tax and \$13,709.69 in change orders contingent upon any written prior agreement between Kim and the contractor that the District would be compensated for additional engineering costs caused by contractor delays. Motion carried.

**Item 4 – Select Consultant for Grandview Project.** Dell made a selection based on the Board's direction from a previous meeting to select Richmond Engineering as the engineer for the Grandview Project. By consensus, the Board concurred.

**Item 6 – Consultant Budget.** Kennedy Jenks submitted a budget increase request for \$4,950.00 prior to the General Manager leaving. Kennedy Jenks had an additional \$1,000.00 in

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expenses that they are requesting to be reimbursed for. The Board requested to see an itemized statement of costs to be presented at the September meeting. Dell will contact Kennedy- Jenks and present at the next 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.

As of this date, August 21, 2013, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: July claims in the amount of \$143,188.54; and August invoices in the amount of \$158,059.13, payroll for July. The July Visa statements were delivered electronically prior to the meeting.

**Confirmation of Lien Filings.** The Board reviewed the monthly lien synopsis. It was moved by Dean Takko, seconded by Monte Roden, to approve the filing of liens 1512 through 1514 and lien 1511 was voided. Motion carried.

**Other Business.** Dell informed the Board that he and Debbie have been working to modify the monthly financial reports. Debbie provided a newly created report with graphs that summarizes a snapshot of the monthly activity. The Board welcomed the new report and stated that the supplemental reports are not necessary as the activity is contained in the new monthly report.

Dell asked the Board if they wanted to continue receiving copies of the TRRWA minutes or if the Board would rather receive a summary of pertinent issues. The Board requested a summary.

Dell informed the Board that he removed the Board Packets from the website stating personal information had been published. Monte said that he notified the former manager of the information publicized. After discussion, the Board agreed to have minutes and agenda published on the website and anyone who would like copies of the packet can make a public records request.

Dell notified the Board that he and Debbie would be attending a Governmental Finance conference in November. Dean asked if Dell would be attending the WASWD Fall Conference and he stated that he would check his schedule.

Monte asked if any of the PWTF loans are impacted by the State legislature's decision to reduce the Public Works Board funding. Dell was not aware of any changes to the existing loans.

The next meeting was scheduled for Monday, September 16, 2013 at 4:00 p.m. There being no further business, the Board adjourned at 6:22 p.m.

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Ted A. Branch, President

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Dean A. Takko, Secretary

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Monte J. Roden, Commissioner