

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Monday, November 18, 2013**

President Branch called the meeting to order at 4:05 pm on Monday, November 18, 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
Dell Hillger, General Manager
Brian, Field Lead
Debbie, Finance Administrator
Vicki, Office Staff

Audience: Bonnie Decius
Amy Blain, City of Longview
Jeff Cameron, City of Longview

The Board welcomed Ms. Blain and Mr. Cameron to the meeting. Dell explained that while the District is not experiencing many of the issues that the City of Longview is with the water, Ms. Blain and Mr. Cameron came to provide a brief summary of what Longview is doing to resolve some of their issues and how it relates to Beacon Hill customers. Ms. Blain provided a handout detailing the problem areas, sampling sites and levels of chlorine and manganese at the sites. Dean inquired about the ice pigging process and Mr. Cameron replied that the problem appears to be bigger than the ice pigging can solve stating that it worked well for a few weeks. Mr. Cameron stated that City Staff sectioned a portion of Ocean Beach Highway and used high pressure to scour the inside of the pipe with some success. Ms. Blain explained that 10 automatic flushers have been installed around the City and run 3 hours per day. The City is publishing a weekly update in The Daily News in an effort to increase the outreach program. Ms. Blain stated that they have discovered that by keeping the chlorine and oxidation-reduction potential (ORP) up has decreased the level of manganese in the distribution system. The City will begin a series of phosphate jar tests to determine if one of the three blends will improve the softness of the water. Mr. Cameron summarized that a workshop is planned with the Longview City Council on January 16, 2014 to discuss the results of the jar test and options moving forward. Mr. Cameron explained that Confluence Engineers has stated that water-softening systems are intended to take hard water and reduce the hardness to a moderate level. The Mint Farm Regional Water Treatment system is already at the moderate range of 91/ppm. Confluence Engineers is looking at other options to reduce the moderate hardness of the Mint Farm even further. Early estimates are reported at \$10 million dollars in construction with \$1 million dollars annually in operating costs. Mr. Cameron stated the fire department has expressed interest in the Fisher's Lane property to create a training facility. The Board thanked Ms. Blain and Mr. Cameron for their information.

The Board welcomed Ms. Decius to the meeting. Ted congratulated Ms. Decius on the election and asked if she had anything to bring before the Board. Ms. Decius responded that she was there to observe.

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It was moved by Monte Roden, seconded by Dean Takko, to approve the minutes of the October 16, 2013 meeting with a correction that Commissioner Roden called the meeting to order. 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 – Rates. As an informational item, Dell indicated that staff is still working with InHance to find a solution to the current rate structure. Dell will also be looking to meet with staff at Cowlitz PUD to review the Cost of Service Analysis.

Item 2 – Water Quality Complaints. Discussed with Ms. Blain and Mr. Cameron earlier in the meeting. Dell notified the Board that he has addressed each customer concern whether it is in person, by mail, email or a note on a customer billing statement.

Item 3 – Beacon Hill Office/Facility Improvements. Dell stated staff has been looking at ways to maximize the District's space. Among those suggestions are to add an additional bay in the area currently used as staff parking, extending the office space, creating a meeting room on the first floor as well as an option to rent some commercial space on West Side Highway. Dell suggested talking with the Lexington Flood Control Zone District (LFCZD) and the Seventh Day Adventist Church to discuss an easement, purchasing or leasing of space adjacent to the Lexington Pump Station for the District's use. The District could then move the existing fence to open up more room for parking, storage facilities for parts still housed at the Operations facility of Cowlitz PUD. Dell presented a sketch of the area with a proposed add-on as well as an aerial view of the existing structure and layout to show how the space could be utilized. Dell stated that restructuring the existing layout would allow for staff to securely park within a fenced area. Monte commented that the District owns the existing structure outright and was in favor of looking to do improvements to the existing structure in stages. Dell would like to get a survey from Gibbs and Olson to locate District boundaries before approaching the LFCZD and Seventh Day Adventist Church and the Board agreed.

Item 4 – District Boundary. As an informational item, Dell has signed a proposal to establish a service area boundary from Kennedy Jenks not to exceed \$6,488.00 as per the Board's direction at the October 16, 2013 meeting.

Item 5 – Fire Flow Calculations. Dell signed an updated task order not to exceed \$4,500.00 to provide fire flow modeling services on an as-needed basis.

Item 6 – Interlocal Agreement. Dell received the Interlocal Agreement with the City of Longview. At the Board's request, Dell discussed Jeff Cameron expanding the Interlocal Agreement to include roads. Mr. Cameron told Dell about the Pacific Northwest Interagency Cooperative "GEM Services" which the City of Longview, City of Kelso, and Cowlitz PUD are members of as well as many other agencies in Clark County. Dell has added the District to the

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GEM Services allowing the District to utilize services of the other agencies on an as needed basis.

Item 7 – Bi-Monthly to Monthly Billing. Per Board direction at the November meeting, a calendar showing the transition from bi-monthly to monthly billing was presented and reviewed.

Item 8 – Two-Week Pay Period Schedule. Dell updated the Board that the transition to a two-week pay cycle has been seamless.

Item 9 – Health and Wellness. Dell stated that Peggy has been doing a great job managing the Wellness Program. She is currently working on the next grant cycle request and is requesting a 2014 District contribution of \$1,000.00.

Action Items:

Item 1 – Customer request. Dell presented a customer's pro-rated billing statement who was questioning his initial statement. By consensus, the Board authorized the adjustment.

Item 2 – Cowlitz County Feasibility Study. Dell presented pros and cons to the County Feasibility study to review transferring Cowlitz County Water and Sewer utilities to the District. After discussion and review, the Board declined to pursue the matter further citing the minimal benefit to the District's existing customers. Dell will contact the County to advise of the District's decision.

Item 3 – TRRWA Annexation into City Limits. Pacific Fibre has requested annexation into the Longview City Limits. Longview City Council recommended that the proposed annexation include TRRWA plant. The annual anticipated cost savings would be approximately \$68,360.00. It was moved by Monte Roden, seconded by Dean Takko to approve annexation of the proposed properties to the City of Longview. Motion carried.

Item 4 – Database Backups and Maintenance. Because of last month's SQL issue in InHance, it was discovered that there was not a SQL maintenance program in place. InHance offers the service for \$2,500.00 annually. The maintenance plan offers offsite backups and automated SQL checks. InHance would receive an email of the results.

Our current IT provider, Global Network Support (GNS), can offer the service at a cost of \$2,800.00 annually to cover the InHance database as well as the Evolve Payroll and DataNOW Permit System. At a cost of \$3,000.00 annually, GNS will also run monthly integrity checks and verify the database is fully restorable and free from corruption or \$5,000.00 for bi-weekly checks. Additionally, Dell has ordered a fire proof, waterproof 4-terabytes of redundant storage to increase the retention period on the server and for storing SQL backups. By

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consensus, the Board agreed to proceed with the monthly integrity check and agreed with Dell to have GNS provide the SQL maintenance program.

Item 5 – Grandview – Drinking Water State Revolving Fund (DWSRF)/ Public Works Trust Fund (PWTF) Loan Agreements. Dell presented the completed loan agreements for approval. The scope of the DWSRF agreement did not include the piping replacement and the change has been submitted to Department of Health (DOH) and Department of Commerce (DOC) for approval. On the PWTF agreement, the DOC has discovered an error in the Contract End Date, which should be June 1, 2018 rather than 2017. President Branch and Attorney Engstrom signed the contacts with noted changes, and authorized the President or General Manager to sign the DWSRF agreement once it was approved by the DOH and DOC.

Item 6 – Grandview – Engineering Consultant Agreements. Richmond Engineering had been selected at the August meeting as the consultant for the Grandview project and the proposal is presented for approval. It was moved by Monte Roden, seconded by Dean Takko, to authorize Dell to sign the agreement. Motion carried.

Item 7 – General Terms and Conditions. The District does not have a rate schedule in place for a Fire Sprinkler System. After reviewing Longview's policy, Dell is recommending a minimum monthly service fee of \$5.00 or \$10.00. The oversize meter fee and consumption charges would apply if there were usage on the fire flow only system. By consensus, the Board agreed to a service fee of \$10.00 per month and coordinate with the District for annual testing.

The General Terms and Conditions does not define SDC's or GFC's for sewer for commercial. A schedule that lists the commercial SDC and GFC is presented. By consensus, the Board agreed to add Exhibit 3 to the General Terms and Conditions.

The General Terms and Conditions specifies a penalty 10 days after the due date and currently requires manual calculation for each penalty dependent on the number of days in the month. The final notice fee has the same variable and for this reason, Dell is recommending to change to a fixed delinquency date of the 15th in the month following the due date and final notice fee on the 26th, two months following the due date. By consensus, the Board agreed.

Other Business. Dell stated acceptance of the Yelton, Niblett, Kelsey Pump Station last month in Executive Session but not formally accepted. It was moved by Monte Roden, seconded by Dean Takko, to accept the Yelton, Niblett, Kelsey Pump Station project as completed. Motion carried.

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 1523 through 1525 and liens 1509 and 1510. 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, November 18, 2013, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: October claims in the amount of \$158,110.72; and November invoices in the amount of \$135,512.06, payroll for October. The October Visa statements were not available as of the date of the meeting and will be provided to the Board electronically once received.

The next meeting was scheduled for Wednesday, December 18, 2013 at 4:00 p.m. There being no further business, the Board adjourned at 6:38 p.m.

Ted A. Branch, President

Dean A. Takko, Secretary

Monte J. Roden, Commissioner