

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, January 17, 2014**

Commissioner Roden called the meeting to order at 4:25 pm on Friday, January 17, 2014 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

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

It was moved by Dean Takko, seconded by Bonnie Decius, to approve the minutes of the December 18, 2013 meeting. 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 – Customer Request – 508 Garden Street. Dell presented information regarding a customer requesting additional consideration for a leak adjustment. The renter had a leak in the sprinkler system and capped the portion of the system to make repairs in the spring. The renter was going to submit the leak adjustment application but as of this date, paperwork has not been received. Monte asked if the homeowner has a backflow device installed and staff responded that there was not a backflow device at this property. Monte suggested that backflow be addressed in the response to the customer. The Board tabled the discussion until paperwork was submitted.

Item 2 – Budget/Rate Update. Dell said that the City of Longview will have a workshop in February to discuss options for treating hardness and silica in the water. Confluence Engineering has discovered that it is silica in the water and not calcium carbonate, which is causing the majority of the spotting. Longview Public Works staff is not in favor of pursuing treatment options based on cost and the necessary rate increase that would follow. Dell has notified City staff that the District would like to be included in discussion that could potentially affect Beacon Hill customers. Dean asked what the cost is for the proposed treatment system. Dell replied that a phosphate treatment system, which will not reduce all calcium carbonate, estimated a cost of \$500,000.00 annually for chemicals alone. Dell said City staff is recommending allowing the system to stabilize before pursuing other treatment options for the water system. Monte suggested that Commissioner's attend the City workshop. Dell recommended postponing the Cost of Service Analysis after the workshop. Monte agreed postponing until late spring.

Dell has been working on the budget and needs to make some minor adjustments for errors on the 2014 budget. Dell will bring up to date and present at a future meeting.

Dell updated the Board that staff is still researching making modifications to the billing software to better synchronize it with the intent of the rate structure.

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Item 3 – General Facilities Charges (GFC's). At the December meeting, Dell provided a handout to the Board of all rate adjustments using the Portland CPI of 2.2% and later found a resolution that defines GFC rate adjustments using the Engineering News Record Construction Cost Indexes (ENR CCI). Dell said that he discovered errors in the calculations for a few years. Dell went back to 2010 to recalculate the annual adjustment, which mitigated the 11.9% increase for 2014. The sewer GFC increases to \$3,459.00 and water GFC increases to \$2,741.00. After discussion, it was moved by Dean Takko, seconded by Bonnie Decius to approve the 2014 water GFC of \$2,741.00 and sewer GFC of \$3,459.00. Motion carried.

Item 4 – Small Works Request for Bids for SCADA Services. Dell reviewed the original design and based on the estimated pricing it should have been budgeted at \$57,000.00 rather than the \$45,000.00 budgeted. Dell is also recommending an additional \$8,000.00 in upgrades that would allow for better system control. Once in place, the SCADA system would eliminate existing telephone landline for telemetry, thus, offsetting some of the upgrade costs. With upgrades, Dell is requesting a budget increase to \$65,000.00. Monte asked if the City of Longview is using the same SCADA system and thought that agencies could share in some of the monitoring costs. Dell will check with the City of Longview. It was moved by Dean Takko, seconded by Bonnie Decius, to authorize the General Manager to move forward with the SCADA project with the understanding that the project will exceed the initial budgeted amount of \$45,000.00. Motion carried.

Item 5 – Declaration of Surplus. Dell requested that the OCE im3511 copier be declared surplus. It was replaced with a color copier last year. It was moved by Dean Takko, seconded by Bonnie Decius to surplus the OCE im3511 copier. Motion carried.

Item 6 – Beacon Hill Office/Facility Improvements. Dell met with the Lexington Flood Control Zone District (LFCZD) to discuss the possibility of a lease. The LFCZD met in early January and came back with a proposal of \$100.00 per month or \$1,200.00 per year with the potential for renewal every 5 years. Dell was hoping to avoid paying for the lease; over the years, the District would end up paying for the property many times over. The area is approximately 20' x 85' or approximately 1,700 square feet. Dell and Ken Stone, Diking Engineer for Cowlitz County, had a lot of dialogue over the arrival at the lease cost. Mr. Stone explained that LFCZD was looking at the space as if it were an RV space to calculate a cost. Dell contacted a local storage facility to obtain costs for a similar size space. An RV space of outside storage, approximately 1,700 square feet, would cost \$170.00 per month or \$2,040.00 per year. Dell asked for Board input and stated his preference would be a one-time cost for a perpetual easement. Monte expressed disappointment that LFCZD feels obligated to ask for money from another public agency. Monte stated that he has seen numerous circumstances where a public agency will use land from another public agency without cost. Bonnie asked if the improvements could be done without an easement from LFCZD and Dell replied that improvements could be made without the easement. Alan and Dell will prepare a response to LFCZD.

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As an informational item, Dell has written a letter to Oregon Conference Adventist Churches to propose utilizing the adjacent property owned by the Seventh-Day Adventist church.

Item 7 – Foreclosure Auction/Lien Fees. Dell informed the Board that Alan attended the Cowlitz County tax auction for 169 Yelton Drive. Another party purchased the property and the District has received funds to pay the account in full.

Item 8 – Yelton Pump Station. Dell met with Whitney Pump and Richmond Engineering to discuss possible solutions to pump efficiency. Debris will catch behind the check valve, which is a 6” check valve and should be a 4” check valve. The debris creates a backpressure that causes the pump to lift off the discharge elbow. Whitney will be sending new faces to install on the discharge elbow at no cost and may rent a larger pump to create a higher velocity.

Item 9 – Document Retention. Debbie and Vicki spent time sorting through boxes and were able to clear fifty-two banker’s boxes and nine smaller boxes that meet State requirements for retention. There are additional boxes that will be reviewed by State Archives for retention at a later date.

Other Business. Alan presented his 2014 contract with a COLA increase. It was moved by Bonnie Decius, seconded by Dean Takko to approve the 2014 Retainer Agreement. Motion carried.

Officer Elections. It was moved by Bonnie Decius, seconded by Dean Takko to elect Monte Roden as President, Dean Takko as Secretary and Bonnie Decius as Commissioner. Motion carried.

Confirmation of Lien Filings. The Board reviewed the monthly lien synopsis. It was moved by Bonnie Decius, seconded by Dean Takko, to approve the filing of lien 1531. 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, January 17, 2014, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: December claims in the amount of \$91,973.95; and January invoices in the amount of \$70,700.48, payroll for December. The December Visa statements were provided to the Board electronically prior to the meeting.

The next meeting was scheduled for Friday, February 21, 2014 at 5:00 p.m. There being no further business, the Board adjourned at 6:20 p.m.

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Monte J. Roden, President

Dean A. Takko, Secretary

Bonnie L. Decius, Commissioner