

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, November 24, 2014**

Commissioner Roden called the meeting to order at 5:15 pm on Monday, November 24, 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
Debbie, Finance Administrator
Vicki, Billing & Collecting
Audience: Troy and Brandi Booth
Chris Gonzales

It was moved by Commissioner Takko and seconded by Commissioner Decius to approve the minutes of the October 22, 2014 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 – 133 Collins. The Board welcomed Troy and Brandi Booth to the District's Board meeting. Troy Booth sent a letter to the Commissioners dated November 21, 2014. His letter requested partial relief on the account charges incurred from 2012 to current. As stated in his letter, in 2012 his bank was threatening foreclosure on the property. He stopped by the District's office to explain why the account was past due and pay his bill. He said the person waiting on him advised him not to pay the bill since the property was going into foreclosure as the charges would remain with the property and it would become the banks responsibility. Mr. Booth said he acted on this advice and did not make the payment or any since. He stated that the bank recently contacted him and to his surprise, worked out a loan modification. He then came in to pay the bill on the property to get the water turned on and stated that he was "astounded to find it was over \$1,400". Mr. Booth believes that if the District's staff had advised him differently in 2012, he would have paid the bill, placed the property on vacancy rates and kept the balance current. On 11/19/14, Mr. Booth did pay off the lien and all charges due on the account.

After discussion and consideration, the Board unanimously agreed to credit the customer's account for only the base rate charges and late pay penalties. Troy and Brandi Booth thanked the Board for their time and consideration and then left.

Item 2 – FCS Group's Draft Rate Study. The Board welcomed Chris Gonzales from the FCS Group. Chris presented a revised presentation based on the direction of the Board from the October 2014 Board meeting. The power point presentation was included in the Board packet. The results of the study found no increase to sewer rates were needed through 2019. For the water system, given the District's goals, three water rate structure alternatives were presented for the Board's consideration.

After reviewing the alternatives and a lengthy discussion, the board agreed that Scenario B best fit the District's goals. Starting in 2015, with no rate increases, this option combines service fees and base rates to establish new base rates for both sewer and water. In addition, the water consumption allowance of 500 CF will be eliminated and consumption charged at \$2.25

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, November 24, 2014**

per CCF. If adopted, the District would send out a mailing to all customers explaining the rate structure changes prior to implementation. General Facility Charges (GFCs) were presented with calculations based on current available data. The rate study recommends the District postpone material action on the GFCs until it can resolve the issues identified in the study.

It was moved by Commissioner Takko, seconded by Commissioner Decius, to adopt the changes to the District's rate structures as presented in the Scenario B alternative of the 2014 Rate Study as presented by the FCS Group. After a short discussion by the Board, motion carried.

Dell also requested an amendment to the contract between the District and FCS Group to extend the term of the contract to February 28, 2015. The Board unanimously agreed and it was moved by Commissioner Takko and seconded by Commissioner Decius, to extend the term of the FCS Group Rate Study contract through February 28, 2015. Motion carried.

Item 3 – 2015/16 Budget Draft 2. It was moved by Commissioner Takko, seconded by Commissioner Decius to adopt the 2015-2016 Budget as presented in Draft 2 as a management tool. After a short discussion by the Board, motion carried.

Item 4 – Longview Water Quality Study. Dell reviewed the Longview City Council meetings attended in November. The first meeting presented the results of the phone survey and the second discussed the feasibility study and the need to form a Customer Advisory Committee (CAC) and what their role will be. The CAC would be made up of approximately 8-10 City of Longview customers and 2 Beacon Hill customers. Postcards inviting the District's customers to apply to the committee will be mailed out as well as posting a link on the District's website. Commissioner Roden recommends reaching out to people in the District that anyone feels would be a good fit for this committee. The applications are due by December 10th. Applications will be reviewed and distilled to a select few by JLA (the sub-consultant managing the CAC) and sent to the District to be reviewed by the Board for final selection. Longview City Council will make their final decisions at their December 23 meeting. Another part of the CAC proposal is to have one Beacon Hill Commissioner and one City of Longview council member as liaisons between the CAC and their respective boards. Commissioner Decius volunteered to represent the District as the liaison at the CAC monthly meetings. Commissioner Roden will be the alternate if Commissioner Decius is unable to attend.

Item 5 – Project Updates. Dell gave an update on the Monticello/Sunset/Lone Oak project with a request to ratify Change Order No. 1 for over excavating the clay sub-base below the T-cut and placing extra rock base material to avoid future settling issues of the road cut. After a brief discussion, it was moved by Commissioner Takko, seconded by Commissioner Decius to approve Change Order No. 1 in the amount of \$6,832.06 for the Monticello/Sunset/Lone Oak Waterline Improvements Project. Motion carried.

Dell gave an update on the Crestline Place water main replacement and presented to the Board a proposed agreement for engineering services with Gibbs & Olson in the amount of \$15,800, which includes the survey work done to date. After a brief discussion, it was moved by Commissioner Takko, seconded by Commissioner Decius to approve the proposed Gibbs &

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, November 24, 2014**

Olson agreement for engineering services on the Crestline Place water main replacement. Motion carried.

Item 6 – Facility Improvements. Dell let the Board know that the District is still waiting for the closing on the Church property sale but anticipates it happening soon. The closing has already been done on the property at 1111 West Side Hwy. Dell talked to Cowlitz 2 Fire and Rescue and they showed interest in doing a controlled burn on the building at this property. Dell will let the Board know if there will be a charge for this service. Dell will continue to work on the various applications needed in order to proceed with the controlled burn and anticipates it happening sometime in January 2015. Once the Church property closes and additional trees are removed, a fence can be constructed around the property with security gates at the entrances.

Item 7 – Employee Manual Updates. This item has been rescheduled to the December 2014 Board meeting.

Item 8 – DWSRF Loan Applications and PWTF Future Funding. Dell let the Board know that the District's DWSRF loan applications for Hillside and Skyline pump stations and reservoir projects were not approved.

Dell asked for the Boards consideration to attach a video link on our website to promote the efforts to retain funding availability for public agency infrastructure projects. After a brief discussion, the Board did not find any issues with adding this link.

Confirmation of Lien Filings. The Board reviewed the monthly lien synopsis. It was moved by Commissioner Takko, seconded by Commissioner Decius, to approve the filing of liens 1565 through 1567. 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, November 24, 2014, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2014 claims submitted after October 22, 2014 for \$153,184.75; and November 2014 claims to date in the amount of \$178,509.65 and payroll for November. The October Visa statements were provided to the Board electronically prior to the meeting.

Other Business – Foreclosure Issue. Dell presented to the Board an update on the Eastlick Estate. Due to the death of the owner and the property going through probate, the foreclosure process was postponed in June. The intent of the Executrix of the Estate was to sell some of the estates property to settle the debt with the District. A follow up call was made to the Executrix of the Estate in September and was told nothing had been done. The District agreed to give her an additional 30 days and in October several follow up calls & messages had been left

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, November 24, 2014**

with no response. The Board recommended sending a 30 day registered or certified letter before proceeding with the foreclosure process. Dell agreed and will have the letter prepared and sent.

Executive Session - The Board moved to Executive Session at 7:47 p.m. to discuss a real estate acquisition. The Board returned from executive session at 7:55 p.m. with no action taken.

Other Business – Real Estate Purchase. The Board came to a consensus giving Dell the authority to negotiate the acquisition of property identified as parcel 63345 as registered with the Cowlitz County Assessor's office.

The next meeting will be a special meeting and scheduled for Tuesday, December 16, 2014 at 5:15 p.m. There being no further business, the Board adjourned at 7:57 p.m.

Monte J. Roden, President

Dean A. Takko, Secretary

Bonnie L. Decius, Commissioner