

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, January 23, 2015**

Commissioner Roden called the meeting to order at 5:18 pm on Friday, January 23, 2015 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
Alan Engstrom, Legal Council

It was moved by Commissioner Takko and seconded by Commissioner Decius to approve the minutes of the December 16th and 30th, 2014 meetings. Motion carried.

It was moved by Dean Takko, seconded by Bonnie Decius to elect Monte Roden as President and Dean Takko as Commissioner. Motion carried. It was then moved by Monte Roden, seconded by Dean Takko to elect Bonnie Decius as Secretary. 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 – Response to Customer Request. Dell briefly commented on his reply to Sharon Laulainen's letter presented at last month's meeting. No further discussion or action was taken by the Board.

Item 2 – Longview Water Quality Study. The Customer Advisory Committee (CAC) had their first meeting on January 13, 2015 at 6:30 p.m. at City Hall. Bonnie, Monte and Dell attended the meeting, with Bonnie as the District's liaison. Bonnie presented to the Board a summary of the meeting. The next CAC meeting is scheduled for Saturday, January 31, 2015 at 9:00 a.m. As part of this meeting, the CAC will be given a tour of the Mint Farm and Fishers Lane Water Treatment Plants. Monte and Dean expressed interest in attending the January 31st CAC meeting and the tour. Monte also stated that he has an interest in attending all of the CAC meetings going forward. Bonnie will continue to be the District's liaison at these meetings.

Item 3 – FCS Group Rate Study. Dell let the Board know that the customer insert they approved earlier regarding the new rate structure will be included in the customer's January billing statement.

Dell presented to the Board Resolution No. 470 for their consideration in updating how the rates are presented in Attachment A as well as a possible change in the water meter base rates. The Board approved in resolution 469 water meter base rates that included the water service fee as part of the multiplier in the calculations. The FCS Group did not include this fee in the multiplier, which resulted in lower water meter base rates. After discussing the differences in calculations, the Board unanimously agreed to adopt the water meter base rates as presented by the FCS Group.

It was moved by Commissioner Takko and seconded by Commissioner Decius, to adopt Resolution No. 470 with Attachment A with revised water meter base rates. Motion carried.

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Item 4 – Facility Improvements. Dell updated the Board on the closing of the Church property today, January 23. It will be recorded at the County on Monday, January 26th.

There are some delays on the Thomasson property due to liens on the property that the seller needs to take care of. The seller asked for an additional 30 days to clear them up before closing on that property.

The house at 1111 West Side Hwy was tested for asbestos and was found to have 3% Chrysotile fibers in the down stairs sheet rock. According to Southwest Clean Air Association (SWCAA), the District needs to abate the asbestos by removing the down stairs sheet rock. There is a possibility that if we do another test sample to find out if the Chrysotile fibers are only in the plaster coating of the sheet rock, we may only have to remove the plaster. Additional testing may delay the demolition of the structure. To date, one bid has come in for \$6,500 for the removal of the sheet rock. Dell will continue to work on this issue.

Item 5 – Project Updates. Dell and the Board received a letter from the Department of Commerce congratulating the District on the completion of the Beacon Hill Pump Station Upgrades and Williams Finney Emergency Power projects.

The Monticello Lone Oak water line improvement project is completed. The final cost was \$159,000 with one approved change order for \$6,343.60 plus applicable taxes. Upon the Boards approval, Dell will submit the completion report to the appropriate State agencies.

It was moved by Dean Takko, seconded by Bonnie Decius to approve the completion of the Monticello Lone Oak water line improvement project for \$159,000 plus sales tax and \$6,343.60 in change orders plus sales tax, which includes total retainage due of \$8,267.18. Motion carried.

We are proceeding with design on Crestline Place.

The Grandview Pump Station Upgrade is scheduled to go out to bid the week of January 26th and ideally have the bid results ready for review at the February Board meeting. If for some reason the bids are not ready to review at the February Board meeting, the Board agreed to schedule a special meeting for the bid award.

The new cellular based SCADA system has been installed and is working. Information from the system can be accessed from a smart phone, iPad or computer and the alarms have been set up to e-mail addresses and call lists. Some of the system's capabilities allow us to see if the pumps are running, what the reservoirs are doing and the ability to turn on and off the pumps if needed.

One of the features of the SCADA shows the water levels in the reservoirs. In watching the levels at the Lexington Reservoir, it appears that it is not turning over; the levels have remained the same. Dell did further research and it may not have been turning over for several years. Historical records indicate this reservoir has been kept at about two thirds its capacity and when the chlorine residuals were tested, they were at zero. The level of this reservoir is below the Hillside Reservoir, which is the City of Longview's main reservoir. Unless the Lexington Reservoir is at about the same level as the Hillside Reservoir during demand, it is not going to feed back out. Dell will continue to research the issue and keep the Board apprised of possible solutions.

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Another issue is with the Ostrander Reservoir. It has not been calibrated in years so our levels compared to the PUD's could be off a bit. The altitude valve may need to be adjusted so it would stop before the overflow.

We are also in the process of replacing all of the transducers and matching them to the size of the tanks.

The bottom line is the SCADA system has provided valuable information in just the few weeks that we have had it up and running.

Item 6 – General Counsel Retainer Agreement. Alan presented to the Board his 2015 Retainer Agreement. After a brief discussion, it was moved by Dean Takko, seconded by Bonnie Decius to approve the 2015 Retainer Agreement. Motion carried.

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 1568 through 1570. 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 23, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2014 and 2015 claims submitted after December 16, 2014 for \$58,631.01; and January 2015 claims to date in the amount of \$422,513.21 and payroll for December 2014 and January 2015. The December Visa statements were provided to the Board electronically prior to the meeting.

Other Business – Dell asked the Board's opinion on allowing him to writing a letter of recommendation for an employee on the District's letterhead for an employee at the City of Longview applying for a job in Seattle. The Board found no issue with this request.

The next Board meeting will be a special meeting and scheduled for Friday, February 20, 2015 at 5:15 p.m. The next CAC meeting is scheduled for Saturday, January 31, 2015 at 9:00 a.m. There being no further business, the Board adjourned at 6:20 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Dean A. Takko, Commissioner