

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, February 20, 2015**

Commissioner Roden called the meeting to order at 5:15 pm on Friday, February 20, 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 Decius and seconded by Commissioner Takko to approve the minutes of the January 23, 2015 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 Complaint - Dell shared with the Board that the District received three complaint calls regarding the billing insert mailed to customers in January discussing the new rate structure. The complaints are that the District stated there are no rate increases but their total bill will go up. It was explained to the customers that the rates actually went down, but their total bill may go up because the 500 cf allowance was removed from the base rate. All of this was explained in the billing insert. We may see an increase in customer complaints once the new rate structure is implemented in March. Commissioner Roden also mentioned we might hear complaints from our customers during the summer months due to higher than normal water consumption.

Item 2 – Project Updates - The Grandview Pump Station Upgrade project bids were opened today. There were eight bidders and the low bidder was Columbia Pacific Construction out of Woodland, WA. Their total combined bid, before taxes, is \$567,075. We have funding for this project from Public Works Drinking Water State Revolving Fund for \$1,143,320. Dell contacted the Department of Commerce to discuss the low bid and to find out if we could change the scope of the project to include a generator at Grandview or perhaps shift some of those funds over to support the Hillside Pump Station project. Dell has completed the bidder's background checklist for Columbia Pacific Construction with no negative findings. Dell is in the process of checking their references. Monte asked what MBE/WBE stood for and Dell explained that it stood for Minority and Women's Business Enterprise. This is not a requirement for our funding but since these are federal funds funneled through the state, we have to follow the Davis Bacon Act and Minority and Women owned business requirements. Even though MBE/WBE is not a requirement for this project, we had to do a good faith effort to include minority and women owned business in the bid advertising. We also had to include this on the bidder's questionnaire whether they met these requirements or not. There was one bidder that met the requirements but their bid was on the high end. Dell also let the board know that the alternate bid amount was for additional work to be done at the Skyline Pump Station. At this location, there are two pumps and when pump two can't keep up with the demand, pump one will kick on. Therefore, pump one runs more frequently than pump two. The controls are also in disrepair and need replacing. The alternative bid will include a new pump and VFD controls for both pumps, which will help with our start/stop issue. It also includes a PRV valve that will discharge into the reservoir if

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there is a loss in the control valve on the upper end. Since we did not get the funding we needed for the replacement of the Skyline Pump Station, this will help us get a few more years of reliable service out of the system before it needs to be totally replaced. Dell recommended the board award the low bid to Columbia Pacific Construction.

It was moved by Dean Takko, seconded by Bonnie Decius to accept the bid from Columbia Pacific Construction for the Grandview Pump Station project, subject to reference checks, for \$567,075. Motion carried.

Crestline Place plans and specifications are almost complete and should go out to bid the first week of March. It is a small works project estimated at about \$100,000. The plan is to present the bids at the March Board meeting for award.

It was brought to Dell's attention that the subcontractor (sub) on the Monticello/Sunset/Lone Oak Waterline Improvements Project has not been paid by the contractor (prime). The sub claims they performed more work for the prime than the original agreed upon amount. It appears that the sub did not sign a contract with the prime and the overage is in dispute by the prime. There is also another sub claiming they were not paid for materials. The bond company is aware of the issues. Even though this project was approved at the January Board meeting and ready to file for release of retainage, it is now on hold until these issues are resolved.

Item 3 – Facility Improvements - The church property purchase has been closed and recorded.

The additional tests Dell had run on the sheetrock next door confirmed that we need to abate the house by removing the downstairs drywall. Dell received two bids for the abatement and accepted the lower bid for \$6,470. They are scheduled to start the abatement on March 2nd. Due to the delay in completing the abatement and the permitting process, the Cowlitz 2 demo burn has been rescheduled to March 21.

On February 18, the District allowed the local SWAT team to use the house to practice a raid and perform training.

Item 4 – WSRMP – District Insurance - For informational purposes, Dell presented to the Board the Water and Sewer Risk Management 2014 Year-end State of the Pool Summary. Dell brought to the Board's attention the pre-termination policy. It is a reminder that if we were considering terminating an employee, we should contact the Pool first. The Pool has \$2,500 in legal assistance in determining the validity of a case. If we did not take advantage of this benefit, the District would be liable for the first \$100,000 of claim and indemnity costs.

Item 5 – Health and Wellness Program - Dell presented to the Board the Health and Wellness program mini grant details for 2014 and the new program for 2015. The Board is welcome to participate in this program. One of the activities will be another family bowling night. Employees will be participating in several wellness campaigns over the year. Activities will be recorded in a passport. When an activity is completed, the employee will receive a stamp in their passport. Prizes will be awarded throughout the year and a grand prize awarded through a raffle at the end of the year.

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Item 6 – CWCOG

As a member of the Cowlitz Wahkiakum Council of Governments, Dell was nominated and accepted to serve on the Finance Committee.

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 1571 and 1572. 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, February 20, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2015 claims submitted after January 23, 2015 for \$124,481.29; and February 2015 claims to date in the amount of \$150,458.46 and payroll for January and February 2015. The January 2015 Visa statements were provided to the Board electronically prior to the meeting.

Other Business – 2015 Election Cycle - Dell received from the Auditor's office The Participating Jurisdictions in 2015 Election Cycle guide. This information was passed on to Dean as he is up for re-election this year.

Other Business – Summary of CAC meeting - Bonnie gave a summary of the January 31, 2015 CAC meeting. The members met and toured the Mint Farm and Fisher Lane facilities. A question and answer session was held after the tour. Bonnie was wondering if we were paying a share of the cost to pump water from Fisher Lane to Lake Sacajawea. Monte stated that we are part owner in the building/structure but not the land. It was determined by the previous District manager that we were not paying anything for the facility.

Other Business – Rate Study Final Draft – Prior to the Board meeting, Dell e-mailed the Board a final draft of the rate study. The Board will review the draft and get back to Dell with any changes or comments they may have.

Other Business – Informational Handouts – Prior to the Board meeting, Dell e-mailed the Board legislative updates. The Board thanked Dell for the information.

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The next Board meeting will be a special meeting and scheduled for Friday, March 20, 2015 at 5:15 p.m. The next CAC meeting is scheduled for Tuesday, February 24, 2015 at 6:30 p.m. There being no further business, the Board adjourned at 6:35 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Dean A. Takko, Commissioner