

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

**NOTE: APPROVED ON APRIL 24, 2015 WITH CLARIFICATION TO PAGE 2, PARAGRAPH 1 THAT WILL BE PRESENTED AT THE MAY 20, 2015 MEETING FOR APPROVAL**

Commissioner Roden called the meeting to order at 5:15 pm on Friday, March 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

It was moved by Commissioner Decius and seconded by Commissioner Roden to approve the minutes of the February 20, 2015 meeting. Motion carried.

The Board welcomed James Graham, Captain of Cowlitz 2 Fire & Rescue. Mr. Graham thanked the District for the opportunity to use the building owned by the District at 1111 West Side Hwy in Kelso for a live burn training session. The training will start Saturday morning on March 21, 2015. He gave an overview of the training schedule and the trainees that will benefit from it. After the training, a follow up letter will be sent to the District stating the total training hours and all the participants. Mr. Graham and the Board thanked each other and then Mr. Graham left.

The Board welcomed four District customers from Nevada Drive, Irene Breitenbach, Kay McCormick, Ken and Sandy Francis. Irene Breitenbach stated that she was attending this meeting to voice her dissatisfaction and concerns with the water quality as well as the anticipated increase in her water bill. The other attendees indicated they were at the meeting for the same reasons. Ms. Breitenbach has health issues and worries that if she drinks the water it could cause her additional risks. The water has an unpleasant odor, leaves a residue on her dishes, silverware, toilets, appliances and fixtures. She has noticed that the finish in her toilet is pitting. She has gone to the expense of having her pipes tested, which resulted in no issues. They all live on fixed incomes and because of their concerns with the water quality, they have been buying bottled water and disposable plates and utensils. It is hard for them to understand how their bill can increase when they are using less water and incurring all these extra costs. Irene did not understand why the District was incurring the expense of studies and experts when, in her opinion, they could have repaired the Fisher Lane Plant.

Commissioner Roden shared with the audience information about the Customer Advisory Committee (CAC) that was formed by the City of Longview and the District. The District has a small ownership in the water system of around 14-15 percent. It is costing the owners of the systems around \$217,000 to bring in a firm to do a survey and to form and oversee the CAC process. Starting in January of this year, the CAC started meeting once a month. The meeting dates and times are advertised in The Daily News and on various websites. Commissioner Decius gave an overview of the role of the CAC and their goal of coming up with a

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recommended solution to the water issues. Commissioner Roden shared the reason the Fisher Lane Plant was abandoned and why the City of Longview went with the wells at the Mint Farm. One of them is cost, which was less than it would have been to upgrading the Fisher Lane Plant. He also discussed the silica issue in the water and that the regional manager from the Department of Health (DOH) came down, reviewed the water testing results and said it meets all the standards for safe drinking water. There is ongoing testing to make sure it continues to meet the safety standards required by the DOH. Sandy Francis asked if there was more iron in the water and Commissioner Roden said there is. Commissioner Takko explained that one of the issues with the Fisher Lane Plant is that it was pulling in silt with the water and that the silt damaged and wore the plant's equipment out, which in the long run would continue to make the plant very expensive to operate. Cost wise it made more sense to close the Fisher Lane Plant and go to the Mint Farm Wells. Since our ownership share is so small, the District was not part of the process that resulted in the City of Longview's decision to go with the Mint Farm Wells. If the CAC finds an alternate solution it will likely come with added costs plus the customers will still have to repay the bondholders for the cost of the Mint Farm Wells. Commissioner Takko asked the audience if they would be willing to pay more on their water bill to fix the problem and they said yes. They felt it would pay for itself in the long run because they wouldn't have the extra expense of bottled water, filters and having to replace fixtures. Kay McCormick asked what processes were used in filtering the water. Commissioner Roden stated that the main problem in the water was the silica and the process to remove it was extremely expensive. Dell explained that the amount of silica that we have in our water is around 100 milligrams per liter and is considered moderate compared to other areas in the United States. Other areas with 200-300 milligrams per liter of silica try to bring their levels down to 100 milligrams per liter as a more tolerable level. The more silica you take out of the water the more expensive it is. Ms. Breitenbach asked the Board what determines the District's rates. Commissioner Roden said we look at what it costs to deliver water and take away the waste from the customer's homes along with regular maintenance and repairs of the system. The District is also impacted by increases in the goods and services it needs to operate. Mrs. Francis also asked why we discontinued the level billing program and Commissioner Roden explained that we did not have enough customers sign up for it to keep it going. Dell commented that it has helped our customers in this area by going from a bi-monthly billing cycle to a monthly billing cycle. Dell also reviewed the new billing structure effective with their March bill. Ms. McCormick wanted to know why they pay a service fee of \$5 for water and \$5 for sewer and a base rate. Dell explained that 90% of costs to run the system are fixed costs that are not related to their consumption and those costs determine the base rates. Commissioner's Takko and Roden explained that as a Board, they elected to do small increases each year versus large ones every few years so the impact to the customers could be minimized. Ms. Breitenbach asked Commissioner Takko if it is legal to install rainwater catch barrels. He replied that it would be okay to install rainwater catch barrels. The audience and the Board thanked each other and the audience left.

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 – See audience participation above.**

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**Item 2 – Project Updates** - The Grandview Pump Station Upgrade project. Dell sent out the Notice To Proceed and the project is scheduled to start on Monday, March 30, 2015. Since our bids came in well under estimates, Dell contacted the Department of Health to see if we could shift the unused funds from the Drinking Water State Revolving Fund (DWSRF) loan over to another project or do additional improvements on this project. Due to the cultural, historical and environmental permitting being specific to this project, we cannot shift the funds to other project. We can change the scope of this project to include other improvements. Dell let the Board know that we de-obligated \$32,509 of the \$250,000 Public Works Trust Fund (PWTF) preconstruction loan. The preconstruction efforts have been primarily completed and the preconstruction completion date on this contract was March 4, 2015. This loan is now closed. Construction Management will be funded in the DWSRF loan.

Dell made a request to the Board for an increase in extra services for Richmond Engineering to cover construction phase travel expenses and survey costs in the amount of \$8,544.00.

After a brief discussion, it was moved by Commissioner Takko and seconded by Commissioner Decius to approve the increase in extra services request for the Grandview Pump Station Upgrade project for \$8,544.00. Motion carried.

The Crestline Place Water Improvements project went to bid on March 4, 2015 and bids opened on March 18, 2015. Dell presented the bid results to the Board. There were four bidders and the low bid came in at \$105,324.14 including tax from P.R. Worth.

After a brief discussion, it was moved by Commissioner Decius and seconded by Commissioner Takko to accept the bid from P.R. Worth for the Crestline Place Water Improvements project for \$105,324.14. Motion carried.

Dell contacted Gibbs & Olson and requested they amend our consultant contract to include Construction Management (inspection) for the Crestline Place Water Improvements project. This amendment would allow for an increase of \$26,900.00 for engineering services.

After a brief discussion, it was moved by Commissioner Takko and seconded by Commissioner Decius to approve engineering services Amendment No. 1 with Gibbs & Olson for the Crestline Place Water Line Replacement project for \$26,900.00. Motion carried.

Dell applied for a DOH Small System Preconstruction Grant for \$25,000 for the Hillside Pump Station project, but it was not approved. Scoring by the DOH favors systems with contamination and other high risk health issues.

Dell discussed with the Board his research and inspection of sewer mains and that he has discovered a lot of Corrugated Metal Pipe (CMP) used in our sewer mains over the years in hard to access canyons. He relayed his concerns about the condition of the pipes and whether they

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were the cause of infiltration and inflow or even spilling sewage. Some of the lines that were viewed with the camera were found not to be in bad shape, some of them had the coating coming off the top and rusting a little. The bottoms of some of the pipes were coated with unidentified matter and so we did not want to jet them in case the removal of this coating caused the pipe(s) to break apart. Dell wanted the Board to be aware of this because we might need to hire a consultant at some point to put a project together and address any permitting issues.

**Item 3 – Facility Improvements** – After the live burn training session is done on Saturday, March 21, 2015, we will rent a dumpster, get an excavator to remove the debris, have the cottonwood trees around the house removed and do some grading of the lot. Dell will start working on getting bids for the fencing. Dell is thinking we should be able to start that in the next couple of weeks. Dell spoke with building and planning about the lot. Since this was a residential lot and if we want to construct an office building on it, we will probably need a special use permit, which costs \$2,500.00 and requires going to the hearings examiner. Dell let the Board know he plans on scheduling a pre-application meeting with a County Planner to determine all the steps required for this process. In this meeting, he plans on discussing other future District projects as well. Dell suggested the District hire an architectural firm to guide us through the planning and design process of the facility improvements. Page and Beard Architects are on our consultant roster. Dell had spoken to them earlier about the project and they have stayed in touch with him for updates. Page and Beard Architects has been in contact with the District's previous general manager about similar District facility needs. Commissioner Takko proposed scheduling a special Board meeting to discuss what our needs are before we hire an architect. After a brief discussion, the Board unanimously agreed to have a meeting in the near future to discuss the District's needs prior to bringing in a consultant.

**Item 4 – Personnel Manual – Bereavement Policy** - Dell reviewed the Bereavement Policy with the board and wanted to make sure his interpretation of the policy was in line with the Boards intent of inclusions and exclusions of family members covered. After a short discussion, and to eliminate any future interpretation issues of the Bereavement policy, Commissioner Roden recommended removing the policy from the employee manual and giving each employee an additional day off as a floater each year. After additional discussion, the Board liked the floater alternative. Before any changes are implemented, the Board asked Dell to discuss the alternatives with the employees and then, based on that information, continue this discussion at the next Board meeting.

**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 1574 and 1577. 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.

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As of this date, March 20, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2015 claims submitted after February 20, 2015 for \$56,652.19; and March 2015 claims to date in the amount of \$139,011.26 and payroll for February and March 2015. The February 2015 Visa statements were provided to the Board electronically prior to the meeting.

**Other Business – Summary of CAC meeting** - Bonnie gave an update to the Board of the March 17, 2015 CAC meeting. No significant progress has been made.

The next Board meeting will be a special meeting and scheduled for Friday, April 24, 2015 at 5:15 p.m. The next CAC meeting is scheduled for Tuesday, April 14, 2015 at 6:30 p.m. There being no further business, the Board adjourned at 6:55 p.m.

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Monte J. Roden, President

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Bonnie L. Decius, Secretary

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Dean A. Takko, Commissioner