

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, May 20, 2015**

Commissioner Roden called the meeting to order at 5:15 pm on Wednesday, May 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
Alan Engstrom, Legal Council
Debbie, Finance Administrator
Audience – Keath Huff

It was moved by Commissioner Decius and seconded by Commissioner Takko to approve the minutes of the April 24, 2015 meeting. Motion carried.

The Board welcomed Keath Huff to the meeting. Mr. Huff attended the meeting as an observer and stayed through the regular session. The Board thanked Mr. Huff for attending and he 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 Issues – Dell shared with the Board that since we restructured our water rates and the sewer billing dates, we continue to get complaints and need to explain the changes and charges to our customers. Most of the customers understand but are not happy about higher bills.

Dell summarized the customer complaint at 191 Cowlitz Gardens. We are requiring the customer to install a Reduced Pressure Backflow Assembly (RPBA). The customer disagrees with this requirement and to date has not paid the local facility charges for the installation of his water service connection. Dell consulted with Derek Zock and Terri Notestine, both of whom work with the Department of Health (DOH) Cross Connection Control Program and Mary Howell from Backflow Management, Inc. (BMI). They all agreed with Dell that the RPBA was the appropriate choice for this new connection. Since we cannot provide the customer with water service until the RPBA is installed, the meter has been removed. The Board instructed Dell to continue the District's normal collection process for the Local Facility Charge. A lien can be placed on the property if the charges remain unpaid. Commissioner Roden recommended the staff be instructed to direct all contact with Mr. Davison to Dell.

Item 2 – Cross-Connection Control – Dell shared his concerns about implementing a cross-connection program that requires all customers to have a backflow assembly. Commissioner Roden said he has seen some Counties phase them in over a number of years. He also mentioned that Dell might want to contact the City of Ridgefield to find out what device they are installing on their meters. Dell said he would follow up with the City of Ridgefield and continue to consult with Mary Howell at BMI in evaluating our current program and get her recommendations.

The District's policy requires a backflow device on all new connections. The State of Washington requires existing backflow devices to be tested annually. For those customers with backflow devices, the District notifies the customer each year when the retest is due along with a public list of testers by County. The customer can use the District's Backflow Assembly Tester (BAT) or hire their own. We currently charge \$35 for each test and do not charge for the retest. It appears

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that we may not be recouping all of our costs. The District's BAT is usually tied up with these tests for six weeks starting in June. Dell would like to free up the District BAT's time to be available for other District projects and maintenance. In order to do this, Dell proposed contracting out the BAT testing service under a Personal Services Agreement. As part of this program, our BAT would review all the tests and follow up with weekly random checks. Dell put together a Personal Service Agreement for these services and had our legal counsel and CPA review it. The agreement was then sent out to all the BATs that were on the Washington State Certification list for Cowlitz County. We received two bids back from BMI and C&R Tractor and Landscaping as follows:

Project Name: BAT Testing Services

Bid Date: May 20, 2015, 2:00 pm

Bidder	.75-2" Assembly Test	Retest	4-8" Assembly Test	Retest
BMI	\$25	\$15	\$45	\$30
C&R Tractor	\$45	\$30	\$140	\$105

After a discussion of the pros and cons of hiring out the BAT service, Commissioner Takko made a motion to authorize the manager to enter into the Personal Services Agreement between the District and BMI for BAT Testing Services subject to favorable reference checks with a contract end date of April 30, 2016, seconded by Commissioner Decius. Motion carried.

Item 3 – Project Updates – Grandview Pump Station project - The walls are up on the pump station and we are still waiting for the pump skid to arrive, which is scheduled for May 28. Once the pump skid is delivered, they will lower it into the pump station using a crane and then put on the roof. The biggest challenge on this project is getting the required certified payrolls, which are required by the Department of Commerce in order to draw down on our loan.

Crestline Place Water Line Improvements - All mainline is in the ground, eleven meters have been installed with eight more remaining, and then it can be switched over. All that would remain would be the paving of driveway approaches and hydro-seeding.

Item 4 – Surplus Equipment – Since the District purchased the Vactor truck in January, the District no longer has a need for the Vac Trailer. At this time, Dell is recommending that the Board declare the Vac Trailer surplus. The District would then be able to sell the Vac Trailer.

After a brief discussion, it was moved by Commissioner Takko, seconded by Commissioner Decius to surplus the Vactor Vac Trailer. Motion carried.

Item 5 – Facility Improvements and Operations – Cowlitz 2 Fire and Rescue sent a thank you letter to the Board for the opportunity to work with us on the training burn.

Dell presented to the Board the janitorial services contract increases since February 2013 and that the staff has not been satisfied with the overall quality of services provided. A list was provided to the Board with the issues we have had with the service. Dell proposed to the Board we cancel the current janitorial service contract and have the office staff take over the cleaning duties on a rotating schedule. He feels they would provide a higher quality of service and save the District several hundred dollars a month.

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After a brief discussion, Commissioner Takko made a motion to cancel the ABM Janitorial contract and then allow the District's office staff comp time to resume these janitorial duties on a rotating schedule, seconded by Commissioner Decius. Motion carried.

Item 6 – Personnel Manual – Bereavement Policy – When Resolution 471 was adopted on April 24, 2015; it was not defined as to when the revised policy would be applied.

After a brief discussion, the Board unanimously agreed that the current policy would remain in effect until an employee attains his/her anniversary date and then they would receive the floater.

Item 7 – Tim-Wa and Westside Haven Mobile Home Park - Westside Haven Mobile Home Park had some confusion regarding the number of vacancies they had. Vacant trailers owned by the park incur vacancy rates. The Park was signing off on these vacancies without confirming them.

Both Tim-Wa and Westside Haven have special agreements that were brought over from the PUD. Other Parks pay for their oversize meter charge and consumption and then they bill their customers for water. In 1999, Tim-Wa was looking for a third party to manage their meters. They looked at three options including the PUD. It made sense for the PUD to do this, as they would be able to add the water bill to their electric bill with relatively low to no costs. The Park made the special agreement with the PUD. Part of this agreement required the Park to install new meters and lockable shutoff valves, and this did not happen. Most of the meters are not a standard meter the District would use. The meter valves can be turned off but are not lockable. Many of the meters are under the mobile homes. In order to access these meters the skirting has to be removed and staff must crawl under the homes. There could be some potential liability to the District if we were to damage anything while accessing the meter. Both of these Parks do not pay the oversized meter charge. They pay the three quarter inch meter base rate and the amount of water used in excess of what the individual meters used in the park. This is not fair and is inconsistent with our policy for other Parks within the District.

Dell proposed eliminating these special agreements with Tim-Wa and Westside Haven Mobile Home Park and return to an agreement where they pay for their oversized meter and consumption. The Parks would then decide how they want to bill their customers for their water consumption. This would be in line with the policy for other Parks within the District.

The Board unanimously agreed with Dell's proposal but feel these two Parks would probably push back on making this change. Some points made by the Board in favor of this change is that we are not being fair and equitable to other Parks by allowing these special contracts, there are costs to the District now that it is not tied to their electric bill and that the Parks have not provided accessible locking meters as required. One selling point would be that there could be some cost savings to the park customers in making this change. Currently each customer is being charged a base rate plus consumption and by going to a master meter, the Parks could come up with whatever rate they want to charge their customers for water.

The Board directed Dell to approach the two Parks with this proposal and document any issues they may have in making this change. If they are resistant to this change, at the very least, Commissioner Roden recommended they would need to provide locking meters and maintain their accessibility.

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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 1582 and 1586. 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, May 20, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2015 claims submitted after April 24, 2015 for \$225,015.34; and May 2015 claims to date in the amount of \$237,378.80 and payroll for April and May 2015. The April 2015 Visa statements were provided to the Board electronically prior to the meeting.

Other Business – Longview City Council 2015 Workshop Schedule – Dell provided the Board members with the Longview City Council 2015 Workshop Schedule.

Other Business – Summary of CAC meeting – All three Board members attended the May 19, 2015 CAC meeting. The CAC did move a couple options off the table but they are still trying to narrow down the choices. It is anticipated that the CAC meetings will be extended.

Other Business – 2014 Water Quality Report – This report is normally published on the District's website but Dell decided to combine the report with other items. Dell included an insert with the report that covered Cross Connection Control educational information, suggested products to help remove hard water and/or silica deposits, District projects, simplified billing and cooperative efforts on the training burn.

Executive Session – The Board moved to executive session at 6:58 p.m. to discuss a real estate and personnel issue. The Board returned from executive session at 7:14 p.m. with no action taken.

The next Board meeting will be a regular meeting and scheduled for Wednesday, June 17, 2015 at 5:15 p.m. The next CAC meeting is scheduled for Tuesday, June 9, 2015 at 6:30 p.m. There being no further business, the Board adjourned at 7:15 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Dean A. Takko, Commissioner