

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, June 17, 2015**

Commissioner Takko called the meeting to order at 5:20 pm on Wednesday, June 17, 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

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

Dell shared with the Board a notice he received from the Department of Commerce that would affect our DWSRF Loan. Since the State's budget for 2015-17 has not yet been passed, the notice reads, "Without a budget appropriation, agencies cannot expend funds nor incur liabilities after June 30, 2015". With this letter, the Department of Commerce is asking the District to allow them to suspend the contract if a budget is not enacted into law by the deadline of midnight on June 30, 2015. Once the Legislature subsequently passes the budgets and they are signed into law, our contract would automatically be active and all of the terms within would remain in full force and effect. If the District does not want to suspend the contract then it can be terminated. Dell called the Department of Commerce and was told we should be able to be reimbursed for our expenses up to June 30 and recommends we allow the contract to be suspended if needed. The District requested a reimbursement for expenses earlier in June for a little over \$200,000.00. We have other paid expenses we have not requested reimbursement on as we are waiting for the required certified payrolls. We should not have any issues with cash flow due to these delays.

Bonnie had telephone conferenced in to the last CAC meeting. She shared that on June 30th they will be having a public open house to share information with the community on the study, evaluation, process, alternatives considered and to ask for their input. It will be held at the Cowlitz County PUD Auditorium located at 961 12th Avenue in Longview.

The Manager Report, which was delivered to the Board prior to the meeting, was the next item of discussion. A copy of said report is attached as a part of this permanent record.

Item 1 – Change Fund – Due to changes in the District's rate structure there is a higher demand on the change fund. Dell asked the Board to authorize Resolution No. 473 to increase the change fund from \$100.00 to \$200.00.

It was moved by Commissioner Takko, seconded by Commissioner Decius to authorize Resolution No. 473 increasing the change fund from \$100.00 to \$200.00.

Item 2 – Payment Services Vendors – The District currently uses four vendors in order to allow our customers to make payments over the web, telephone and in house using their debit and credit cards. The District would like to streamline this process by using fewer vendors. A comparison chart was provided to the Board with three vendors that provide all of these services under one plan. By going to one vendor, we could provide a better experience to our customers and simplify the

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process for the District by having these services under one vendor. The District absorbs the fees so if we moved this service to one of these vendors the potential reduction in charges could be between \$10,000.00 and \$13,000.00 annually. The District will continue to explore these options and present the results to the Board at the July meeting.

Item 3 – Project Updates

- a) Grandview Pump Station – This project is over fifty percent complete with the new building roofed in, the pump skid plumbed in and the electrical being worked on.
- b) Crestline Place Water Line Improvements – This job is completed and a walk through is scheduled for June 18 at 8:00 a.m. to complete the punch list. Dell commented on how smoothly the project went. There were no customer complaints and the contractor was easy to work with.
- c) West Side Highway – The water main serving seven connections at the north end of West Side Highway up to just north of the McCorkle Creek storm water pump station is only a 1.25” diameter pipe believed to be galvanized. One customer in particular has contacted us on more than one occasion with low pressure and flow issues. Between the blow off and McCorkle Creek the line is corroded and plugged up. The pressure and flow issue is with about three to four hundred feet of pipe. This project was included further down the list in our water system plan CIP schedule. Dell’s plan is to present this to the Board for design unless an emergency requires us to expedite replacement. Some of the challenges on this project would potentially be a lengthy permitting process with agencies such as WSDOT, U.S. Army Corps of Engineers and the Lexington Flood Control Zone District. Dell had Gibbs & Olson provide an Opinion of Probable Construction Cost for this project, which came in at \$389,400, plus an additional \$54,000 for design, bid and construction phase engineering costs. Included in the construction cost is a 20% contingency and \$75,000 for 18-inch HDPE casing that may or may not be required. If this became an emergency repair with time and materials, it could potentially reduce the costs by quite a bit. Commissioner Roden asked Dell if we could request easements from the properties affected by the project and gets an out of State right of way. Dell said it was worth looking into and that he would do that. Commissioner Roden asked if pressure checks had been done by the customer. Dell said no but we went out and put pressure gauges on it. The pressure test showed once the water was turned on, the static pressure dropped between 30 and 40 psi. The static pressure should be in the 80’s or 90’s. The required pressure at the meter is 30psi under normal circumstances and 20psi under fire flow conditions. Commissioner Roden asked if we had a gauge that would record the psi over a certain period of time. Dell said we have a pressure data logger he will have setup on the line. Commissioner Roden said this information may be helpful in determining if this needs to be an emergency repair. Dell asked the Board to make a motion to authorize Gibbs & Olson for engineering services for the Design, Bid, Ad, Award and Construction Management of this loop of water main on West Side Hwy.

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Commissioner Takko made a motion to approve the General Manager to proceed with a bid for the Design, Bid, Ad, Award and Construction Management phase of the water line replacement of West Side Hwy in the McCorkle Creek area, seconded by Commissioner Decius. Motion carried.

- d) Williams Finney – There have been some pressure tank issues in the last few weeks and some customers have had a lot of air in their water. There have been two recent water leaks on the upper water main due to rusted out service saddles. During repairs, the water main was observed to have soft and spongy asbestos cement (AC). The replacement of this water main was previously budgeted for 2013 and 2014 but deferred for other high priority projects. There are between 26-36 customers in this service area. The recommended project is for 3,700 feet of waterline of which 1,300 feet of it is where most of the repairs have been performed. Commissioner Roden asked if we had a moratorium on new services in this area and Alan asked if the project would give us additional capacity in this area. Dell was unsure but will find out. Dell feels he can fix the pressure tank and air in the water issue without much cost. The Board agreed that Dell should request a proposal from Gibbs & Olson for engineering services for the Design, Bid, Ad, Award and Construction Management of the Williams Finney water main to make ready for replacement in 2016.

Item 4 – Facility Improvements – Dell requested bids for tree and stump removal, grading and drainage on the upper level of the District's property. Three bids were received and the low bid was awarded to P.R. Worth at \$24,167.88. This will prepare the property for fencing and security gates. Commissioner Roden requested the existing storm drains have a camera run through them to test their integrity. Dell will schedule this with the field crew.

It was moved by Commissioner Takko, seconded by Commissioner Decius to accept the low bid from P.R. Worth for clearing, drainage and grading work on the upper level of the District property, for \$24,167.88. Motion carried.

Item 5 – TRRWA Governance – At the last Three Rivers Regional Wastewater Authority (TRRWA) meeting there was a fair amount of discussion regarding Cowlitz County and the State Auditor not recognizing TRRWA as a separate entity by definition, cannot function as their own treasurer, and is technically a "component unit" of Cowlitz County. In order for TRRWA to meet the criteria in becoming their own treasurer, they would have to be either a non-profit organization or a Joint Municipal Utility Services Authority (JMUSA). Based on the input they received from TRRWA's attorney, the JMUSA would be the best option. Currently TRRWA has an appointed Board and to become a JMUSA they would need to have an elected Board or elected members on the Board. An option to satisfy this requirement would be to have an elected official from each agency meet once or twice a year as required and continue to have the appointed Board meet on a monthly basis. The appointed Board's consensus was to pursue this option.

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After further discussion, the Board unanimously agreed this was also the direction they wanted to go in. Dell will pass this on to the TRRWA Board and continue to keep our Board updated on its progress.

Item 6 – CWCOG – Dell shared with the Board that CWCOG's recent audit was clean with no findings.

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 1587 and 1590. 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, June 17, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2015 claims submitted after May 20, 2015 for \$72,165.14; and June 2015 claims to date in the amount of \$503,757.60 and payroll for May and June 2015. The May 2015 Visa statements were provided to the Board electronically prior to the meeting.

The next Board meeting will be a regular meeting and scheduled for Wednesday, July 15, 2015 at 5:15 p.m. The next CAC meeting is a public open house scheduled for Tuesday, June 30, 2015 from 4:00 to 7:00 p.m. There being no further business, the Board adjourned at 7:00 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Dean A. Takko, Commissioner