

**Beacon Hill Water and Sewer District  
Commissioners' Meeting Minutes  
Wednesday, July 15, 2015**

Commissioner Decius called the meeting to order at 5:28 pm on Wednesday, July 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  
Audience: Tommy Gowan  
Tim Wines

It was moved by Commissioner Takko and seconded by Commissioner Decius to approve the minutes of the June 17, 2015 meeting. Motion carried.

It was moved by Commissioner Decius and seconded by Commissioner Takko to approve the minutes of the June 29, 2015 emergency meeting. Motion carried.

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.

**Items 1 & 2 – Customer Requests**

The Board welcomed Tom Gowan to the meeting. Mr. Gowan is a real estate broker and flips homes. He recently purchased three properties in the District, one of which was locked off due to non-payment and a lien filed. When he received his first bill, he came by the office for an explanation of charges. The staff explained our policy about ongoing charges on properties that have been locked off and liened. He expressed his disagreement with this policy and said the District should not be allowed to charge for services that are not being provided. He also mentioned that on another property he purchased in the District, it appears that the lock was cut during one of the inspections and he was charged a \$250.00 tampering fee. He was unable to confirm who had actually cut the lock. Mr. Gowan said that none of the other utilities practices these policies. Commissioner Roden said he understood the comparison he was making but expressed to Mr. Gowan that the properties in those situations were in good standing with the utilities at the time and his property in question is not. Mr. Gowan proposed that he just pay the lien charges and the Board said that was not an acceptable solution. Alan recommended we check with other water and sewer districts to find out what their policies are in this type of situation. The Board agreed with Alan and Dell will follow up with Mr. Gowan with his findings. Mr. Gowan thanked the Board and he left.

Alan commented to the Board that this property is still in the foreclosure process at the bank. All Mr. Gowan has done is get a quit claim deed to see if he can flip the property before the foreclosure is finalized. If the property were to foreclose before it is sold, we will recover all of our charges. Dell will research other district's policies and Alan will call Municipal Research to see if they agree with our policy to lock off and continue to collect as if they were receiving the water & sewer service.

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The Board welcomed Tim Wines to the meeting. Mr. Wines is an engineer with PLS Engineering and is here representing Mr. Duane Carlson, the developer of a subdivision at the west end of Rainbow Way called Maxwell Farms. Dell presented to the Board the preliminary plans of the development. Due to topographical issues in providing sewer collection, Mr. Wines is proposing E-One grinder pump systems for each lot that manifolds into a force main which ties into our sewer system. Dell and Gibbs & Olson have reviewed the preliminary sewer plan and did not have any problems with them. Mr. Wines explained to the Board how this type of system would work and the advantages to the homeowner and District. The property owner's would own the pumps and it is being recommended that they be installed closer to the homes. At some point, the District would take ownership of the lines in the right of way. One concern would be having a pipe size that the District would be able to camera. When there are sewer or water main extensions, the District has a standard agreement that outlines each party's responsibilities. Commissioner Roden stated that we have a few grinder pump systems but for the most part, they are foreign to the District and current developments in the District are based on a gravity flow. Commissioner Roden said he was okay with the system but has concerns with the three-year warranty on the workmanship as stated in the Sewer Service Agreement. He wants to make sure the system works and continues to work until the build out. Tim will contact Steve Bacon to open the door for Dell to call and schedule some time for him and the District's Foreman to look at existing systems and make sure the field crew will be comfortable maintaining them. Alan reminded Tim that tonight's meeting was an informal process. Since the Board is comfortable that the concept will work, and after Dell completes his research, Dell will contact Tim with the route to go in completing the design. The agreement can be completed at a later date. The Board thanked Mr. Wines and he left.

**Item 3 – Project Updates**

- a) Grandview Pump Station Project – The pumps controls were scheduled to switch over yesterday and today. We had some issues with the communications and so they will be back to put in new parts and try it again.
- b) Crestline Place Water Line Improvements – This project has been completed and all the punch line items are taken care of. The walk through went well and PR Worth was great to work with.  
It was moved by Commissioner Takko to accept the work as completed by P.R. Worth on the Crestline Place Water Line Improvement project, in the amount of \$105,324.14, seconded by Commissioner Decius. Motion carried.
- c) West Side Hwy Water Main Replacement – We had the emergency resolution to replace the 1.25-inch galvanized pipe. Dell showed the Board a section of the pipe that was removed and they all agreed they made a good decision in allowing this emergency repair. The customers were very grateful, especially the customer at the end. It made a big difference in the flow. One customer may need to make some adjustments on their pressure-reducing valve (PRV). Our crew worked side by side with the contractor making the project move along in a timely and efficiently manner. Dell thanked the Board for their support on this project. Later in the meeting, Dell shared with the Board a slide show with pictures of the project.

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- d) Williams Finney – Dell was asked by the Board at the previous meeting to find out what it would take to lift the Williams Finney moratorium. As presented in the Board packet, Dell reviewed the Memorandum he received from Gibbs & Olson detailing the requirements to lift the moratorium. Depending on how the City of Kelso responds this may be easy to do. The second issue was upgrading to a 500 gallon per minute fire pump, which, we have the stand-by generator for it. The third issue is the need for replacing the water main, which is the most expensive part. For now, we can kick the can down the road and just do the engineering on the project. If we had a stretch that failed, we may want to replace rather than repair. Commissioner Roden asked that if we met the requirement of a 15,000-gallon tank, would we be able to lift the moratorium without any other restrictions. Dell said he thought it would and we could then replace the lines over time. After further discussion, it was decided to have Gibbs & Olson revise their proposal by taking the construction phase out of it. The new proposal would be for design only.

**Item 4 – Interlocal Agreement with Cowlitz County** – The County will be reconstructing a portion of West Canyon View. In this section, we have water and sewer lines that are old and will need to be replaced. In order to enter in to the Interlocal Agreement to cooperatively work on this project, the County's attorney would like a Board member to sign the Interlocal Agreement. Alan has reviewed the agreement and does not have any issues with it. The County will oversee the project but we will have our own inspectors on our project. We will pay for the bedding, pipe and fill for our portion of the project. Commissioner Roden asked who had the right of refusal if the bid came in too high. Dell will follow up on that before having the Interlocal Agreement signed.

**Item 5 – Payment Services Vendors** – We had several vendors that we compared in our research to replace our current payment service vendors. The staff liked Paymentus based on all the information gathered and the demonstrations presented. In comparing the three vendors, there were only two that provided like services that met the District's needs and one that may offer them in the future. Out of the two vendors, Paymentus was the low bidder.

It was moved by Commissioner Decius to enter into an agreement with Paymentus for the District's payment services, seconded by Commissioner Takko. Motion carried.

**Item 6 – Staff Hours** – Dell reviewed the information in the board packet regarding the staff's request to transition to a 4/10 work schedule. He stated the pros and cons based on various entities he contacted that are on a 4/10 work schedule. Commissioner Takko had concerns about customer service if we were closed on Friday. Dell commented that during those four days the office would open earlier and close later to service those customers that cannot make it to our office between 8:00 a.m. to 5:00 p.m. Commissioner Takko's other concern was for the field crew having less day light hours to work in. Dell said that it is not uncommon for the field crew to be called out in the evening and that they have equipped their trucks with more lighting. Dell explained how we would contact our customers if we were to make this transition.

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After further discussion, the Board unanimously agreed to allow the implementation of a 4/10 work schedule on a trial basis. Dell will review the personnel manual and bring a resolution to the next meeting to make any necessary changes along with more detail on how we would make the transition.

**Item 8 – TRRWA Governance Update** – Dell reviewed with the Board the conflict of interest issue discussed at the last Board meeting in having Foster Pepper prepare the formation agreement that would enable the TRRWA to convert itself into a Joint Municipal Utility Service Authority (JMUSA). As stated in Alan's email to Dell on July 8, 2015, in his opinion "the chances that a real conflict subsequently presents itself are less than the benefits the District can derive by having Foster Pepper prepare the formation agreement..." There was a brief discussion regarding the City of Longview wanting veto power and the other members not agreeing to give it. Dell also commented that it is a possibility that Cowlitz County may pull out of TRRWA as a member due to their small 0.78% ownership.

It was moved by Commissioner Decius to allow Foster Pepper to provide attorney services to work on the formation agreement that would enable the TRRWA to convert itself into a Joint Municipal Utility Service Authority (JMUSA) and to the consent and waiver in that our District is okay with Foster Pepper providing that service despite a potential conflict of interest, seconded by Commissioner Takko. 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 1591 and 1595. 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, July 15, 2015, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: 2015 claims submitted after June 17, 2015 for \$70,639.14; and July 2015 claims to date in the amount of \$233,505.79 and payroll for June and July 2015. The June 2015 Visa statements were provided to the Board electronically prior to the meeting.

**Other Business** – Dell made the Board aware of a staff member that will be out on extended leave due to his family being in an auto accident.

**Other Business** – The District is thinking about having another family barbeque and discussed with the board what day would work best for them.

**Other Business** – Dell and Vicki met with West Side Haven Mobile Home Park and discussed cancelling their agreement with the District. The park's biggest hesitation is how they will handle reading the meters and billing their customers. Dell will talk to MeterReaders about giving them a quote to read their meters and research billing software options for them. Dell will continue to update the Board with any future communications he has with the park.

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The next Board meeting will be a regular meeting and scheduled for Wednesday, August 19, 2015 at 5:15 p.m. The next CAC meeting is a public open house scheduled for Thursday, August 20, 2015 at 6:00 p.m. There being no further business, the Board adjourned at 8:15 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