

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, February 17, 2016**

Commissioner Roden called the meeting to order at 5:23 pm on Wednesday, February 17, 2016 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Monte Roden, Bonnie Decius and Keath Huff
Dell Hillger, General Manager
Debbie, Finance Administrator
Alan Engstrom, Legal Counsel
Audience: Jeff Cameron

It was moved by Commissioner Decius and seconded by Commissioner Huff to approve the minutes of the December 16, 2015 meeting. Motion carried.

Commissioner Roden welcomed Mr. Cameron to the meeting. Earlier Dell had invited Mr. Cameron to attend this meeting to share any interaction he may have had with the City Council regarding the Water Operating Board or any other information that might be helpful.

There is a tentative Customer Advisory Committee (CAC) meeting scheduled for March 15 and a City of Longview Council meeting on March 24 to discuss the results of the well drilling and where to go from there. The District Commissioners and or staff will be attending both of these meetings.

Mr. Cameron said the March 15 CAC meeting has not been officially confirmed but he does not see any reason for it to change. Jeff is recommending the March 24 City Council meeting be changed from a workshop to a joint special meeting. He anticipates a decision to be made at this meeting on whether we want to drill the next hole and do the detailed aquifer test and at which location. Commissioner Roden expressed his concern about having to make a decision at this meeting. Depending on the information presented, there may be a need to make these decisions later. Commissioner Huff asked if they would get the technical information prior to the meeting and Mr. Cameron said that the report was due to come out this Friday and their intent is to have it out a week before the March 15 CAC meeting.

The drilling of the exploratory holes are complete, and they are working on getting revised right of entry from Cowlitz County for Riverside Park and working on a fourth right of entry site on the Ostrander Rock site. If we do get the right of entry at the fourth site, then one of the decisions will be where to drill the next hole. The permitting process has been started, which requires additional permitting because it is a larger volume of water over three days that cannot just be dumped out on the ground as previously done. The additional permitting is SEPA, Shoreline, JARPA and Diking District Encroachment permit process for both the Riverside and Ostrander locations.

Additional updates include:

The dissolved oxygen injection devices that the City installed on two homes are flow paced and they are having a hard time dialing them in.

They are starting weekly chlorine decay tests, which is the next phase in trying to figure out what is causing our chlorine complaints.

The post chlorination process awarded to J.H. Kelley is a little bit behind schedule due to a couple of submittal reviews.

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We did the last round of Sentry well testing in October and the results reviewed with no parameters of concern.

The City Council decided to have Council members on the Water Operating Board and appointed Mike Wallin and Chet Makinster. Historically, the Water Operating Board meets once a year at budget time. Mr. Cameron is recommending two or three meetings this year to get everyone up to speed.

There was further discussion and review of the CAC process and results, alternative water sources and their permitting and other treatment options for the silica issue at the Mint Farm and possible costs associated with them.

The Board thanked Mr. Cameron for the updates and he left.

Manager Report – 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 – Tony Spencer Water Main Extension

Dell told the Board that Mr. Spencer has reconsidered the extension of the water main due to costs. The extension would have been approximately 900 feet at a cost of around \$135,000. He is now considering a well instead for a much lower cost.

Even though Mr. Spencer is not pursuing the water main extension, Dell shared with the Board a diagram of what had been proposed. In order to complete this extension, it would have required a service area adjustment, which would have to go through the Boundary Review Board at Mr. Spencer's expense. Dell asked the Board if, in cases like this, they would be willing to do a service area adjustment to accommodate these types of requests. The original water service area was created with 100-foot offsets from the roads and then revised to fit our existing customers. Commissioner Roden's thoughts were not to restrict water service based on the District's boundaries as long as the developer is willing to buy into the system. Commissioner Huff agreed and was not opposed to moving the service area on a case-to-case basis and again, as long as the developers were carrying the costs to tie into the system.

Item 2) Water Operating Board – see the discussion above prior to the manager's report.

Item 2) Joint Municipal Utility Services Agreement – Dell reviewed the portion of the agreement he included in the Board packet and offered to send the full agreement, if requested, to the Board members electronically.

Item 4) Project Updates

- Grandview Pump Station – Dell met with Greta from the County Planning Department and reviewed the District's future projects. During this meeting, she mentioned she had received several calls from the Grandview Pump Station project. They were thanking the County for doing this project and commented on the positive experience they had with the contractors. She let the customers know that this was the District's project and that they should share their comments with us as well.

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- Sewer Main TV Work and Investigation – As noted in the manager's report, Dell gave an update of the sewer main TV work and investigation. The project started off at Beacon Hill Drive and View Point Terrace and then moved on to Olson Road and Inglewood Drive. They have encountered a lot of roots in the line. Our field crew has been following them with the jetter and cleaning them out.
- Sewer Plugs – Dell reviewed with the Board the Yelton Place sewer back up, a customer on Aaron Drive just south of the Tim Wa trailer park where Comcast had bored through the side of the sewer line causing a plug, and a sewage back up in the basement of 199 Inglewood Drive.

An insurance claim was filed and settled for the Yelton Place back up.

The Tim Wa customer may also make a claim. Dell contacted our insurance pool and they requested we refer our customer to Comcast first. Dell contacted Comcast to make a claim for the District's time and material to fix the main. They agreed we had a claim and we sent them an invoice for \$1,203.61. If the customer does make a claim with Comcast, Commissioner Roden would like Dell to help them through the process since this is a customer service issue and Dell agreed. Dell also mentioned that there has been a cleanout installed at this location near the fence for easy access and a clear delineation where their line ends and ours begins.

The customer at 199 Inglewood Drive has been assigned an insurance adjuster to take care of their clean up and claim. Commissioner Roden commented that given the number of sewer line miles we service this is not that many issues.

Dell let the Board know he would continue to revisit the known troubled areas and try not to have a repeat of these situations.

- Easement Machine – The District has started to do a lot more jetting and have found many areas are not easily accessible in some of the canyons, creeks or riverbeds. The field crew researched alternative ways to reach these areas and came across easement machines. Dell presented the Board with handouts for these machines and their potential costs. These machines are made specifically for these types of terrain. They are a tracked vehicle with a spool on them for up to 600 feet of jetting hose. It is also available with a dump bed, which Dell thought would make it more useful. The initial research puts the cost of these machines between \$38,000 and \$60,000. After further discussion, the Board agreed with Dell to continue the research on these types of machines as well as other options in trying to reach these areas.
- DWSRF Loan Approval – The Public Works Board approved the DWSRF loan for \$850,000 for the Hillside Pump Station project. The contract will be executed in June and the District can request reimbursements for engineering design and permitting dollars spent prior to that date. Dell met with the City of Longview (the City) for a kick off meeting of this project on how we will coordinate it since it has federal funds involved. The City was considering backing out of the project due to our federal funding because of the Davis Bacon requirements, some of which are job interviews

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and certified payrolls. Dell spoke with Jeff Hinckle from Commerce and he believes that we may be able to include it in the package but if we do two separate pump stations, ours Schedule A and theirs Schedule B, we may not have to do the job interviews and certified payrolls for the stuff the City is working on. We would just have to do it for ours. It was decided by the District and the City to continue the project as one project but construct two separate pump stations due to maintenance issues. Dell said they would continue to research the skid mounted pump option as opposed to a pump station for the District. Based on some of the information the City has provided, we may have to have a deeper well location for where the pump receives the water to get enough inlet pressure. Part of the City's goal is to utilize more of the depth of the reservoir instead of fluctuating on this narrow band on the top of the tank. They want to be able to draw down in the tank. That means we cannot just move a few feet down but maybe 15 or 20 feet down to our intake location. You could do that as a vertical turbine pump. It would be like a narrow manhole and your pump would submerge into that. You could still have your motor on top and a closure of some sort over the top of the motor.

Currently there is a ten million gallon two cell reservoir and two half million gallon reservoirs next to each other. The City wants to demo the smaller reservoirs. They cannot fully utilize those based on where their elevation is as well as other issues. The footprint of the new pump stations would be where the footprint of the old reservoirs were.

- New District Office – This project was part of the discussion Dell had with Greta at the County Planning Department. Dell reviewed the conditions and permitting requirements listed in the manager's report. Dell recommended the next step would be to survey the property. Once the survey was completed, Dell recommended hiring an architect to manage the project, which would include permitting and Geotech services. After a brief discussion, the Board agreed with Dell's recommendations. Dell will get started on the survey and interview the architects on our professional service list. Commissioner Roden wanted Dell to keep in mind the advantages and disadvantages of zoning each parcel separately versus zoned as one parcel. Dell said he would have the survey done but not record it so the architect can review and make a recommendation on the lots and their zoning.

Item 5) District Financials 101 – Dell and Debbie reviewed with the Board the financials and budget information in detail along with providing them with a copy of the District's finance policy. They reviewed the different funds, their purposes, and the District's investments in the Local Government Investment Pool (LGIP) and bonds. Commissioner Roden requested a financial report at the end of the year showing year to date activity. Going forward we will include this in the January Board packets with a two-year comparison. The Board thanked them for the review and found it helpful.

Confirmation of Lien Filings - The Board reviewed the monthly lien synopsis. It was moved by Commissioner Huff, seconded by Commissioner Decius, to approve the filing of liens 1618-1622. Motion carried.

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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 17, 2016, the Board, by unanimous vote, does approve those vouchers in the lists provided and further described as follows: 2016 claims submitted after January 20, 2016 for \$171,654.76; and February 2016 claims to date in the amount of \$159,337.01 and payroll for January 2016 and February 2016. The January 2016 Visa statements were not available at the time of this meeting and will be provided to the Board electronically prior to the March 2016 meeting.

Other Business – Dell and Commissioner Decius discussed setting up an appointment for her to take a tour of the District's facilities. Dell had taken Commissioner Huff on a partial tour last week and will schedule the rest of the tour later at a mutually convenient time.

Other Business – Commissioner Huff gave an overview of the January Commissioner Workshop that he and Commissioner Decius attended. They both found it very informative and were glad they attended.

Other Business – Commissioner Huff and Commissioner Decius attended the City of Longview Workshop on January 28, 2016. He let the City know that we were happy to be working as a partner with the City of Longview and looks forward to the next updates from the City staff on issues relating to the water. The City asked what the District's position was on the Water Operating Board and Commissioner Huff said that we were not in a position to make a statement from a Commissioner's perspective at this time but in the past, we had a staff member representing the District.

The next Board meeting will be a regular meeting and scheduled for Wednesday, March 16, 2016 at 5:15 p.m. There being no further business, the Board adjourned at 8:00 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Keath B. Huff, Commissioner