

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Wednesday, June 15, 2016**

Commissioner Roden called the meeting to order at 5:15 pm on Wednesday, June 15, 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: Don MacDonald and Ken Stone

It was moved by Commissioner Huff and seconded by Commissioner Decius to approve the minutes of the May 18, 2016 meeting. Motion carried.

Commissioner Roden welcomed the audience to the meeting. Dell introduced Ken Stone, the Diking Engineer from the Lexington Flood Control Zone District (LFCZD) and Don MacDonald who is one of the supervisors for LFCZD. In the last Board meeting there was discussion regarding the LFCZD offering the Beacon Hill pump station and property to the District. Mr. Stone attended the meeting tonight to answer the questions outlined in the Manager's Report as well as any other's they may have (see Item 1).

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) Facility Property – Mr. Stone said that in reviewing the annual lease between the District and LFCZD he went to his supervisors and suggested that it may be beneficial to the District to take this facility over.

There is a cost to doing this but the District would then have full use of the property. Dell and Alan Engstrom researched the RCW's and did not find anything that would prohibit the District from taking over this facility. Water/Sewer Districts are allowed to manage storm drain facilities. Mr. Engstrom only looked at it from the District side and did not know if it was allowed for the LFCZD to transfer this facility to the District. Mr. Stone said that even though legal counsel has been in the LFCZD meetings when this has been discussed, they have not expressed any concerns.

Mr. Stone presented to the Board a map of the area that illustrated a worst-case scenario in which the gravity flow was plugged and the pump station was not working. This is highly unlikely but it shows the District's facility being at risk with little to no impact on surrounding properties.

Mr. Stone talked to the US Army Corps of Engineers (Corps) to see if they had any concerns and their response was as long as there is an agreement of who is responsible to maintain the facility, they did not see any problems from their perspective. Mr. Stone did not think there would be a need to reapply for any new permits with the Corps either. Maintaining an existing pipe through the Dike is not an issue with the Corps. All LFCZD encroachments to the Dike have been approved by the Corps. If the District took over this facility and there was a

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failure, the District would convey that to LFCZD and they in turn would go to the Corps who would sign off on the repair. LFCZD would issue a permit and the District would do the repairs. LFCZD is in the process of replacing a gravity storm drainpipe at the Pankratz facility, and Mr. Stone will provide Dell with the estimated cost of this project. The transfer agreement would define who would be responsible for the cost of its operations and maintenance.

Commissioner Huff asked if we change the nature of the station from a flood control zone to a storm water facility, would we have to have the water tested before discharging it into the Cowlitz River. Mr. Stone said there has been a lot of discussion in this area and so far, they have not had to do any treatment. He is not aware of any differentiation between a flood control zone and storm water facility.

Alan asked Mr. Stone if we have the design capacity for the gravity flow line. Mr. Stone said no but if we need that kind of information, he could get it. Using a quick design chart with the length and size of the pipe, the capacity can be determined. In terms of repairs and the Dike, Mr. Stone said if you are doing a repair to the pipe, not doing anything new on the outside (the river side) then generally, you would be dealing with the Portland Corps office. If you are affecting anything on the riverside then it is possible the Seattle Corps office would get involved. The District would interface with LFCZD and the LFCZD would interface with the Corps on any repairs or replacements. Modifications to the pump station and land may require a building permit. There have been almost no issues with this pump station. The total pump hours were 2012 - 35.2 hours, 2013 - 0 hours, 2014 - 0 hours and 2015 - 18.4 hours. Commissioner Roden asked Mr. Stone for the data for 1996 since it was a big flow year. Mr. Stone agreed to provide that information to him.

Mr. Engstrom asked how he would see the boundaries adjusted, if at all, for this transfer. Mr. Stone said that under state law it requires the LFCZD to follow the drainage basin allowing for some deviation from property lines. The upland areas are assessed at 1/6th of the lowland rate assessments. It is possible to make a change to the designation with the Board of County Commissioners through a hearing process. He did not think it would be unreasonable to change the lowland designation to an upland one, which in turn would lower the annual assessment rates.

Mr. Stone will gather and provide additional information to the District on the pump station for their consideration of this transfer. The Board thanked Mr. Stone and Mr. MacDonald for attending the meeting and for the information they provided and they left.

Item 2) Project Updates:

- a. **New District Office** - In the Board packet, Dell provided the Board with a status report from Page & Beard. There was no further discussion by the Board.
- b. **Aloha Drive and Palm Drive Water Main Replacement** - This project is completed except for one punch list item, which is to spread some seed and mulch. There was no further discussion by the Board.
- c. **Beacon Hill Reservoir** - In the Board packet there is a proposal for \$15,000 from Sargent Engineers to prepare repair plans and assist with bidding and construction management. Due to their current workload, the time needed for bidding and the dry season nature of the work, this project is recommended to

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go out to bid in the spring of 2017. The repairs are estimated at around \$50,000. The Board agreed to have Dell move forward with the engineering services.

- d. Hillside Pump Station** – Dell provided the Board with a copy of the Interlocal Agreement between the City of Longview and the District for this project. A brief discussion of the contract followed.

Dell also received the DWSRF Loan Agreement for this project. Commissioner Huff made a motion, seconded by Commissioner Decius to authorize Dell to execute the DWSRF Loan Agreement for the Hillside Pump Station project. Motion carried.

- e. Lexington Reservoir** – In the Board packet, Dell provided a portion of the GeoEngineers Geotechnical Engineering Report on the Lexington Reservoir Stability. The full report is available upon request. They completed their investigation and evaluation of the Lexington Reservoir to determine if the water levels could safely be raised to a full tank level. The conclusion is that we could raise the level to the full tank level but with certain monitoring recommendations. This is outlined in the Recommendations section in the report for Site Monitoring and Monitoring Schedule. The cost of this monitoring would be approximately \$500 per visit. The first year is estimated at \$8,000 to \$10,000. Commissioner Huff recommended we set a policy or procedures for the monitoring process. Dell said he would put one together and provide it to the staff.

Dell would like to have all the tanks cleaned this year with it scheduled around July and August. For the Lexington Reservoir he would like to have the divers inspect and clean the tank before draining it and refilling it to capacity.

The Board unanimously agreed to move forward with the project and recommendations.

Item 3) Water Operating Board (WOB) Meeting – The next meeting is scheduled for July 6, 2016 at 5:00 p.m. at Longview City Hall in the small conference room. Dell is scheduled to attend and asked if any of the Board members would be attending. Commissioner Roden recommended Commissioner Decius attend to observe the process. At this time, no one on the Board is scheduled to attend.

Item 4) District Equipment:

- a. Vac Trailer** - The District consigned the Vac Trailer with Vermeer to sell. They found a buyer and the District received a check today for \$40,000.
- b. Vac Truck** – As described in the Board packet, a \$16,000 repair was made to the Vac Truck to replace the blower fan blades and the fluid coupler on the auxiliary Vactor engine. Three of the Field Crew will be attending a training class with the Manufacturer's representative on the functionality and maintenance of the Vac Truck. Commissioner Huff recommended budgeting for normal maintenance and repairs for this piece of equipment.

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- c. **Backhoe** – As described in the Board packet, the backhoe tipped over on a job site causing a \$16,000 repair. Our policy with the Risk Management Pool will cover up to \$25,000 with a \$1,000 deductible. If a claim were over \$25,000, the Pool's insurance companies would cover. Since we are below the \$25,000 to repair, the pool does not view this as a loss. The estimated replacement value is approximately \$60,000 and the resell value around \$10,000.

After further discussion, the Board determined that the repair of the backhoe would get us by for now and then budget for a replacement in 2017 or 2018.

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 1632-1634. 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 15, 2016, the Board, by unanimous vote, does approve those vouchers in the lists provided and further described as follows: 2016 claims submitted after May 18, 2016 for \$178,777.36; and June 2016 claims to date in the amount of \$297,624.28 and payroll for May and June 2016. The May 2016 Visa statements were provided to the Board electronically prior to the May 2016 meeting.

Other Business – TRRWA had their first Board of Directors meeting. Commissioner Roden said they had a preliminary meeting in which he and Commissioner Decius attended. Following the meeting, they were given a tour of the plant. After the tour, Commissioner Roden attended the Operating Board meeting in Dell's absence.

For transparency, Commissioner Huff let the Board know that he was a subcontractor of AET on a project at TRRWA.

The next TRRWA Operating Board meeting is scheduled for July 13, 2016 at 10:00 a.m. Dell will be unable to attend this meeting. Commissioner Roden or Commissioner Decius will attend as the alternate.

Other Business – The City of Longview would like to have a joint workshop on Tuesday, July 19, 2016 at 6:00 p.m. at City Hall regarding the Rocky Point well drilling results and continuing discussion. The District's entire Board would like to attend but Commissioner Roden will not be available on this date and would like to have it rescheduled. Commissioner Huff would like the timing of the meetings to be in the order of the District's July Board meeting and then the Joint Workshop. Dell will wait to hear from Commissioner Roden and then follow up with everyone with any meeting changes.

Other Business – A customer at 153 McMillan Drive sent a letter to the Board requesting consideration to reduce charges on the account to vacancy rates retroactive to the account being

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brought current by the bank. Dell provided the Board with a summary of the issue and e-mail correspondence with Vicki in billing. After reviewing the circumstances and a brief discussion, the Board unanimously agreed to credit the base rate charges and rebill at vacancy rates retroactive to the March 31, 2016 billing, at which time the account had a zero balance. The customer will need to pay the retroactive vacancy rates and the late penalties applied to account after March 31, 2016 and complete a new Vacancy Application Form.

Other Business – In light of recent events in the news about finding high levels of lead in some school districts water, Commissioner Roden asked the rest of the Board what they thought about testing the water at the Districts distribution sites.

The District is currently required by DOH to test for lead and copper every three years by collecting and testing samples from 60 customers. Depending on the results from these tests, the District may or may not have to do additional testing. The District does not test at the schools because they do their own testing.

After further discussion, the Board unanimously agreed to sample test for lead, copper and silica at the District's distribution sites. The results of the testing will be posted on our website and in our next newsletter.

The next Board meeting for July 2016 was not scheduled at this time. A date and time will follow. There being no further business, the Board adjourned at 8:15 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Keath B. Huff, Commissioner