

**Beacon Hill Water and Sewer District  
Commissioners' Meeting Minutes  
Wednesday, July 27, 2016**

Commissioner Roden called the meeting to order at 5:15 pm on Wednesday, July 27, 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  
Alan Engstrom, Legal Counsel  
Debbie, Finance Administrator  
Audience: Amy Blain

It was moved by Commissioner Huff and seconded by Commissioner Decius to approve the minutes of the June 15, 2016 meeting. Motion carried.

Commissioner Roden welcomed Amy Blain to the meeting.

**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) Longview Water Quality** - Ms. Blain reviewed Phase I of the exploratory well investigation results (included in the manager report) with the Board and commented on the test results for silica levels and higher than expected iron levels. The costs to move into Phase II Testing was reviewed and discussed. If a decision was made not to continue with Phase II Testing, options were presented to address water quality issues at the Mint Farm Wells. Commissioner Roden commented on the length of time we have spent on this to date and would like to see the focus move back to improvements at the Mint Farm. He is looking at what will make the bigger impact on water improvements within a shorter period of time. Ms. Blain said the silica processes would be the more complicated and costly of the choices. Commissioner Roden would like us to step past silica and look at the other options. Ms. Blain said the Dissolved Oxygen (DO) option would take about a year to implement and in terms of ratepayers, the monthly impact to their monthly bill is estimated at seventy cents with a capital cost of two million dollars. Kennedy Jenks put costs together for three options, a micro bulk, rent the equipment and a bulk container rental and then for three million dollars everything is done on site. The lowest cost option was selected, which was “try it out” before we make the full investment. Commissioner Decius asked if we select this option to test, try it out and if we like it, would it cost an additional three million, making the total cost five million. Ms. Blain said no because some of the facilities we would be able to reuse. Commissioner Decius asked if we went with this option without trying it out first, what would it cost? Ms. Blain said she will bring that information to the Board at the meeting tomorrow night. Commissioner Roden asked if it would be a quicker start up if we selected the two million dollar option and Ms. Blain said yes. She thought it was in the six to nine month timeframe but she was more comfortable saying a year since it needs to be approved by the Department of Health. The City has discussed and recommended this option for a long time. DO will improve the overall taste and odor profile of the water and improve the destabilization issues of the distribution system. Commissioner Huff

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commented that the hesitancy with the ratepayers to first try the DO option, increase their monthly bill by 70 cents with the possibility of no or poor results and then possibly move to the collector wells, adding additional increases to their monthly bill. He also commented that he was not in favor of the Phase II 72-hour pump test and not sure of the 90-day pump test either. He is in agreement with Commissioner Roden in addressing the issues in a shorter timeframe than in five, six or more years down the road with Phase II Testing and so on. After further discussion at this time, the Board was not in favor of moving forward with the Phase II Testing. There is more of an interest to move forward with water improvements at the Mint Farm with a focus on adding DO.

Dell asked Ms. Blain to comment on the DO testing that was done on the aeration trials. The City wanted to take the DO idea further and see if they could demonstrate a benefit at the customers tap. If there is decent water quality in the distribution system and know we are getting a degradation between meter and tap, what benefit could we insight in that frame? Due to safety issues they did not want to inject liquid oxygen at the test sites, instead they found commercially available aeration equipment. They trialed it at the Mint Farm first and were able to get the target DO ranges they wanted to see, 4-6 mg/l. When they went to install the units at the test sites, they could not find a local plumber to install them. Ms. Blain found a different brand in Chehalis and they were able to install those. This brand was not intended to increase DO; it is intended to precipitate iron so it can be filtered out. So it was used for a purpose other than its primary intent, which did not work very well. Trying to dial this in they were at the test site numerous times each week. Pre and post samples were sent off to Seattle for analysis. The results showed some benefit but they saw that same benefit in the distribution system so it could not be attributed to this equipment or the DO. Ms. Blain was able to say very conclusively that you cannot have some kind of rebate program to say if the customer wants to put one of these in their homes that it will improve their water. It does not shed a negative light on DO as a whole because we have demonstrated the benefits of DO within the system. Not only for taste but to potentially help reduce chlorine levels, provide another buffer in the water and many other benefits. The Board had some concerns regarding the chlorine residual at the end of the lines with the addition of DO. Ms. Blain will get more information from Confluence regarding this issue and present that at the meeting tomorrow night. Commissioner Decius did not feel DO was the entire solution and would still like the silica issue to be addressed at some point. She would like to see more of an interest in electrocoagulation and maybe market the idea of DO and electrical coagulation with a set increase to the ratepayers for both of these processes.

In conclusion, the Board agreed that the information they received from Phase I Testing did not yield enough results to support Phase II Testing and the costs associated with it.

The Board thanked Ms. Blain for attending the meeting and she left.

**Item 2) Project Updates:**

- a. **New District Office** – Dell reviewed the project design status report with the Board. The first section is the Site Plan Analysis Program that summarizes the steps we are going through for permitting, planning clearance, zoning regulations, boundary line adjustment, survey layout and site plan. The second section is the Preliminary Building Program. The Schematic Floor plan was reviewed and discussed in detail. The Board would like to see the meeting

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room reduced in size to accommodate up to 15 people, eliminate the extra desk and cabinets, refrigerator and sink area. Also, eliminate the shower to shrink the center section of the floor plan and remove "Library" from the open office. One suggestion was to combine the conference and meeting room unless needed for future growth. Overall, the Board felt the floor plan could be reduced in size by up to about 500 square feet.

Page and Beard also put together a proposal for civil engineering and survey scope of work (in Board packet). We can either contract directly with Gibbs & Olson or go through Page & Beard. Dell is comfortable managing this part of the project and does not see any issues contracting directly with Gibbs & Olson. This would also eliminate a 10% mark up on the contract if we used Page and Beard to manage the contract.

Commissioner Decius made a motion to authorize the General Manager to accept the Gibbs & Olson proposal for engineering services for the Administration Office Site Development in the amount of \$78,900, seconded by Commissioner Huff. Motion carried.

- b. Aloha Drive and Palm Drive Water Main Replacement** – Upon review of the Engineer's letter requesting acceptance of the project, Commissioner Huff made a motion to accept the project as complete for the Aloha Drive and Palm Drive Water Main Replacement in the amount of \$101,371.09, seconded by Commissioner Decius. Motion carried.
- c. Hillside Pump Station** – Dell updated the Board on this project. The permits for the Section 106 Cultural Historical review have been accepted by the Department of Health. The SEPA determination of no significance from the City of Longview was submitted and is in the 30-day comment period. We are working with RH2 on hydraulic analysis for pump selection.
- d. Lexington Reservoir** – Dell reviewed the GeoEngineers proposal for monitoring the Lexington Water Tank for \$11,450. The tank was slowly drained over several days and is now empty. Dell requested Gibbs & Olson to provide surveying of all the monitoring points at the prefill time and at midpoint. We will fill the tank half way and have both GeoEngineers and Gibbs & Olson come out, check everything again, fill the tank up to about the 24-25 foot level and check it again and then perform weekly or monthly checks after that. We are having issues with the altitude valve. This valve has not been used for years and was stuck. The Field Crew will be working on fixing that. Commissioner Roden said that there is a buried check valve and Dell said he was aware of that. They have discussed digging it up and putting it in a vault. Commissioner Huff asked what we are paying Gibbs and Olson and Dell said \$9,500 for three visits. One is to set additional benchmarks for later down the road to give us a stable reference point.

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Dell received quotes for actuated butterfly valves for installing in our operations yard. If Hillside does not do what we want it to do, we can put in an actuated valve that is tied into the telemetry that could close, let the tank come down and open up to refill. The cost for an 8 and 12 inch is \$9,000 and \$10,000 respectively plus the cost of the vault and installation. The total cost is estimated at around \$60,000.

**Item 3) Water Operating Board (WOB) Meeting** – The WOB met for the first time since 2008 and Dell was nominated as Chairman. They went over the 2015/2016 budget and discussed the 2017/2018 preliminary budget. Dell gave a brief summary of the District's roles as the WOB based on the original agreement. They discussed the rates, plan output and plan operation. They intend to meet again in September to approve the 2017/2018 budget. Commissioner Huff also attended the meeting. He wanted to get a better understanding of the line items on the 2016/2017 budget. An area of concern was the Diking District's budget process and what appears to be twice as much money as they needed. Going through the budget gave him a better sense of what is happening. Some of the maintenance that had to be done on the pumps was of interest. With the aide of engineers and consultants, pumps were purchased and they are now replacing them because they cost too much to operate which has subsequently increased our labor costs at the Mint Farm. He felt these systems were put in place to run lower labor cost with an automated system. He would not have known this if they had not gone through the budget and felt it validates the purpose of the WOB. Dell noted that there is a draft of the minutes of the WOB meeting in the Board packet. Commissioner Huff said we are funding the facility with a wholesale water rate at a high enough rate to end up with a reserve balance.

**Item 4) Hi-Strength Waste Fees Ordinance** – TRRWA historically had a pretreatment limit of 44 mg/l. They did not have a surcharge for excess concentration above that level so they contracted with FCS Group to evaluate the high strength waste rates and surcharge rates. FCS Group recommended and TRRWA approved, through Resolution 16-157, an ammonia surcharge of \$.56 per pound in excess of the 44 mg/l pretreatment limit. It affects the District in that if we had high strength waste from any of our customers, we would have to pay that. The District does not have a resolution that sets our rates to recoup those costs from the customer and this resolution would establish that. The District currently does not have any customer that produces high strength waste.

After a brief discussion, Commissioner Huff made a motion to approve Resolution No. 487 to adopt TRRWA Resolution No. 16-157 High Strength Waste Policy by reference, seconded by Commissioner Decius. Motion carried.

**Item 5) WASWD Retrospective Rating Program** – Dell reviewed the WASWD Retrospective Rating Program with the Board. If the total claim cost for pool members are less than the L&I premiums paid by the participants, the group receives a refund and it is then distributed to the members proportionate between the participating members.

**Item 6) Facility Property** – Nothing new to update at this time.

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**Confirmation of Lien Filings** - The Board reviewed the monthly lien synopsis. There were no new liens filed for the month of June.

**Financial Report** – The Board reviewed the financial report.

**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 28, 2016, the Board, by unanimous vote, does approve those vouchers in the lists provided and further described as follows: 2016 claims submitted after June 15, 2016 for \$171,165.42; and July 2016 claims to date in the amount of \$191,212.68 and payroll for June and July 2016. The June 2016 Visa statements were provided to the Board electronically prior to the July 2016 meeting.

**Other Business** – Commissioner Roden attended the last TRRWA meeting where they set up the negotiating committee.

**Other Business** – Commissioner Roden commented on the work being done at the Fisher Lane Plant. He would like Dell to research the ownership status of this facility. The District is believed to have ownership in the plant and if the work being done is related to Lake Sacajawea then it should not be a cost sharing expense. This is something we can pursue in 2017.

**Other Business** – Dell will be contacting the FCS Group to have them do an update on our rate study in preparation for the 2017/2018 budget. Dell will present this to the Board for further discussion at the next Board meeting.

**Other Business** – Commissioner Huff commented on the District's water testing for lead relating to the schools. Dell said the normal process for lead and copper testing is to send out letters to predetermined customers, about 30-60 homes spread throughout the system, with the first draw in the morning so the water has had a chance to sit during the night. The District went to Beacon Hill Elementary, Columbia Heights Elementary and other locations throughout the system and took samples through backflow preventers, hydrants, and spigots at reservoirs and pump stations. The results came back with some high numbers and after further thought, Beacon Hill Elementary's backflow device, used for their irrigation system, had been sitting for a long time. The first draw contained concentrated stuff. The draw from the hydrant at the end of Cowlitz Garden Way was from water that had been sitting in the hydrant for a long time. We used a faucet at the Williams-Finney pump station, which also had not been used in a long time. The information was interesting but not useful to the day-to-day customer. Dell recommends we test again but first flush all the lines, let it set over night or a couple of days and then have it tested. The Board was in agreement with that. Dell believes it would help the schools if they

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flushed their lines more frequently. Dell is waiting on silica and hardness reports for the same locations plus some of the reservoirs.

The next City of Longview and Beacon Hill Water & Sewer District Joint meeting is scheduled for July 28, 2016 at 7:30 P.M.

The next Board meeting for August 2016 is scheduled for August 17, 2016 at 5:15 p.m. There being no further business, the Board adjourned at 7:33 p.m.

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Monte J. Roden, President

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Bonnie L. Decius, Secretary

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Keath B. Huff, Commissioner