

Beacon Hill Water and Sewer District Board Meeting
Wednesday, November 15, 2017 5:15 p.m.
1121 West Side Hwy, Kelso, WA 98626

Meeting called to order at 5:20 p.m.

In Attendance:

Members: Commissioners Monte Roden, Bonnie Decius and Michelle Hollis
Staff: Dell Hillger, General Manager, Debbie, Finance Administrator and Vicki, Accounting Clerk
Audience: Chris Gonzales, Project Manager, FCS Group
John Peterson, General Manager, Clark Regional Wastewater District
Neil Kimsey, Commissioner, Clark Regional Wastewater District
Susan Chamberlain, Utility Support Specialist, City of Longview
Kurt Sacha, Finance Director, City of Longview

Commissioner Roden officially swore in Michelle Hollis as the District's new Commissioner, who will be replacing Commissioner Keith Huff, for the 2016-2021 term of office.

Commissioner Decius made a motion to approve the minutes for the District's October 18, 2017 regular meeting. Motion carried.

1) Customer Comment/Request – 129 North St

The customer did not attend the meeting and there was no further discussion.

2) Sewer Rates

Dell introduced the audience to the Board. Chris Gonzales then gave an overview of the sewer rate study process. He used the following objectives in this study:

- revenue stability
- conservation and efficiency
- affordability
- understandability

He then presented and explained the following revenue neutral rate structures:

- Uniform Flat Rate
- Two Tiered Structure Rate – based on levels of consumption
- Tiered Structure Rate based on individual customers winter average water use
- Capped Volume Rate

John Peterson and Neil Kimsey provided Dell with Clark Regional Wastewater District's rate structures that are included in the Manager's Report. Mr. Peterson then gave an overview of Clark Regionals customer base and how their rate structures were determined. They bill at a flat rate and provide a low income senior discount program. Also presented were the other six agencies in Clark County and their rate structures. Three bill at a flat rate and three bill at a flat rate plus consumption.

Kurt Sacha presented the City of Longview's sewer rate structure. In 2010 the City Council wanted a more equitable pricing for their sewer customers and therefore chose to move away from flat rate billing to a base rate plus consumption charge billing model. Consumption charges are based on the customer's

Beacon Hill Water and Sewer District Board Meeting
Wednesday, November 15, 2017 5:15 p.m.
1121 West Side Hwy, Kelso, WA 98626

prior year winter average (Nov-Mar). Since the City of Longview implemented this model they have needed more resources to manage the billing and customers understandability issues.

The audience left and the Board continued the discussion of the sewer rate study. Part of the discussion focused on fixed and variable costs of the system. It was determined that the majority of the costs for the District's sewer system are fixed at around 99%. No decisions on changing sewer rates were made.

Chris also gave an update on the progress of the financial data component of the water system plan and the analysis of the general facility charges.

3) Project Updates

Dell gave an update of the following projects to the Board as presented in the Manager's Report:

a) New District Office

The cost for network and data cabling, closed circuit security TV cameras and display and security alarm system installation is included in the budget for this project and within the Manager's approval range, therefore, Board approval is not required.

b) Nevada Canyon Sewer Main Improvements

Commissioner Decius made a motion to approve the Gibbs & Olson proposal for engineering services for the Nevada Canyon Sewer Main Improvements not to exceed \$36,500. Motion carried.

c) West Side Highway Emergency Sewer Replacement

d) Lexington Sewer Pump Station Improvements

e) Water System Plan

f) Nevada Drive Water Main Replacement Design

g) Maddock Place Water Main

h) Hillside Pump Station

4) General Counsel Retainer Agreement

No discussion. This item will be moved to the next regularly scheduled Board meeting.

Confirmation of Lien Filings - The Board reviewed the monthly lien synopsis. It was moved by Commissioner Decius to approve the filing of October 2017 Liens 1682-1685. Motion carried.

Financial Report – The Board reviewed the financial report.

Expenditures – After reviewing the District claims from the lists provided, Commissioner Decius made a motion to approve the claims as of this date, November 15, 2017 for claims submitted after October 18, 2017 for \$84,474.68, claims submitted to date for November 2017 for \$512,487.51 and payroll for October and November 2017. Motion carried. The October 2017 credit card statements were provided to the Board electronically prior to the November 15, 2017 meeting.

Other Business – Debbie provided the Board with an update on the 2016 State Audit.

Other Business – Commissioner Roden brought up the subject of water quality in relationship to the schools drinking water. Dell said that the EPA had the District do a phone survey on what laterals are

Beacon Hill Water and Sewer District Board Meeting
Wednesday, November 15, 2017 5:15 p.m.
1121 West Side Hwy, Kelso, WA 98626

lead based lines, the age of our system and such. We do not have lead lines and from this survey the EPA did not have any issues or concerns with our District. Dell has been proactive in calling the schools and having the conversation with them regarding this issue and concerns. He thinks they are doing their own testing as well. Dell will check the schedule for our lead and copper testing. Past tests have been below the state reporting levels. There is a new EPA regulation, Unregulated Contaminant Monitoring Rule No. 4, which will require additional testing requirements for the District.

Other Business – Dell gave the Board an update on the Mint Farm Regional Water Treatment Plant dissolved oxygen project. The City of Longview will start the project on January 2, 2018 and be ready to go in February 2018.

The next regularly scheduled Board meeting is December 20, 2017 at 5:15 p.m.

There being no further business, the Board adjourned at 9:00 p.m.

Monte J. Roden, President

Bonnie L. Decius, Secretary

Michelle L. Hollis, Commissioner