

**Beacon Hill Water and Sewer District
Commissioners' Meeting Minutes
Friday, May 24, 2013**

President Branch called the special meeting to order at 4:12 pm on Friday, May 24, 2013 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Ted Branch, Dean Takko and Monte Roden
Kim Adamson, General Manager
Alan Engstrom, Legal Counsel
Debbie, Finance Administrator
Vicki, Office Staff
Peggy, Wellness Coordinator

It was moved by Ted Branch, seconded by Monte Roden, to approve the minutes of the May 24, 2013 meeting as drafted. Motion carried.

Peggy presented an update to the wellness plan. In 2011, the District became part of the Rate Stabilization pool for our area keeps insurance rates down. When premiums are paid to Kaiser, a portion of the premium is held aside in a pool for wellness grants. Entities including City of Kelso, Woodland School District, Cowlitz County, City of Longview, City of Woodland and Beacon Hill. The District receives approximately \$826 in grant money twice yearly and is based on the number of Kaiser employees per entity. Peggy represents the District as a member of the SWWA Wellness Committee, a sub-committee of the Rate Stabilization Pool. Previous grants approved include a 3-month gym membership, a meeting with a Kaiser nutritionist and purchase of pedometers. The District has had near 100% participation in all grants. Peggy stated that District staff is gaining momentum in the program and is proud of the accomplishments thus far. The City of Camas and the City of Washougal have joined the Wellness Committee group. The Board thanked Peggy for her 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 – Boundary Adjustment. Kim submitted an application to the Boundary Review Board to adjust our boundaries to reflect our current service area.

Item 2 – New Facility. As discussed at last month's meeting, Kim presented rate projections showing how the different options for facilities would be impacted. A purchase of the existing facility would have no impact on rates. A shared facility with Cowlitz 2 would impact water rates 3.26% and have no impact on sewer. A stand-alone facility would impact water rates a total of 10.83% over a 3-year period and would not impact sewer rates. Monte suggested tabling this issue later once a new General Manager is hired.

Item 3 – Mission SCADA. Kim advised the Board that two cellular SCADA units have been installed and presented reports available from the units installed. The current budget includes cellular SCADA installation in all water and sewer stations. Kim will prepare bid

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specifications for the Board's review at the June meeting and the Board will table the matter until the new General Manager is hired.

Item 4 – Treasurer Duties. Kim explained that she is listed as the Treasurer for the District by resolution. Since Kim has resigned from the District, she would like to suggest that the Finance Administrator named as District Treasurer. Alan inquired whether Debbie's duties classify her as an exempt employee. Monte suggested that the ultimate oversight and responsibility remain at the General Manager level and name Debbie as Treasurer by resolution. Kim will write a resolution for the June meeting.

Item 5 – Consumer Confidence Report. Kim stated that Consumer Confidence Reports are completed and will be posted to the website. The reports are included in the Board packet as an informational item.

Action Items:

Item 1 – Meter Read Contract Extension. It was moved by Dean Takko, seconded by Monte Roden to approve a contract extension with the provision of a 60-day cancellation. Motion carried.

Item 2 – Accept General Manager Resignation/Approve Severance. Kim stated that she has provided a 60-day notice as stated in the contract and is requesting severance payout in two payments; fifty percent at the end of this month and fifty percent at the end of next month. Kim said she had originally planned to cash out her vacation but the payroll software does not allow vacation to be cashed out prior to the employee's hire date, which is after her last working day. Ted asked if there was anything in the contract that defines how severance is paid out and Kim responded that the contract does not specify how severance is paid. Monte asked if vacation could be paid out and Debbie responded that it is not possible with the payroll software. Kim said that her anniversary date is near to her last date. Kim stated that she thought the State Auditor would take issue with paying vacation before it was accrued. Ted asked if the Auditor would take issue with severance paid prior to Kim's last day. Alan asked Kim what she was planning to cash in for vacation. Kim replied she was saving a week and planning to cash in all remaining vacation. Alan asked when the vacation was accrued. Kim responded that vacation used to be accrued on the first day of your anniversary month and now it is the day of your anniversary which pushes it out to July 10 payroll. After further discussion, it was moved by Dean Takko, seconded by Monte Roden to accept Kim's resignation and authorize severance in two equal payments. Motion carried.

Item 3 – Direction of Interim District Management. Kim asked for direction for Interim District Management. Monte suggested postponing discussion until candidates have been reviewed in Executive Session.

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Item 4 – TRRWA Board Alternate. Kim asked for selection of a TRRWA Board Alternate. Dean suggested having the Interim District Manager as the alternate. The Alternate will be selected at next month's meeting once an Interim District Manager is named.

Item 5 – Approve Bond Purchase for Investment. Kim explained that one of the bonds was called earlier this year. Funds were left in the LGIP fund pending possible litigation. The funds were not used and a better investment rate is available. Kim recommends purchasing a \$1,000,000.00 bond and stagger the maturity from the District's other two bonds. It was moved by Dean Takko, seconded by Monte Roden to authorize Kim to invest \$1,000,000.00 in a new bond. Motion carried.

Item 6 – Resolution to Surplus Fishers Lane Water Treatment Plant. It was moved by Dean Takko, seconded by Monte Roden to approve Resolution 454 declaring the Fishers Lane Water Treatment Plant as surplus. Motion carried.

Item 7 – Appoint Attendee for Kelso Water Source Meeting. Kim asked for an attendee for a meeting May 30 at 10:00 a.m. to discuss Kelso's Water Source. Kelso's Ranney wells are nearing the end of their useful life. Kelso is currently working on their water system plan and are looking to possibly become a partner in the Mint Farm Regional Water Treatment Plant. Kelso would like a representative from Beacon Hill and the City of Longview in attendance at the meeting. Kim will attend but suggests a Board member attend as well. Monte will attend the meeting on behalf of the Board. .

Item 8 – Approve New Hire for Summer Help Position. Kim stated that she, Brian and Mike interviewed a number of qualified candidates for the summer help position. The summer help this year would be concreting valves that would require two people. Kim is requesting to bring on two summer help at a cost of approximately \$12,000.00 for the 3-month period. To send a Field Employee to flag for the summer helper, it would be approximately \$24,500.00. The Board expressed safety concerns for lack of experience and recommends a traffic plan for each job. Kim recommends hiring Tarin and Tim. Tarin's available June 8 and Tim is available. Employment would be pending minimum age requirements, pre-employment physical and driving abstract. It was moved by Dean Takko, seconded by Monte Roden to approve hiring two summer help employees. 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, May 24, 2013, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: April claims in the amount of \$168,907.88; and May invoices in the amount of \$300,037.17, payroll for April. The April Visa statements were delivered electronically prior to the meeting.

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Confirmation of Lien Filings. The lien synopsis, which was not on the agenda, will be presented at the June meeting.

Other Business. Kim requested that the Curtis Drive project, which was slated for construction this year, be tabled until next summer once a new General Manager has been hired and can be a contact for the affected residents.

Kim informed the Board that the PUD passed the John Street Interlocal agreement and the District is able to participate in the PUD's bid package. Kim was contacted by the PUD that the waterline is not in the easement in the area the District was replacing the AC line. That portion of the project will be removed and the District will replace the line under the substation. The easement will be reviewed at a later date.

Monte stated that an Interim Manager should be selected. After discussion, it was agreed that Pat Lloyd would be contacted.

There being no further business, the Board moved to Executive Session at 6:12 p.m. for 15 minutes to discuss personnel issues. The Board returned from executive session at 6:27 p.m. and no action will be taken. It was moved by Dean Takko, seconded by Monte Roden to schedule a special, closed session meeting to review General Manager Candidate qualifications on June 4 at 3:15 p.m. The next regular meeting is scheduled for June 19, 2013 at 4:00 p.m. The meeting was adjourned at 6:35 p.m.

Ted A. Branch, President

Dean A. Takko, Secretary

Monte J. Roden, Commissioner