

**Beacon Hill Water and Sewer District  
Commissioners' Meeting Minutes  
Thursday, November 15, 2012**

President Takko called the meeting to order at 5:00 pm on Thursday, November 15, 2012 at the District office at 1121 West Side Highway in Kelso, Washington. Those in attendance were:

Commissioners Dean Takko, Ted Branch  
Kim Adamson, General Manager  
Alan Engstrom, Legal Counsel  
Debbie Vela, Finance Administrator  
Vicki Kruse, Office Staff

Audience: Mr. Michael DiNino

It was moved by Ted Branch, seconded by Dean Takko, to approve the minutes of the October 10, 2012 meeting as drafted. Motion carried.

The Board welcomed Mr. DiNino to the meeting. Mr. DiNino explained that he had recently moved into the District and his first billing was for 4100 cubic feet of usage, which was more than he stated he has ever used at his prior residence. Mr. DiNino presented copies of his previous bills from the City of Longview as well as a copy of his current bill from Beacon Hill. The meter tested accurate and Kim explained that staff had been on site several times to check the meter. Kim said that during the time when the meter usage dropped back down, a meter was installed at the property next door. Ted inquired if the fixtures had been checked for leaks. Mr. DiNino said he and the builder went around the property with a moisture detecting device to check for leaks in the sprinkler system and no leaks were detected. After discussion, the Board agreed to wait for the next meter read without penalty to the customer and discuss at the next meeting when Monte is in attendance. The Board thanked Mr. DiNino for his attendance.

Kim presented a letter to the Board from the Mathews family questioning their usage. The meter reader reported high usage and it was determined from an accuracy test that the meter was reading 1.5 times. The meter was replaced and an adjustment was processed but the Mathews family states that they were out of town for much of the time. The customer is upset with the adjustment received and would like additional consideration. After discussion, the Board agreed to charge the average.

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 – Construction Updates.**

**Beacon Hill Pump Station.** The contractor has poured the concrete structure that will house the secondary pump. November 21 the contractor will set the form boards for the building and begin the underground under slab electrical conduits which should take approximately one week. A change order request for \$7,434.00 has been submitted for work related to shifting the pump station over two feet to avoid our sewer pressure line along with deductions for removed piping.

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**Yelton/Niblett/Kelsey.** The PUD performed the final power work on November 8-9. The contractor plans to change over pumping to the new systems on November 13-14 with staff training occurring the last week in November.

The contractor has worked with the homeowner at Kelsey Court to repair or replace several appliances damaged when the contractor damaged the home's electrical service. The homeowner seems satisfied at this point.

The District is still working with the contractor on the concrete slabs at Yelton and Niblett pump stations. The repair work necessary will not prevent bringing the stations online or their normal operation so the District will be issuing a substantial completion and including the slab repair as a punch list item. Repairs may not take place until next year when the weather improves, so final completion and release of retention funds will be delayed.

**Williams-Finney Emergency Generator.** The generator pad forms and rebar were set up and inspected on October 25. The slab was poured and the generator was set on the cured pad on November 5. The electrical work was being performed this week and start up tentatively scheduled for November 9.

**Item 2 – Professional Services Contract for Wellness Services.** Kim presented a professional services contract with Peggy Skeahan as discussed at the October meeting. The rate of pay would be \$30.00 per hour and not to exceed 40 hours annually.

**Item 3 – Budget.** Kim provided copies of job descriptions for the Field, Field Lead and General Manager as requested by Monte at October's meeting. Kim told the Board that Brian met with Monte after last month's meeting and is still interested in pursuing the position of Field Superintendent as an exempt employee.

Other changes to the draft budget include revised sewer treatment costs, 2013 capital purchase of an aluminum davit crane, 2014 capital purchase of a Simtap drilling machine and a 2013 purchase of maintenance tracking software.

**Item 4 – Audit.** Kim stated that the auditors have left and are awaiting the exit interview. The auditor has requested that we re-state our financials for 2010 which will result in a finding. The water system was transferred December 28, 2010 and the assets were not identified on the 2010 financial report. They were reported in 2012 because that is when the District received the detailed asset list from the PUD. The changes to the Management Discussion and Analysis and Notes to Financials are complete and have been submitted to meet the November 15 deadline. The accountability portion of the audit was okay.

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**Action Items:**

**Item 1 – Beacon Hill Pump Station CO-4.** It was moved by Ted Branch, seconded by Dean Takko to approve Change Order 4 in the amount of \$7,434.00. Motion carried.

**Item 2 – Professional Services Contract for Wellness Program.** It was moved by Ted Branch, seconded by Dean Takko to approve the professional services contract with changes. Replace the word rate with wage and not to exceed \$1,200.00 per year unless approved by the Board. 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, November 15, 2012, the Board, by unanimous vote, does approve those vouchers in the above lists and further described as follows: October claims in the amount of \$270,816.49; and November invoices in the amount of \$112,761.51, payroll for October. The October Visa statements were delivered the meeting.

**Other Business.** Alan suggested lowering the foreclosure threshold to \$2,500.00 and sending a letter to the lender of any lien property. Kim explained that we have had two recent properties in which the lender has taken control of the property by changing the locks but won't foreclose and we were asked by the former owner's to initiate foreclosure proceedings in an effort to force the banks to foreclose or pay the outstanding charges to prevent our foreclosing.

Alan reminded the Board that the General Manager's contract is up for renewal. Kim suggested the contract be modified to a 2 year contract.

There being no further business, the Board moved to Executive Session to discuss pending litigation not to exceed 15 minutes. No action was taken in Executive Session. The Board adjourned at 6:55 p.m. The next meeting was tentatively scheduled for December 12, 2012 at 5:00 p.m.

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Dean A. Takko, President

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Monte J. Roden, Secretary

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Ted A. Branch, Commissioner