

**MINUTES OF THE REGULAR MEETING OF AUGUST 6, 2013
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for August 2013 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, August 6, 2013, at 921 Lakeridge Way SW, Suite 301, Olympia WA, 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Linda Oosterman and Russell Olsen were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), and Cathy Skiles, Clerk to the Board. Joseph Rehberger, Chief Legal Counsel was excused from the meeting.

Commissioner Stearns called the general meeting to order at 5:03 p.m.

Commissioner Oosterman made a motion to approve the Agenda, Commissioner Olsen seconded, all in favor.

Consent Calendar:

Approval of Minutes: July 23, 2013 Meeting

Prequalification of Contractors – Small Works Roster:

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable 7/24/13, 7/31/13

~~Payroll 8/5/13~~

Resolutions:

Other:

Declaration of Emergency Waiver of Bidding Requirements, Tracy 2 Water System Outage on Friday, July 26, 2013

Commissioner Olsen made a motion to approve the Consent Calendar, Commissioner Stearns seconded, all in favor.

Public Comments: No Members of the Public Were Present

Public Information Meeting: Part A Water System Plan and Satellite Management Plan
GM Weidenfeller explained the purpose of this meeting is to inform the Public that Thurston PUD is submitting a Part A Water System Plan update to the Washington State Department of Health for review and approval. The Satellite Management Plan update will also be submitted. We are required to update both plans every six years and hold a Public Meeting according to RCW 246-290-100. The plans are available to the public, in paper format, on CD and copies are posted on

our web site. No public comments have been received. At the next meeting, the Commissioners will have resolutions before them to approve both plans.

Commissioner Olsen made a motion to close the Public Information Meeting, Commissioner Oosterman seconded, all in favor.

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reminded the Board he is leaving on vacation Thursday and will be back by the 22nd. He will be available by phone and will check his e-mails regularly.

He provided the Commissioners a copy of the WPUA meeting schedule for September 18th – 20th held in Chelan, Washington. He listed the meetings that will be held. Commissioner Stearns will attend the meetings in Chelan rather than the Water Workshop in Leavenworth.

Commissioner Olsen asked if GM Weidenfeller has received any response back from the letter regarding Tanglewilde that was sent to all the customers. The GM reported he has received three e-mails that have been forwarded to the Board. Marilyn Meehan wrote a letter, and he has received two phone calls. CFO Parker also received a call from a Tanglewilde customer; she also received a note on a bill stub from a customer outside Tanglewilde who was against an increase.

Commissioner Olsen asked if there is a timeline for the Olympia contract. GM Weidenfeller said we hope to have it completed by October and the City is working on it.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a report in writing. There will be an opportunity to place handprints on the Tanglewilde-Thompson Place water system reservoir on Saturday; the OM and one staff member will be on site.

OM Gubbe reminded the Commissioners there are two items on her To Do list; the toilet rebate program and the PUD's 75th Anniversary. GM Weidenfeller asked to discuss Harbor Days. Commissioner Olsen had suggested the PUD have a booth there. Commissioner Olsen thought we should have a booth if possible. Commissioner Oosterman said she would try to get a table for us or see if we could sit with the Port of Olympia at their booth.

GM Gubbe reported the Prairie Ridge project is moving forward and should be wrapped-up in the next few weeks. She explained the delay is because the pumps that were chosen did not arrive as scheduled, are proprietary and she needed to choose different pumps.

Commissioner Stearns asked about the Terry Lane upgrade. OM Gubbe reported the project will be finished after the Consulting Engineer returns from vacation; this is a scheduled upgrade and not an emergency repair.

Commissioner Stearns commented about the turn-out at the meeting regarding the Lew's 81st consolidation. OM Gubbe reported they had a good turnout, 13 residents. Commissioner Oosterman will provide a report about the meeting.

Commissioner Stearns asked about how the pressure is being monitored as they fill the tank. OM Gubbe reported she is monitoring the status from the telemetry equipment in her office. The reservoir is being filled in stages.

Chief Financial Officer Report: Julie Parker, Chief Financial Officer - Financial Variance Report (every 4th week's meeting) No report this meeting.

Action Items:

Resolution 13-17 2013-2014 Strategic Plan

Commissioner Olsen opened the discussion stating at the end of the last workshop, the Board decided to have a discussion at tonight's meeting.

Commissioner Stearns stated that it is his sense is they do not need to discuss the details of the plan at this meeting but only discuss the objective of the plan. His concern with the PUD since he has been in office is to make the PUD more relevant to Thurston County. He noted that the PUD has been thrust into other counties and he receives questions about this often. He asked in what manner we can become more relevant to this County.

Commissioner Oosterman added that the plan begins to give us measurement for success. The strategies come next and will be developed as the Plan moves forward. The proposed Strategic Plan is a good starting point.

Commissioner Olsen added that this has been a collaborative effort and all three Commissioners need to believe and work toward the Strategic Plan as they move forward.

The Commissioners continued to discuss the Strategic Plan and its purpose and also discussed the merits of a low income assistance program.

Commissioner Oosterman made a motion to adopt Resolution 13-17, the 2013-2014 Strategic Plan, Commissioner Olsen seconded, all in favor.

Resolution 13-18 Surplusing of Vehicles and Equipment

GM Weidenfeller stated there is a list of items that need to be surplused; the money received for these items will be deposited into the General Fund.

Commissioner Olsen made a motion to approve Resolution 13-18, Surplus of Vehicles and Equipment, Commissioner Stearns seconded, all in favor

Resolution 13-19 Governing Policies

At the Workshop, GM Weidenfeller was given permission to bring back information regarding Resolution 13-19, Governing Policies, to compile the information from the meeting. He sent the

information to the Commissioners; he received one comment back from Commissioner Oosterman. They discussed some changes to the order of the document.

Commissioner Oosterman made a motion to amend the attachment order in Resolution 13-19, Governing Policies. She made a motion to move a section from *Other Significant Principles and Background* to *Vision*, then after *Vision* put the *Roles* section. She noted this change would organize the Governing Policy with three large sections: Purpose, Vision, then Roles. Commissioner Olsen seconded, all in favor.

Commissioner Olsen made a motion to approve Resolution 13-19 Governing Policies as amended, Commissioner Oosterman seconded, all in favor.

Information or Discussion of Operations/Policy Issues:

Discussion COS Rate Study RFP Interviews

Commissioner Olsen reported he, the CFO and the GM interviewed five different consulting firms before the meeting today. They were five very different presentations and the approaches are different. GM Weidenfeller, CFO Parker and he scored each candidate. When they met to discuss the candidates they found their scores were very similar. They discussed the candidates.

Commissioner Olsen, GM Weidenfeller and CFO Parker recommended SAIC to provide the COS Rate Study if negotiations are successful.

Discussion of Telecommunications Workshop Information

GM Weidenfeller noted that NoaNet sent materials to him earlier today before the meeting, but he was not able to open the e-mail prior to the meeting. He will provide the materials to the Commissioners before the next Workshop with NoaNet which is scheduled from 2:30 to 4:30 on September 27.

Resolution 13-21 2014 Salaries and Wages

GM Weidenfeller stated he would like to introduce this by stating a salary survey is conducted every two years with comparable jurisdictions that include other PUD's, cities and water utilities in close proximity to the District. The GM will not be asking for a cost of living allowance (COLA) in the 2014 budget if the new salary survey ranges are approved. GM Weidenfeller recommended the Commissioners approve Resolution 13-21, 2014 Salaries and Wages.

Commissioner Oosterman asked where the staff falls between Step 1 and Step 7. GM Weidenfeller explained where each current employee falls in their range. Commissioner Stearns said he would like to see the comparables used in the salary surveys and the GM said he would be happy to go over them with him.

Commissioner Oosterman made a motion to approve Resolution 13-21, 2014 Salaries and Wages, Commissioner Olsen seconded, all in favor.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen reported on the projects he has been working on.

Commissioner Oosterman said the public meeting for the Lew's 81st consolidation went well. OM Gubbe, GM Weidenfeller and two representatives from the consulting engineer's office were present at the public meeting. All three water systems (Lew's 81st, Woods and Jenni) are being consolidated and there were customers from each water system in the audience. There were a lot of questions answered. The system will see significant improvements to their water, pressure and quality. There is no proposed surcharge to the customers for the improvements.

Commissioner Oosterman will be meeting with Dave Danner, Chairman of the Washington State Utilities and Transportation Commission (UTC). They will discuss a couple of water systems they regulate.

Legal Report: Joe Rehberger, Chief Legal Counsel – was excused from the meeting.

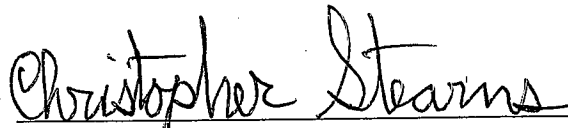
Executive Session: None Planned

Summary of Assignments:


1. GM Weidenfeller will make amendments to Resolution 13-19, Governing Policies.
2. Commissioner Oosterman will check to see if the PUD can get a table at Harbor Days.
3. CFO Parker will work on negotiating a contract for the COS rate and GFC study.

Adjournment:

Commissioner Olsen made a motion to adjourn the meeting at 7:30 p.m., Commissioner Oosterman seconded, all in favor.


Chris Stearns, President

Attest:


Linda Oosterman, Secretary