

**MINUTES OF THE REGULAR MEETING OF APRIL 28, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for April 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, April 28, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen, Linda Oosterman and Chris Stearns were present. Also present was John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. Joe Rehberger, Chief Legal Counsel, was excused from the meeting.

Call to Order: Commissioner Olsen called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as amended, to include approval to purchase equipment as an Action Item; Commissioner Stearns seconded, all in favor.

Consent Calendar:

Approval of Minutes: April 14, 2015

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: April 15, 2015, April 22, 2015

 Payroll: April 20, 2015

Prequalification of Contractors: None

Other: None

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of the County Commissioner Meeting Agenda

A draft agenda was provided to those present. It was determined that Commissioner Olsen will take the lead on discussion, as he is the Board President. GM Weidenfeller will bring copies of the Telecommunications informational sheet, the Strategic Plan, and Performance Measures to the meeting.

Discussion of Kitsap PUD Challenging State Wholesale Telecommunications Law

At the April WPUDA meeting, Kitsap PUD announced that it would challenge the state law that prohibits PUDs from providing retail telecommunication services. Laws have been challenged in other states after the FCC announced that public entities could provide retail services. Commissioner Stearns would like to support Kitsap PUD in any way feasible. Commissioners Olsen and Oosterman would like more information on the case, which is expected to cost around

\$50,000 for Kitsap PUD. The Commissioners will table the subject until more information is received.

Discussion of the WPUA Telecommunications Workshop, May 13-14

WPUA's Telecommunications Workshop is scheduled for May 13 through May 14. Commissioners Stearns and Oosterman will be in attendance. Commissioner Olsen will notify staff if he will be attending by May 10.

Texting Discussion

GM Weidenfeller provided staff and Commissioners with an article regarding text messages as a public record. The PUD needs to retain any text messages that are public records as defined by state law. Since phone companies only have a limited retention time for text messages, an application has been found to retain text messages. This application, which costs \$4.50 per month per phone, will be installed on each applicable phone. A policy will be drafted to prohibit texting from any phone that is not backed-up and for which the messages aren't retained. Staff is prohibited from texting the Commissioners for any reason.

Strategic Plan Quarterly Report, First Quarter 2015

Staff made a PowerPoint presentation for the first quarter's strategic report. OM Gubbe provided Commissioners and staff with a spreadsheet of water quality issues, with priorities ranked and highlighted.

Action Items:

Approval to Purchase Equipment

GM Weidenfeller asked the Commissioners for authorization to purchase a vactor for the PUD. A vactor would allow the field crew to strip mud, rocks and other debris away from water lines to repair leaks more quickly. Staff has calculated that the vactor would pay for itself in two years, as the PUD currently contracts out this work. Once purchased, staff will track usage, at \$2,500 per incident, to track the break-even point. **Commissioner Oosterman made a motion to authorize funds up to \$30,000 to be used to purchase a vactor for the District; Commissioner Stearns seconded the motion; all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. Staff has been looking into a Thurston County Group A water system called Holiday Valley for acquisition. A meeting will be scheduled in May with the HOA to discuss moving forward; a presentation will be made to homeowners at their annual meeting near the end of May. Forest Glen, an SMA client currently managed by the District, had 100 percent vote of their homeowners for acquisition by the PUD. OM Gubbe and Mr. Rehberger are working on the acquisition process and hope to have ownership completed by July 1.

The Commissioners approved surplusing the Country Meadows East No. 2 water system in Pierce County at an earlier Commission meeting. GM Weidenfeller will be working on transitioning ownership to another owner, possibly the customers themselves. The Commissioners also approved a mutual aid agreement with the City of Olympia earlier this month. The agreement was forwarded to the City for approval by the City Council.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She will be out of the office April 30 through May 8 on vacation. OM Gubbe reported that undesirable coliform samples for several systems were found; the field crew has resampled and staff is awaiting results. The Enslow 2 and Enslow 3 systems will be chlorinated on April 29. OM Gubbe also provided a timeline for the Tanglewilde generator project.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer

CFO Parker provided written reports: the March 2015 variance report and the first quarter 2015 financial report. Bond proceeds are expected to be exhausted this year as planned. Staff will begin preparation for the next bond in 2016.

Commissioner Topics, Discussion and Reports

Commissioner Stearns attended the Chehalis Basin Partnership meeting. Climate issues were discussed, and there was a spill response report from Department of Ecology personnel.

Commissioner Oosterman reported that her emergency management meeting was cancelled, although an agenda was in place for that meeting. She may have to look into obtaining information from another source instead. She also stressed the need to keep up to date with the Public Record Act, as this law is changing on a federal level.

Commissioner Olsen was in Arkansas last week. He's also been working with NoaNet and GM Weidenfeller on the Telecommunications project. Commissioner Olsen suggested that the District recognize the North Thurston School District in light of the student shooting at North Thurston High School.

Summary of Assignments:

1. Provide materials for the meeting with the County Commissioners: the telecommunications letter from Commissioner Olsen, the Strategic Plan and Performance Measures, and information on systems acquired and SMA services.
2. Follow up with NoaNet regarding obtaining a signed version of the Telecommunications project contract and timeline update.
3. Ensure that Commissioner Stearns' full name appears on any checks or financial documents issued by the District.
4. The GM will work on security issues with Commissioner Olsen.
5. Develop a message to address the public works trust account in a different way.
6. The GM will prepare a Proclamation addressing the heroism of people involved in the North Thurston School District shooting.
7. The Board will consider supporting the Kitsap PUD position on Telecommunications.
8. Commissioner Olsen will let staff know if he can attend the Telecommunications workshop by May 10th.

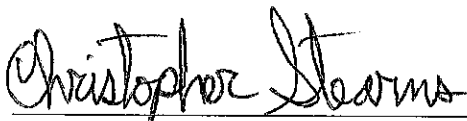
9. CFO Parker will order text retention software for telephones. Staff will not text Commissioners.
10. The GM is authorized to order a vactor for up to \$30,000. It will be added to the CIP at a future meeting. The break-even point will be tracked.
11. Staff will begin preparing for a bond issue in 2016.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded, all in favor. The meeting was adjourned at 7:44 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary