

**MINUTES OF THE REGULAR MEETING OF AUGUST 30, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for August 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, August 30, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen and Linda Oosterman were in attendance at the meeting in person. Commissioner Chris Stearns was present for the meeting via telephone. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), Joe Rehberger, Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

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 Oosterman made a motion to approve the agenda as presented: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: None

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: Notes and Invoices from Mr. Charles Story Re: Leak

Travel Approvals: None

Voucher Approval:

Accounts Payable: August 10, 2016, August 17, 2016, August 24, 2016

Payroll: August 20, 2016

Resolution: Resolution 16-21, Approval of Public Works Board Loan Submissions, Resolution 16-22, Approval of Department of Health Consolidation Grant

Other: Letter, Declaration of Emergency Waiver of Competitive Bidding Requirements, Tanglewilde-Thompson Place Water System, August 11, 2016

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

Introduction of New Employees: GM Weidenfeller introduced new employees Zachary Hildreth and Joe Greene. Both men discussed their work backgrounds.

Public Comments: There was a member of the Public present, but the individual did not comment during the meeting, nor did he sign in. Another member of the Public, Mr. Charles Story, was present to discuss a leak that was recently repaired for his property. Mr. Story is a customer of the Tanglewilde-Thompson Place water system.

Mr. Story provided a timeline and documentation for the leak repair for his property, and also explained the problems he faced while trying to contact plumbing companies to schedule the leak repair. His bill was approximately \$6,000 due to the leak and he requested relief from the Board.

This amount also exceeds the total allowed by the current policy. The Commissioners will review his account at the next Commission meeting once more information is received.

At 5:17 p.m., Commissioner Olsen announced that the Board would be entering Executive Session to discuss potential litigation, as authorized by RCW 42.30.110 (1)(i), to review the performance of a public employee, as authorized by RCW 42.30.110 (1)(g), and to discuss the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b) until 5:50 p.m. At 5:50 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Resolution 16-18, Proposed Revised Field Position Title and Salary Range

GM Weidenfeller recommends that the Field Technician Trainee position be eliminated, and a position titled Entry Level Field Technician be created to serve as a bridge between the Meter Reader position (an entry-level position) and Field Technician I. This will save the District monies and will also help retain staff.

Resolution 16-19, Uniform Policy

The purpose of this resolution will be to establish a uniform policy and clarify clothing expenditure limits where applicable. Commissioner Oosterman inquired about having field staff and/or office staff identified by wearing a name tag or patch.

Resolution 16-20, Professional Service Contract with Robinson Noble, Inc.

This resolution allows the District to sign a professional service agreement contract with Robinson Noble, Inc. so that their hydrogeologists can diagnose issues with source wells that are experiencing issues. There are currently four wells that are experiencing problems.

Proposed Budget Presentation and Discussion

The preliminary budget provided is only slightly different from the first draft provided at the first meeting in August. DFA Parker addressed the issue that Commissioner Olsen brought up at the earlier meeting regarding decreasing revenues. These issues were resolved. Commissioners and staff discussed salary/wages increases and capital projects labor tracking.

Average Rate Impact of Proposed Rate

DFA Parker reported that the average PUD customer uses less than 750 cubic feet on a monthly basis. For 2017, the average customer will experience an increase of \$3.85 per month, which includes the increase in the capital surcharge from \$2.90 to \$4.80 (per ERU). Information regarding the capital surcharge will be sent to customers with the August billing statement at the end of the month.

September WPUA Meeting and Water Workshop

GM Weidenfeller relayed a reminder to Commissioner Stearns regarding the September WPUA Association Meetings scheduled September 14th through 16th. The WPUA Water Workshop is scheduled September 21st through 23rd.

Action Item(s):

Resolution 16-14, Revision to the 2016 Operating Budget

This resolution revises the 2016 Operating Budget to incorporate the changes as noted. The resolution was brought forth at an earlier meeting. **Commissioner Oosterman made a motion to approve Resolution 16-14 as presented; Commissioner Olsen seconded the motion; all in favor.**

Presentations:

Staff Presentations:

General Manager's Report:

GM Weidenfeller provided a written report. He reported that staff is working with Joe Rehburger, Chief Legal Counsel, to submit water permits to the Department of Ecology. The General Manager is hoping to take over the Red Tail Hawk and Frog Hollow systems by the end of September; he is also hoping to bring forward an acquisition offer on the Bethel water system by the end of October. GM Weidenfeller also gave an update on the Blue Horizon water system, another potential acquisition.

The General Manager confirmed that representatives from the City of McCleary are still interested in purchasing the PUD's Grays Harbor water systems. GM Weidenfeller, DFA Parker, and Commissioner Stearns will be interviewing architectural firms the week of September 13th. A request was received from the City of Lacey to include three inserts to inviting customers from the Tanglewilde-Thompson Place water system to three City 50th Anniversary events (in December 2016, April 2017, and July 2017). Staff is willing to provide this service.

The General Manager reported that an IT outage occurred on August 24th, as a fiber optic cable was cut. The County experienced issues as well. In addition, an alarm was prompted by the Tanglewilde-Thompson Place system reservoir about low levels, but this notification wasn't received by the office due to prior IT issues. These complications have led to better emergency training for staff. The General Manager will be out of the office on September 2nd and September 7th.

GM Weidenfeller went through the Operations Report for the Commissioners. The Skookumchuck, Crescent Park, and Fuller water systems were discussed. Also discussed was the list of projects that the Director of Operations and Compliance compiled; this lists shows the total estimated project amounts submitted for Public Works Board loans.

Director of Finance and Administration's Report:

DFA Parker provided a written report. She reported that revenues are coming in strong and expenses are in line with the budget. She also gave an update on how things are proceeding with the Cedar Ridge Estates and Skookumchuck customers.

Commissioner Topics, Discussion and Reports:

Commissioner Stearns attended the funeral for Gary Hicks, a PUD Commissioner for Asotin County. The Commissioner spoke to Mr. Hicks' accomplishments while in office.

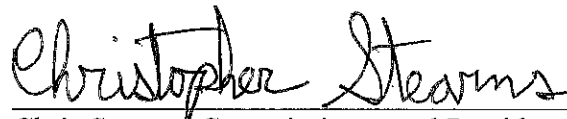
Commissioner Oosterman reported on her experience with Mr. Terry Wilson, the real estate broker helping with locating a new building for the PUD. She will be gone the second week in October; the Commissioner will be calling in for the first meeting in October.

Commissioner Olsen reported on the personal time he recently took off. He will attend the September 9th Thurston Regional Planning Council (TRPC) meeting.

Summary of Assignments:

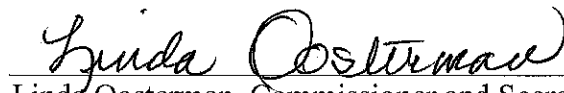
1. Provide information on the actual cost to produce the water lost for Mr. Story's leak. Schedule a time to review the leak issue with the Commissioners at a later meeting.
2. Research options related to nametags for all PUD employees.
3. Research options to list information on the capital surcharge increase for 2017.
4. Follow up with the Department of Health regarding the Covington water system lead issue.

**Adjournment: Commissioner Oosterman made a motion to adjourn the meeting:
Commissioner Stearns seconded; all in favor. The meeting was adjourned at 6:55 p.m.**



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary