

**MINUTES OF THE REGULAR MEETING OF OCTOBER 11, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for October 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, October 11, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:05 p.m. Commissioners Russell Olsen and Chris Stearns were present for the meeting; Commissioner Linda Oosterman was excused from the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:05 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as presented: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: September 27, 2016

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: September 28, 2016, October 5, 2016

Payroll: October 5, 2016

Resolution: None

Other: None

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

Public Comments: There was a member of the Public present, but the individual did not comment during the meeting, nor did he sign in.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Resolution 16-27, Adopt 2017 Ad Valorem Tax

This resolution is required to establish the level of the regular tax levy to be collected in 2017 at the highest lawful amount. DFA Parker explained this is the first reading of this resolution and has been reviewed by the Assessor's Office to ensure accuracy.

Resolution 16-28, Substantial Needs Resolution

The purpose of this resolution is to establish substantial need to authorize the District to levy the full one percent increase in property tax which is in excess of the rate of inflation this year. Commissioner Olsen asked that the wording for the Recitals portion of the Resolution be amended.

Resolution 16-30, Policy and Procedure, Purchasing Authority Level

The purpose of this policy is to update the purchase authority levels for PUD staff. The new job classifications of Director of Finance and Administration, Director of Operations and Compliance, Superintendent, and Entry Level Field Technician were recently approved by the Commission.

WPUDA November Meetings

GM Weidenfeller gave information regarding the WPUDA Association Meetings scheduled for November 16th through 18th in Olympia.

Exempt Well Discussion

GM Weidenfeller prepared a report on a request from Mr. and Ms. Coffey, customers of the Elk Heights water system, to drill an agricultural well; they have enlisted help of their Pierce County Councilmember McCune. The Coffeys have requested to drill a well several times within the past few years, but have been denied. GM Weidenfeller recommended two options to respond to the Coffeys' most recent request. Staff will follow up.

New Water Systems - Rate Discussion

GM Weidenfeller discussed the water systems to be acquired from the Violet Prairie Water Company - Frog Hollow 1, 2, and 3 and Redtail Hawk water systems. Staff discussed the current rates and consumption for customers on those systems with the Commissioners. DFA Parker recommends that the customers on the Frog Hollow systems be converted to the same rate schedule as the customers of the Redtail Hawk system when the system is metered and those customers have a chance to review their usage. DFA Parker also recommends that the Redtail Hawk system retain their current rate schedule for a few months after the PUD assumes ownership of their water system. GM Weidenfeller explain that the customers of the Redtail Hawk system are exceeding their water right.

Action Item(s): None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that he made a recommendation to WPUDA regarding a presentation about water rights. Tentatively, the Thanksgiving gathering is scheduled for November 22nd at 2:30 p.m., and the Holiday gathering is scheduled for December 27th at 2:00 p.m. Staff is still working on the water permit issue for Cedar Ridge Estates water system, a possible PUD acquisition. Commissioner Olsen asked about the small water system generator and the emergency radios. GM Weidenfeller reported that Parker Holden, the generator engineer, ran into a problem and will be addressing this once he returns as he is out of town. In addition, the radios aren't functioning as well as hoped; GM Weidenfeller will be following-up with the Director of Operations and Compliance (DOC) to discuss next steps.

GM Weidenfeller also reported that he will continue to work with Commissioner Oosterman in regard to finding a new PUD location. Staff and Commissioners discussed possible locations. GM Weidenfeller explained that the Crescent Park water system project is moving forward. We

are using Spanaway Water purchased water ahead of schedule - a hole was found in the source meter. The bidding process walk-through is scheduled for October 12th. DOC Gubbe will be working on several projects when she returns from vacation.

Finance Report: Julie Parker, Director of Finance and Administration
DFA Parker will provide a written report during the second meeting in October.

Commissioner Topics, Discussion and Reports:

Commissioner Oosterman was excused from the meeting.

Commissioner Olsen was in Texas for a majority of the time since the last Commission meeting. Commissioner Stearns attended the last Thurston Regional Planning Council (TRPC) meeting in his stead.

Commissioner Stearns discussed the topics covered at the TRPC meeting he recently attended, such as a report from Joint Base Lewis-McChord, Director recruitment, and ambulance services within Thurston County.

Summary of Assignments:

- In the Recitals portion of Resolution 16-28, add the word, 'prior,' to reflect the adjustment based on the prior year's costs/salaries.
- Provide a short list of local events for the Commissioners to consider in regard to providing telecommunications services.

At 6:25 p.m., Commissioner Stearns announced that the Board would be entering Executive Session to discuss the performance of a public employee, as authorized by RCW 42.30.110 (1)(g), for 15 minutes until 6:40 p.m. At 6:40 p.m., it was announced in the public area that the Executive Session would continue for 20 more minutes. At 7:00 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting: Commissioner Stearns seconded; all in favor. The meeting was adjourned at 7:00 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary