

**MINUTES OF THE REGULAR MEETING OF OCTOBER 25, 2016  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for October 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, October 25, 2016, 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 for 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. Joseph A. Rehberger, the District's Chief Legal Counsel, was present for a portion of the meeting.

**Call to Order: Commissioner Stearns 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 Olsen seconded the motion; all in favor.**

**Consent Calendar:**

Approval of Minutes: October 11, 2016

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: October 12, 2016, October 19, 2016

Payroll: October 20, 2016

Resolution: None

Other: Letter, Declaration of Emergency Waiver of Competitive Bidding Requirements on October 12, 2016 for the Lew's 81st Water System

Letter, Declaration of Emergency Waiver of Competitive Bidding Requirements on October 16, 2016 for the Elk Heights Water System

**Consent Calendar: Commissioner Olsen made a motion to approve the Consent Calendar as presented: Commissioner Oosterman 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:**

**WPUDA Annual Meeting**

GM Weidenfeller discussed details pertaining to the WPUDA annual meeting scheduled November 30th through December 2nd in Vancouver. All three Commissioners will be attending at least a portion of the meeting. Travel arrangements were also discussed.

### **2016 3rd Quarter Strategic Plan Performance Measures**

GM Weidenfeller presented the 3rd quarter update for the strategic plan performance measures. Commissioners and staff discussed a comparison of rates between the PUD and other water utilities. Also discussed were electronic payments made by customers, annual employee evaluations, outages occurring in 3rd quarter (there were 10 outages noted, but the report included two outages from 4th quarter so the actual number of outages in 3rd quarter was eight), upcoming newsletters, the rate increase for 2017, the District's website, the refurbishment of the water manual, possible telecommunications projects, PUD press releases, and the arrangement of property taxes for Thurston County. Commissioner Oosterman will inquire about alternating the arrangement of the property taxes so that Thurston PUD appears at the bottom of the itemized list.

### **Resolution 16-29, Refund Tax Levy**

DFA Parker reported that the purpose of this resolution is to authorize a refund levy of \$1,893.03 to make up for lost tax dollars due to refunds given to taxpayers as a result in changes in value. In order to collect the lost tax revenues, the District must adopt the resolution and submit this to the Thurston County Commissioner's office no later than November 30th.

### **Action Item(s):**

### **Resolution 16-27, Adopt 2017 Ad Valorem Tax, Resolution 16-28, Substantial Needs, and Resolution 16-30, Policy and Procedure - Purchasing Authority Level**

These resolutions were discussed at prior meetings. **Commissioner Oosterman made a motion to approve Resolutions 16-27, 16-28, and 16-30: Commissioner Olsen seconded the motion; all in favor. Commissioner Olsen made a motion to approve the adoption of Resolutions 16-27, 16-28, and 16-30 as one motion: Commissioner Oosterman seconded the motion; all in favor.**

### **Resolution 16-31, Approval of the Award of the Crescent Park Water System Improvement Contract**

In anticipation of corrosion issue on the Crescent Park water system, the District engaged RH2 Engineering and went out to bid for improvements to the water system. Before construction could begin, there was a system failure, and customers of this water system are being served by Spanaway Water. The contract amount is estimated to be above the approval limit for the General Manager, so approval is needed from the Commissioners to award the contract and authorize the General Manager to sign a contract with the awarded firm. Staff recommends awarding Black Hills Excavating, Inc. for this project, as they are the lowest responsible bidder and due diligence has determined that they have the experience required. Their bid totaled \$54,032.66. **Commissioner Olsen made a motion to approve Resolution 16-31 as presented: Commissioner Oosterman seconded the motion; all in favor.**

**At 6:28 p.m., Commissioner Stearns announced that the Board would be entering Executive Session to discuss potential litigation with legal counsel, as authorized by RCW 42.30.110 (1)(i), and to discuss the performance of a public employee, as authorized by RCW 42.30.110 (1)(g), until 6:50 p.m. At 6:50 p.m., it was announced in the public area that the Executive Session would continue for 15 more minutes. At 7:05 p.m., it was announced in the public area that the Executive Session would continue for 10 more**

**minutes. At 7:15 p.m., it was announced in the public area that the Executive Session would continue for 11 more minutes. At 7:26 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.**

**Presentations:**

**Staff Presentations:**

**General Manager's Report:** John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that he was approached by the owner of a Pierce County water system with less than 10 connections, located across the street from the PUD-owned Lake Whitman water system. He explained that the primary benefit of acquiring the system would be the ability to intertie the two water systems in case of failure. The General Manager warned that customers are currently paying low rates, and implementation of the PUD rates for these customers may result in pushback. The Commissioners are interested in acquiring the system, so staff will follow up with the system owner.

The GM stated that transfer of ownership for the Frog Hollow and Redtail Hawk Estates will not occur as originally expected on November 1st. GM Weidenfeller explained that the generator project has been delayed due to a defective part, but the supplier will be sending the reengineered part back by the end of October. GM Weidenfeller will be out of the office for the WPUDA manager's meeting (October 26th and 27th), to attend the Washington Water Utilities Council (WWUC) meeting (October 28th), and on vacation from November 11th through 14th. The State Auditor's Office audit is scheduled from October 31st through November 7th.

In regard to the operations report, GM Weidenfeller relayed that both Director of Operations and Compliance, Kim Gubbe, and the Superintendent, Scott Dixon, recently returned after their respective vacations. Commissioners and staff spoke to the project information that was submitted to the Public Works Board in regarding to funding for Group B water systems.

**Finance Report:** Julie Parker, Director of Finance and Administration

DFA Parker provided a written report, which included her quarterly finance update. DFA Parker spoke about a request she received from Habitat for Humanity to include inserts to customers with Tenino service addresses. However, the Commissioners and General Manager denied this request. The DFA reported that the PUD is in good shape. An employee pension and benefits line item budget amendment will be brought forth for Commissioner approval later this year.

**Commissioner Topics, Discussion and Reports:**

Commissioner Oosterman explained her process in regard to the Commissioner meeting information packet. She also discussed the aspects of a possible new building location available for purchase off of Carpenter Road in Lacey. The Commissioner also relayed information about political candidates for Washington State and the upcoming election.

Commissioner Olsen thanked GM Weidenfeller for this effort in regard to the telecommunications project - the GM sent a request to local representatives to inquire about public events to possibly provide telecommunication services with feedback due by November

10th. The Commissioner will attend the next Thurston Regional Planning Council (TRPC) meeting on November 4th.

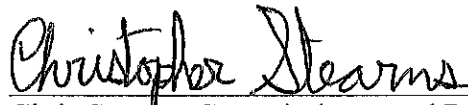
Commissioner Stearns attended the most recent Conservation District meeting. He discussed the topics reviewed during that meeting such as a relocation to Tenino. In addition, there are two upcoming events on November 18th and January 19th.

**Summary of Assignments:**

- Provide the Commissioners with a copy of the water utility rate comparison.
- Schedule discussion item during first or second Commission meeting in January to determine a Commissioner retreat in 2017.

At 8:11 p.m., Commissioner Olsen made a motion to adjourn the meeting and Commissioner Oosterman seconded the motion. The Commissioners voted to adjourn the meeting, however it was discovered that there was a document that needed signature in regard to GM Weidenfeller's review. **Commissioner Olsen made a motion to reopen the Commission meeting; Commissioner Oosterman seconded the motion; all in favor.**

**Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded; all in favor. The meeting was adjourned at 8:14 p.m.**



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary