

**MINUTES OF THE REGULAR MEETING OF APRIL 11, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for April 2017 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, April 11, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:08 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.

Call to Order: Commissioner Oosterman called the regular meeting to order at 5:08 p.m. The Pledge of Allegiance was recited by all present.

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

Consent Calendar:

Approval of Minutes: March 28, 2017
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: March 29, 2017, April 5, 2017
 Payroll: April 5, 2017
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: None

Information or Discussion of Operations/Policy Issues:

Presentations – Scott Bauer, Principal (Northwest Municipal Advisors) and Nancy Neraas, Bond Counsel (Foster Pepper PLLC)

Mr. Scott Bauer provided a handout with bond information; he spoke about the Request for Proposal (RFP) sent to a few banks to obtain financing for the purchase of the new office building. The amount of financing required, bond issuance, borrowing information, the PUD's credit rating, General Obligation Bonds, and debt service were discussed. Ms. Nancy Neraas spoke about the Resolution 17-13, the Bond resolution. She also spoke about matching the current resolution to the 2011 Bond Resolution, debt service, capital/reserve spending. DFA Parker explained that the amount that the PUD is seeking to finance doesn't reflect an increase in rates to customers. The length of financing was also discussed.

Resolution 17-13, Water Revenue Bond

Commissioners and staff discussed this subject during the presentations earlier in the meeting. This resolution will be brought to the April 25th Commission meeting for approval.

Revised Commissioner Assignment List

At the March 28th Commission meeting, the Commissioners designated Commissioner Oosterman as the primary delegate for the WPUDA Government Relations Committee, with Commissioner Stearns as the alternate delegate. Commissioner Stearns was designated as the primary delegate for the WPUDA Communications Committee, with Commissioner Oosterman as the alternate delegate. A copy of the updated Commissioner assignment sheet was provided in the agenda packet.

Resolution 17-10, 2017 Job Classifications and Salary Ranges

The purpose of this resolution is to create two levels of job classifications for the Administrative Assistant job classification – Administrative Assistant I and Administrative Assistant II classifications were created with corresponding salary ranges. GM Weidenfeller explained that the adoption of this resolution will give more flexibility in employee job classifications. This resolution will be brought to the April 25th Commission meeting for approval.

Resolution 17-14, Authorization to Acquire the Scattercreek Ranch and Keanland Park Water Systems

The purpose of this resolution is to authorize the General Manager to approve and sign a contract with the owner of the Scattercreek Ranch and Keanland Park water systems. GM Weidenfeller would like to acquire the system in May, but acquisition may not occur until July. This resolution will be brought to the April 25th Commission meeting for approval.

Discussion – Climate Change Initiative

Commissioner Stearns relayed some information related to a climate change assessment report from the Thurston Regional Planning Council (TRPC). The Commissioners and staff discussed this report, and certain aspects that may need to be updated with TRPC. Staff will report back to the Board at the next meeting.

Action Items:

Resolution 17-12, Appointment of a Registered Agent – Revised Version

Resolution 17-04, Appointment of a Registered Agent, was adopted by the Commissioners in February 2017, but this version didn't give the specific language that needed to be included. The District's Chief Legal Counsel, Joe Rehberger, modified the resolution, and the revised version (Resolution 17-12) rescinds the old resolution (Resolution 17-04). **Commissioner Olsen made a motion to adopt Resolution 17-12 as amended; Commissioner Stearns seconded the motion; all in favor.**

Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. The PUD now owns the Cedar Ridge Estates and Maxvale water systems; the prior owner of the Maxvale water system will be paying to replace

the failed treatment system. The Cedar Ridge Estates Drinking Water State Revolving Fund (DWSRF) loan for a manganese reduction program was selected to receive up to 50 percent forgiveness. DFA Parker recently met with the architect about the new building, and the sale is progressing. The GM believes that the March 30th generator presentation to the WPUDA Water Committee went well.

As of April 1st, the District owns 163 water systems with 4,145 active connections, and manages 14 water systems (Satellite Management Agency) with 874 connections. Staff has recommended one candidate for a second interview for the Meter Reader position. Two members from the County attended the water purveyor meeting; the meeting went well. The treatment system for the Eastridge West water system is being replaced, as the treatment system recently failed. Customers on this system will receive a small credit on their bills. GM Weidenfeller spoke to the Commissioners about a request for treatment at one of the Hansford Muck systems.

The Commissioners took a break to provide a Certificate of Commendation to Alex Olsen, Commissioner Olsen's son, for his recent Nationals qualification for taekwondo.

Finance Report: Julie Parker, Director of Finance and Administration

DFA Parker will provide a written report. The DFA reported that the water table at the Skookumchuck water system has come down, so the construction has begun at that water system. She also reported that the Comcast internet connection was installed on Friday, April 7th. However, the connection will not be utilized until later in the week due to IP registration issues.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen spoke about the flyer for climate change for TRPC. The Commissioner asked the other Commissioners to forward any feedback to the GM so that they can communicate prior to the meetings. He explained the timeline surrounding the TRPC climate change project.

Commissioner Oosterman attended the quarterly Emergency Management meeting. She discussed the task assigned to the participants regarding road closures.

Commissioner Stearns spoke earlier in the meeting about manganese treatment regulations for water systems. He attended the most recent TRPC meeting. He discussed the tour he took of the Port Gamble wastewater treatment facility.

Summary of Assignments:

- Schedule a discussion item for the April 25th Commission meeting in regard to the TRPC climate change assessment report.

At 7:03 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss potential real estate acquisitions, as authorized by RCW 42.30.110 (1)(b) until p.m. At 7:19 p.m., it was announced in the public area that the Executive Session would be continued until 7:29 p.m. At 7:29 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Commissioner Oosterman addressed the Board regarding discussion during the regular meetings and during breaks. The Commissioners discussed this issue.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 7:40 p.m.



Linda Oosterman, Commissioner and President

Attest:



Chris Stearns, Commissioner and Vice President