

**MINUTES OF THE REGULAR MEETING OF MAY 27, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, May 27, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Linda Oosterman, Chris Stearns and Russell Olsen were present. Also present were John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), and Kurin Rosado, Clerk to the Board. Julie Parker, the District's Chief Financial Officer (CFO), and Joseph Rehberger, Chief Legal Counsel, were excused from the meeting.

Commissioner Oosterman called the regular meeting to order at 5:02 p.m.

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

Consent Calendar:

Approval of Minutes: May 13, 2014, May 20, 2014

Prequalification of Contractors – Small Works Roster:

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable: May 20, 2014, May 23, 2014

Payroll: May 20, 2014

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

Public Comments: None Present

Public Hearing: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Public Meetings in June and July: The Board discussed the upcoming community meetings for the Pierce, Lewis and Thurston counties. Commissioner Olsen brought up the possibility of having another Thurston County meeting. However, since the cost to add meetings would be significant, the Board will review the matter again after the Thurston County meeting to see if additional meetings are needed.

WPUDA Meetings in May, June and July: Commissioner Oosterman and Commissioner Stearns will be attending the Communicators Roundtable meeting occurring May 29 through May 30. Commissioner Oosterman and Commissioner Stearns will also be attending the Water Committee meeting on June 26 and the Government Relations & Communications Committee meeting on June 27; Commissioner Olsen may attend the June 26 meeting, but will let the GM know at a later date. GM Weidenfeller will attend the Association Meetings in Omak, WA occurring July 16 through July 18. Commissioner Oosterman and Commissioner Stearns would like to attend these meetings, pending clear schedules.

Rescheduling of June 24 Regular Meeting to June 17: The Commissioners agreed to reschedule the June 24 regular meeting to June 17, 2014. The meeting is being rescheduled so that the Commissioners can attend Elected and Appointed Officials training offered by the Washington Cities Insurance Authority.

Action Item:

Resolution 14-12, Water System Revenue Bond Anticipation Note 2014: GM Weidenfeller presented Resolution 14-12, which would authorize the initiation of a \$1,000,000 Bond issue for acquisitions and capital improvements. The GM also explained that \$400,000 of this Bond will be used for the most recent acquisition (Marvin Road Water Co.), leaving \$600,000 for future use. **Commissioner Olsen made a motion to approve Resolution 14-12, Commissioner Stearns seconded, all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller submitted a report in writing. He discussed the consolidation of Garden Acres 1, 2 and 3 water systems and the issues that will be discussed in a meeting with the DOH. The GM, Chief Legal Counsel Rehberger, Mr. Kounts (WPUDA) and Mr. Gallagher (DOE) will meet with the DOH on June 3 to explain the issues involved with the consolidation process.

GM Weidenfeller confirmed the closing date of May 30 for the acquisition of the water systems owned by the Marvin Road Water Co., which will add 271 connections to the PUD's portfolio.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a report in writing. She reported that the water system plan and SMA plan applications have been approved by the DOH. To complete the process, she will need to send two edited copies to the DOH office.

OM Gubbe also reported that a collision caused loss of power to the Lew's 81st water system due to a vehicle colliding with a power pole. The water system cannot operate without power. PSE was on-site to repair the damage. It was pointed out by Commissioner Oosterman that the Lew's 81st group voted against approving a back-up generator for the water system.

Chief Financial Officer Report: Julie Parker, Chief Financial Officer Financial Variance Report (submitted during the second regular meeting of every month)
CFO Parker was absent from meeting, but her written report was provided. It was reported that metered water revenue came in at 27.7% of the annual budgeted expenditure in March, which is 5.6% below the regular allotment. PUD staff will continue to monitor and adjust as needed.

The CFO's report also included that engineering and advertising expenditures were above the annual budgeted expenditure.

Commissioner Topics, Discussion and Reports:

Commissioner Stearns stated that he had attended a Kitsap PUD meeting earlier this month. He reported on their telecommunications and he thought it was interesting on how they handled issues that were presented.

Executive Session: None


Summary of Assignments: None

Commissioner Oosterman made a motion to adjourn the meeting, Commissioner Olsen seconded, and the meeting was adjourned at 6:38 p.m.



Linda Oosterman, President

Attest:



Russell Olsen, Secretary