

**MINUTES OF THE REGULAR MEETING OF JANUARY 27, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for January 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, January 27, 2015, 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. Also present was John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), Joe Rehberger, Chief Legal Counsel, Doug Eklund, the District's Engineering Consultant, and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Olsen called the regular meeting to order at 5:01 p.m. The Pledge of Allegiance was recited by all present.

Commissioner Olsen requested that the discussion of the Tanglewilde generator take place directly after the Public Comments section, as there were members of the public present to discuss the issue.

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

Consent Calendar:

Approval of Minutes: January 13, 2015 (Special Meeting), January 13, 2015 (Regular Meeting)

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: January 14, 2015, January 21, 2015

Payroll: January 20, 2015

Prequalification of Contractors: Toledo Excavating and Dump Truck Service, Central Electric, Pacific Mobile Structures, Inc.

Other: None

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

Public Comments:

Present were Mrs. Helton (a customer of the Tanglewilde-Thompson Place water system) and her daughter, as well as Mr. and Mrs. Olson (also customers of the Tanglewilde-Thompson Place system). Mrs. Helton has strong ties to the community, as she has lived in the area for 55 years. Her research has led her to believe that use of the park space is limited and would like to know how the PUD can legally use that space if the proposed project goes against the Covenants, Conditions, and Restrictions (CC&Rs) of the Tanglewilde community.

Mr. Olson, who was formerly on the Parks and Recreation Board, wanted to know who had given water rights for the wells to the PUD. He is also concerned about the approval of the project - will the community be given a chance to vote on the issue or is the project 'a done deal?' Will the customers be responsible for maintaining the generator facilities? In addition, he believes that the Park is an important part of the community, as children need a place to play.

GM Weidenfeller explained that the water rights were transferred with the system when it was sold to the PUD by Mr. Thompson. He also explained that if the proposed project is completed, the PUD will be responsible for maintenance of the buildings and structures for the generator. The liability falls with the PUD; GM Weidenfeller assured the public that the District has excellent insurance coverage.

Commissioner Olsen stressed the importance of the feedback the Board has received from the public, as well as a continuance of good relations with Tanglewilde. Staff will look into the questions and comments posed by the public. The Commissioner also offered to meet and/or correspond with Mrs. Helton and any other customers that have questions.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of Placement of the Generator Site at the Tanglewilde Park:

GM Weidenfeller gave background on the sale of the Tanglewilde water system to the PUD in the 1950s. He also spoke to the history of the facilities (i.e. wells) that have been modified over time. GM Weidenfeller explained that the purchased water contract with the City of Olympia will be terminated as of June 1, 2015. Termination of this contact, which was made possible by drilling of new wells and a new reservoir, will result in significant savings for the PUD's customers over time. The Board has also eliminated the higher rate for Tanglewilde-Thompson Place customers - all Thurston County customers will be charged the same base rate beginning January 1, 2015.

OM Gubbe discussed the options advertised to customers at the January 22 Tanglewilde community meeting. Of the options suggested, some of the most favorable options include removing the tennis courts and resurfacing the basketball court. Doug Eklund, the PUD's engineer, provided information about a portable generator versus a permanent one; based on the circumstances surrounding a major disaster, a portable generator was found to be infeasible.

Commissioner Oosterman emphasized to the customers present that the PUD is a not-for-profit entity. Commissioner Stearns pointed out that the PUD is currently providing water to the Tanglewilde Parks and Recreation District at a significantly lower rate. He would like before and after photos taken of the area, provided the project is approved by the Board.

GM Weidenfeller would like a draft interlocal governmental agreement available by February 11. Based on the feedback received to date, the Commissioners will hold a Public Hearing on February 27 and a Special Meeting to adopt, modify or reject the interlocal agreement on March 3 at 5:00 p.m.

Discussion of Resolution 15-02 Adoption of the Strategic Plan for 2015-2017

Included with Resolution 15-02 is the matrix of Commissioner Offices/duties held.

Commissioner Oosterman reported that the Emergency Management group for Thurston County is being overhauled. She also reported that the Deschutes Total Maximum Daily Load (TMDL) group will not be ending, but will be modified to focus primarily on saltwater issues. The matrix was amended to include GM Weidenfeller as an alternate for the Emergency Management group. In addition, should an emergency or natural disaster occur and the PUD building is inaccessible, the PUD can use the Thurston County Emergency Operations Center (EOC). Commissioner Olsen called the question. **Commissioner Oosterman made a motion to close the discussion**

on Resolution 15-02; Commissioner Stearns seconded, all in favor. The Resolution was approved immediately following its discussion (see Action Items).

Presentation of the Fourth Quarter 2014 Strategic Plan Performance Measures

GM Weidenfeller reported that all of the District's owned systems are in compliance with the Washington State Department of Health. Discussion of the water system acquisition strategy will be brought forward for the second regular meeting in February. Commissioners and staff discussed employee policies; GM Weidenfeller plans to review certain policies with the PUD staff during the staff meeting on January 29, which Commissioner Stearns will attend.

Action Item(s):

Resolution 15-02 Adoption of the Strategic Plan for 2015-2017

Commissioner Stearns made a motion to approve Resolution 15-02 as amended (along with the Commissioner Assignments); Commissioner Oosterman seconded the motion; all in favor. Resolution 15-02 was approved immediately following its discussion.

Resolution 15-03 Second Amendment to Contract Amendment with Jerome W. Morrissette & Associates for Tanglewilde-Thompson Place Generator Engineering

Adoption of Resolution 15-03 would extend the existing contract timeline through April 30, 2015 and add additional funding of \$5,000 for engineering. **Commissioner Olsen called the question. Commissioner Oosterman made a motion to close the discussion on Resolution 15-03; Commissioner Olsen seconded, all in favor. Commissioner Stearns made a motion to approve Resolution 15-03 as presented; Commissioner Oosterman seconded, all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller reported that a Thurston County special use permit hearing for the Lew's 81st reservoir is scheduled for February 2. GM Weidenfeller or OM Gubbe will attend the meeting. Staff will attend a community meeting for the Skookumchuck Maintenance water system, which is expected to be controversial due to possible PUD acquisition.

GM Weidenfeller will make a presentation on February 5 to the City of Roy; the City is discussing management and restricting options. Staff will meet with the Country Meadows East No. 2 water system customers on January 29 to discuss the recent acquisition and address any concerns the customers may have.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. OM Gubbe met with representatives of a water system in Pierce County but will make a recommendation against acquisition based on several factors. OM Gubbe also reported that she will establish a Hazard Mitigation Committee with Emily Banks, the District's Technical Assistant. Once they establish a mitigation plan for the PUD, the organization will be eligible to receive federal monies in the case of a disaster.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer
CFO Parker will provided a written report, but was excused early from the meeting.

Commissioner Topics, Discussion and Reports

Commissioner Stearns would like to be the Board's representative for a broadband meeting he will be attending. Chehalis Basin Partnership didn't have a meeting this month due to a personnel change.

Commissioner Oosterman attended a Chamber of Commerce meeting. She reported that the new Thurston County jail needs additional funding before opening, but these funds should be obtained within a short period of time.

Commissioner Olsen would like permission from the Board to speak with the Thurston Regional Planning Council (TRPC) about the PUD's telecommunications project, which should begin in approximately two weeks. The pilot projects for the cities of Lacey and Tumwater are ready to move forward; the pilot project for Olympia should be ready by the end of February.

Summary of Assignments:

1. Staff will research issues brought forward by Mrs. Helton.
2. Staff will update the Strategic Plan Performance Measures slideshow with the new Commissioner duties. Under the Effectiveness Goal, the cost of any repairs should be added to the system outage report.
3. Schedule a public hearing on February 27, 2015 and a Special Meeting at 5:00 p.m. on March 3, 2015.
4. Staff will check with the Commissioners if they're able to attend the telecommunications meeting in March.

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



Russell Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary