

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 24, 2015  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for February 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, February 24, 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, and Kurin Rosado, Clerk to the Board.

**Call to Order: Commissioner Olsen called the regular meeting to order at 5:02 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 Oosterman seconded, all in favor.**

**Consent Calendar:**

Approval of Minutes: February 10, 2015

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

    Accounts Payable: February 11, 2015, February 18, 2015

    Payroll: February 20, 2015

Prequalification of Contractors: Arcadia Drilling, Inc.

Other: None

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

**Public Comments: None**

**At 5:04 p.m., Commissioner Olsen called for a recess of the Regular meeting and called the Public Hearing to order for the purpose of discussing installation of a generator at the Tanglewilde Park and Recreation Center and Park mitigation improvements.**

Two customers of the Tanglewilde-Thompson Place water system were present for the Public Hearing: Mr. Bob Coker and Mr. John Pirie. Both customers are thoroughly involved with the Park and Recreation Board and both also expressed firm support for the PUD's plan to install the proposed generator, which would include the construction of a natural gas connection and two 2,000 gallon propane tanks to provide sustained power during emergencies for up to 20 days.

It is also proposed that the PUD work with the Tanglewilde Park Board to make the following improvements, not to exceed \$30,000: 1) remove trees and grind stumps, 2) remove the horseshoe pits, 3) remove the tennis court/surrounding fence and restore seed, and fertilize said area, and 4) prepare, seal, coat, and paint in the basketball court. **Commissioner Olsen closed the Public Hearing at 5:09 p.m. and the Regular meeting was resumed.**

**Discussion Items:**

**Information or Discussion of Operations/Policy Issues:**

**Visit with Michael Cade, Executive Director, Thurston County Economic Development Council (EDC)**

Michael Cade, Executive Director of the Thurston County EDC, was introduced to the Commissioners and staff. Mr. Cade thanked the Board, as the District is an EDC investor. The purpose of the EDC is to recruit, retain, and expand businesses within Thurston County, which is made possible through public and private business partnerships. Mr. Cade discussed upcoming events and projects with the Commissioners.

**Discussion of Topics for Meeting with Thurston County Commissioners**

GM Weidenfeller shared a few topics that were discussed with the Thurston County Commissioners in the past and provided a copy of the 2010 Memorandum of Understanding (MOU) with the County Commissioners. The Commissioners were asked to send the GM topics for discussion on this topic at a future meeting.

**Discussion of the Acquisitions Strategy**

GM Weidenfeller provided a handout to the Commissioners and staff with information on water systems within Thurston County available for acquisition. Per the acquisition strategy, staff will send letters to 10 to 15 systems at a time to gauge interest in the PUD's purchase of the system. The Commissioners would like to look at each system interested in acquisition on a case by case basis, especially those outside of Thurston County.

**Discussion of Resolution 15-07 Interlocal Agreement with Tanglewilde Park and Recreation Center Commissioners**

There was a small change to the proposed Interlocal Agreement. Commissioner Olsen and GM Weidenfeller will be meeting with the Tanglewilde Park and Recreation Board Annual Meeting on February 25 and attending the Tanglewilde Park and Recreation Commissioner meeting on February 26.

**Discussion of Resolution 15-01 Professional Services Agreement with NoaNet**

Adoption of Resolution 15-01 would authorize GM Weidenfeller to sign a contract with NoaNet, not to exceed \$30,000, to complete a comprehensive analysis for telecommunications projects for the PUD. Now that GM Weidenfeller has more concrete information from NoaNet, he would like the Commissioners to adopt the complete resolution and contract during the next regular meeting on March 10, 2015.

**Discussion of Country Meadows East No. 2 Water System and Rates**

Upon review of usage patterns for the newly acquired Country Meadows East No. 2 water system, it was found that the summer consumption average is significantly high for customers on the system. It was estimated that customers would receive an average bill increase of \$34.67 a month if the customers were to pay the PUD rates. Commissioners and staff discussed potential issues that may arise from the billing changes, as well as mitigation options for those customers. This topic will continue to be addressed at a future Commission meeting.

**Action Item(s):**

**Resolution 15-06 Updating PUD Policies**

Adoption of Resolution 15-06 would update the Travel, Discipline and Terminations, Conflicts of Interests, and Vacation and Sick Leave policies. **Commissioner Oosterman made a motion to approve Resolution 15-06 as presented: Commissioner Olsen seconded the motion; all in favor.**

**Legal Report:** None

**Presentations:**

**Staff Presentations:**

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

GM Weidenfeller provided a written report. Construction for the Lew's 81st, Woods, and Jenni water systems is scheduled to be completed by the end of July 2015. Construction for the Sward and Platt water systems is scheduled to be completed by the end of November 2015. GM Weidenfeller also reported that the PUD obtained a defibrillator, which is now located in the meeting room for emergencies.

**Operations Manager's Report:** Kim Gubbe, Operations Manager

OM Gubbe provided a written report. The Hawk Acres water system will have a well pump installed this week and this will be done without any disconnection of service to any customers. The newsletter to go out with February billing has been completed.

The Cougar Mountain water system did not receive a pre-construction grant. The electrical problem reported at the Hunter 3 water system has been resolved, but the field crew is still looking into complaints of brown water at the Nisqually Highlands system.

**Chief Financial Officer's Report:** Julie Parker, Chief Financial Officer

CFO Parker provided a written report. Tax revenue for the year has been recorded at \$261,620.87 by the County Treasurer, which is over the budgeted Tax Levy Income for 2015 due to certification adjustments. In addition, election costs for the general election came in lower than expected.

**Commissioner Topics, Discussion and Reports**

Commissioner Stearns attended a meeting that forecasted a drought year ahead, though it was stated that the Columbia River's water levels are looking adequate. He also reported that the Washington State Supreme Court ruled in favor of the Department of Ecology regarding a suit against Washington State University regarding water rights associated with irrigation of a golf course.

Commissioner Oosterman recently presented with GM Weidenfeller at WPUA. She has attended a few functions, but these have mostly been lobbyist-oriented. The Deschutes group has postponed their meeting, but she does have a meeting for Emergency Management this week.

Commissioner Olsen just wanted to report that he has an eventful week with John, as they have several meetings planned.

At 7:52 p.m., Commissioner Olsen recessed the meeting for an eight minutes break prior to the Executive Session.

**At 8:00 p.m., Commissioner Olsen announced that the Board would enter an Executive Session for the purpose of receiving and/or evaluating complaints or charges brought against a public officer or employee, as authorized by RCW 42.30.110 (1)(f) for 15 minutes.**

**At 8:15 p.m., it was announced that the Executive Session would continue for five more minutes. The Executive Session was closed at 8:20 p.m. No actions were taken.**

**Summary of Assignments:**

1. The Commissioners will provide topics to the GM for discussion items with the Thurston County Commissioners for a meeting to be scheduled. The discussion will be continued at future meetings.
2. Staff will prepare thank you letters for Board President Olsen's signature that will be sent to the customers that attended the Public Hearing.
3. GM Weidenfeller will forward the Tanglewilde Park Board proposed timeline to the PUD Commissioners.
4. The Commissioners will continue the discussion on Country Meadows East #2 at future meetings.
5. Prepare a matrix of Group A water systems for Lewis and Pierce counties in spreadsheet format similar to what was provided for Thurston County.

**Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Stearns seconded, all in favor. The meeting was adjourned at 8:20 p.m.**

  
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Linda Oosterman, Commissioner and Vice President

Attest:

  
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Chris Stearns, Commissioner and Secretary