

**MINUTES OF THE REGULAR MEETING OF JUNE 9, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for June 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, June 9, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 7:02 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present. Also present was John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), Joe Rehberger, Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Olsen called the regular meeting to order at 7:02 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 Stearns seconded, all in favor.

Consent Calendar:

Approval of Minutes: May 26, 2015

Prequalification of Contractors: None

SMA Contracts: SMA Contract with the Dana Passage Water System

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: May 27, 2015, June 3, 2015

 Payroll: June 5, 2015

Resolution: None

Other: Emergency Waiver of Competitive Bidding Requirements for the Webster Hill Water System, May 30, 2015

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

Public Comments: None

At 7:10 p.m., Commissioner Olsen announced that the Board would enter an Executive Session to discuss and to consider the selection of a site or the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b), and to discuss potential litigation as authorized by RCW 42.30.110 (1)(i) for 15 minutes. At 7:25 p.m., it was announced in the public area that the Executive Session would continue for ten more minutes. At 7:35 p.m., it was announced in the public area that the Executive Session would continue for five more minutes. At 7:40 p.m., the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

Action Items:

Resolution 15-20, Commissioner Health Insurance

During the second meeting in May, the Commissioners gave GM Weidenfeller the authority to approve health insurance for all Commissioners, effective May 26, 2015. Approval of Resolution

15-20 would entitle Commissioners to coverage on the same terms and conditions as District employees at the beginning of their term of office, or upon reelection, and they would be responsible for the same employee contributions, including premium contributions and co-pays.

Commissioner Stearns made a motion to approve Resolution 15-20: Commissioner Oosterman seconded the motion; all in favor.

Resolution 15-17, MOU with Thurston County Board of Commissioners

The County Commissioners approved the MOU at their May 12 Commission meeting. The PUD Commissioners will sign the two MOU copies and the Clerk to the Board will return one signed copy to the Thurston County Commissioners' office. **Commissioner Oosterman made a motion to approve Resolution 15-17: Commissioner Stearns seconded the motion; all in favor.**

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of Office Space Options

GM Weidenfeller provided a list regarding office space options and monetary projections. Staff and Commissioners visited a potential site in the past week, but this space might not be viable. It is staff's recommendation to secure a three year lease extension for the current office space, as long as the 90 day termination clause is in the lease agreement, and continue to look at options for the future. The Board felt this was a good course of action to follow.

Discussion of Preliminary Budget Process for 2016

GM Weidenfeller provided all present with a 2016 budget calendar. The timeline includes a proposed 2016 budget adoption date of October 5, 2015.

Discussion of Strategic Budget Priorities

GM Weidenfeller provided all present with a list of 2016 strategic budget priorities. This list includes:

- Additional funding for the vehicle replacement fund
- Optional Commissioner healthcare
- Water system improvements for water service and/or quality
- Operations Department personnel and additional staffing

The Board indicated previously that they would like to keep rate increases at four percent or lower. In addition, a capital surcharge was implemented at \$1.00 per month for 2015 (for a 5/8" meter – charge increases for larger meters); the surcharge will increase to \$2.90 per month for 2016. The Commissioners are awaiting the results of the Telecommunications Project Feasibility study before they contribute to the budget priorities list. GM Weidenfeller will update the budget priorities list based on Commissioner feedback.

At 8:20 p.m., Commissioner Olsen called for a ten minute recess while Commissioners signed documents. At 8:30 p.m., the meeting was resumed.

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. Staff will be meeting with the Skookumchuck Maintenance water system community on June 28 and will make a presentation and ask for a vote to join the PUD; Commissioner Stearns will attend that meeting. GM Weidenfeller is working through acquisition issues with the Maxvale water system. Staff will bring their recommendations for the Cougar Mountain system at a later meeting; the decision to move forward with acquisition hasn't been decided. Letters were sent to large water systems in Thurston County regarding acquisition.

The next Thurston County Water Purveyor meeting is scheduled for Friday, June 12. The feasibility report completed by NoaNet is expected by either Friday or Saturday. Commissioner Stearns expressed the importance of keeping this document confidential until staff and Commissioners have a chance to meet with NoaNet. He also reported that a generator prototype is scheduled to be assembled.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She reported that a Meter Reader was recently hired; he will be introduced to the Commissioners at an upcoming meeting. She also reported that the grass growing at the Tanglewilde Park is progressing well. However, resurfacing of the basketball courts will not be completed as scheduled, due to trouble finding a contractor.

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

CFO Parker will provide a written report during the second meeting in June. She provided a job description for an intern she hopes to recruit from South Puget Sound Community College through their work study program.

Commissioner Topics, Discussion and Reports

Commissioner Stearns attended the WPUDA Telecommunications meeting earlier this month. The Commissioner also spoke about the Skookumchuck Maintenance water system, and the benefit the PUD is providing to that system.

Commissioner Oosterman was out at the Emergency Management Center and received a map of proposed/existing utility services; copies were provided. She inquired about a customer on one of the PUD's systems that is stealing water, noting she was asked about the theft by the Thurston County Undersheriff at a fundraiser recently.

Commissioner Olsen attended the Thurston Regional Planning Council (TRPC) meeting with Commissioner Stearns. He warned staff and Commissioners about the upcoming traffic congestion with the U.S. Open at Chamber's Bay; the event will draw hundreds of thousands of fans to the area.

Summary of Assignments:

1. Return one signed copy of the approved MOU to the Thurston County Commissioners' office.

**Adjournment: Commissioner Oosterman made a motion to adjourn the meeting:
Commissioner Stearns seconded; all in favor. The meeting was adjourned at 9:00 p.m.**

Russell E. Olsen

Russell E. Olsen, Commissioner and President

Attest:

Christopher Stearns

Chris Stearns, Commissioner and Secretary