

**MINUTES OF THE REGULAR MEETING OF MAY 9, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for May 2016 of the Commissioners of Public Utility District No. 1 was called to order on Monday, May 9, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:05 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 Chief Financial Officer (CFO), and Kim Gubbe, the District's Operations Manager (OM). Kurin Rosado, Clerk to the Board, was excused from the meeting.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:05 p.m. The Pledge of Allegiance was recited by all present.

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: April 26, 2016
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: April 27, 2016, May 4, 2016
 Payroll: May 5, 2016
Resolution: None
Other: None

Commissioner Oosterman made a motion to approve the Consent Calendar (the minutes were amended after the agenda was published): Commissioner Olsen seconded; all in favor.

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of the Partnership Goal Section of the Strategic Plan

The Commissioners discussed possible changes to the partnership goal and strategies to make the PUD more prominent in the community.

Discussion of Wi-Fi Sponsorship at the City of Tumwater Fourth of July Celebration

GM Weidenfeller had a conference call with Commissioner Olsen and Angela Bennink with NoaNet last week. In addition, Commissioner Olsen has a meeting this week with the Tumwater

Parks Director to investigate specifications for the event further. The Commissioner will have more concrete details on possible sponsorship of this event towards the end of May.

Discussion to Update Strategic Plan Performance Measures

The Commissioners discussed the upcoming WPUA Telecom Workshop, which Commissioner Stearns will attend this week. The Commissioners would like Commissioner Stearns to bring more information regarding the following:

1. Update on technology, including micro-fiber communications technology
2. Information on smaller utilities in the telecommunications field in any aspect (full rollout, partial services offered, etc.) - how are these utilities comparable to the PUD and what route did these entities take to become viable?
3. Any update on Senator Christine Rolfes' bill regarding telecommunications - what's the likelihood of putting energy into the bill for retail authority?

Discussion of the Commissioner Per Diem

Commissioners and staff discussed current policy and Washington state law, as well as unofficial policies and Commissioner duties. The Commissioners agreed to modify the Commissioner Per Diem policy (listed on the back of the Per Diem Worksheet); staff will bring the recommended changes for approval at a later Commission meeting.

Action Item(s):

Resolution 16-06, Cedar Ridge Estates Water System Agreement

The purpose of this resolution is to authorize the General Manager to approve and sign a contract with the Cedar Ridge Estates Water Association. A Drinking Water State Revolving Fund (DWSRF) consolidation loan will be submitted and if the District is not successful in obtaining such a loan, a manganese reduction program will be installed using PUD monies. **Commissioner Oosterman made a motion to approve Resolution 16-06 as presented; Commissioner Olsen seconded the motion; all in favor.**

Resolution 16-09, Engineering Contract with Apex Engineering for the Sward and Platt Water System Consolidation, and Resolution 16-10, Engineering Contract with Apex Engineering for Covington Water System Corrosion Control

The District has been required by the Office of Drinking Water to have a professional engineer perform the engineering for the Sward and Platt consolidation project which is funded by a DWSRF loan. The Office of Drinking Water has also required the District to have a professional engineer evaluate water quality data and prepare a recommendation for mitigating corrosion for the Covington water system by May 25th. PUD staff would like Apex Engineering to complete work for both projects. **Commissioner Oosterman made a motion to approve Resolution 16-09 and 16-10 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. The Lew's 81st consolidation project has been completed and will be accepted by the District. Staff is waiting on a transfer switch for the Tanglewilde-Thompson Place generator installation project before work can proceed. There are no updates on the Grays Harbor County water systems; GM Weidenfeller will follow up on this in June.

A Hazard Mitigation Plan has been drafted, and this will be brought forward at a later meeting. Emergency radios have been installed in all the PUD vehicles; radio equipment will be installed on the roof of the PUD office building. GM Weidenfeller will be on vacation from June 1st through June 20th. Acquisition letters were sent to several systems in Thurston, Pierce, and Lewis counties; a call was received from an interested party in Pierce County.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. Staff installed a gate for one of the PUD-owned water systems, which benefits the PUD. There were a few Group B water systems that had positive bacteriological samples in April. OM Gubbe also reported about a Pierce County system that had to be placed on a precautionary boil water notice after an outage and pressure switch issues related to the chlorination system.

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

CFO Parker will provide a written report at the second meeting of the month. CFO Parker has submitted a draft of the 2015 financial statements for review. She also reported that it was suggested that the PUD do a RFP for an external CPA firm to complete a review of the PUD's financial statements. This would result in receiving the audit more quickly than if the State Auditor's Office was performing the review, but their office would still have to perform an annual accountability audit for the District.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen attended the Thurston Regional Planning Council (TRPC) meeting. At this meeting, the transportation regional plan was discussed.

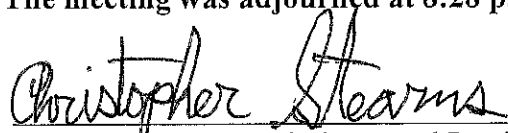
Commissioner Oosterman reported that the June 23rd WPUDA water committee meeting will include federal issues, innovative forms of water project financing, and agency updates and perspectives. The Commissioner attended an emergency management webinar for elected officials and reported on the content of that seminar.

Commissioner Stearns will attend the WPUDA Telecommunications Workshop this week. He attended an emergency management webinar for elected officials with Commissioner Oosterman.

Summary of Assignments:

1. Under the Partnerships goal for the Strategic Plan, change Action Step no. 3 to read, 'Have a yearly PUD strategic planning work session.'
2. Add Water Resources Advisory Committee to duties under Commissioner Stearns; add Commissioner Oosterman as alternate for this entity.
3. Bring forward the modified Commissioner Per Diem worksheet/policy for approval by the Board.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting: Commissioner Oosterman seconded; all in favor. The meeting was adjourned at 8:28 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary