

**MINUTES OF THE REGULAR MEETING OF MAY 23, 2017  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, May 23, 2017, 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 for the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), Joe Rehberger, the District's Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

**Call to Order: Commissioner Oosterman called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited by all present.**

**Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as amended: Commissioner Stearns seconded the motion; all in favor.**

**Consent Calendar:**

Approval of Minutes: May 9, 2017

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

    Accounts Payable: May 10, 2017, May 17, 2017

    Payroll: May 19, 2017

Resolution:

    Resolution 17-20, Professional Services Agreement with Prime Locations to Utilize the Services of Associate Broker Joni Baker

    Resolution 17-21, Professional Services Agreement with Northwest Municipal Advisors

Other: Approval of Up to 250 Customer Garden Hose Timers in Support of the District's Water Conservation Program

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

**Introduction of New Employees:**

Staff introduced two new PUD employees: Brett Bannon, the new Meter Reader, and Bryan White, the new temporary Laborer. Each employee's background was discussed briefly.

**Public Comments:**

At 5:08 p.m., Commissioner Oosterman opened the meeting to public comments. Two members of the public were present to speak: Mr. Zachary Hildreth, a former PUD employee, and Mr. Steve Hildreth, Mr. Zachary Hildreth's father. Both men addressed the Commissioner regarding specific details related to the Mr. Zachary Hildreth's termination of employment earlier this year. The public comment portion of the meeting was closed at 5:18 p.m.

**At 5:20 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss potential real estate acquisitions, as authorized by RCW 42.30.110 (1)(b), until 5:35 p.m. At 5:35 p.m., it was announced in the public area that the Executive Session would be extended another ten minutes. At 5:45 p.m., it was announced in the public area that**

the Executive Session would be extended another ten minutes. At 5:55 p.m., the Executive Session was adjourned and the regular meeting resumed. Commissioner Olsen made a motion to authorize the General Manager to sign a nondisclosure agreement and engage professional assistance to perform due diligence in regard to potential utility system acquisitions in the amount of up to \$20,000: Commissioner Stearns seconded the motion; all in favor.

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

**Discussion – PUD Building Configuration**

Commissioners and staff continued their discussion regarding the proposed configuration for the 1230 Ruddell Rd SE office building. DFA Parker discussed newly proposed changes, such as the placement of a shower/bathroom, the kitchen area, the Commission meeting room/Commissioner offices, and the building exits. Commissioner Olsen made a motion to move forward with the current building configuration rendering as presented: Commissioner Oosterman seconded the motion; all in favor.

**Action Items:**

**Resolution 17-19, Contract Amendment No. 2 with Robinson Noble**

If approved, this resolution will alleviate pressure on District staff by having Robinson Noble provide a complete package of services for the bidding, bid opening, well driver vetting, contract administration, and inspection and contact/contractor oversight. Robinson Noble will provide their services in regard to drilling three new wells at the Loma Vista, Fir Tree, and Indian Crest water systems. A total increase of \$44,767 is requested which includes a 20 percent contingency amount. Commissioner Olsen made a motion to approve Resolution 17-19 as presented: Commissioner Stearns seconded the motion; all in favor.

**Authorization to Enter into a Contract with Prime Locations to Least 1240 Ruddell Rd SE**

Based on the District's intent to enter into a long term lease for facilities at Lacey Pacific Storage, staff recommends moving forward with leasing the 1240 Ruddell Rd SE building. The District's real estate broker has a tenant in mind, and staff projects rent revenue to be at \$51,696 annual if a five year lease is signed with the new tenant (or \$18.00 per square foot NNN). Commissioner Olsen shared his concerns regarding the proposed rent amount and tenant selection. This item will be brought forward as either another discussion item or an approval item (if the Commissioners receive the information well in advance of a meeting) during a future meeting.

**Presentations:**

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

GM Weidenfeller provided a written report. He reported that the District received an Order of Cancellation from the Department of Ecology in regard to water rights for the Cedar Ridge water system (recently acquired). Mr. Rehberger spoke to the legal issues surrounding this matter. The General Manager reported that the Cedar Ridge water system experienced a water outage over the past weekend which caused some water quality issues; however, the issue has been resolved. In addition, GM Weidenfeller reported on his progress with the required chlorination regulations for several water systems with chlorination treatment. Procedures and requirements for chlorine testing was also discussed.

**Finance Report: Julie Parker, Director of Finance and Administration**

DFA Parker provided a written report. She explained that rate revenue is behind the curve and the meeting stipend for Commissioners is above the budgeted amount, but she isn't concerned about any adjustments required, as these items should be corrected for the future. Employee overtime is also very high due to being shorthanded in the first quarter.

**Commissioner Topics, Discussion and Reports:**

Commissioner Olsen reported that the Thurston Regional Planning Council (TRPC) Retreat is scheduled in June in Bucoda. He will provide the Commissioners with meeting materials and would like feedback if there's any additional information needed.

Commissioner Stearns hasn't recently attended any meetings. One of the meetings he was due to attend was cancelled. He will attend the Conservation District meeting at the end of May.

Commissioner Oosterman received an e-mail from the County's hydrogeologist to invite the Commissioners to a work session of the Thurston County Commissioners at the end of the month. She is planning to attend the work session. The Commissioner will attend the annual Chamber of Commerce meeting regarding the financial state. She will also attend an Emergency Management meeting on May 25th.

**At 7:50 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss the performance of a public employee, as authorized by RCW 42.30.110 (1)(g). The Executive Session was extended a number of times by way of announcements in the public area. At 10:05 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.**

**Summary of Assignments:**

- Follow up with Joni Baker about the rent amount and possible tenants/tenant improvements for the 1240 Ruddell Rd building.

**Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 10:05 p.m.**

  
\_\_\_\_\_  
Linda Oosterman, Commissioner and President

Attest:

  
\_\_\_\_\_  
Russell E. Olsen, Commissioner and Secretary