

**MINUTES OF THE REGULAR MEETING OF MAY 28, 2019
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, May 28, 2019 at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, WA 98503, commencing at 5:00 p.m. Commissioners Russell E. Olsen, Linda Oosterman and Chris Stearns were present for the meeting. The following District employees were present: John Weidenfeller, General Manager (GM), Julie Parker, Assistant General Manager (AGM), Jim Campbell, Director of Field Operations (DFO), Ruth Clemens, Senior Communications Specialist (SCS), TaSeana Tartt, Senior Accountant (SA), and Staci Mozee-Ramos, Customer Service Representative (CSR).

Call to Order: Commissioner Olsen called the regular meeting to order at 5:00 p.m.

Pledge of Allegiance: The Pledge of Allegiance was recited.

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

Consent Calendar: Approval of Minutes: May 14, 2019, May 21, 2019
Prequalification of Contractors:
SMA Contracts: None
Correspondence: None
Voucher Approval:
1) Accounts Payables: May 16, 2019, May 23, 2019
2) Payroll: May 20, 2019
Other: Res. 19-18, Software Update – Springbrook upgrade on Premise

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

Public Comments: None

Information or Discussion of Operations/Policy Issues:

2020 Budget Priorities:

GM Weidenfeller opened discussion for any new information on budget priorities. Commissioner Olsen stated that thorough discussion was made at the Strategic Planning Workshop. Commissioner Stearns stated the Commissioners are open for opportunities in other areas if needed.

Discussion – Commissioner Strategic Planning Workshop:

GM Weidenfeller opened discussion for any additional information on the Strategic Planning Workshop. Commissioner Olsen thanked the Board for the thoughtful and engaging workshop.

Resolution 19-19, 2019 Strategic Plan:

The agenda packet did not include the red-lined document of the amended Strategic Plan. Commissioner Oosterman verified and accepted the changes made to the Strategic Plan prior to the Commissioner's meeting. GM Weidenfeller will bring back the red-lined version of the Strategic Plan at the next Commissioner's meeting scheduled for June 11, 2019.

Action/Approval Item(s):

Resolution 19-20, Sole Source Meter Procurement:

GM Weidenfeller asked the Commissioners to move forward on approving Resolution 19-20, based on the Board's prior recommendation of the competitive bidding requirements associated with the purchase of Badger meters. GM Weidenfeller also stated that the State Legislature updated the bidding limits and the new limits will go into effect in July 2019. Staff will bring a new resolution forward in June 2019 to adopt the new bidding limits.

Commissioner Oosterman made a motion to adopt Resolution 19-20, Sole Source Meter Procurement. Commissioner Stearns seconded the motion; all in favor.

Commissioner Signatures/Break: The Commissioners took a break and signed documents at 5:07 p.m. The Commission meeting resumed at 5:25 p.m.

Presentations:

General Manager, DFO & DPC Reports:

GM Weidenfeller provided handouts and discussed a new law that was passed, Senate Bill 5588, which allows PUDs to engage in the resale of hydrogen. He discussed a call from Gary Ivory, Douglas County PUD's General Manager, wanting to know if Thurston PUD would be interested in participating in the resale of hydrogen. GM Weidenfeller requested permission from the Commissioners to consider this long-term opportunity in the future. Commissioner Olsen stated that he would be interested in exploring this option. GM Weidenfeller explained to the Board that the pricing of hydrogen is a little more expensive than gas however, it contains zero carbon and the fuel can allow 200-300 miles per a tank. He will follow up with Douglas PUD and let them know we are interested in learning more about hydrogen and potential involvement in a project.

GM Weidenfeller stated that ten (10) customers have requested an analysis of their irrigation systems and six (6) customers requested the advanced meters.

AGM Parker briefly discussed the new efficiency programs such as the interactive voice response (IVR) system and the SAO Cyber Security Audit.

DFO Campbell briefly discussed the routine maintenance and flushing of several water systems. He also discussed the vactor truck, meter and non-meter installations and fixed leaks.

AGM Parker briefly discussed the April variance report. She also stated that overtime hours and overall salary budget line items are in good shape. AGM Parker stated that improvements to the financial software are scheduled to be done June 2019. She discussed a cloud-based software that would be more efficient for financial software, however, it may cause issues with managing exports throughout the systems. The anticipated date for the cloud software implementation is by October 2019.

Commissioner Topics, Discussions and Reports: Commissioner Olsen, Oosterman and Stearns:

Commissioner Stearns stated that the hydrogen topic was discussed at the WPUDA Strategic Planning Workshop he attended. He also stated no changes were recommended by the Water Committee. Commissioner Stearns stated that several PUDs were moving ahead on projects including fiber.

Commissioner Oosterman discussed the Starlink Mission-SpaceX launch that grids a star-link satellite providing broadband throughout the world.

Commissioner Olsen stated that he will be in Washington D.C. and will not attend the Thurston Regional Planning Council (TRPC) meeting on June 7th. If the alternates for TRPC cannot attend the meeting, he asked GM Weidenfeller to inform TRPC.


Commissioner Stearns wanted to know if the Utility Rate Advisory Committee (URAC) will have a meeting this summer. GM Weidenfeller stated that URAC will not have a meeting this summer.

Executive Session: Commissioner Olsen announced that the Commissioners would enter into an Executive Session as authorized by RCW 42.30.110 (1) (b), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, and in accordance with the provisions of RCW 42.30.110 (1) (c) to consider the minimum price at which real estate will be offered for sale or lease when offered for sale or lease when public knowledge of such consideration would cause a likelihood of decreased price. He stated the Executive Session would begin at 6:00 p.m. and was expected to last for 10 minutes ending at 6:10 p.m. Commissioner Olsen announced at 6:10 p.m. that the Commission was leaving the Executive Session and returning to the Regular Meeting.

Adjournment: Commissioner Stearns made a motion to adjourn the meeting. Commissioner Oosterman seconded the motion; all in favor. The meeting adjourned at 6:10 p.m.

Assignments:

1. GM Weidenfeller will bring back the red-lined version of the Strategic Plan at the next Commission meeting scheduled for June 11, 2019.
2. GM Weidenfeller will follow-up with Douglas PUD and let them know we are interested in learning more about hydrogen and possibly being involved in a project.
3. Update the PUD policies in June, for July, to increase bid limits and contract thresholds as authorized by the legislature and approved by the Governor.
4. Commissioner Olsen cannot attend the TRPC meeting. If TRPC Alternates cannot attend the June meeting, the GM needs to inform TRPC.



Russell E. Olsen, Commissioner and President

Attest:


Chris Stearns, Commissioner and Secretary