

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 13, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for November 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, November 13, 2018, at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, WA 98503, commencing at 5:00 p.m. Commissioners Chris Stearns, Linda Oosterman and Russell E. Olsen were present for the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Assistant General Manager (AGM), Jim Campbell, the District's Director of Field Operations (DFO), TaSeana Tartt, the District's Senior Accountant, Ruth Clemens, the District's Senior Communications Specialist (SCS), Tracie Jones, the District's Clerk to the Board, and Joe Rehberger, the District's Legal Counsel.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited.

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

Consent Calendar:

Approval of Minutes: October 23, 2018

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: October 26, 2018, October 31, 2018

Payroll: November 5, 2018

Other: Resolution 18-34, Lost Tax Resolution

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

Public Comments: Customer James Anderson from the Hawley Hills water system commented on his summer water bill. Commissioner Olsen invited Mr. Anderson to apply for the Utility Rate Advisory Committee (URAC).

Information or Discussion of Operations/Policy Issues:

Strategic Plan Performance Measures Report, 3rd Quarter 2018 Update

GM Weidenfeller presented the Strategic Plan Performance Measures for the 3rd quarter of 2018. Commissioner Oosterman, in regard to Partnership Goal Action Step 5, discussed the PUD exploring new avenues to communicate with various stakeholders. She will attend a WIRE conference to learn new ways to reach the public.

Discussion of the Utility Rate Advisory Committee (URAC)

GM Weidenfeller presented the URAC Applicants Group Problem Solving Scenario to the Board for review and approval. Applicants will use the scenario at the November 20, 2018 Special Meeting to discuss and develop a recommendation to present to Commissioners. GM Weidenfeller drafted rules for the scenario, a tentative calendar mapping out the URAC activities for the next year, and announced the resignation of one candidate, Tessa Hale. GM Weidenfeller stated that Ms. Hale requested the opportunity to apply at a later date. The Commissioners approved the scenario and the next steps in process.

Discussion of Resolution 18-35, 2nd Revised 2018 Capital Budget

The purpose of this resolution is to revise the 2018 Capital Budget as a housekeeping item to ensure current improvement projects have dedicated funding.

Discussion of Resolution 18-36, Acquisition of the Cedarwood Water System

The purpose of this resolution is to present a contract authorizing GM Weidenfeller to enter into an agreement to purchase the Cedarwood Water System, a system the PUD has managed and operated as an SMA since April 2008. If acquired, Cedarwood water system customers will join the PUD at the Legacy customer tiered rates. This resolution will be placed as an Action/Approval agenda item on the agenda at the next meeting for the Board's consideration.

Discussion of Resolution 18-33, Acquisition of the Forest Glen Water System

The purpose of this resolution is to present a contract authorizing GM Weidenfeller to enter into an agreement to purchase the Forest Glen water system, a system the PUD has managed and operated as an SMA since January 2011. The PUD has achieved a vote of 100 percent of the property owners on the water system. If acquired, Forest Glen water system customers will join the PUD at the Legacy customer tiered rates. This resolution will be placed as an Action/Approval agenda item on the agenda at the next meeting for the Board's consideration. AGM Parker initially proposed an additional surcharge to the Forest Glen customers through the end of the drinking water loan, but after further evaluation, it was determined their financial reserves, if applied toward their drinking water loan would cover the costs of the surcharge. This will allow these customers to join the PUD without the need for an additional surcharge as purposed in a previous resolution in 2017. At the next meeting, AGM Parker will present the Board with a resolution rescinding the additional surcharge that was adopted.

Action/Approval Items:

Resolution 18-33, Adopt 2019 Ad Valorem Tax Levy:

Commissioner Olsen made a motion to approve Resolution 18-33, Adopt 2019 Ad Valorem Tax Levy. Commissioner Oosterman seconded the motion; all in favor.

Resolution 18-37, Lease of the 1240 Ruddell Road SE, Lacey, WA 98503 Building:

Commissioner Olsen made a motion to approve Resolution, Lease of the 1240 Ruddell Road SE, Lacey, WA 98503 Building. Commissioner Oosterman seconded the motion; all in favor.

Commissioner Signatures/Break: The Commissioners took a break at 5:43 p.m. and signed documents. The Commission meeting resumed at 5:55 p.m.

Presentations:

General Manager, Director of Field Operations, and Director of Planning & Compliance Reports:

GM John Weidenfeller provided the Board with a written report. He also provided the Board with the DFO and DPC reports.

Assistant General Manager Report:

AGM Parker provided a written report.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen attended the latest TRPC meeting and for the first time they did not have a quorum as a result of the major cities within Thurston County failing to send representatives. He continues to work with GM Weidenfeller and the WRIA 11 committee. Commissioner Olsen expressed his interest in continuing to represent the PUD on the TRPC board.

Commissioner Oosterman attended the WRIA 13 meeting. She also suggested that the Commissioners have a calendar in place for use of planning to ensure that there are always two Commissioners available for meetings. Commissioner Oosterman said the PUD should have a proactive plan regarding PFOA/PFAS testing in the future.

Commissioner Stearns attended the Conservation District meeting which happened on the fifth Tuesday of last month. The Conservation District has recently experienced a number of hardships including turnover, loss of grants, and the removal of some members. Commissioner Stearns recommended the Board adopt a policy that addresses calling in to Board meetings. Commissioner Stearns commended PUD staff for posting minutes online in a timely fashion.

Public Comments: Commissioner Stearns re-opened the meeting for public comment when members of the public arrived at the meeting. James Anderson asked if the Cedarwood and Forest Glen water systems were going to be on the same rates as the Hawley Hills customers and if they have been informed of their new rates. LaTonya Hunter from the Hawley Hills water system expressed her concern of her growing water bill. She stated a desire to create a future partnership with the PUD that can help build a more sustainable rate model for customers who consume water in the upper tiers. Commissioner Olsen has extended an invitation to Mrs. Hunter to join the URAC.

Executive Session: At 6:45 p.m. Commissioner Stearns announced that the Board will be entering an Executive Session for 30 minutes from 6:45 p.m. to 7:15 p.m. as authorized by RCW 42.30.110 (1) (i) to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency, and, by RCW 42.30.110 (1) (g) to review the performance of a public employee, and as authorized by RCW 42.30.110 (1) (c), and 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 regarding such consideration would cause a likelihood of decreased price.

At 7:15 p.m. Commissioner Stearns announced the extension of the Executive Session for 15 minutes from 7:15 p.m. to 7:30 p.m. At 7:30 p.m. Commissioner Stearns announced the extension of the Executive Session for 20 minutes from 7:30 p.m. to 7:50 p.m.

At 7:50 p.m. Commissioner Stearns closed the Executive Session, and the regular meeting was resumed.

Assignments:

1. Create and develop a proactive approach to address and field customer and media calls about PFAS/PFOA.
2. AGM Parker will bring forth a resolution at the next regular Commission meeting to amend the contract for the Forest Glen water system acquisition rescinding the surcharge in the original contract.
3. Bring forward a resolution establishing a policy addressing Commissioners calling into meetings.
4. On the consent calendar of the November 27th PUD Commission meeting, excuse Commissioner Olsen from the November 27th PUD Commission meeting and Commissioner Oosterman from the December 18th PUD Commission meeting.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Oosterman seconded the motion; all in favor. The meeting adjourned at 8:01 p.m.


Chris Stearns, Commissioner and President

Attest:


Linda Oosterman, Commissioner and Secretary