

MINUTES OF THE REGULAR MEETING OF AUGUST 13, 2019
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for August 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, August 13, 2019, at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, Washington 98503, commencing at 5:05 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, Administrative Services Manager (ASM), TaSeana Tartt, Senior Accountant (SA), and Kurin Miller, Clerk to the Board.

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

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

Consent Calendar:

Approval of Minutes: July 23, 2019

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Voucher Approval:

1) Accounts Payables: July 26, 2019, July 31, 2019, August 8, 2019

2) Payroll: August 5, 2019

Other: Resolution 19-11, Change Order #1 – FCS Group Rate Analysis Services

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

Public Comments: Mr. Marc Daily, Director of the Thurston Regional Planning Council, was in attendance and introduced himself.

Information or Discussion of Operations/Policy Issues:

Resolution 19-32, Policies and Procedures Update

GM Weidenfeller introduced Resolution 19-32; the purpose of this resolution is to update the District's Purchasing Authority Levels Policy (100-023) to include new positions and revisions to the GM's purchasing authority. Commissioner Oosterman commented on the difference between the amount of the GM's purchasing authority and the AGM's purchasing authority. Commissioners and staff discussed these levels, the District's chain of command, and the purchase order (PO) authorization process.

Discussion – Utilizing County Geographical Information System Mapping

GM Weidenfeller gave an overview of staff's contact with the Thurston County GIS team. Staff recommends the first of two options that were provided in the information provided in the Commission packet. Projected expenses would include an initial expenditure of up to \$10,000 for equipment and \$56,733 for GIS services in 2020, and expenditures \$44,665 for GIS services in 2021 and 2022. Commissioner Stearns and Commissioner Olsen spoke on the subject and the Board was supportive of budgeting this long term project from bond proceeds. There was a discussion on future implications for this proposal related to changes in budget/leadership at the County. Commissioner Olsen requested that the District's agreement for IT services be modified to include the new GIS services proposal.

Ongoing Discussion – Proposed 2020 Operating and Capital Budget Presentation

AGM Parker gave a detailed summary of the proposed 2020 Budget. She discussed the proposed rate increase to customers, banking 10% of the property tax assessment annually, the contingency budget, and the capital budget. Commissioners and staff specifically discussed the possibility of PFAS/PFOA testing that may be mandated by the Department of Health (DOH). Commissioners and staff discussed showing the work done on the projects, by water system, in some way, at public hearings/meetings.

Average Rate Impact of Proposed Rates

AGM Parker presented the average impact of proposed rates for 2020 using several different customer scenarios. Commissioners and staff discussed the figures presented by the AGM including the changes in consumption tiers. Average consumption was also discussed as well as the proposed increase to the capital surcharge.

Action /Approval Item(s):

Resolution 19-30, Hazard Mitigation Plan

This resolution was discussed during an earlier Commission meeting. **Commissioner Oosterman made a motion to approve Resolution 19-30: Commissioner Stearns seconded the motion; all in favor.**

Resolution 19-31, Professional Service Agreement with FG Solutions, LLC

This resolution was discussed during an earlier Commission meeting. **Commissioner Oosterman made a motion to approve Resolution 19-31: Commissioner Stearns seconded the motion; all in favor.**

Approval of Selected Utility Rate Advisory Committee (URAC) Recommendations

Commissioner Olsen thanked staff for their work on this item. **Commissioner Stearns made a motion to approve the selected recommendations (as outlined in blue on the document provided in the agenda packet): Commissioner Oosterman seconded the motion; all in favor.**

Commissioner Signatures/Break: Commissioner Olsen announced a break to sign documents at 6:10 p.m. The meeting resumed at 6:20 p.m.

Presentations:

GM Weidenfeller discussed upcoming out-of-office dates for himself. He pointed out new information listed on his report, specifically the Pierce County Coordinated Water System Plan, PFAS/PFOA, staffing changes, and the upcoming URAC meeting on August 29th.

DFO Campbell provided highlights from his report. Commissioner Oosterman asked about the metering project for former H&R Waterworks connections, and the DFO gave a summary of the work completed for this project so far. Commissioner Stearns asked the staff about the reaction from customers whose usage exceeds the water rights for their specific system; GM Weidenfeller explained that there have been differing reactions from customers.

AGM Parker will provide a report at the next Commission meeting.

Commissioner Topics, Discussions and Reports:

Commissioner Olsen reported that there is no TRPC meeting in August. He had nothing else to report.

Commissioner Oosterman had nothing to report.

Commissioner Stearns was excused earlier in the meeting from the August 27, 2019 PUD Commission meeting. He will be available by phone for the next Commission meeting, but not physically present. He reported on the Chehalis Basin Partnership and upcoming matters for this entity.

Executive Session:

At 6:30 p.m., Commissioner Olsen announced that the Commissioners would enter into an Executive Session until 6:50 p.m. and stated that the Executive Session was called in accordance with the provisions of the following RCWs:

- **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,**
- **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, and**
- **RCW 42.30.110 (1)(g), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.**

At 6:43 p.m., it was announced that the Executive Session would be extended to 6:55 p.m. At 6:55 p.m., it was announced that the Executive Session would be extended to 7:10 p.m. At 7:10 p.m., it was announced that the Executive Session would be extended to 7:20 p.m. At 7:20 p.m., the Executive Session concluded, and the regular meeting resumed. No decisions were made in Executive Session.

Commissioner Oosterman made a motion to approve the new contract for GM Weidenfeller effective August 13, 2019: Commissioner Stearns seconded the motion; all in favor. Each Commissioner commented on the GM's service to the District.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting: Commissioner Stearns seconded the motion; all in favor. The meeting adjourned at 7:24 p.m.

Assignments:

1. Follow-up with Thurston County regarding modification of the District's agreement for IT service to include the new GIS services.
2. Show projects accomplished, by water system at the public hearings/meetings.
3. Research state and/or federal figures related to average water consumption/usage per customer.
4. Make the changes recommended by the Commissioners – remove the capital surcharge schedule, and highlight the paragraph above the schedule that states that there may be changes to the capital surcharge in the future.



Russell E. Olsen, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Vice President