

**MINUTES OF THE REGULAR MEETING OF JUNE 5, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for June 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, June 5, 2018, at the Public Utility District No. 1 of Thurston County office located at 1230 Ruddell Road SE, Lacey, Washington 98503. The meeting commenced at 5:00 p.m. Commissioners Chris Stearns, Russ Olsen, and Linda Oosterman 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 Superintendent, Tracie Jones, the District's Clerk to the Board, TaSeana Tartt, the District's Senior Accountant, and Ruth Clemens, the District's Senior Communications Specialist (SCS).

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 as presented. Commissioner Oosterman seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: May 22, 2018
Prequalification of Contractors:
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: May 25, 2018; May 31, 2018
 Payroll: June 5, 2018
Other: None

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

Public Comments: None

Discussion of Draft Updates to the 2018-2019 Strategic Plan:

The Board discussed the revised copy of the Strategic Plan. Commissioner Oosterman suggested some word usage changes. GM Weidenfeller recommended we do not include the years on the Strategic Plan. In January 2018, the District's 2016-2017 Strategic Plan looked like it was no longer in effect. GM Weidenfeller recommends that the Commissioners date the Strategic Plan whenever it is adopted or changed, then review it annually. GM Weidenfeller will add the wording for the Strategic Goals in the Strategic Plan that are listed on the back page of the Commission Agenda. The Commissioners will review the Strategic Plan and recommend changes to be incorporated and send them back to the GM for inclusion into the Draft Strategic Plan before the next meeting. The Board indicated they would approve an updated Strategic Plan at the next Commission meeting. The Board may wish to meet over the summer to review and update the Strategic Plan again.

Discussion of Resolution 18-20 CIP Amendment:

This resolution revises the 2018 Capital Budget to incorporate the changes discussed at the Board meeting. A description of the CIP line items was attached to the resolution. Resolution 18-20, 1st Revision to the 2018 Capital Budget, will be brought back for Board approval at the next Commission meeting.

Discussion of 2019 Budget Process Overview:

On June 5, we begin our 2019 budget schedule and process. AGM Parker provided the Board with the proposed 2019 budget preparation and adoption schedule.

Discussion (Initial) of 2019 Budget Priorities:

GM Weidenfeller stated that the staff would like the Board to identify the 2019 budget priorities during both the June board meetings. The staff also will provide the Board direction on what the staff's budget priorities are for the upcoming year. Commissioner Olsen asked AGM Parker if we have financial capacity for other priorities, as this is what will drive the budget priorities for 2019. AGM Parker said she will focus on reviewing the consumption history since last budget cycle to determine revenues available for priorities other than sustaining and maintaining the water systems and infrastructure. This will be completed by mid-July and will be presented to the Board at that time. Commissioner Olsen stated he had an aspirational goal to standardize equipment within the water systems so it is standardized within the Asset Management Plan. Commissioner Olsen said he also had an aspirational goal to go to automated meter reading and GM Weidenfeller mentioned that automated meter reading may not be financially viable but it is something we should consider. He mentioned that AGM Parker will be putting together a request for proposals/request for qualifications (RFP/RFQ) to replace the meter reading system; the former H & R Waterworks equipment as well as the PUD's equipment is reaching the end of its life cycle. Chris wanted to make financial stability the priority and securing a higher bond rating in the future.

Discussion of PFOA/PFAS Water Testing Plan:

GM Weidenfeller stated that staff would like to move forward with testing the Group A water systems that have been identified with potential PFOA and PFAS contamination. The District selected Kennedy Jenks Consultants as the engineering firm to work on this project. GM Weidenfeller would like the Board to approve, in a motion, the PFOA/PFAS Water Testing Action Plan; approve Kennedy/Jenks Consultants as the treatment engineer; and address, as appropriate, any testing results at or above the 70 parts per trillion level.

Discussion of the Utility Rate Advisory Committee (URAC) Applicants:

The GM noted that we received only six (6) applications for the URAC; five (5) applications were from former H&R Waterworks customers and one (1) is from the Tanglewilde-Thompson Place water system. The URAC is designed to have up to nine (9) members, and seven (7) members are required for the URAC to be activated. Staff will try to recruit more applicants and, if necessary, reschedule the interviews tentatively scheduled for July 17.

Discussion of the Knowles Road Water System Well:

GM Weidenfeller provided the Board with a written report. The Knowles Road #729 water system (Thurston County, 7 connections) in the Tenino area has had a problem with running out of water from spring to fall for many years. H&R Waterworks, when they owned the water system, tried many different methods to make the wells produce more water and none worked.

The primary well is producing less than 2 gallons a minute and the other well produces approximately 600 gallons per day. Past solutions include hauling in water and filling the reservoir when it is low. PUD staff have been working with Robinson and Noble, a hydrogeological firm, to determine other options to get more water from and for this water system. On Monday, June 5, staff met with a Thurston County Department of Health Environmental Health Specialist II to discuss the source issues.

The Board discussed the issues and authorized providing customers with a 500-gallon storage tank and pump if they will install it to PUD standards. Staff will continue to look at viable options and will see if the hydrogeologist can come to the next Commission meeting to brief the Commissioners on the geological formation and well options. The Board also approved returning the "ready-to-serve" rate monies the vacant lot owner has paid. The Board requires the owner to drill their own well if/when they drill on the property, if we can legally do so.

Action / Approval Items:

Commissioner Stearns made a motion to approved Commissioner Olsen's absence at the June 26, 2018 Board Meeting. Commissioner Oosterman seconded the motion; all in favor

Motion to Approve Selection of Utility Rate Advisory Committee Interview Applicants: Commissioner Olsen made a motion to table the interviews of applicants until more applications are received. Commissioner Stearns seconded the motion; all in favor.

Motion to Approve the Plan and Testing of Identified Group A Wells for PFOA/PFAS: Commissioner Olsen made a motion to approve the plan and testing of Identified Group A water system wells for PFOA/PFAS. Commissioner Oosterman seconded the motion; all in favor.

Motion to Approve the Plan to move forward with the Knowles Road Water Solution: Commissioner Oosterman made a motion to proceed with the Knowles Road Water Solutions. Commissioner Olsen seconded the motion; all in favor.

Motion to Approve the Selection of the Apparent Low Bidder, Olympia Painting Company to paint the 1230 Ruddell Road building trim and to paint the 1240 Ruddell Road building exterior: Commissioner Olsen made a motion to select the Olympia Painting Company to paint the 1230 Ruddell Road building trim and to paint the 1240 Ruddell Road building exterior. Commissioner Oosterman seconded the motion; all in favor.

Presentations:

General Manager's Report: John Weidenfeller, General Manager
GM Weidenfeller provided a written report in advance of the meeting. He has been working with customers from two Thurston County water systems that have expressed an interest taking a generator surcharge initiative to a vote in their communities. The District will work with Steve Hatton, P.E. on these projects. The first community vote is with the Country Club Estates water system which has 117 customers; this generator voting measure did not pass. The Country Club Estates water system needed 66% of voters to vote in favor and only 52 total votes were received

of that number only 32 were in favor. A total of 77 votes were needed to pass. The second community voting for funding a generator is Redtail Hawk Estates which has 33 customers; this vote is due in June 4, 2018.

As requested at the last meeting, GM Weidenfeller sent a letter to the Forest Glen Estates Homeowners Association (HOA) Board asking them to complete the information needed to allow the PUD to acquire their water system. He also informed the HOA Board that if this cannot be accomplished, the PUD will terminate its satellite management agency (SMA) agreement, and will no longer pursue acquiring the water system.

Commissioner Topics, Discussion and Reports:

Commissioner Oosterman reported on her meeting with the GM and the Realtor concerning renting the District's 1240 Ruddell Road SE building. There were several suggestions to help improve curb appeal of this building so it could get rented. It was suggested that a lighter shade of paint be used on the building as well as the possibility of trimming back the trees on the property. Commissioner Oosterman reported that we are currently competitive in our pricing and that unfortunately there isn't a lot of movement in the commercial property rentals. The District received three quotes for painting both the exterior of the 1240 Ruddell Road SE building as well as painting the trim on 1230 Ruddell Road SE building. The Board approved the painting by motion earlier in the meeting.

Commissioner Olsen attended the Thurston Regional Planning Council (TRPC) meeting on June 1, 2018. He reported that there are changes occurring within the leadership of the TRPC as well as a push to encourage schedule changes to help accommodate employees who commute during high traffic volumes as well as encourage telecommuting. Commissioner Olsen will be on vacation and may be unable to attend the June 26th meeting.

Commissioner Olsen was excused from the June 26th meeting by Commissioners Stearns and Commissioner Oosterman.


Commissioner Stearns spoke of attending the Thurston Regional Planning Council (TRPC) Meeting on June 1, 2018.

Summary of Assignments:

1. Award a Small Works Contract to the apparent low bidder after completing due diligence. The apparent low bidder is the Olympia Painting Company, and the work is for painting the exterior on the 1240 Ruddell Road building and the trim on the 1230 Ruddell Road building.
2. The GM will send the Strategic Plan to the Commissioners and they will provide input to him by June 20 so he can provide a version with any changes for discussion at the June 26th Commission meeting.
3. The Commissioners will come prepared to discuss budget priorities at the next Commission meeting.
4. Staff will notify the DOH Office of Drinking Water that the District will participate in PFOA/PFAS testing that will be funded by the State.
5. Staff will ask the consulting engineer to build participation in public meetings into the contract for addressing PFOA and PFAS issues.

6. Staff will continue to recruit applicants to serve on the URAC and will cancel the meeting tentatively scheduled on July 17 to interview candidates if at least seven applications are not received.
7. Notify the City of McCleary that the PUD understands that they are not interested in acquiring the water systems offered to them. The GM will contact the other party interested in acquiring these water systems.
8. Provide a copy of the Thurston County Group B rules to Commissioner Stearns.
9. Offer 500-gallon tanks with pumps to the Knowles Road water system customers if they will install them at their homes. Continue to address and research how to help solve this system's water source issues.
10. The Superintendent will provide the Board a projected schedule of meter installations on the former H&R Waterworks water systems.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Oosterman seconded the motion; all in favor. The meeting was adjourned at 7:57 p.m.


Chris Stearns, Commissioner and President

Attest:


Linda Oosterman, Commissioner and Secretary