

**MINUTES OF THE REGULAR MEETING OF JUNE 26, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, June 26, 2018 at the PUD's administrative office located at 1230 Ruddell Rd SE, Lacey, WA 98503, commencing at 5:02 p.m. Commissioners Linda Oosterman and Chris Stearns were present for the meeting; Commissioner Russell E. Olsen was excused from 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, Ruth Clemens, the District's Senior Communications Specialist, TaSeana Tartt, the District's Senior Accountant, and Kurin Rosado, Accounting Assistant. Tracie Jones, the Clerk to the Board, was excused from the meeting.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:02 p.m. The Pledge of Allegiance was recited.

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

Consent Calendar:

Approval of Minutes: June 5, 2018

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: June 7, 2018, June 18, 2018, June 22, 2018

Payroll: June 5, 2018

Resolutions:

1) Resolution 18-21, Policy Update

2) Resolution 18-10, Awarding the Indian Crest #1 Well Replacement Contract

Other: None

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

Public Comments: None

Presentation and Discussion: Mike F. Piechowski with Robinson Noble presented on the Knowles Road water system. He gave a brief history of the supply issue at the water system, and he presented site/area maps as well as examples of wells near the Knowles Road water system. Mr. Piechowski proposed potential options to solve the problem, and Commissioners and staff discussed the issue with Mr. Piechowski.

Information or Discussion of Operations/Policy Issues:

Discussion, Updates to the Strategic Plan

The updates brought forth at this meeting were proposed at an earlier meeting. The Commissioners did not have any further changes, and Commissioner Oosterman noted that any additional changes can be updated at a later date.

Discussion, 2019 Budget Priorities

AGM Parker is working on a budget forecast for 2019, however this information will not be available until a meeting later in the year. The Commissioners and staff discussed the solar power assignment that tasked PUD staff to install solar panels at a water system and sell power back to PSE. Commissioners Stearns and Oosterman agreed that this item should be removed as an assignment until the Board directs further action in the future. However, the installation of a solar well pump at the Meadows water system will continue as planned; the General Manager was directed to place this item on the Consent Agenda for the next meeting.

Discussion, Utility Rate Advisory Committee (URAC) Applicants

Six URAC candidate applications have been received and seven are required to activate the committee. Staff reached out to customers in order to garner more interest in applying for the URAC. The July 17th Special Meeting to interview candidates will be cancelled since the low number of application submissions falls under the activation requirement. Interviews will be rescheduled at a later date. Letters will be sent to applicants informing them of the delay in activating the URAC. Commissioner Stearns informed the GM that the AWWA M1 Manual has an Advisory Committee Appendix.

WPUDA Water Committee Meeting – June 28

GM Weidenfeller and Commissioners Oosterman and Stearns will attend the meeting. The GM will come in the afternoon.

WPUDA Meetings in Chehalis – July 18 – July 20

Commissioners and staff discussed attendance for these meetings.

PUD Picnic – 2:00 p.m. on July 29

Staff discussed arrangements for the annual PUD picnic at Pioneer Park in Tumwater.

Discussion, Thurston County TCOMM

Commissioner Oosterman requested this agenda item, and she discussed the Smart911 program advertised by the Thurston 911 Communications (TCOMM) organization.

Action Items:

Resolution 18-20, 2018 CIP Amendment

This resolution was discussed at an earlier meeting. **Commissioner Oosterman made a motion to approve Resolution 18-20 as presented: Commissioner Stearns seconded the motion; all in favor.**

Resolution 18-22, Change to Personnel Policies and Procedures (Bid Limits for Purchases)
This resolution was discussed at an earlier meeting. **Commissioner Oosterman made a motion to approve Resolution 18-22 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 18-23, Adoption of Updated Strategic Plan
This resolution was discussed at an earlier meeting and also earlier in this meeting.
Commissioner Oosterman made a motion to approve Resolution 18-23 as presented; Commissioner Stearns seconded the motion; all in favor.

Presentations:

General Manager, Superintendent, and Direction of Planning & Compliance Reports:
GM Weidenfeller provided a written report. He reported that there will be \$12.5 million available for drought programs; DPC Gubbe may apply for some of these funds for drought-related programs. The GM also informed the Commissioners of a franchise tax implemented by King County. In addition, there were two customers on two different water systems for which exempt-well drilling is an issue. GM Weidenfeller also went through the DPC's report, commenting on certain issues and discussing the report with the Commissioners. Superintendent Campbell spoke briefly on some processes in operations, and the Commissioners discussed these topics with him.

Finance Report:

AGM Parker provided a written report. She gave a brief update on her report; she also stated that there will probably be an amendment to the 2018 budget later this year. Staff hours were discussed as well as administration of the DWSRF loan program through the State.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen was excused from the meeting.

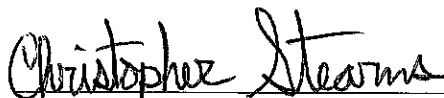
Both Commissioner Oosterman and Commissioner Stearns spoke earlier in the meeting – they did not report, but instead skipped to the Executive Session.

Summary of Assignments:

1. Cancel the assignment to bring forward a plan to install solar panels at a water system and sell power back to PSE.
2. Continue with the installation of a solar well pump at the Meadows water system and place this item on the Consent Agenda at the next meeting.
3. Cancel the Special Meeting scheduled for July 17th to interview applicants for the URAC. Send a letter to the URAC applicants explaining that not enough applications have been received to activate the URAC; six applications were received and seven of the nine positions are required to be filled to begin the URAC. We are continuing to reach out to customers.
4. Address wells being drilled in the District's service areas at the Lew's 81st and Foron water systems.

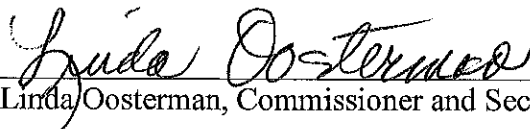
At 8:01 p.m., Commissioner Stearns announced that the Board would enter into an Executive Session as authorized by RCW 42.30.110 (1)(c), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price, until 8:22 p.m. At 8:22 p.m., the Executive Session was closed, and the regular meeting resumed.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 8:22 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary