

**MINUTES OF THE REGULAR MEETING OF JULY 25, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for July 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Thursday, July 25, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present for the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), Kim Gubbe, the District's Director of Operations and Compliance (DOC), and Kurin Rosado, Clerk to the Board.

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

Approval of Agenda: GM Weidenfeller asked to add a discussion item to the Executive Session – to receive and evaluate complaints or charges brought against a public officer or employee, as authorized by RCW 42.30.110(f). Commissioner Stearns made a motion to approve the amendment: Commissioner Olsen seconded the motion. Commissioner Olsen made a motion to approve the agenda as amended: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: July 13, 2017

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: July 21, 2017

Payroll: July 20, 2017

Resolution: None

Other: Letter in Support of Thurston Regional Planning Council (TRPC) Grant Application

Consent Calendar: Commissioner Olsen 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:

Water Use Efficiency Report/Leak Report and Conservation

DOC Gubbe presented reports on Water Use Efficiency, Leaks, and Conservation. The District's Water Use Efficiency goal was met for all PUD-owned Group A water systems that were owned for a full year prior to 2017. She discussed water use efficiency for newly acquired water systems. Leak loss for PUD-owned Group A water systems was also discussed, along with the action plan for finding and repairing the leaks with large leak loss. DOC Gubbe also discussed the past year's conservation initiative and this year's conservation program: water hose timers. Meter testing/replacement was discussed.

Change Order to Move Kitchen from the 1st Floor to the 2nd Floor

Staff and Commissioners discussed the possibility of moving the kitchen from the 1st floor of the 1230 Ruddell Road SE building to the 2nd floor. However, the main concern behind moving the kitchen was eliminated, so the Commissioners agreed to move forward with construction without the kitchen change. The project and contractor were discussed.

Set Strategic and Budget Priorities for 2018

DFA Parker discussed the budget items that have been requested so far: sufficient monies for the Commissioner meetings due to Commissioner Olsen's increased involvement with TRPC, a software upgrade to the meter reading devices, and the cost of post-retirement health benefits for PUD employees.

Reminder – 1st Meeting in August is Wednesday, August 9, 2017

GM Weidenfeller reminded the Commissioners that the first August Commission meeting is scheduled for Wednesday, August 9th.

Low Income Assistance Program

DFA Parker discussed the low income assistance program currently in effect. Commissioner Oosterman asked to revisit the program in a year.

Customer Service Satisfaction Survey

A draft customer service satisfaction survey was presented to the Commissioners. A copy of the survey will be included in the August 2017 newsletter so that customers can complete the survey by October 13th.

Quarterly Strategic Plan Report for 2nd Quarter 2017

GM Weidenfeller presented the 2nd quarter update for the quarterly Strategic Plan Report. DFA Parker asked the Board about the possibility of instigating an incentive program for customers that establish auto-pay for their accounts and the Board authorized with proceeding with an incentive program. Commissioner Stearns inquired about attending American Water Works Association (AWWA) conferences in the future.

Action Items:

Resolution 17-33, Professional Services Contract for Financial Consultant Services

DFA Parker explained the need to update the financial model built in 2014 to include the possibility of acquiring new water systems. The same advisor that built the financial model in 2014 will be working with DFA Parker this year. **Commissioner Stearns made a motion to approve Resolution 17-33 as presented; Commissioner Olsen seconded the motion; all in favor.**

Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that with the Superintendent's resignation, the Temporary Laborer has been promoted to a full-time Meter Reader position. In addition, one of the Meter Readers has accepted the Field Technician Lead Worker position on a temporary basis. Additional training for field staff will be provided. The GM discussed the Skookumchuck water system project, and the issues encountered with the contractor. Replacement of the water treatment at Maxvale water system has also been completed.

Finance Report: Julie Parker, Director of Finance and Administration

DFA Parker provided a written report. She reported that fund balances look good, and the employee overtime line item is higher than anticipated. The GM stated that he expects that additional overtime will be needed and that this line item in the budget will be exceeded in 2017.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen has been working with DFA Parker on the budget and cash flow. He hopes to minimize rate shock to PUD customers. He relayed information regarding TRPC, and he also spoke to the Hirst decision.

Commissioner Oosterman discussed her desire to participate with Friendly Water for the World, a nonprofit organization based out of Olympia. She also spoke about the Hirst decision.

Commissioner Stearns relayed that a rate hearing is scheduled in August at the Utilities and Transportation Commission (UTC) in regard to a proposed rate increase. The Commissioners also discussed the Letter of Support approved in the Consent Calendar for TRPC.

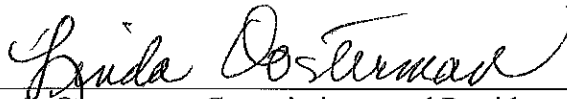
At 7:30 p.m., Commissioner Oosterman announced that the Board would be entering an Executive Session to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(b), until 8:00 p.m. At 8:00 p.m., the Executive Session was closed. Commissioner Olsen made a motion to authorize the General Manager to sign a Purchase and Sale Agreement to acquire water systems with a closing planned in late September or early October; Commissioner Stearns seconded the motion; all in favor.

At 8:00 p.m., Commissioner Oosterman announced that the Board would be entering an Executive Session to receive and evaluate complaints or charges brought against a public officer or employee, as authorized by RCW 42.30.110(f) (Note: The Chair erroneously stated RCW 42.30.110(g)), until 8:25 p.m. At 8:25 p.m., the Executive Session was closed and the regular meeting resumed.

Summary of Assignments:

- Schedule a discussion item in August 2018 regarding the Project Help low income assistance program.
- Gather ideas for the PUD new building open house.

Adjournment: Commissioner Stearns made a motion to adjourn the meeting; Commissioner Olsen seconded the motion; all in favor. The meeting was adjourned at 8:25 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary