

**MINUTES OF THE REGULAR MEETING OF AUGUST 28, 2018**  
**OF**  
**PUBLIC UTILITY DISTRICT NO. 1**  
**OF**  
**THURSTON COUNTY, WASHINGTON**

The second regular meeting for August 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, August 28, 2018, at the PUD's administrative office located at 1230 Ruddell Rd SE, Lacey, WA 98503, commencing at 5:00 p.m. Commissioners Russell E. Olsen and Linda Oosterman were present for the meeting. Commissioner Stearns called in to 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 (SCS), TaSeana Tartt, the District's Senior Accountant, and Tracie Jones, the District's Clerk to the Board.

**Call to Order: Commissioner Olsen called the regular meeting to order at 5:00 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: August 14, 2018

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: August 17, 2018, August 23, 2018

Payroll: August 20, 2018

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:**

Steve Albert, President of the Timberline Village Homeowners Association (HOA), asked to speak to the Board. Mr. Albert requested the Board grant the HOA an extension to make a decision to purchase the Packwood water systems until the end of 2018. This will allow the HOA more time for voting in accordance with their bylaw provisions, and to do further research to better understand the water system and its infrastructure. He stated that they would have to go through the process to become an LLC in order to qualify for specific funding, therefore requiring the additional time to allow for that to happen. Mr. Albert also requested that the Board reconsider their request for a special water rate for the community pool. He stated that when they were owned by H&R Waterworks, the HOA had a flat rate and were paying \$85.00 per month compared to the present where their bills run approximately \$450.00 per month. Mr. Albert also expressed his opposition to the Packwood Lodge receiving a special flat rate and that they believe that the majority of the leaks are occurring at that location.

Jeff Broom, Vice President of the Timberline Village HOA, asked to speak to the Board. Mr. Broom voiced concerns after having a discussion with a sanitary survey inspector concerning the state of the water system. He asked if there have been any recent water availability certificates given out for the Timberline water system. He stated the water system connection listing shows 280 connections on a

system that is permitted for 270. Mr. Broom also expressed his opposition of the Packwood Lodge receiving a special flat rate and said he fears a majority of the system leaks are occurring on that property. He requested the PUD meter all unmetered areas within this system to allow for an accurate accountability of water use. The Board spoke briefly on the concerns of Mr. Albert and Mr. Broom and stated that they have given GM Weidenfeller all negotiating authority and that the Board does not get involved in negotiations. The Board thanked Mr. Albert and Mr. Broom for taking the time to attend the meeting and for expressing their concerns.

#### **Information or Discussion of Operations/Policy Issues:**

##### **Initial Proposed Budget Presentation**

AGM Parker presented the Board with the Preliminary 2019 Operating and Capital Budgets. The Board requested after much discussion that the rate stay under 3% and that the out-of-county rate be reduced by 50% and not 100% as reflected in the draft presented of the 2019 budget. The Capital Surcharge was recommended to remain at \$6.70 for 2019. Public Hearings will be taking place in September, with final approval of budget occurring on October 1, 2018.

##### **Equipment Replacement for Items over \$3000.00**

AGM Parker presented the Board with a plan for funding of equipment replacement for vehicles, equipment, and building maintenance. It is estimated to require an annual contribution of approximately \$139,550.00

##### **Utility Rate Advisory Committee Orientation and Training**

GM Weidenfeller presented the Board with a proposed training schedule for the incoming Utility Rate Advisory Committee (URAC) members. There were no objections to the proposed schedule.

##### **PFOA/PFAS Direction from WA State DOH ODW**

The Office of Drinking Water provided "Changes to PFAS Sampling Project" in an email on August 20, 2018. Commissioner Olsen stated that we need to get the data required and address cost recovery at a later date. The Board decided that the PUD will move forward with DOH-funded testing.

#### **Action Items:**

##### **Resolution 18-26, Hotel Motel Flat Rate**

This resolution was discussed. The resolution was amended to read that meters will be installed no later than December 31, 2019. **Commissioner Stearns made a motion to approve Resolution 18-26 as amended: Commissioner Oosterman seconded the motion; all in favor.**

##### **Resolution 18-27 Authorizing 2018 PURMS Interlocal Agreement**

This resolution was discussed at an earlier meeting. **Commissioner Oosterman made a motion to approve Resolution 18-27: Commissioner Stearns seconded the motion; all in favor.**

#### **The Board approved;**

- 1. Budget, Rate and Capital Surcharge Hearings to be held on September 11 at 5:30 p.m. and on September 18, 2018 at 5:00 p.m. at the Lacey Community Center.**
- 2. A Special Meeting to be held on October 1, 2018 at 6:15 p.m. at the District's Office at 1230 Ruddell RD SE, Lacey, WA 98503.**

**Presentations:**

**General Manager, Superintendent, and Direction of Planning & Compliance Reports:**

GM Weidenfeller provided a written report. He informed the Board that the letters have been sent to water systems we operate and manage terminating our satellite management agency (SMA) contracts with them effective October 31, 2018. The Dana Passage HOA Board has requested to delay SMA termination until the end of March 2019 and has requested that Thurston PUD make them an offer to acquire their water system.

GM Weidenfeller updated the Board with the expected delivery and installation of the generator at the 1230 Ruddell Road SE building. The generator installation completion date is October 29, 2018. The generator is scheduled for delivery by September 1, 2018.

GM Weidenfeller spoke to the Board about the Employee Service Recognition Program, recommended by Commissioner Stearns, that he put together with the assistance of SCS Clemens and Senior Accountant Tartt.

SCS Clemens reported that the wellness room has been completed and that the PUD employees are very pleased with the outcome. GM Weidenfeller thanked the Board for their support of this project for the staff.

DPC Gubbe been working with Steve Hatton and has provided the Board with a draft plan for replacing and removing the trees at 1230 Ruddell Road SE. The estimated cost of removal and replacement of the trees is estimates at \$25,400.

**Financial Variance Report**

AGM Parker provided a written report. She reported that a few expenditures have come in over the budgeted allotments in some categories. As a whole, the General Fund expenditures as well as the Water Fund expenditures are still within the budgetary allotments for 2018.

**Commissioner Topics, Discussion and Reports:**

Commissioner Oosterman would like to see if we can educate customers and the public on the PUD history. Recently during an interview, she found out that many believe the PUD has been a fully functioning PUD since the 1930's. Commissioner Oosterman would like to be able to show our customers a timeline or history of the PUD. Commissioner Oosterman will attend the Deschutes WRIA meetings once they are scheduled and will report back to the Board.

Commissioner Olsen reported that he will be attending the Nisqually WRIA meeting on August 30, 2018. He plans to attend these meetings regularly. Commissioner Olsen will not be attending the first Board meeting on September 11, 2018; he was asked to speak at a national conference. He will be in attendance at the September 18, 2018 meeting.

Commissioner Stearns has been attending the August Commission meetings via telephone as he is currently on the East Coast. He will be in attendance at the Board Meetings in September.

**Summary of Assignments:**

1. The GM will follow-up with the Timberline Community Association regarding their questions.

2. Staff will confirm with the Department of Health that the District wishes to proceed with PFOA PFAS testing.
3. Staff will follow-up with the Packwood Lodge owner regarding rates and bill him for past due per Resolution 18-26.
4. Staff will advertise for new and changed Commission meetings per the Board's direction on the 8/28 Agenda Action/Approval guidelines.
5. Staff will bring forward a resolution for the Employee Service Recognition Policy.
6. 2019 Budget: keep below 3%, don't eliminate the out-of-county charge, reduce it by 50%.
7. Install meters at the Packwood Lodge no later than December 31, 2019.

**At 7:35 p.m. Commissioner Olsen announced that the Board would enter into Executive Session as authorized by RCW 420.30.110(1) ( c ) , for fifteen (15) minutes 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. At 7:50 p.m. Commissioner Olsen announced 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 7:50 p.m.**



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Russell E. Olsen, Commissioner and Vice President

Attest:



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Linda Oosterman, Commissioner and Secretary