

**MINUTES OF THE REGULAR MEETING OF SEPTEMBER 11, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for September 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, September 11, 2018, at the Lacey Community Center located at 6729 Pacific Ave SE, Lacey, WA 98503, commencing at 5:30 p.m. Commissioners Chris Stearns and Linda Oosterman were present for the meeting. Commissioner Olsen was excused to attend a national conference. 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, Kim Gubbe, the District's Director of Planning and Compliance (DPC), Ruth Clemens, the District's Senior Communications Specialist (SCS), TaSeana Tartt, the District's Senior Accountant, Andy Baker P.E., Rate Analyst, FCS Group, Tracie Jones, the District's Clerk to the Board, and members of the PUD Staff.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:35 p.m. The Pledge of Allegiance was recited.

Approval of Agenda: Commissioner Stearns made a motion to approve the agenda, with the amendment to move the Public Hearing to the end of the meeting. Commissioner Oosterman seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: August 28, 2018

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: August 31, 2018, September 7, 2018

Payroll: September 5, 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: None

Information or Discussion of Operations/Policy Issues:

Discussion, Proposed Resolution 18-30, Adoption of the 2019 Budget:

The proposed 2019 Operating Budget proposes a 2.99% increase in PUD legacy water system rates for operations and management. The budget includes:

- Addition of 1 new FTE to assist in the accounting function
- Increase to Employee Benefits a result of the increased PERS state retirement contribution and higher health benefit costs experienced in recent years.
- Anticipated cost of operations for the new PUD office building purchased in 2017
- Funding plan for replacement of vehicles, building components and equipment.

Discussion, Proposed Resolution 18-31, Adoption of the 2019 Capital Budget:

The proposed 2019 Capital Budget proposes \$1,632,000 in capital projects to be completed in 2019 in accordance with the District's Asset Management Plan. Other items in the proposed 2019 Capital Budget include:

- Continuation of the DWSRF project to combine the Platt and Sward water systems;
- Replacement of two (2) vehicles in our fleet; and,
- Rebuild of several pump houses using Public Works Trust Fund loans awarded in 2018.

Discussion, Proposed Resolution 18-32, Adoption of the 2019 Rates, Fees, Charges, and Capital Surcharges:

The purpose of this resolution is to adopt the water rates, fees, charges and capital surcharges for 2019. The proposed rates will raise the average general PUD legacy water system bill by 2.99%. Water systems acquired in the last 2 years receive increases to bring them closer to the legacy system PUD rates. This resolution also continues the 2019 Capital Surcharge at \$6.70 monthly, per equivalent residential unit (ERU).

AGM Parker informed the Board that all three resolutions will be presented at the October 1, 2018 meeting for approval.

Action Items: None

Presentations:

General Manager, Superintendent, and Director 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 an offer to acquire their water system. The GM and Superintendent will be meeting with the HOA Board in September. The Cedarwood HOA has asked the PUD to make an offer for their water system.

GM Weidenfeller reported that we have compiled a list of 150 unmetered accounts from the H&R Waterworks acquisition. The Superintendent will prioritize the installation of the meters. The breakdown for unmetered connections is below:

- 71 Group A connections;
- 4 Commercial Systems (duplexes, fourplexes+ and apartment houses, 159 connections) estimated at 25 meters; and,
- 54 Group B connections.

Field Technicians have been working on installing meters at the Vineyards, a Thurston County Group A water system with 61 connections.

Field Technician Derek Genre spoke about the repairs that were required at the Boots and Saddles Water system, a Pierce County Group A water system with 36 connections. GM Weidenfeller and the Commissioners thanked Field Technician Genre and staff for their work on this emergency repair.

Public Hearing: 2019 Proposed Budget, Rates, Fees, Charges, and Capital Surcharges

Commissioner Stearns opened the Public Hearing Portion of the meeting at 6:35 p.m. No members of the public were present.

GM Weidenfeller provided the Commissioners with an overview of the budget, rates, fees, charges, and capital surcharges. **He provided the Commissioners with emails received from Mr. Bill Stull from the Hawley Hills water system, customers from Hawley Hills and Mr. Frank Ortiz from the Terry Lane Water System who were not in support of any rate increases.**

Commissioner Stearns closed the Public Hearing at 6:45 p.m.

Commissioner Topics, Discussion and Reports: None

Summary of Assignments: None

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting adjourned at 6:45 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary

