

**MINUTES OF THE REGULAR MEETING OF SEPTEMBER 18, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for September 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, September 18, 2018, at the Lacey Community Center located at 6729 Pacific Ave SE, Lacey, WA 98503 commencing at 5:00 p.m. Commissioners Chris Stearns, Linda Oosterman and Russell E. Olsen 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), Ruth Clemens, the District's Senior Communications Specialist (SCS), Jim Campbell, the District's Superintendent, Kim Gubbe, the District's Director of Planning and Compliance (DPC), TaSeana Tartt, the District's Senior Accountant, 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 5:00 p.m. The Pledge of Allegiance was recited.

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

Consent Calendar:

Approval of Minutes:

Prequalification of Contractors: K and K Asphalt

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: September 13, 2018

 Payroll:

Other: None

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

Public Comments: None

Proposed 2019 Budget, Rates, Fees, Charges and Capital Charges Overview: GM Weidenfeller provided an overview of the Proposed 2019 Budget, Rates, Fees, Charges, and Capital Charges

Public Hearing: 2019 Proposed Budget, Rate, Fees, Charges, and Capital Surcharge
Commissioner Stearns opened the Public Hearing Portion of the meeting at 5:16 p.m.

Several customers from the Hawley Hills and Deerfield Park water systems were present. Bill Zidel, Tom Rolfs, Chris Virnig, Pearl Alexander, Emily Ott and James Anderson testified to the Commissioners stating they were opposed to any rate increases.

Commissioner Stearns closed the Public Hearing at 6:14 p.m.

Information or Discussion of Operations/Policy Issues: None

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

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

The Proposed 2019 Budget includes:

- The addition of 1 new full time employee to assist in the accounting function;
- An increase to Employee Benefits, a result of the increased PERS state retirement contribution and higher health benefit costs experienced in recent years;
- The anticipated cost of operations for the new PUD office building purchased in 2017; and,
- A 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:

- The continuation of the DWSRF project to combine the Platt and Sward water systems;
- The replacement of two (2) vehicles in our fleet; and
- Rebuilding 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 and charges for 2019. The proposed rates will raise the average legacy water customer bill by 2.99%. 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: None

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

GM Weidenfeller provided a written report to the Board.

Financial Variance Report:

AGM Parker provided a written report to the Board.

Commissioner Topics, Discussion and Reports: None

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded the motion; all in favor. The meeting adjourned at 6:15 p.m.


Chris Stearns, Commissioner and President

Attest:


Linda Oosterman, Commissioner and Secretary