

**MINUTES OF THE REGULAR MEETING OF OCTOBER 23, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for October 2018 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, October 23, 2018, at the Thurston PUD located at 1230 Ruddell Road 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), Jim Campbell, the District's Director of Field Operations (DFO), TaSeana Tartt, the District's Senior Accountant, Ruth Clemens, the District's Senior Communications Specialist (SCS), and Tracie Jones, the District's Clerk to the Board.

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 amended agenda: Commissioner Oosterman seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: October 9, 2018

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: October 12, 2018, October 18, 2018

Payroll: October 19, 2018

Other: None

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

Public Comments: No members of the public were present. Commissioner Stearns stated he would open up the public comments section again if members of the public come late and would like to address the Commissioners.

Information or Discussion of Operations/Policy Issues:

Strategic Plan Performance Measures Report, 3rd Quarter 2018 Update

GM Weidenfeller requested the Board table this discussion until the next Board meeting.

Commissioner Olsen motioned to table discussion; Commissioner Oosterman seconded the motion; All in favor.

Discussion Fleet Management Services

AGM Parker provided the Board with a handout about Verizon Connect. AGM Parker reported to the Board that the Verizon Connect Program will increase productivity and employee safety by:

- Optimizing routes for better fuel consumption.
- On-time vehicle maintenance information.
- Equipment tracking.
- Providing GPS tracking which will increase field staff safety as well as ensure a quicker response to emergency calls.

Currently Verizon is offering a promotion during the month of October to waive the cost of the device on all orders received by October 31, 2018. This is consistent with the budget, and is less than two percent of the operating budget line item. The Board discussed the proposed fleet management services and had no issue with moving forward with this tool to help ensure employee safety.

Discussion, Low Income Assistance Program

AGM Parker provided the Board with a written report. The Board asked staff to look at possible options to expand the low-income assistance program to include renters. Staff recommended to continuing with current program and expanding it to include renters. Staff would find a vendor to administer the program. A low-income rate is not recommended as it has an adverse on other customers who are just above the poverty line. The Board noted staff will be providing the Board with options on revising the rate tiers and asked that staff also provide an option that includes some consumption in the tiers

Discussion, Res. 18-33, Adopt 2019 Ad Valorem Tax

This resolution is required to establish the level of the regular property tax levy to be collected in 2019 at the highest lawful amount. This will be adding a 1% increase to the Ad Valorem tax. This resolution will be placed on the Action/Approval agenda item at the next meeting for the Board's consideration.

Discussion, Res. 18-34, Lost Tax Resolution

The purpose of this resolution is to authorize a refund levy of \$1,661.39 to make up for lost tax dollars due to refunds given to taxpayers as a result of changes in value. In order to collect the lost tax revenues, the resolution must be adopted and submitted to the Thurston County Commissioner's Office no later than November 30, 2018. This item will be placed on the consent calendar for the next meeting.

Action/Approval Items: None

Public Comments: Commissioner Stearns re-opened the meeting for public comment at 5:15 p.m. when members of the public arrived at the meeting. One member of the public wished to speak, Ms. Pearl Alexander, from the Hawley Hills water system. Ms. Alexander stated she is extremely unhappy with her high-water bills and does not agree with the current rate structure. Ms. Alexander attended the previous public hearing in September and expressed her concerns then as well. The Board previously directed staff to review the tiered rate structures. The Commissioners thanked Ms. Alexander for taking the time to come in to address the Board, and assured her that they are looking into all available options.

Commissioner Stearns closed the Public Comments session at 5:42 p.m.

Commissioner Signatures/Break: The Commissioners took a break at 5:43 p.m. and signed documents. The Commission meeting resumed at 5:55 p.m.

Presentations:

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

GM John Weidenfeller provided the Board with a written report. The Board was informed of a two-day Comcast outage at the 1230 Ruddell Road location, during which time there was not internet access and phone service was intermittent. TaSeana Tartt, the District's Senior Accountant, acted as liaison between Comcast and the PUD to get the situation resolved. The issue was a Comcast connection at intersection, not within our building. GM Weidenfeller and DPC Gubbe met with Janet Cherry, from the Office of Drinking Water. Ms. Cherry is the Manager of the Drinking Water State Revolving Fund (DWSRF) loan program and she also manages the Washington State Acquisition and Rehabilitation Program (WSARP). He noted we are working with Ms. Cherry to address loans and grants for several water systems. The Board had some questions on the Satellite Management Agency (SMA) contract terminations. Updates discussed are below.

- **Dana Passage:** The HOA Board requested to delay SMA termination until the end of March 2019. The GM and Superintendent met with the HOA Board on September 24.
- **Cedarwood:** The GM, AGM and Superintendent met with Cedarwood HOA community to discuss acquisition of their water system on September 22nd. An offer was made and Counsel is working on developing a contract.
- **Olympic View:** Termination of the SMA contract will be October 31. This system would be a good addition to the PUD
- **Delphi Golf Course:** The HOA agreed to terminate their contract with the PUD effective October 31, 2018.

Jim Campbell, the DFO, provided the Board with a written report and addressed some questions.

Financial Variance Report

AGM Parker provided the Board with a written report. The General Fund expenditures are well within the budgetary allotments for 2018. The Water Fund has a few expenditures that came in over the budgeted allotments in some categories. AGM Parker will do a year end budget amendment to realign the budget, but as a whole, the Water Fund expenditures are still within the allotments for 2018.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen will be attending the TRPC meeting in November and will provide the Board with more information at the next meeting.

Commissioner Oosterman has been busy with her campaign and educating the public on the history of the PUD. She expressed concern about the open public meetings issues with the City of Yakima that resulted in fines to the City and would like to address this at an

upcoming meeting if possible. Commissioner Oosterman feels that the PUD has to publish meeting notices when more than one Commissioner is attending the same event.

Commissioner Stearns, in response to Commissioner Oosterman's report, stated that all the grounds rules are followed when there isn't a quorum. PUD business is not discussed, but they are able to discuss issues within their counties. Commissioner Stearns will be attending the Chehalis Partnership meeting on October 27, 2018 and will update the Board at the next PUD Commission meeting.

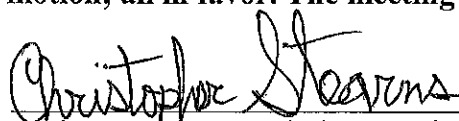
Executive Session: At 6:15 p.m. Commissioner Stearns announced that the Board will be entering an Executive Session for 30 minutes from 6:15 p.m. to 6:45 p.m. as authorized by RCW 42.30.110 (1) (c), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price.

At 6:45 p.m. the Board came out of Executive Session and Commissioner Stearns announced that the Board was back in the Regular Session.

Assignments:

1. Review rate tiers to see if it possible to adjust the tiers by adding some consumption in the first tier.
2. Present the 3rd Strategic Plan Quarterly Performance Measures Report at the November 13 PUD Commission meeting.
3. Bring back a resolution expanding the low-income assistance program to renters and contract for services with the appropriate community action agencies for screening of renters. Continue outreach to customers soliciting contributions for the low-income assistance program.
4. Implement fleet management services.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded the motion; all in favor. The meeting adjourned at 6:46 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary