

MINUTES OF THE SPECIAL MEETING OF NOVEMBER 20, 2018
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The special meeting of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, November 20, 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), TaSeana Tartt, the District's Senior Accountant, and Ruth Clemens, the District's Senior Communications Specialist (SCS).

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: None

Consent Calendar: None

Introductions: This special meeting was held in order to meet and interview candidates for the Utility Rate Advisory Committee (URAC). GM Weidenfeller opened up the special meeting with a roundtable introduction beginning with the Commissioners. Each Commissioner welcomed the candidates, explained their professional experience as well as their experience as a PUD Commissioner. They also briefly explained their goals in collaborating with the URAC. GM Weidenfeller introduced himself and expanded on his professional career and gave a brief historic overview of the PUD and its water systems. Senior Account TaSeana Tartt and SCS Ruth Clemens introduced themselves.

Candidates present: Six candidates were present for the URAC interview: Tessa Hale, Deschutes Village water system; David Logan, Riverlea water system; Bob Berschauer, Deerfield Park 1 water system; Gerry Smith, Countrywood water system; John Pirie, Tanglewilde water system. Each candidate spoke briefly about their professional experience and their intention for applying for the URAC. **Not present:** Robert King, Reserve CP 4 water system.

GM Weidenfeller went over the details of Resolution 18-06 and the tentative training schedule for the URAC so members could voice any scheduling conflicts with the proposed dates and times. The GM expanded on each class to give the URAC an idea of what they will look forward to learning.

Gerry Smith requested flexibility for July meeting due to his pre-scheduled summer plans. GM Weidenfeller explained that the schedule is tentative and is based on their availability. David Logan asked on which RCW 'ran' the PUD. GM Weidenfeller answered Title 54 and gave a high-level overview of the RCW.

GM Weidenfeller excused the URAC to the conference room in the administrative office portion of the PUD to collaboratively discuss and solve a prepared problem scenario. They were then asked to present their solution to the Board after 30 minutes. Before dismissing the group, Commissioner Stearns requested GM Weidenfeller explain the water system maps throughout the room.

Tessa Hale asked what the basis was for the PUD acquiring H&R Waterworks. GM Weidenfeller explained the long-term goals of the PUD's water systems acquisition. Using the maps, GM Weidenfeller explained where PUD water systems are located.

Gerry Smith asked how many customers the PUD currently serves. David Logan asked how many customers were on the Tanglewilde-Thompson Place water system.

Commissioner Olsen gave the group parting thoughts with URAC before they analyzed the scenario that the Commissioners are committed to investing in water system infrastructure and long-term management.

Gerry Smith suggested we educate customers about the Capital Surcharge. Commissioner Oosterman spoke of the difficulties of communicating with customers due to evolving forms of communication media.

Commissioner Signatures/Break:

The group was excused and given 45 minutes to work on the scenario exercise.

The meeting reconvened at 6:50 p.m.

Presentations:

John Pirie presented the Board with the URAC's solutions to the Scenario for consideration. The question is:

If you were to recommend changing the PUD's tiered water rates, how would you change them, why and what would the new rates look like?

Four possible solutions were presented:

1. **Adjusting consumption rates and adding a tier.** Keeping consumption charges for Tier 1 as it currently stands, but adjusting the following tiers as so:
 - a. Tier 2: 501-999
 - b. Tier 3: 1000-3000
 - c. Tier 4: 3000-6000
 - d. And adding Tier 5 to be 6000+
2. **Budget billing cycle.** Past year usage would be averaged out each month, which could result in lower bills during high usage months during the summer. At the end of the year, their billing would adjust if they went over averaged amount, usage would be added to the next year's average to produce a new amount.
3. **Rounding base rate to the nearest dollar amount.** Make it more usable.
4. **Having gallon reads on bills.** Most customers are not aware of how to convert cubic feet to gallons. Including gallons somewhere on the customer bill would help people understand how much they are consuming and better understand their bill.

Closing comments:

John Pirie commented how well the group worked together on the scenario. Gerry Smith suggested that URAC members consider attending public meetings with PUD staff and

Commissioners as community advocates. Commissioner Oosterman and Tessa Hale commented on past experiences with public forums. Bob Berschauer suggested some tactics and messaging.

Information or Discussion of Operations/Policy Issues: None

Action/Approval Items: None

Public Comments: None

General Manager, Superintendent, and Direction of Planning & Compliance Reports:
None

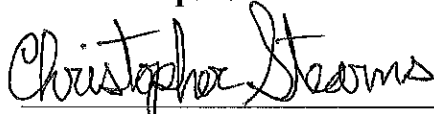
Financial Variance Report: None

Commissioner Topics, Discussion and Reports: None

Assignments:

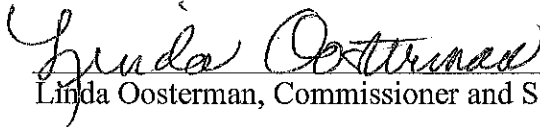
1. GM Weidenfeller will follow up with Robert King (not present) and other URAC members to verify availability for January 2019 meeting.

Adjournment: The meeting adjourned at 7:15 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary