

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 26, 2019  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for February 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, February 26, 2019 at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, WA 98503, commencing at 5:00 p.m. Commissioners Russell E. Olsen and Chris Stearns were present for the meeting. Commissioner Linda Oosterman was excused for the meeting. The following District employees were present: John Weidenfeller, General Manager (GM), Julie Parker, Assistant General Manager (AGM), Jim Campbell, Director of Field Operations (DFO), Ruth Clemens, Senior Communications Specialist (SCS), TaSeana Tartt, Senior Accountant (SA), and Staci Mozee-Ramos, Clerk to the Board. Also present were Joe Rehberger, the District's Legal Counsel and Andy Baker, Rate Analyst, FCS Group.

**Call to Order: Commissioner Olsen called the regular meeting to order at 5:00 p.m.**

**Pledge of Allegiance:** The Pledge of Allegiance was recited.

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

**Consent Calendar:**

Approval of Minutes: February 12, 2019, February 19, 2019

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Voucher Approval:

1) Accounts Payables: February 15, 2019, February 21, 2019

2) Payroll: February 20, 2019

Other: None

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

**Public Comments:** None

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

**Presentation on Proposed Rate Structure, Andy Baker, FCS Group:**

AGM Parker and Senior Accountant Tartt created a report that presented water usage data from the Hawley Hills and Deerfield Park water systems in August 2018. Customer consumption ranged from 1,500 to 13,000 cubic feet in Hawley Hills. Deerfield Park 1's consumption ranged from 20,000 to 290 cubic feet and Deerfield Park 2 showed a consumption of 12,000 to 266 cubic feet.

Rate Analyst Andy Baker, FCS Group, provided a presentation on Thurston PUD's current rates and provided graphs showing the proposed rate tier consumption estimated for all users. The graphs showed projected tiers with expanded water use allowed at prices that significantly extended the tiers that previously ended at 3,000 cf to higher use tier levels. Commissioner Olsen raised a question about the concerns of families trying to maintain land and the cost that it takes to maintain that land. He asked if there is a way to get the amount of square footage of land on the graphs to better determine the usage.

Mr. Baker provided graphs that show household sizes and consumption used in the winter and summer months. He provided graphs on rate structures and separate tiers based on consumption. Mr. Baker then discussed irrigation systems on quarter acre lots and provided four different tier level rate structures that may be beneficial to consumers and Thurston PUD. Commissioner Stearns agreed with Commissioner Olsen about the concerns of the customers maintaining their land versus the customers that need a behavioral change on high consumption.

GM Weidenfeller recommended that the rate allowance tier portion that includes the base rate should not get approved. Commissioner Olsen agreed with GM Weidenfeller's suggestion. Commissioner Olsen raised the question on meters that we can provide the consumers so they are able to monitor the usage themselves. DFO Jim Campbell stated that there is a device that can be linked to a cellular device application that monitors usage, the device cost is in the range of \$300.00.

GM Weidenfeller suggested that the District should carefully consider the impact of the proposed rate tier structure on low income families. Commissioner Stearns discussed his concerns with how Customer Service Representatives will be impacted on the rate tier changes due to irate customers. Commissioner Stearns and Commissioner Olsen requested adding an additional rate tier. Commissioner Stearns asked how we could provide hints to higher use customers to help them realize that a water use behavioral change needs to occur. Mr. Baker suggested that we provide letters to high user customers that shows their water usage in comparison to their peers and neighbors. Commissioner Olsen stated that he is willing to make direct contact with the customers that have come to past public meetings to see if the rate changes would meet their needs. Commissioner Stearns would like to wait on Commissioner Oosterman to make any final decisions and to allow input any rate changes.

**PFOA/PFAS Discussion:**

SCS Clemens stated that EPA released an action plan that has not been finalized. The testing originally estimated by the Department of Health to take place in January has been delayed due to non-certification of a lab. Testing may be pushed back to April. SCS Clemens asked if there was an alert level below 70 parts per trillion at which we should alert customers. Commissioner Olsen and Commissioner Stearns indicated that it would not be a good policy to falsely alert customers if it is below an action level recommended by regulatory agencies.

**WPUA Association Meetings, 3/13 - 3/15 & Water Committee Meeting, 3/21**

GM Weidenfeller asked Commissioner Olsen and Commissioner Stearns to sign up for the WPUDA meetings tonight, if they plan to go.

**Action/Approval Items:**

**Resolution 19-06, Policy and Procedure Update:**

Commissioner Stearns moved Resolution 19-06; Commissioner Olsen seconded; all in favor.

**Rate Meeting/Hearings in March/April:**

GM Weidenfeller requested clarification on when the meeting/hearing dates for rates should be set. Commissioner Olsen would like to wait until Commissioner Oosterman is present to provide input. GM Weidenfeller stated several locations that can be used to hold the rate meetings/hearings during the last two weeks in March and the first week in April.

**Commissioner Signatures/Break:** The Commissioners took a break and signed documents at 7:20 p.m. The Commission meeting resumed at 7:45 p.m.

**Presentations:**

**General Manager, DFO & DPC Reports:**

GM Weidenfeller stated that grant and loan contracts will be coming in for the ROM water system and the Timberline Village water system beginning in March 2019; the previous timeframe for the contracts was July 2019. The District was notified it would receive 50% loan forgiveness from Timberline Village water system loan.

**Finance Report:**

AGM Parker provided an overview of the Variance Report and explained the report is everything that was expected. She suggested making the budget adjustments earlier in the year in the future.

**Commissioner Topics, Discussion and Reports:**

Commissioner Olsen stated his next TRPC meeting is next Friday.

Commissioner Stearns stated that WPUDA training was cancelled due to weather and the meeting would take place next week.

Before the executive session began Commissioner Oosertman called in to Thurston PUD #1 to fully participate with all commissioners and legal counsel in the executive session.

Commissioner Oosterman had been excused for a FEMA Conference but chose to call in for this portion of the meeting.

**Executive Session:**

**Commissioner Olsen announced that the Commission would enter an Executive Session in accordance with the provisions of RCW 42.30.110 (1)(i) to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with**

legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. He stated the Executive Session would begin at 8:00 p.m. and was expected to last for 15 minutes ending at 8:20 p.m. At 8:20 p.m., Commissioner Olsen extended the Executive Session another ten minutes until 8:30 p.m. At 8:30 p.m., Commissioner Olsen announced that the Commission was leaving the Executive Session and returning to the Regular Meeting.

**Adjournment:** Commissioner Stearns made a motion to adjourn the meeting. Commissioner Olsen seconded the motion; all in favor. The meeting adjourned at 8:30 p.m.

**Assignments:**

1. Commissioner Olsen asked GM Weidenfeller to provide a list of names of the customers that were present at past public meetings so that he could reach out to them.
2. GM Weidenfeller suggested that there be a follow-up meeting with Mr. Baker on March 6<sup>th</sup> at 3:30 p.m. The Commissioners agreed to the date and time.
3. GM Weidenfeller received approval to add grants for the ROM water system and Timberline Village water system in Packwood to the Consent Calendar if Commissioner Oosterman agrees.

  
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Russell E. Olsen, Commissioner and President

Attest:

  
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Chris Stearns, Commissioner and Secretary