

**MINUTES OF THE SPECIAL MEETING OF MARCH 6, 2019
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The special meeting for March 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Wednesday, March 6, 2019 at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, WA 98503, commencing at 3:30 p.m. Commissioners Russell E. Olsen, Linda Oosterman and Chris Stearns were present for the meeting. The following District employees were present: John Weidenfeller, General Manager (GM) Julie Parker, Assistant General Manager (AGM), Ruth Clemens, Senior Communications Specialist (SCS), TaSeana Tartt, Senior Accountant (SA) and Staci Mozee-Ramos, Customer Service Representative (CSR). Also present was Andy Baker, Rate Analyst, FCS Group.

Call to Order: Commissioner Olsen called the special meeting to order at 3:30 p.m.

Pledge of Allegiance: The Pledge of Allegiance was recited.

Presentation and Discussion on Possible Rates:

AGM Parker and SA Tartt presented a detailed analysis on high consumption usage, water system averages, and maximum demand and usage by top users in August 2018. Questions and answers were stated during this time.

Commissioners Olsen and Oosterman requested having the analysis emailed to them after the customer's account numbers have been removed.

Mr. Baker started the presentation by recapping on the original rate tiers and structures. He also discussed new proposed rates and tiers. According to Mr. Baker the rate examples are applied to average lot sizes for the specific usage connected to the water systems.

Commissioner Olsen began the discussion on how to encourage behavioral changes for high consuming users.

Mr. Baker provided more detailed graphs and reports on high usage during the winter and summer months. He also provided recommended rate structures and the bill impacts that it will have. After the presentation, Mr. Baker took answered questions by the Board and District staff.

Commissioner Olsen recommended postponing any public meeting/hearings to later in the season. Commissioner Oosterman stated she does not want low users experience a rate increase and would rather put focus on high consumption users. She stated she was not in favor of having two rate increases within the year. Commissioner Stearns expressed empathy towards the prospective users, however is willing to vote in favor of moving a public hearing on proposed rate change.

Commissioner Olsen showed concern about having one year of data to base decisions. He stated a desire to implement significant outreach to educate customers on water conservation in a time sensitive manner, and suggested we use the rate model in the following year.

Commissioner Oosterman stated that there needs to be a clear message to high users about their consumption. Commissioner Olsen was concerned about changing rates mid-year because of the previous communications they made with the customers could result in creating public mistrust.

Commissioner Stearns made a motion to have the rate change go through the public hearings process. There was not a second motion; motion failed.

Staff Discussion and Reports: None

Commissioner Topics, Discussion and Reports:

Commissioner Stearns had nothing to report.

Commissioner Oosterman reported that she would give a more detailed report at the next regular meeting about the FEMA training she attended where she represented Thurston PUD.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting adjourned at 5:20 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary