

**MINUTES OF THE REGULAR MEETING OF JULY 9, 2019
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for July 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, July 9, 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, 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), Jim Campbell, Director of Field Operations (DFO), Ruth Clemens, Senior Communications Specialist (SCS), TaSeana Tartt, Senior Accountant (SA), and Staci Mozee-Ramos, Customer Service Representative (CSR).

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 Oosterman made a motion to approve the agenda: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar: Approval of Minutes: June 25, 2019
Prequalification of Contractors: None
SMA Contracts: None
Correspondence: None
Voucher Approval:
1) Accounts Payables: June 26, 2019, July 5, 2019
2) Payroll: July 2, 2019
Other: Res. 19-27, Legal Services Contract Amendment

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

Public Comments: None

Information or Discussion of Operations/Policy Issues:

Ongoing Discussion Item: 2020 Budget Priorities & Meetings:

AGM Parker requested final direction in adding information needed for the 2020 Budget Priorities. She summarized a funding request from Commissioner Olsen for evaluation of a decision support management information system dash board evaluation tool. The dashboard would provide detailed plans and reports that are needed for tracking current progress. Commissioner Stearns stated that he wanted to know where the Board stands on keeping an open mind on new telecommunications projects that may come up. The other commissioners felt that if there was a project that could pay for itself and have sustainability, they were open to a project. Commissioner Olsen requested that AGM Parker move forward with the 2020 Budget Priorities.

Reminder – WPUA Association Meetings, July 17-19 (Leavenworth):

GM Weidenfeller reminded the Board of the Washington Public Districts Association (WPUA) Meeting on July 17-19.

Resolution 19-25, Revised Adjustment Policy:

GM Weidenfeller discussed the first reading and changes made to Resolution 19-25, Revised Adjustment Policy. He stated he wanted to decentralize and streamline customer support for our customers to the CSR level and expand and make more lenient the amount and period for leak adjustment requests from customers. Customers are already, under PUD policies, paying for the water they use and so he felt that the limitations should not be so strict and that staff should have a greater flexibility to support our rate payers in this and other adjustment areas. GM Weidenfeller stated if customers report the leak and fix the leak within 10 days, then we can accommodate customers by having them pay for water based on the average cost of producing water. The Board will make their decision on Resolution 19-25 at the next Commissioner Meeting.

Resolution 19-26, Policies and Procedures:

GM Weidenfeller discussed the first reading and changes made to Resolution 19-26, Policy and Procedure updates. Changes to the policy include Public Record Disclosures requiring check and money order payments be the exact amount of the document costs, updated floating holiday procedures and the current process relating to the issue of uniforms and safety clothing. The Board will make their decision on Resolution 19-26 at the next Commissioner meeting.

Rate Stabilization – Brief Commissioners on Possible Rate Increase, if any:

AGM Parker compared last year's revenue to this year's revenue and the rate adjustments are in line and at the expected levels. No further rate adjustments are needed.

Discussion: Staffing Authorization:

GM Weidenfeller stated that since the acquisition of H&R Waterworks in October 2017, he and the Management Team analyzed staffing levels and felt that new or revised staffing was needed in several areas. He discussed needing an additional Accountant and Administrative Assistant. He also discussed opening internal only promotional positions for Customer Service Supervisor (Customer Service Specialist III) and for a Customer Service Specialist II position. He also requested support for changing two (2) Field Technician II positions to Crew Chief (Field Technician III) positions as needed by the DFO.

GM Weidenfeller stated that this process should take a month or a month and a half to fulfill the positions. He said he would bring forward a budget amendment at the end of the year and requested the use of fund balance if necessary. The Board concurred with his recommendations.

Commissioner Olsen requested GM Weidenfeller request discretionary authority from the Commissioners to provide appropriate compensation packages for senior level positions. Commissioner Stearns requested an annual report for overtime hours worked by staff. He stated that staff should be rewarded for their hard work by compensating them with training, if they desire, to advance in their career. Commissioner Oosterman suggested staff was rewarded with time and a half for their overtime hours worked. GM Weidenfeller indicated that he works with the staff and managers to monitor employees to make sure there is no burn-out and that some

employees like overtime and it is often an efficient use of overtime. He stated that particularly with on call field staff, and 275 water systems, there will be a certain amount of overtime. He explained that there is a balance between bringing new employees on and allowing employees who want the overtime to have the opportunity to earn it. The cost of bringing on a new employee is very expensive with the benefit package the District provides and utilization of overtime is often very effective. He stated that he is preparing a salary survey that he hopes to discuss at the next Commissioner meeting.

Commissioner Oosterman said she would like to see a new employee attend a Board meeting after they had been employed for a month or so to see how the process of the Board works. Commissioner Olsen suggested that a staff member only be present in the Commissioner meeting to understand the role of the Board and staff, they can leave or remain throughout the whole meeting if they choose. The discussion evolved to consensus that it would be good to rotate employees in meetings for discussions or presentations with the Board at times. The GM said he would meet with the managers and report back to the Board at a future Board meeting.

Action/Approval Item(s):

Resolution 19-24, Purchasing, Bidding and Contracting Thresholds:

AGM Parker briefly discussed Resolution 19-24 which adopts the changes which increases the purchasing, bidding and contracting limits for the PUD as a result of legislation approved in 2019. GM Weidenfeller noted GM authority will need to be updated to meet the new authorization under state law. The Board concurred.

Commissioner Stearns made a motion to approve Resolution 19-24, Purchasing, Biding and Contracting Thresholds Commissioner Oosterman seconded the motion; all in favor.

Resolution 19-23, CIP Budget Amendment:

AGM Parker briefly discussed Resolution 19-23 which revises the 2019 Capital Budget.

Commissioner Oosterman made a motion to approve Resolution Commissioner Stearns seconded the motion; all in favor.

Commissioner Signatures/Break:

The Commissioners took a break and signed documents at 5:55 p.m. The Commission meeting resumed at 6:05 p.m.

Presentations:

GM Weidenfeller discussed training on de-escalation and personal safety that had been provided by the City of Olympia to their elected officials. It was reported to be great training and he said he would like to bring this training to the Board on July 23, 2019 or July 31, 2019. The Board discussed the training and concurred that 2:30-4:30 on July 23rd would work best.

The GM briefly discussed the extensive outreach to the District's highest use customers and to those on water systems that are exceeding water rights. The goal is to reduce high level use of water and to help customers manage water use to get lower water bills. He said that despite this

outreach in early July only 14 customers had requested irrigation reviews and 10 customers requested advanced meters.

GM Weidenfeller discussed PFOA/PFAS (Perfluorooctanoic acid and polyfluoroalkyl substances) level compounds testing. The Office of Drinking water will fund testing for twenty (20) of the District's Group A wells that are within two (2) miles of Joint Base Lewis McChord. The District identified twenty-two (22) Group B wells in the vicinity of the Group A wells and will test them, at the PUD's expense, if the Group A well they are near exceed the action level(s). GM Weidenfeller stated that the State Office of Drinking Water has indicated that it will adopt "action levels" of PFOA/PFAS individual compounds at between 15 and 20 parts per trillion (ppt). The federal number used is 70 ppt; a cumulative of all PFOA/PFAS compounds. At this time DOH does not intend to have an action level for a cumulative number of the different types of PFAS/PFOA types of potential contaminant levels like that at the federal level. The final report from the epidemiologist has not been issued yet. The State indicated that they do not intend to require treatment but will require notification and quarterly reporting. Testing funded by DOH ODW will begin in August. Testing for Group B systems is estimated to cost up to \$1,200 per well based on two tests per well; \$26,400 and it could be higher if more tests are needed.

AGM Parker briefly discussed meeting with the Thurston County Geographic Information Systems (GIS) section to see about if it is possible to work on GIS mapping with the County; pricing and requirements needed to begin process were discussed.

GM Weidenfeller stated there are possible grants from Homeland Security through the County that can be beneficial for TPUD. He requested Commissioner Oosterman present these items at an upcoming meeting. DFO Campbell and SCS Clemens briefly discussed what the grant money would be used for such as: improving critical locks, improving locking mechanisms for ladders and roof access to reservoirs, and installing generators, etc. The proposals are due by Tuesday, July 16, 2019.

Commissioner Topics, Discussion and Reports: Commissioner Olsen, Oosterman and Stearns:

Commissioner Stearns attended the Washington State Department of Ecology WRAC (Water Resource Advisory Committee) meeting held telephonically on Monday and the topics discussed included legal cases. He also attended the WRIA (Water Resource Inventory Area) meeting which discussed plan ideas on recycling water.

Commissioner Oosterman had nothing to report. Commissioner Olsen discussed his son's Tae Kwon Do competition and ranking 3rd in the Nation. He will not be able to attend the TRPC (Thurston Reginal Planning Council) meeting on Friday July 12, 2019 and asked Commissioner Stearns to attend.

Executive Session:

Commissioner Olsen announced that the Commissioners would enter into an Executive Session in accordance with the provisions of RCW 42.30.110 (1) (b), to consider the selection of a site or the acquisition of real estate by lease or purchase when public

knowledge regarding such consideration would cause a likelihood of increased price, and in accordance with the provisions of RCW 42.30.110 (1) (c) to consider the minimum price at which real estate will be offered for sale or lease when offered for sale or lease when public knowledge of such consideration would cause a likelihood of decreased price, and in accordance with the provisions of RCW 42.30.110 (1) (g), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. He stated the Executive Session would begin at 7:00 p.m. and expected to last for 25 minutes ending at 7:25 p.m.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting. Commissioner Stearns seconded the motion; all in favor. The meeting adjourned at 7:25 p.m.

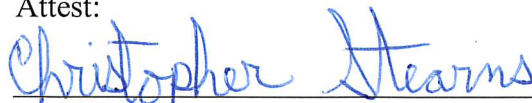
Assignments:

1. The GM consulted with the Board concerning some personnel positions and said he would like to proceed with the changes discussed with the Board and bring forward a budget amendment at the end of the year, and request the use of fund balance if necessary.
2. Provide the Board an Overtime Report at the end of the year.
3. Commissioner Olsen requested GM Weidenfeller request authority from the Board for flexibility in providing compensation packages for senior level positions.
4. GM Weidenfeller will report back to the Board on ways to involve staff in discussions and presentations to the Commissioners.
5. The resolution for GM authority needs to be updated to increase the GM authorization limits with the new contacting bidding and purchasing limitations.
6. De-escalation and Personal Safety Training will be provided to the Board from 2:30-4:30 on July 23rd.
7. Staff will prepare homeland security grants and consult with Commissioner Oosterman on recommendations to present when she attends the Emergency Management meeting.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary