

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 11, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for February 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, February 11, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Linda Oosterman and Chris Stearns were present. Also present were John Weidenfeller, the District's General Manager (GM), and Julie Parker, the District's Chief Financial Officer (CFO). Commissioner Russell Olsen, Kim Gubbe, the District's Operations Manager (OM), Joseph Rehberger, Chief Legal Counsel, and Cathy Skiles, Clerk to the Board, were excused from the meeting.

Commissioner Oosterman called the regular meeting to order at 5:00 p.m.

Approval of Agenda: Commissioner Stearns made a motion to approve the agenda. Commissioner Oosterman asked to make an amendment to table the *Exploration of Community Operated Generator Systems for Small Water Systems* to the next meeting. Commissioner Stearns asked to table the approval of the *January 28, 2014 Meeting Minutes* until Commissioner Olsen has a chance to review them. **Commissioner Stearns made a motion to approve the agenda as amended, Commissioner Oosterman seconded, all in favor.**

Consent Calendar:

Prequalification of Contractors – Small Works Roster:

Chehalis Sheet Metal

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable 01/29/2014, 02/05/2014

Payroll 02/05/2014

Commissioner Stearns made a motion to approve the Consent Calendar as amended, Commissioner Oosterman seconded, all in favor.

Public Comments: None

Public Hearing: None

Action Items:

Motion to Excuse Commissioner Olsen from the 2/11/14 PUD Commission Meeting
Commissioner Stearns made a motion to excuse Commissioner Olsen from the February 11, 2014 meeting, Commissioner Oosterman seconded, all in favor.

Information or Discussion of Operations/Policy Issues:

Exploration of Community Operated Generator Systems for Small Water Systems - **tabled until the February 25, 2014 meeting to allow Commissioner Olsen to participate in the discussion.**

Legal Report: None

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided the Commissioners a report in writing. GM Weidenfeller thanked the Commissioners for providing him with their WPUA registration information. GM Weidenfeller reminded the Commissioners that if they want to attend the meetings in April, they should let him know. Commissioner Stearns added it is important to send at least one representative because this is the meeting at which the WPUA officers are elected. GM Weidenfeller will reserve three rooms for the meeting at Long Beach. Commissioner Oosterman would like to attend but she will need a ride. The Board will discuss more when the schedule is published.

GM Weidenfeller and OM Gubbe met with the owner of the construction company who requested a meeting with them. GM Weidenfeller stated he felt the meeting went well.

GM Weidenfeller has been in contact with the City of Olympia and reported there should be a contract with the City by March or early April. He stated the City of Olympia continues to be a good partner to work with.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a report in writing. GM Weidenfeller added there were no significant changes.

GM Weidenfeller added he has been contacted by a water system owner in response to the letters he sent out. The system is owned by a homeowner's association. GM Weidenfeller and the Commissioners discussed some of the details of the water system.

Chief Financial Officer Report: Julie Parker, Chief Financial Officer Financial Variance Report (every 4th week's meeting)

CFO Parker reported the PUD has an SMA they have been working with for approximately one and one half years. The owners of the system are currently in arrears approximately five months with a balance owing the PUD of \$2,153.76. CFO Parker will be sending a letter requesting payment in full by the end of the month or the PUD will be canceling their SMA services. The water system is located in Thurston County in Commissioner Olsen's District. The Commissioners and staff discussed the issue in more detail.

CFO Parker attended a Public Hearing at the County to close out the Cedarwood CDBG grant. This is the first step in closing out the grant. The total cost was \$783,000; the CDBG grant was \$450,000. The remainder was covered by a State Revolving Fund loan. The project was approximately \$60,000 over budget, most of it due to the length of the project and seismic issues

that came up. The HOA and customers are very happy with the outcome of the project. Commissioner Stearns commended management on the success of the project.

CFO Parker reported she will be recruiting for an Accountant. In the meantime, she has contracted with a temporary employment agency for temporary help and they are sending someone out tomorrow. Commissioner Oosterman suggested CFO Parker contact Shawn Myers, who has been around for some time, and may know someone she could recommend. CFO Parker indicated she already planned to do that as well as contacting Alexandra Johnson at the State Auditor's Office.

Commissioner Stearns asked about the recent cold weather and if it has impacted the PUD's revenue. CFO Parker stated she is not aware of any loss.

CFO Parker will provide Commissioner Stearns and the other Commissioners with an update on customer growth over the past few years by the end of February.

Commissioner Oosterman asked if staff knew Kevin O'Sullivan who sent her an e-mail. GM Weidenfeller said he has met him. Mr. O'Sullivan complimented Commissioner Oosterman on the good job she is doing.

Commissioner Topics, Discussion and Reports:

Commissioner Stearns reported he and GM Weidenfeller met with someone involved in energy efficiencies. GM Weidenfeller noted it is discussed in item number 12 in his written report. It does not look like there is an opportunity to take advantage of the grant. The person they met with is going to send the PUD some information regarding solar energy. Bryan McConaughy, from PSE, who was in the audience, added he will provide GM Weidenfeller with information on solar rebates PSE offers.

Commissioner Stearns attended the TRPC meeting. The discussion was primarily about transportation legislation. He also attended a Budget Hearing, he did not comment or represent the PUD in any way.

Commissioner Oosterman mentioned the Office of Drinking Water Advisory Group meeting on Monday, February 24th. The meeting will be held in Kent with conference ability available in Tumwater from 9:00 a.m. to 12:30 p.m.

Commissioner Oosterman met with Jon Tunheim regarding theft of PUD water. He assured her the County has prosecuted for the theft of electricity so they certainly should for the theft of water. Mr. Tunheim asked for more information. He would like to know who was called. He will talk to Sheriff Snaza. His advice was to immediately call 911. The caller should indicate this is not an emergency, but the reason the call needs to be made is so that a report is filed and can be used by the Prosecutor's Office if needed. The PSE representative stated they call 911 and immediately state emergency response is not needed. CFO Parker reported on a recent incident in Pierce County. The Commissioners and staff discussed different theft scenarios.

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Commissioner Oosterman stated she is still receiving feedback that a Commissioner here is speaking on behalf of the PUD. She asked GM Weidenfeller to write a Resolution to attach to the Governance policy. She asked that the Resolution address how a Commissioner is to receive authorization from other Board Members to represent the PUD. The Commissioners discussed ways each Commissioner can ask for authorization to represent the PUD.

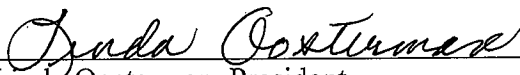
Summary of Assignments:

CFO Parker will provide Commissioner Stearns with an update on customer growth over the past few years.

GM Weidenfeller draft a Resolution to address how Commissioners receive authorization from the other Commissioners to represent the PUD on issues or at meetings.

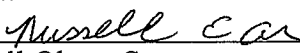
Adjournment:

Commissioner Stearns made a motion to adjourn the meeting, Commissioner Oosterman seconded, and the meeting was adjourned at 6:10 p.m.



Linda Oosterman, President

Attest:



Russell Olsen, Secretary