

**MINUTES OF THE REGULAR MEETING OF JANUARY 10, 2017  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for January 2017 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, January 10, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present for the meeting. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Director of Finance and Administration (DFA), and Kurin Rosado, Clerk to the Board.

**Call to Order: Commissioner Stearns called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited by all present.**

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

**Consent Calendar:**

Approval of Minutes: December 27, 2016

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: December 28, 2016, January 4, 2017

Payroll: January 5, 2017

Resolution: None

Other: Letter, Declaration of Emergency Waiver of Competitive Bidding Requirements on January 7, 2017 for the Pleasant Valley Water System

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

**Introduction of New Employee:** Raven Thomas, the new Customer Service Representative I, was briefly introduced to the Commissioners.

**Public Comments:** None

**Public Hearing:**

At 5:03 p.m., Commissioner Stearns opened the Public Hearing to discuss the Frog Hollow 1, 2, and 3 and Redtail Hawk Estates' water system rates. GM Weidenfeller made a presentation on the proposed rates for the new systems. Staff proposes that the rates for the Frog Hollow systems remain at the current flat rate initially, and transitioning the customers to the Redtail Hawk Estates' rates after two months of meter reading so that the Frog Hollow customers are aware of what their rates will be under the new rate system. Staff also recommends keeping Redtail Hawk Estates' customers at their current rates. These rates would be retained for the new systems until Fall 2017, at which time staff will come to the Commissioners with another rate schedule to help

transition the customers to the PUD rates within a couple of years. The new customers will be charged the capital improvement surcharge like all customers of a PUD-owned water systems.

Two customers of one of the Frog Hollow systems were in attendance. They asked staff about estimated charges once the new customers are transitioned to PUD rates. DFA Parker spoke to the customers about what to expect from the PUD, both in consideration to charges and communication from the District. There was also an e-mail sent to the Commissioners by a Red Tail Hawk Estates customer to reconsider a rate increase. GM Weidenfeller pointed out that Red Tail Hawk Estates will not see an increase in their rates until Fall 2017, with the exception of the PUD capital surcharge. Commissioner Stearns closed the Public Hearing at 5:23 p.m.

**Discussion Items:**

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

**Discussion of Date for 2017 Commissioner Strategic Planning Session**

The Commissioners discussed possible dates for the 2017 Strategic Planning Session - the date of February 10th was agreed upon with an alternate date of February 24th if the first date isn't available. The Commissioners will be meeting at the WPUDA building.

**Resolution 17-01, Establishing Rates for Frog Hollow 1, 2, and 3 and Redtail Hawk Estates Water Systems**

This resolution would set forth the rate schedule for the Frog Hollow 1, 2, and 2 and Redtail Hawk Estates water systems.

**Skookumchuck Drinking Water State Revolving Fund (DWSRF) Project Bidding Process/Award**

The Skookumchuck 4-Log/metering project has gone out to bid, and the bidding process will close on January 18th. The engineering estimate for this project is \$125,000 - \$150,000, but the cost may be higher. This project is under a deadline from the DWSRF loan contract to be ready to issue the Notice to Proceed by February 6th.

**Action Item(s):**

**Commissioner 2017 Elections**

**Commissioner Olsen made a motion to appoint Commissioner Oosterman as the President of the Board for 2017; Commissioner Stearns seconded the motion; all in favor.**

**Commissioner Olsen made a motion to appoint Commissioner Stearns as Vice President of the Board for 2017; Commissioner Stearns seconded the motion; all in favor.**

**Commissioner Stearns made a motion to appoint Commissioner Olsen as the Secretary of the Board for 2017; Commissioner Oosterman seconded the motion; all in favor.**

**Commissioner Assignments for 2017**

Commissioner Olsen received the Board's approval to attend meetings of the Yelm Chamber of Commerce - the PUD will not be joining this entity. The Deschutes TMDL and WPUDA Education Committee organizations were removed from the assignment sheet. The Yelm Chamber of Commerce organization and Real Estate Acquisition category was added to the assignment sheet. For the Real Estate Acquisition category, Commissioner Oosterman is the

primary, DFA Parker is the first alternate, and GM Weidenfeller is the second alternate. In addition, Commissioner Olsen was listed as the primary for the WPUA Telecom and NoaNet organization (with Commissioner Stearns as the alternate). Commissioner Oosterman was listed as the primary for the Thurston County Chamber of Commerce.

### **Set 2017 Strategic Planning Session**

As discussed earlier in the meeting, February 10th has been set for the 2017 Strategic Planning Session, with an alternate as February 24th if the first date isn't available. The Commissioners discussed several topics to include on the agenda for this session, including the following:

- Engagement of the Cities in regard to the Telecommunications project
- Telecommunications discussion in regard to Commissioner Olsen's meeting with the Port of Olympia
- Budget allocated for solar/renewable energy
- Asset Management Plan in regard to the 'burn rate' - Commissioner Olsen to work with DFA Parker on this topic prior to the Strategic Planning Session
- Review of the Strategic Plan

### **Presentations:**

#### **Staff Presentations:**

#### **General Manager's Report:** John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He belongs to the Washington Water Utilities Council's (WWUC) Water Rights Committee - he will be calling into a meeting for this organization on January 11th. There is a WWUC Special Projects Committee meeting on January 25th, and representatives from the Department of Health (DOH) and the Department of Ecology (DOE) will attend. The General Manager explained that the DOE is using the 'Sammamish' case to develop policy, although this case doesn't relate to the Cedar Ridge Estates Water Association water permit issue. GM Weidenfeller will be aggressive about addressing concerns regarding the Cedar Ridge Estates Consolidation project issue at the January 25th meeting. In addition to this water right issue, staff requested an extension of the Prairie Ridge water system water right permits. A letter was received for DOE regarding the Sward and Platt consolidation project and staff and Legal Counsel are addressing a response.

Field Superintendent Scott Dixon will be visiting the Bethel water system to determine if the PUD should acquire this system. DFA Parker explained that the State Auditor's Office audit has concluded, and there wasn't a finding by their office this year. There was a short list of items to work on, but an accountability audit isn't required for another two years (a financial audit is required every year). GM Weidenfeller reported that staff is working with Parametrix, a Tacoma engineering firm, on the Tanglewilde-Thompson Place Telemetry system. A contract will be brought forward at the January 24th meeting. The Crescent Park water system project has been completed, so the customers of this system have been switched back to the Crescent Park source from Spanaway Water.

GM Weidenfeller will be working on the well rehabilitation projects. In regard to the Covington water system lead issue, the PUD had an electrician evaluate one of the homes with problems - it was found that the electricity in the house had not been grounded correctly, so electricity has been running through the pipes in the home which can cause higher copper and lead levels. Staff

plans to make an offer to the other household to assist with problems to help determine if this may be the same issue for this home. The General Manager went through the Operations Report.

**Finance Report:** Julie Parker, Director of Finance and Administration  
DFA Parker will provide a written report at the second meeting in January.

**Commissioner Topics, Discussion and Reports:**

Commissioner Olsen discussed his involvement with the Port of Olympia in regard to telecommunications - he will be meeting for coffee with a Port Commissioner to briefly discuss this matter on January 18th. He reported that the Thurston Regional Planning Council (TRPC) has passed an operating budget, and an offer has been made to a local man for the TRPC Director position. It was also reported that Commissioner Olsen will be leaving early at the next Commission meeting.

Commissioner Stearns spoke to the difference in PUDs in different counties earlier in the meeting - specifically between Whatcom PUD and Thurston PUD. He attended the most recent TRPC meeting, and he's working on researching information related to lowering power bills/renewable resources.

Commissioner Oosterman spoke to the boundaries noted between the Port of Olympia Commissioners, the Executive Director, and the separate department heads. She reported that the feasibility study for the possible location in Tumwater revealed that the move to this building wouldn't be possible, so she is still reviewing properties for the PUD relocation. She will be attending a Thurston County Chamber of Commerce luncheon at St. Martin's University.

**Summary of Assignments:**

- Add the 2017 capital surcharge to the rate schedule for Resolution 17-01.
- Contact WPUDA regarding scheduling the Strategic Planning Session on either February 10th or February 24th at 10:00 a.m.
- Advertise for the 2017 Strategic Planning Session.
- Bring forward documentation to have the Commissioners authorize a new vehicle and trailer purchase.

**At 7:31 p.m., Commissioner Oosterman announced that the Board would be entering Executive Session to discuss a potential real estate acquisition, as authorized by RCW 42.30.110 (1)(b), until 7:45 p.m. At 7:45 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.**

**Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 7:47 p.m.**

  
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Linda Oosterman, Commissioner and President

Attest:

  
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Russell E. Olsen, Commissioner and Secretary