

**MINUTES OF THE REGULAR MEETING OF JANUARY 8, 2019  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for January 2019 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, January 8, 2019, at the PUD administrative office located at 1230 Ruddell Road SE, Lacey, WA 98503, commencing at 5:00 p.m.

Commissioners Chris Stearns and Russell E. Olsen were present for the meeting. Commissioner Linda Oosterman was unable to attend the meeting due to illness. The following District employees were present: John Weidenfeller, General Manager (GM), Julie Parker, Assistant General Manager (AGM), Jim Campbell, Director of Field Operations (DFO), TaSeana Tartt, Senior Accountant (SA), Ruth Clemens, Senior Communications Specialist (SCS) and Legal Counsel Joe Rehberger, Cascadia Law Group.

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

**Commissioner Olsen made a motion to excuse Commissioner Oosterman from the meeting; Commissioner Stearns seconded the motion; all in favor.**

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

**Consent Calendar:**

Approval of Minutes: December 11, 2018, December 18, 2018

Prequalification of Contractors:

- 1) A&D Enterprises, LLC
- 2) KAPA Construction, LLC
- 3) Brumfield Construction, Inc.

SMA Contracts: None

Correspondence: None

Voucher Approval:

- 1) Accounts Payables: December 21, 2018, December 31, 2018
- 2) Payroll: December 20, 2018, January 5, 2019

Other: Appointment of Utility Rate Advisory Committee Members

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

**Public Comments:** None

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

**Discussion, Resolution 19-01, Contract for 1240 Building Tenant Upgrades**

GM Weidenfeller presented Resolution 19-01, Contract for 1240 Building Tenant Upgrades, to the Board for discussion and consideration. The Director of Planning and Compliance drafted a contract for potential contractors that will work on the 1240 Ruddell Road building upgrades. Upgrade estimates will be in the ballpark of \$140,000 to \$150,000. Commissioner Olsen

complimented DCP Gubbe on the document she created. The Board approved moving this item to the next meeting's consent calendar.

**Discussion, Resolution 19-02, First 2019 CIP Budget Amendment**

AGM Parker presented Resolution 19-02, First 2019 CIP Budget Amendment, to the Board for discussion and consideration. This resolution moves the purchase of the vector truck into the 2019 budget as a result of the manufacturing company pushing the 2018 completion deadline into 2019. The amended budget also includes new treatment installations at the Quail Run water system; treatment upgrades at the Boots and Saddles water system; and the drilling of two new wells at the Knowles Road water system. The Board approved moving this item to the next meeting's Consent Calendar.

**Discussion, Resolution 19-03, Revised Contracts with Summit Land Development**

AGM Parker presented Resolution 19-03, Revised Contracts with Summit Land Development, to the Board for discussion and consideration. This resolution is to revise the contract that was originally drafted and adopted between H&R Waterworks, Inc. and Summit Land Development. The original contract was overly complicated and could potentially pose accounting issues. AGM Parker in collaboration with Rob Rice, Owner of Summit Land Development, developed a simplified, more structured approach to administer repayment. The Board approved moving this item to the next meeting's Consent Calendar.

**Action/Approval Items:**

**Commissioner Elections – President, Vice President, Secretary**

The Commissioners discussed having Commissioners serve two year terms in the President, Vice President and Secretary positions, but decided that while that could be done, and they may want to have Commissioner Olsen serve two terms as President, the Commissioners will review elected positions annually.

**Commissioner Stearns made a motion to elect Commissioner Olsen as President, Commissioner Oosterman as Vice President, and himself as Secretary of the Thurston PUD Board of Commissioners for 2019. Commissioner Olsen seconded; all in favor.**

**2019 Commissioner Assignments**

GM Weidenfeller presented a review of the 2018 Commissioner Assignments for the Board to consider in order to determine if there should be any assignment changes for 2019. GM Weidenfeller on behalf of Commissioner Oosterman explained to the Board that she expressed an interest in becoming the Primary Delegate for the Lacey and Yelm Chambers of Commerce. Commissioner Olsen, the current delegate assigned to those meetings, approved her request to become the Primary Delegate for the Chambers of Commerce due to scheduling challenges with his current employment and her availability. Commissioner Olsen strongly supports Thurston PUD's presence within those organizations. Commissioner Stearns will take over the role of Primary Commission point of contact for WPUA Telecommunications and NoaNet. Commissioner Olsen will become an alternate. Commissioner Olsen has been selected as a candidate for an elected position within the Thurston Regional Planning Council. He currently represents the District on the TRPC as a member.

**Select Date for Commissioner Retreat**

The Commissioners agreed they would like to organize a Commissioner Retreat for 2019, and would like to coordinate a time for the Spring. Both Commissioners Olsen and Stearns would like to delay a decision of potential dates until Commissioner Oosterman returns. They asked GM Weidenfeller to come up with some potential dates to present at the next meeting.

**Commissioner Signatures/Break:** The Commissioners took a break and signed documents. The Commission meeting resumed at 5:22 p.m.

**Presentations:**

**General Manager, Director of Field Operations, and Director of Planning & Compliance Reports:**

GM John Weidenfeller provided the Board with a written report. GM Weidenfeller followed up with a request from Commissioner Olsen to build collaborative relationships with PSE to ensure the District's water systems are prioritized during power outages. DFO Jim Campbell was able to connect with Amy Tousley from PSE and has been working with her on outage issues in Pierce and King counties. There have been six requests for generators due to winter storm power outages.

GM Weidenfeller reported that Treatment Specialist Derek Genre and DFO Campbell have completed a Treatment Installation and Upgrade Plan and will be working on a prioritization plan for new treatment and replacement of treatment.

GM Weidenfeller announced Dana Passage will hire a water system management agency to manage their water system by March 1, 2019.

GM Weidenfeller signed a contract for ownership of the Cedarwood water system that AGM Parker and Attorney Joe Rehberger drafted. The District plans to own the system on February 1, 2019.

GM Weidenfeller reported that he will work with DOH to access Public Works Trust Fund monies. Public works funds will receive approximately \$1.5 million in the state budget this year which fell significantly short of the \$10 million requested to support crucial water infrastructure projects statewide. The District has three funding requests pending.

There have been several important staff changes to the PUD that include recruitment of new hires and job candidates, internal promotions and new staff assignments.

The GM also provided the Board with the DFO and DPC reports. DFO Campbell provided an overview of his report.

GM Weidenfeller reported that he reached out to the neighbor of the 1230 and 1240 Ruddell Road SE buildings to trim back trees, on the District's side of the property, that are on his property. The neighbor stated that he has no issue with the PUD trimming the trees back to no longer block the parking lot light and provide better security for employees.

AGM Parker requested that Board approve an item allowing her to surplus five Android cellular phones and seven iPhones that are no longer used by field technicians. **The Board approved the request to surplus the items.** AGM Parker reported that there will be an Audit Finding that will be disclosed by the State Auditor's Office in the Audit Report. This finding was the result of a formula calculation reporting error. AGM Parker implemented minor process changes effective immediately.

Commissioner Stearns requested that staff re-examine and implement internal audit controls. He suggested that we review other PUDs' internal audit programs to implement similar programs. Commissioner Olsen concurs with his recommendation.

### **Commissioner Topics, Discussion and Reports:**

Commissioner Stearns reported that he contacted various legislative members to support Public Works funding. He met with Senator Sam Hunt. He also met with the new Thurston County Commissioner, Tye Menser, to update him on the PUD's stance on sewer. Commissioner Stearns assisted the Chehalis Partnership group select a contractor for an upcoming project.

Commissioner Olsen reported that he received an email from a Deerfield Park customer regarding generators. He also reported his attendance at the last TRPC meeting where he watched a presentation delivered by Intercity Transit regarding their new program "Bus Buddies". This program helps people transition and learn how to navigate through the complexities of public transportation systems. The South Sound Military Communities Partnership reported on preparing for potential military base closures and the effects on the statewide/local economies. There was also a presentation on "Partnership Resource Packs" that support disadvantaged people who may be in crisis. The packs include food, supplies and resources. Lastly, he reported on the upcoming TRPC leadership elections.

Commissioner Oosterman was excused from today's meeting due to illness.

### **Assignments:**

1. Provide the Board with potential Commissioner Retreat dates during the Spring.
2. Draft a response on behalf of Commissioner Olsen to Deerfield Park customer email.
3. Bring a Surplus CAB for the Board to consider for Field Technician phones.
4. Research other PUDs' internal audit programs.

### **Executive Session:**

**At 6:10 p.m. Commissioner Olsen announced that the Board would enter into Executive Session for 30 minutes as authorized 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, and, by RCW 42.30.110 (1)(c), and 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 regarding such consideration would cause a likelihood of decreased price.

At 6:40 p.m., Commissioner Olsen closed the Executive Session and returned 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 6:41 p.m.**

  
\_\_\_\_\_  
Russell E. Olsen, Commissioner and President

Attest:

  
\_\_\_\_\_  
Chris Stearns, Commissioner and Secretary