

**MINUTES OF THE REGULAR MEETING OF JUNE 27, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, June 27, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:11 p.m. Commissioners Russell Olsen and Chris Stearns were present for the meeting; Commissioner Linda Oosterman was excused from 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 5:11 p.m. The Pledge of Allegiance was recited by all present.

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

Consent Calendar:

Approval of Minutes: June 6, 2017, June 13, 2017

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: June 14, 2017, June 21, 2017

 Payroll: June 20, 2017

Resolution: None

Other: Excuse Commissioner Linda Oosterman from Attending the June 27, 2017
 Commissioner Meeting

Consent Calendar: 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:

PUD Picnic

The Clerk to the Board spoke about the PUD picnic scheduled at 2:00 p.m. on Friday, June 30th at Pioneer Park in Tumwater. Commissioner Olsen will not be able to attend the picnic, but Commissioner Stearns will be in attendance.

New Building Discussion

DFA Parker explained that a walk-through is scheduled for the construction bid for the new building; the bid opening is scheduled for 3:00 p.m. on July 11th. Staff and the Commissioners discussed potential bidders and work completed so far.

Set Strategic and Budget Priorities for 2018

Commissioner Stearns would like to get information on providing optional healthcare benefits to PUD retirees. He also spoke about the balance of the base rate and consumption rates charged to customers.

Resolution 17-24, 2nd 2017 CIP Amendment

DFA Parker presented a few changes to the Capital Budget including: line item increases to the Deschutes Glen water system upgrade, the Maxvale water system treatment upgrade, the Cedar Ridge water system treatment installation, and the Ruddell Road building purchase/upgrades category. Commissioner Stearns asked about the Skookumchuck water system treatment system project; this project was recently completed and doesn't require a line item increase.

Resolution 17-25, Employee Job Classifications and Salary Ranges

GM Weidenfeller stated that this resolution was created after a suggestion by Commissioner Stearns to provide the District more flexibility in regard to positions and salary classifications. The Commissioners and staff discussed the IT position, IT security, and the effect of IT duties on DFA Parker's time.

Resolution 17-26, Options to Address System Chlorine Requirements

The purpose of this resolution is to authorize staff to utilize tools and options in situations where customers are unwilling or unable to test the water for a chlorine residual. If customers are unable or unwilling to test for the District, the resolution would give the GM the option to install specialized equipment which would result in a surcharge to customers on the system for a period of several years, surplus the water system to sell it to another water purveyor or the customers if they create a homeowners association/cooperative, or provide one-year notice to the customers about termination of PUD membership and dispose of the water system as surplus property. If this process were to progress for any water system, the General Manager explained that the resolution is written so that the Commissioners would approve moving the process forward.

Resolution 17-28, Rental Lease Agreement with Prime Locations

This resolution will be brought forward to authorize the leasing of the 1240 Ruddell Road SE building by Prime Locations, Inc. GM Weidenfeller reconvened with the agent, and the commission rate was lowered from 6% to 5%. Based on Commissioner Olsen's research, it is expected that a lease with any future tenants could bring in \$18 to \$22 per square foot, or around \$51,696 for an annual lease. Commissioner Olsen stressed that an empty building isn't in the PUD's best interests. Commissioner Stearns spoke to the parking situation, and the GM stated that parking will be outlined in the lease agreement contract with the future tenant.

Resolution 17-29, Contract for Deschutes Glen Upgrades with Jerome W. Morrissette & Associates

The purpose of this resolution is to authorize the General Manager to sign a professional services contract with Jerome W. Morrissette & Associates so that their firm can complete bidding and contracting, construction, and final inspection oversight for the Deschutes Glen water system upgrade project.

Action Items:

Resolution 17-23, Contract with Coffman Engineers for the Cedar Ridge Water System

This resolution was discussed at a prior meeting. **Commissioner Olsen made a motion to approve Resolution 17-23 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 17-27, Award of the Loma Vista, Fir Tree, and Indian Crest 1 Well Drilling Contract

The purpose of this resolution is to authorize the General Manager to award the contract for the Loma Vista, Fir Tree 2, and Indian Crest 1 water system well drilling project to American Pump and Electric, as this firm was determined to be the lowest responsible bidder for the project. The Commissioners and staff discussed project costs.

Commissioner Olsen made a motion to approve Resolution 17-27 as presented; Commissioner Stearns seconded the motion; all in favor.

Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that staff attended two meetings this week: one meeting addressed the PUD's Strategic Plan, Strategic Plan Performance Measures, and an introduction to Total Quality Management/Continuous Quality Improvement. The other meeting addressed the District's budget, Financial Plan, and Asset Management Plan. He also reported that one of the District's Satellite Management Agency (SMA) systems have hired a private firm to look into treatment at their location, but staff will be speaking with them about the results of that report.

Finance Report: Julie Parker, Director of Finance and Administration

DFA Parker provided a written report. She reported that she is working on getting funding for the District.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen reported on the objective highlights of the Thurston Regional Planning Council (TRPC) Retreat. He also reported that he will be out of town in the near future, but he will be back to attend the next Commission meeting in July.

Commissioner Stearns reported on the latest Chehalis Partnership meeting he attended.

Commissioner Oosterman was excused from the meeting.

Summary of Assignments:

- Research the possibility of offering optional healthcare benefits to PUD retirees.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 7:07 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary