

**MINUTES OF THE REGULAR MEETING OF JULY 13, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for July 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Thursday, July 13, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:05 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 Oosterman called the regular meeting to order at 5:05 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 27, 2017
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: June 28, 2017, July 5, 2017, July 12, 2017
 Payroll: July 5, 2017
Resolution: None
Other: None

Consent Calendar: 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:

New Building Discussion

GM Weidenfeller explained that this item is a placeholder, as there is no new information. He also explained that two Resolutions, 17-28 and 17-31, that relate to this topic. Commissioner Oosterman was interested in seeing if the kitchen could be moved from the first floor up to the second floor of the building. Commissioners and staff discussed this issue and possible changes in design. Staff recommended that the Architect see what the cost would be to make that change and then the staff and Commissioners could discuss a possible change order since time in getting the renovations started is important. The bid packet has already been submitted and the contract will be recommended for award later in the meeting.

Set Strategic and Budget Priorities for 2018

Commissioners and staff discussed additional items requested for the 2018 preliminary budget.

Resolution 17-30, Acquisition of Mountain Lakeview Addition Water System

GM Weidenfeller explained that Pacific Water Systems manages water system, and this company is willing to deed the Mountain Lake Addition water system (a Group A system located in Lewis County) to the PUD for the costs associated to cover the transfer. Staff members believe that this will be a good addition to the systems already owned by the PUD. The customers of this system have rates lower than the PUD's rates, so staff and Commissioners will need to discuss implementing an alternate rate schedule for these customers to help bring them to the PUD's rates.

Action Items:

Resolution 17-24, 2nd 2017 CIP Amendment

DFA Parker explained that this CIP Amendment includes funds for the iron and manganese reduction treatment for the Cedar Ridge Estates water system. However, payment for the treatment would have been paid in part by the State's Drinking Water State Revolving Fund loan program, but since a capital budget has not yet been ratified, a contract for the treatment has not been issued by the State. Commissioners and staff discussed this issue. **Commissioner Olsen made a motion to approve Resolution 17-24 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 17-25, Employee Job Classification and Salary Ranges

This resolution was discussed at a prior meeting. **Commissioner Olsen made a motion to approve Resolution 17-25 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 17-26, Options to Address System Chlorine Requirements

This resolution was discussed at a prior meeting. The purpose of this resolution is to authorize staff to utilize tools and options in situations where customers at water systems are unwilling or unable to test for chlorine. If an option to surplus/transfer a water system arises, staff will notify the Commissioners before any decisions are made. **Commissioner Stearns made a motion to approve Resolution 17-26 as presented; Commissioner Olsen seconded the motion; all in favor.**

Resolution 17-28, Rental Lease Agreement with Prime Locations

This resolution was discussed at a prior meeting. GM Weidenfeller held further discussions with Prime Locations, based on inquiries posed by the Commissioners at prior meetings. Their firm agreed to lower their commission rate, and the lease rate was modified to include a higher range. **Commissioner Stearns made a motion to approve Resolution 17-28 as presented; Commissioner Olsen seconded the motion; all in favor.**

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

This resolution was discussed at a prior meeting. **Commissioner Olsen made a motion to approve Resolution 17-29 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 17-31, Award Bid for Renovation of 1230 Ruddell Road SE

The bid opening for improvements at the District's new building was held on July 11th at 3:00 p.m. The apparent low bidder was Waunch Construction and Trucking, Inc. with a bid of \$531,000. This resolution would authorize the General Manager to sign a contract awarding the bid to this company for the 1230 Ruddell Road SE building remodel for a total amount of \$722,823.75, a figure which includes sales tax and a 25% contingency. **Commissioner Olsen made a motion to approve Resolution 17-31 as presented: Commissioner Stearns seconded the motion; all in favor.**

Resolution 17-32, Contract Amendment No. 2 for Architectural Services with KMB Architects

DFA Parker explained that contrary to Commission policy, this was the first reading of the resolution. However, staff recommends approval of the resolution as soon as possible. The resolution authorizes the General Manager to sign a contract amendment to the professional services agreement with KMB Architects, Inc. to increase the contract amount with this firm to include mechanical and electrical engineering, inspection, and contractor oversight. The work being completed by KMB Architects was discussed at a prior Commission meeting. **Commissioner Olsen made a motion to approve Resolution 17-32 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 explained that staff has begun the installation of the water treatment upgrade for the Maxvale water system, and this project should be completed by next week. A Water Availability Letter was also issued in regard to the 16 additional lots purchased by a developer for that water system. The General Manager also spoke about Maxvale water rights. Staff will be hiring outside firms to help with the Asset Management Plan and the 2017 financials review. Commissioner Stearns asked about the City of Roy (SMA).

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

Commissioner Topics, Discussion and Reports:

Commissioner Olsen has been out of town for the last two weeks due to personal reasons. He thanked Commissioner Stearns and GM Weidenfeller for coverage of the Thurston Regional Planning Council (TRPC) while he was away.

Commissioner Oosterman inquired about the PUD's involvement with either the Hirst or Foster decisions by the Supreme Court. GM Weidenfeller explained that he's written several responses to the PUD's Legislative Districts, and he's even testified regarding the issues. The Commissioners and staff discussed the State's capital budget. He stressed that the Hirst decision is important to counties, but reversing the Foster decision to allow non-water mitigation in requesting water right mitigation is very important for us and other water utilities.

Commissioner Stearns attended the most recent TRPC meeting, as well as the last Thurston Conservation District meeting.

At 6:40 p.m., Commissioner Oosterman announced that the Board would be entering an Executive Session 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, as authorized by RCW 42.30.110(b), until 7:10. At 7:10 p.m., it was announced in the public area that the Executive Session would continue until 7:40 p.m. At 7:40 p.m., it was announced in the public area that the Executive Session would continue until 8:10 p.m. At 8:10 p.m., a recess was announced that would continue until 8:20 p.m. At 8:20 p.m., it was announced in the public area that the Executive Session would continue until 8:50 p.m. At 8:50 p.m., it was announced in the public area that the Executive Session would continue until 9:00 p.m. At 9:00 p.m., the Executive Session was closed. No decisions were made during the Executive Session.

Summary of Assignments:

- Evaluate the cost of a change order to move the kitchen from the 1st floor to the 2nd floor and report back to the Board of Commissioners.
- If needed, add additional funds to the Commissioner meeting line item to reflect extra meetings anticipated by Commissioner Olsen in regard to TRPC.
- Contract Kathleen Whalen, Thurston County Conservation District Executive Director, regarding how the District trains new Commissioners and the budgeting for this training.
- Reschedule the first Commission meeting in August from August 7th to August 9th.

**Adjournment: Commissioner Stearns made a motion to adjourn the meeting:
Commissioner Olsen seconded the motion; all in favor. The meeting was adjourned at 9:03 p.m.**



Linda Oosterman, Commissioner and President.

Attest:



Russell E. Olsen, Commissioner and Secretary