

**MINUTES OF THE REGULAR MEETING OF SEPTEMBER 11, 2017  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for September 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Monday, September 11, 2017, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:08 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), Joe Rehberger, the District's Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

**Call to Order: Commissioner Oosterman called the regular meeting to order at 5:08 p.m. The Pledge of Allegiance was recited by all present.**

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

**Consent Calendar:**

Approval of Minutes: August 22, 2017

Prequalification of Contractors – Small Works Roster: Olympic Peninsula Construction, Inc.

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: August 24, 2017, August 30, 2017

Payroll: September 5, 2017

Resolution: None

Other: Letter, Emergency Waiver of Competitive Bidding Requirements, 200th Water System, August 25, 2017

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

**Public Comments:**

Kelsey Hulse with Puget Sound Energy (PSE) introduced herself as a government relations contact, and gave her contact information to staff and the Commissioners.

**Public Hearing:**

At 5:13 p.m., the Public Hearing was opened. DFA Parker gave a brief overview of the proposed 2018 Budget, including proposed increases for vehicle funding and staff changes. No public testimony was made, and no written comments were received. At 5:19 p.m., the Public Hearing was closed.

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

**Resolution 17-38, Adoption of the 2018 Budget**

A copy of this resolution was sent electronically to all three Commissioners. There were no questions posed by Commissioners, as they each met or spoke individually with staff regarding the resolution.

**Resolution 17-39, Adoption of the 2018 Rates, Fees, and Surcharges**

A copy of this resolution was sent electronically to all three Commissioners. There were no questions posed by Commissioners, as they each met or spoke individually with staff regarding the resolution.

**Resolution 17-40, Adoption of the 2018 Capital Budget**

A copy of this resolution was sent electronically to all three Commissioners. There were no questions posed by Commissioners, as they each met or spoke individually with staff regarding the resolution.

**Resolution 17-41, Deschutes Glen Construction Project**

GM Weidenfeller presented Resolution 17-41 which would authorize upgrades to the Deschutes Glen water system's booster pumps to VFD drives as well as replacing the pump house and reservoir. The project, estimated at \$66,000, is currently out to bid, and the bid closes on September 18th. This resolution will be up for approval at a later meeting.

**Resolution 17-42, Authorization to Surplus Equipment, Supplies, and Materials**

DFA Parker presented a list of items that staff would like to surplus and dispose of. GM Weidenfeller spoke about the storage container listed on the proposed surplus list. This resolution will be up for approval at a later meeting.

**Resolution 17-44, New Water System Rates and Surcharges**

GM Weidenfeller suggested that discussion of this item be delayed until later in the meeting, after the scheduled Executive Session. The Commissioners agreed.

**Resolution 17-46, Recommendation for WPUA Lifetime Achievement Award for Bob Geddes**

GM Weidenfeller would like to nominate Mr. Bob Geddes for the WPUA Lifetime Achievement Award; WPUA requires approval by Commissioners for any nomination. This resolution will be up for approval at a later meeting.

**Discussion – Construction of New Office Space at 1230 Ruddell Road SE**

DFA Parker reported that the next contractor meeting is scheduled for September 12th. Two change order proposals have been approved relating to City of Lacey permits and construction drawings in support of the changes that have been made. The construction schedule was extended and is now estimated at 97 days for an estimated completion date of November 12th. There have been some generator issues, and the contractor found that the sheathing under the siding is rotting so they recommend to replace the entire building's siding. The estimate to replace the siding is approximately \$173,000. Staff will need to come back to the Board with a budget amendment to account for the expected cost increases. Staff also discussed an issue related to the bathroom/shower unit.

**Action Items:**

**Discussion of the Commission Meeting Dates and Scheduling of Meetings to Conduct a Rate Hearing and Adopt Rates**

GM Weidenfeller suggested that discussion of this item be delayed until later in the meeting, after the scheduled Executive Session. The Commissioners agreed.

**Set Mountain View Water System Rate Hearing**

GM Weidenfeller explained that acquisition of this water system has been delayed until at least November 1st. Therefore, this item will be brought forward at a later meeting.

**Resolution 17-35, PUD Water Revenue Bond Anticipation Note 2017B**

This resolution was discussed at an earlier meeting. **Commissioner Stearns made a motion to approve Resolution 17-35 as presented: Commissioner Olsen seconded the motion; all in favor.**

**Resolution 17-36, 3rd Contract Amendment for Architectural Services**

DFA Parker explained that this contract amendment with KMB Architects was intended to be the last contract amendment for the project. However, due to the recently discovered siding issue, there may be another contract amendment. Staff believes that the contingency may cover the additional work required. **Commissioner Olsen made a motion to approve Resolution 17-36 as presented: Commissioner Stearns seconded the motion; all in favor.**

**Resolution 17-37, Olympic Telephone Public Works Project**

The purpose of this resolution is to authorize the purchase and installation of telephone and network equipment for 1230 Ruddell Road SE office building from Olympic Telephone.

**Commissioner Olsen made a motion to approve Resolution 17-37 as presented: Commissioner Oosterman seconded the motion; all in favor.**

**Resolution 17-43, New Water Systems Acquisition**

GM Weidenfeller suggested that discussion and approval of this item be delayed until later in the meeting, after the scheduled Executive Session. **Commissioner Olsen made a motion to amend the agenda as presented by GM Weidenfeller to delay discussion of this resolution and the items mentioned above); Commissioner Stearns seconded the motion); all in favor.**

**Presentations:**

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

GM Weidenfeller provided a written report. An internal job opportunity for a Customer Service Representative I has been posted, and staff believes there's one candidate among current staff. In addition, staff will advertise for a temporary Customer Service Representative/Office Assistant position. GM Weidenfeller also reported about a negative experience with the newly drilled well at the Loma Vista water system; Commissioners and staff discussed the issue surrounding the well and steps going forward.

**Finance Report:** Julie Parker, Director of Finance and Administration

DFA Parker will provide a written report at the second meeting in September.

**Commissioner Topics, Discussion and Reports:**

Commissioner Olsen attended the last Thurston Regional Planning Council (TRPC) meeting, and he reported on the items discussed at the meeting. The Commissioner has been appointed as Chair of the Water Committee for TRPC.

Commissioner Stearns discussed ethics among new members at TRPC. Since the Commissioner was out of town for

Commissioner Oosterman attended the Emergency Management meeting last week. She spoke about the local emergency alert system and the Rochester fire that occurred within the past few weeks.

**At 7:00 p.m., Commissioner Oosterman announced that the Board would be entering into an Executive Session to discuss with legal counsel representing the agency matters relating to potential litigation, as authorized by RCW 42.30.110(c), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price, as authorized by RCW 42.30.110(i), and to review the performance of a public employee, as authorized by RCW 42.30.110(g), until 7:30 p.m. At 7:30 p.m., it was announced in the public area that the Executive Session would be extended until 7:50 p.m. At 7:50, it was announced in the public area that the Executive Session would be extended until 8:10 p.m. At 8:10 p.m., it was announced in the public area that the Executive Session would be extended until 8:20 p.m. At 8:20 p.m., the Executive Session was closed, and the regular meeting was resumed.**

**Commissioner Stearns made a motion to approve Resolution 17-43 as presented:  
Commissioner Olsen seconded the motion; all in favor.**

**Summary of Assignments:**

- On Resolution 17-42, change the estimated value of the Conex storage container to \$2,500.
- Schedule a meeting with Commission Oosterman to discuss her expectations regarding the local emergencies.

**Adjournment: Commissioner Stearns made a motion to adjourn the meeting:  
Commissioner Olsen seconded the motion; all in favor. The meeting was adjourned at 8:20 p.m.**

  
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Linda Oosterman, Commissioner and President

Attest:

  
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Russell E. Olsen, Commissioner and Secretary