

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 9, 2017  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for November 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Thursday, November 9, 2017, at the LOTT Regional Services Center, 500 Adams St NE, Olympia, WA 98501, commencing at 5:00 p.m. Commissioners Russell E. 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), Jim Campbell, the District's Superintendent, Andy Baker with Stantec Consulting, and Kurin Rosado, Clerk to the Board.

**Call to Order: Commissioner Oosterman called the regular meeting to order at 5:00 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: None

Prequalification of Contractors – Small Works Roster: Betschart Electric Co. Inc.

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: October 25, 2017, November 3, 2017, November 9, 2017

Payroll: November 6, 2017

Resolution:

- 1) Resolution 17-52, Adopt 2018 Ad Valorem Tax
- 2) Resolution 17-53, Adopt Lost Tax Revenue

Other: None

**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**

**Action Items:**

**Resolution 17-54, Adoption of 2018 Rates, Fees, Charges, and Surcharges for Customers Acquired from H&R Waterworks**

Commissioner Olsen thanked staff for their work related to the H&R Waterworks acquisition and the numerous public meetings/rate hearings scheduled for those customers. He also noted the energy throughout the process, the conversation with the new customers, and the willingness to participate; he also wanted to recognize that while the 2018 rate increase is significant to the new customers, the increase is necessary to prevent huge increases in the future. Commissioner Stearns spoke about the former H&R Waterworks customers, tiered rates, and the conservation of water throughout the PUD's customer base. Commissioner Oosterman would like to review

the financial aspect of this change in six months so that the Board and staff members can track progress on the budget. **Commissioner Olsen made a motion to approve Resolution 17-54 as presented; Commissioner Stearns seconded the motion; all in favor.**

**Information or Discussion of Operations/Policy Issues:** Commissioner Oosterman added supplemental items to the agenda once Resolution 17-54 was signed.

#### **Discussion of Proposed Organization Charts**

GM Weidenfeller highlighted changes to the existing organization chart, including a position for a Communications Specialist and an Assistant General Manager. There are two proposed organization charts, although only one will be approved based on the Board's direction. Commissioners and staff discussed current positions, funding for those positions, the possibility of eliminating positions, the need for an additional accounting department staff member, and the easing of DFA Parker's workload.

#### **Resolution 17-62, Proposed Employee Job Classifications and Salary Ranges**

GM Weidenfeller introduced the resolution, the purpose of which is to update the employee job classifications and salary ranges; this is the first reading of the resolution. DFA Parker assured Commissioner Olsen that the proposed salary ranges are within the current 2018 budget and financial model developed by Mr. Andy Baker. The GM is planning to complete a salary survey in 2018, but the Board was not sure one was needed until 2019. The GM explained his process in creating ranges for a few new positions.

#### **Resolution 17-63, Approval to Pay Out Accrued Vacation to DFA and DOC**

During the due diligence period of the H&R Waterworks acquisition and the remodeling of the District's new office building, the DFA and the Director of Operations and Compliance (DOC) haven't been able to schedule vacation time due to working long hours. This resolution would authorize the GM to pay out any vacation time that would expire at the end of 2017. This is the first reading of this resolution.

#### **Discussion of Customer Advisory Group**

Commissioner Olsen spoke about the creation of an advisory group comprised of in-county and out-of-county customers. The Commissioner will be working with GM Weidenfeller to prepare an outline of the engagement in the first quarter of 2018. Per the Commissioner's request, the individuals that signed up for the advisory group will be contacted; it is his hope that to further engage the individuals in the first quarter of 2018. Commissioner Stearns voiced his concern regarding the priority of Thurston County customers as a majority of PUD customers are in-county.

#### **Proposed Rate Hearings for Mountain Lakeview, Frog Hollows 1, 2, and 3, Redtail Hawk, Scattercreek Ranch, and Keanland Park Water Systems**

GM Weidenfeller spoke about the proposed public meetings for the Mountain Lakeview, Frog Hollow 1, Frog Hollow 2, Frog Hollow 3, Redtail Hawk, Scattercreek Ranch, and Keanland Park water system. The Frog Hollows and Redtail Hawk systems have already been acquired by the PUD; the other systems are expected to be acquired by January 1st. Staff is proposing that the Frog Hollow and Redtail Hawk systems are brought in at a modified rate schedule and that the Scattercreek Ranch system be brought in on its own modified rate schedule. Staff is also proposing that the Mountain Lakeview and Keanland Park systems are brought in at the

approved 2018 rates. The Commissioners and staff discussed a few issues posed by certain systems and rates currently in place. Staff will attend these meetings once they are scheduled.

**Certificate of Appreciation for Representative Beth Doglio**

The Commissioners signed a certificate of appreciation for Representative Doglio.

**Discussion of 1230 Ruddell Rd SE Remodel/Upgrades**

DFA Parker gave an update on the new office building's remodel. Painting and a move-in date was discussed. The outfit of the Commission meeting room, tree removal, parking lot drainage, the generator, and the security system was also discussed.

**Update on Merging Activities for the PUD and H&R Waterworks**

The Commissioners and staff discussed several processes designed to merge H&R Waterworks with PUD procedures. Moving to the new office building was also discussed.

**Discussion of Backflow Testing**

GM Weidenfeller gave an overview of the backflow testing service formerly offered by H&R Waterworks. Under H&R Waterworks, customers that required backflow testing were charged a discounted rate for a technician to test their backflow assemblies. Commissioners and staff discussed the advantages and disadvantages of continuing the program for former H&R customers. After discussion, the Commissioners gave GM Weidenfeller the authority to discontinue the program for 2018; staff will contact the affected customers with more information on discontinuation of this program.

**Discussion of the Ready to Serve Rate**

GM Weidenfeller recommended that former H&R Waterworks customers (who had been paying a ready to serve rate) receive a credit towards the PUD's General Facility Charge, should the property need to be connected to a PUD water system. Commissioner Stearns further recommended that the ready to serve rate credit be designated as non-transferrable if a customer sells their property to another party – the Commissioners were in agreeance. It was noted that the credit amount not exceed the amount of the General Facility Charge. Upon further discussion, this decision was designated as PUD-wide.

**At 7:08 p.m., Commissioner Oosterman announced that the Board would be entering into an Executive Session 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 7:20 p.m. At 7:20 p.m., the Executive Session was closed, and the regular meeting was resumed.**

**Presentations:**

**General Manager's Report:** John Weidenfeller, General Manager  
GM Weidenfeller provided a written report.

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

DFA Parker will provide a written report at the second meeting in November. Earlier in the meeting, she spoke to her short-term goals for the accounting department. She also explained that

she has received some applications for the senior accounting position that was recently advertised. DFA Parker also explained some customer service department processes for the satellite office on Old Hwy 99 SE.

**Commissioner Topics, Discussion and Reports:**

Commissioner Olsen thanked Commissioner Stearns for attending the Thurston Regional Planning Council (TRPC) 50th Anniversary Celebration. He announced that Councilman Virgil Clarkson will be having a retirement celebration in December at the Senior Center in Lacey.

Commissioner Oosterman extended her thanks to staff and the Commissioners during the merger process. She attended an Emergency Management meeting regarding the railroad.

Earlier in the meeting, Commissioner Stearns inquired about the leasing the 1240 Ruddell Rd SE building. He reported that he attended a seminar hosted by the Conservation District in regard to the Hirst decision.

**Summary of Assignments:**

- Per Commissioner Olsen's request, track consumption of different sized lots throughout the county for future reference during consumption rates discussions.
- Amend the dates on Resolution 17-62.
- Add Resolution 17-63 to the Consent Calendar for the next regular meeting.
- Contact the customers that signed up for the advisory group during the October/November public meetings/rate hearings.
- Follow up with the PUD's realtor regarding leasing of 1240 Ruddell Rd SE.
- Cancel the November 28th reservation for LOTT's board room.
- Create a letter to be sent to former H&R customers regarding backflow testing and the ready to serve rate decisions.

**Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 7:28 p.m.**

  
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Linda Oosterman, Commissioner and President

Attest:

  
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Russell E. Olsen, Commissioner and Secretary