

**MINUTES OF THE REGULAR MEETING OF MARCH 25, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for March, 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, March 25, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Linda Oosterman, Russell Olsen and Chris Stearns were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), and Cathy Skiles, Clerk to the Board. Joe Rehberger, Chief Legal Counsel was excused from the meeting.

Call to Order:

President Commissioner Oosterman opened the meeting with a roll call and called the meeting to order at 5:02 p.m.

Approval of Agenda:

Commissioner Oosterman called for a motion to approve the Agenda. Commissioner Olsen made a motion to approve the Agenda as presented, Commissioner Stearns seconded, all in favor.

Consent Calendar

Approval of Minutes: March 11, 2014

Prequalification of Contractors – Small Works Roster:

Rainier General Development, Inc.

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable 3/12/2014, 3/19/2014

Payroll 3/20/2014

Commissioner Oosterman called for a motion to approve the Consent Calendar.

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

Public Comments: None

Public Hearing: None

Action Items:

Resolution 14-03 Representation of PUD Positions

GM Weidenfeller reported he has brought forth Resolution 14-03, Representation of PUD Positions, with all the changes the Commissioners made at the last meeting. Commissioner

Oosterman called for a motion to approve Resolution 14-03, Commissioner Olsen seconded. Commissioner Stearns confirmed with Commissioner Olsen his concerns with Section 8 have been addressed. Commissioner Stearns confirmed that the policy addresses the issue of voicing personal opinions while campaigning. **Commissioner Olsen made a motion to approve Resolution 14-03, Commissioner Stearns seconded, all in favor.**

Resolution 14-07, Authorizing the General Manager to Sign a Contract with Pierce County to receive CDBG Grant Monies and to Acquire the Webster Hill Water System Road Parcels

GM Weidenfeller reported Resolution 14-07 authorizes him to sign a contract with Pierce County to receive CDBG Grant monies and to acquire the Webster Hill water system and road parcels. He will work with Joe Rehberger, Legal Counsel to finalize a contract with minimal changes. Copies of the draft contracts with the County and the Webster Hill HOA were attached to the resolution. GM Weidenfeller reported on Saturday, March 15th, at the meeting of the Webster Hill Homeowners Association, the members voted to approve transfer of the Webster Hill water system to the PUD. The PUD agreed to maintain a flat rate of \$120.00 per month, \$10.00 less per month, for two years, and provide some consideration. After two years, the customers will drop to the PUD's Pierce County metered rate in affect at the time. At that time, the customers of the Webster Hill water system will be charged a surcharge to pay off the State Revolving Fund Loan taken out to fix the water system. Commissioner Stearns inquired about right-of-way protection. GM Weidenfeller confirmed the PUD is protected. Commissioner Oosterman added a lot of work went into this contract. She commended GM Weidenfeller, CFO Parker and OM Gubbe for their hard work. GM Weidenfeller added his thanks to Joe Rehberger, Chief Legal Counsel. **Commissioner Olsen made a motion to approve Resolution 14-07, Authorizing the General Manager to Sign a Contract with Pierce County to receive the CDBG Grant Monies and to Acquire Webster Hill Water System Road Parcels, Commissioner Stearns seconded, all in favor.**

Information or Discussion of Operations/Policy Issues:

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller reported he will be out of the office for the next couple of days and will be available by phone. The following Tuesday, he will be leaving for vacation he does not know how available he will be. Commissioner Oosterman asked who can fill in for him. The GM stated that by resolution, CFO Parker is authorized to act on his behalf when he is not available.

GM Weidenfeller discussed the memorandum he provided the Commissioners with the Draft City of Olympia Contract attached. He explained that Legal Counsel, CFO Parker and himself are still tweaking the contract. The wholesale water contract has achieved everything the Commissioners requested. The contract is on the City of Olympia Council meeting agenda for April 15th. GM Weidenfeller discussed some of the details of the contract. GM Weidenfeller

explained he will ask the Commissioners to approve the contract at the April 22nd Regular Meeting. GM Weidenfeller asked CFO Parker to add a Resolution to the April 8th Agenda to authorize GM Weidenfeller to give notice to the City to cancel the City of Olympia wholesale water contract. After the water agreement with the City of Olympia expires, a Mutual Aid Agreement will be entered into.

GM Weidenfeller reported the Qi for Tanglewilde has been approved by the Department of Ecology and is in the thirty day review process. The Squaxin Tribe asked questions and their questions have been addressed.

GM Weidenfeller added OM Gubbe continues to work with the Engineer and Washington Water Company to design a generator for the Tanglewilde-Thompson Place water system. GM Weidenfeller reported a Public Hearing will be held at the April 8th Commission meeting to reduce the Tanglewilde general facility charge from \$4,700 to \$3,000 as a result of the new contract with the City of Olympia. Commissioner Stearns and GM Weidenfeller discussed some of the details of the contract.

Commissioner Olsen reported he will be in Virginia on April 22, 2014. He will call into the meeting. Commissioner Stearns will sign documents that need to be signed. Commissioner Stearns commended GM Weidenfeller and staff, he added this is a sign of the good relationships GM Weidenfeller has maintained in the community.

GM Weidenfeller reported he received a call from a Nisqually Vista water system customer regarding a generator. He is responding to the request.

GM Weidenfeller will start working with an engineer to address serving the North Thurston School District property next to the Prairie Ridge Water System.

GM Weidenfeller has made an offer to the private water company; they will be holding a Stockholder's Meeting on April 11, 2014 to vote on the offer.

GM Weidenfeller suggested the Commissioners read the part of his report on the Windolph water system. The system has 30 connections and is in real trouble. GM Weidenfeller stated the repairs are estimated to cost \$1.2 million. The needs of the water system were discussed. The Commissioners and staff discussed the system and its needs and options the Water System has.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided the Commissioners a report in writing. She asked if there were any questions from the written report, there were none.

OM Gubbe added at the next Regular Meeting, the Commissioners will see some updates to policies due to comments received on the Water System Plan/SMA Plan. Pierce County noted the PUD Policy and Procedure manual talked about Thurston County and not all of the PUD's service area. The State also asked for a Board resolution to adopt the final version of the Water System Plan and SMA Plan.

OM Gubbe described issues with the Bob Coker well. She described the issue they are having with the well. The consulting engineer and hydrogeologist are working to figure out what the problem is.

OM Gubbe has hired the laborer for the season. The seasonal laborer for the last two summers is returning so he will be able to hit the road running. OM Gubbe is still working on hiring the Field Technician II position, she hopes to have that position hired by April 1, 2014.

Commissioner Oosterman asked who will need to meet with the Sheriff's Department regarding the theft of water and would like to schedule a meeting soon. GM Weidenfeller suggested they hold off on a meeting until they receive the report from the most recent theft. Commissioner Oosterman said she was instructed to call the Prosecuting Attorney if the PUD does not get the response they need. Staff and Commissioners discussed the process for reporting and prosecuting for the theft of water. Commissioner Oosterman asked for a copy of the report so she can take it to the Prosecutor. CFO Parker stated she had added to the process to send a letter to the customer. Commissioner Oosterman requested a copy of the letter. The Commissioners and Staff discussed the process. OM Gubbe was excused from the meeting.

Chief Financial Officer Report: Julie Parker, Chief Financial Officer Financial Variance Report (every 4th week's meeting)

CFO Parker provided the Commissioners with financial report earlier. CFO Parker asked if the Commissioners had any questions. Commissioner Oosterman asked about the tax revenue. CFO Parker explained this is revenue reported by the County in January when it is decided how much to assess property owners. The County reports to the PUD how much tax will be assessed on behalf of the PUD. Each month the receivables are recorded by the County as they collect revenues.

CFO Parker reported everything seems to be in-line as it is early in the year.

CFO Parker stated in the District's Strategic Plan, the Commissioners had asked that she provide the Commissioners a comparison of Thurston PUD rates to other water providers in Thurston County. She selected a few small systems that are like the PUD for comparison. She provided the Commissioners a handout and discussed the differences between operations and the rates.

CFO Parker reported she has received approximately 20 applications for the accounting position. She has some highly qualified candidates and is developing a test for the candidates. Mary Hall from Accountemps has taken off much of the daily stress as she performs accounting duties.

Commissioner Topics, Discussion and Reports: (Linda, Chris, Russ)

Commissioners Stearns and Oosterman attended the WPUDA Dues Committee meeting. Commissioner Stearns described the adjustments to the dues. WPUDA has made some changes to their by-laws to allow some reimbursement to WPUDA Board members for lobbying activities done on behalf of the Association. The Commissioners discussed the WPUDA dues and how they are allocated among PUDs.

Commissioner Stearns reported the TRPC is maintaining the same Board Members. He attended the last meeting.

Commissioner Olsen thanked Commissioner Stearns for attending the All Staff meeting for him. He will not be able to attend the April meeting. Commissioner Oosterman will be out-of-town so Commissioner Stearns will attend the next meeting.

Commissioner Olsen will attend the rate study meeting on Friday March 28, 2014.

Commissioners Stearns added Commissioner from Mason No. 3 and another Commissioner have asked to ride with him to the meeting in Pacific. They discussed the mode of transportation.

Commissioner Oosterman stated she has enjoyed the WPUA meetings. She reported the Commissioners have to attend something on the PDC once a year. GM Weidenfeller explained this is new legislation that will be put into effect next year. She also noted she enjoyed the presentation by Norma Smith.

Commissioner Oosterman reported she will be at a six hour Water Committee meeting on Thursday. That evening, she will attend a meeting on how to survive a severe earthquake.

Executive Session:

Commissioner opened the Executive Session at 6:30 for ten minutes to discuss Real Estate Acquisition as authorized by RCW 42.30.110(c).


At 6:40 p.m. Commissioner Oosterman closed the Executive Session.

Summary of Assignments:

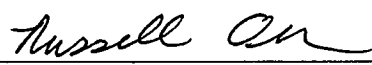
CFO Parker-add a Resolution to the April 8th Agenda, Commission authorization for GM to cancel the City of Olympia contract.

Adjournment:

Commissioner Olsen made a motion to adjourn the meeting, Commissioner Stearns seconded, all in favor.



President, Linda Oosterman

Attest: 

Secretary, Russell Olsen