

**MINUTES OF THE REGULAR MEETING OF MAY 13, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for May 2014 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Tuesday, May 13, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Linda Oosterman, Chris Stearns and Russell Olsen 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 Marie Huner, Interim Clerk to the Board. Joseph Rehberger, Chief Legal Counsel, was excused from the meeting.

Commissioner Oosterman called the regular meeting to order at 5:00 p.m.

Approval of Agenda:

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

Consent Calendar:

Approval of Minutes: April 8, 2014

April 22, 2014

Prequalification of Contractors – Small Works Roster:

Charon Drilling, Inc.

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable 4/23/2014, 5/2/2014, 5/9/2014

Payroll 5/5/2014

Resolution:

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

Public Comments: None

Public Hearing: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Financing and Bonding Presentation

Scott Bauer from the Alan Dashen Company, the District's Financial Advisor, gave a presentation and provided the Commissioners a handout.

Cost of Service Study Discussion and Presentation

A PowerPoint presentation was made to the Board in preparation for June and July public meetings by the District's Cost of Service Study Consultants with Leidos, Inc. Art Griffith and Andrew S. Baker. The consultants addressed questions and the Board provided direction and guidance.

Action Items:

Resolution 14-10 Treasurer Investments

A motion to approve Resolution 14-10 was made by Commissioner Stearns and seconded by Commissioner Olsen. After discussion, the resolution was approved by all.

Resolution 14-11 2016 PWTF Loan Funding Authorization

A motion to approve Resolution 14-11 was made by Commissioner Stearns and seconded by Commissioner Olsen. After discussion, the resolution was approved by all.

Legal Report: A short legal report was provided by Mr. Rehberger.

Presentations

Staff Presentations

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a report in writing and in advance. He added that an RFQ was issued and advertised to solicit engineering services for the new schools in the service area of a PUD water system. Submissions to the RFQ are due June 17, 2014. The GM requested the Board authorize a special meeting the week of May 19, if possible, to approve the contract to acquire the Marvin Road Water Company which owns 3 water systems in Thurston County, noting the owner wished to close the sale on May 30 if possible. After discussion the GM was asked to schedule a meeting.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report in advance and updated the Board on new operations, maintenance and contracting developments since the last meeting.

Chief Financial Officer Report: Julie Parker, Chief Financial Officer

CFO Parker updated the Board that the District's property liability and casualty insurance pool, the Washington Cities Insurance Authority, has extended coverage to include Cyber Liability Coverage. Ms. Parker also updated the Board on a pending line of credit of \$1,000,000 to use as needed for acquisition financing.

Commissioner Topics, Discussion and Reports:

Commissioners Olsen, Oosterman, and Stearns provided an update on their activities conducted on behalf of the PUD since the last meeting.

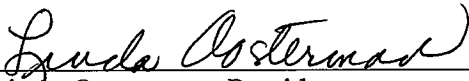
Executive Session

Commissioner Oosterman announced that the Board would going into an Executive Session as authorized by RCW 42.30.110 (1) (c) to discuss real estate acquisitions and that she expected the

Executive Session to last 10 minutes and no action afterward was anticipated. She convened the Executive Session at 7:22 p.m. At 7:32 p.m. GM Weidenfeller announced in the public area that the Executive Session was extended eight minutes. At 7:40 p.m. Commissioner Oosterman adjourned the Executive Session and reconvened the Regular Meeting.

Adjournment

At 7:41, Commissioner Olsen made a motion to adjourn the Regular Meeting, Commissioner Stearns seconded, all in favor, and the meeting was adjourned.



Linda Oosterman, President

Attest:



Russell E. Olsen, Secretary