

**MINUTES OF THE REGULAR MEETING OF JUNE 17, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, June 17, 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), Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. Joseph Rehberger, Chief Legal Counsel, was excused from the meeting.

Call to Order: Commissioner Oosterman called the Regular meeting to order at 5:05 pm.

Pledge of Allegiance: 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, all in favor.

Consent Calendar:

Approval of Minutes: June 10, 2014, June 11, 2014
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Other: None
Voucher Approval:
 Accounts Payable: June 12, 2014
 Payroll: None

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:

Telecommunications Inter-Jurisdictional Workgroup

The Board has authorized Commissioner Olsen to research utilization of TPUD's wholesale broadband authority within the Lacey, Olympia, and Tumwater Cities' geographical areas. The Board authorized Commissioner Olsen to bring together a workgroup to coordinate and evaluate the feasibility of making low cost limited broadband telecommunications service available to Thurston County citizens in the geographical area of the three cities. A letter will be sent to the three cities inviting them to participate in a workgroup within the next 24 hours. A press release will be issued; if possible a joint press release. GM Weidenfeller will assist with this project.

Review of the June 11th Public Meeting in Pierce County

Commissioners and staff reviewed the meeting and performance at the June 11 Pierce County Public Meeting. It was agreed that the meeting went well, despite minor issues. Feedback was provided and the issues were discussed and will be resolved for the next two public meetings.

Discussion of Public Meetings in Lewis County on June 25 and in Thurston County on July 9

The Commissioners and TPUD staff briefly discussed the upcoming meetings and transportation to the meetings.

Scheduled Meetings for June

The Public Meeting for Lewis County will occur on June 25. The Commissioners will attend is a WCIA Elected Officials Training on June 24. Commissioner Oosterman and Commissioner Stearns will be attending the WPUA Water Committee meeting on June 26 and the WPUA Government Relations & Communications Committee meeting on June 27.

Budget Overview for 2015

CFO Parker discussed the development of the 2015 budget cycle. An overview was provided which detailed the projected milestone dates for the budget process. CFO Parker noted that the Commissioners should identify any new budget priorities in July. The Proposed Budget will be provide to the Commissioners for review at the end of August. The projected schedule is below.

July 8, 2014 -New priorities identified and brought to the table.

July 22, 2014 – Brief Commissioners on 2014 Revenue status, recommendation to invoke Rate Stabilization clause of Resolution 13-27

August 12, 2014–“Proposed Budget” is presented to Commissioners for review and comment.

August 26, 2014–revised “Proposed Budget” is presented to Commissioners for review and comment. Schedule Preliminary Budget Hearing

September 1, 2014 - “Proposed Budget” is posted on our website.

September 9, 2014 - Budget and Rate Hearing for “Proposed Budget”

September 23, 2014 - Ongoing Budget and Rate Hearing for “Proposed Budget”

October 6, 2014 – Budget and Rate Hearing, Resolution to Adopt 2015 Budget Presented, Resolution to Adopt 2015 Rates Presented. Adoption of the Budget.

October 28, 2014 – Resolution to Adopt the 2015 Ad Valorem Tax Presented

Action Items:

Resolution 14-14, Adopt Surcharges for Marvin Road Water Systems

Resolution 14-14 was provided to the Commissioners to review as a follow-up to the surcharges and DWSRF loans approved as part of the acquisition of those water systems previously owned by Marvin Road Water Company. Customers will continue to pay the same surcharges and capital fees they paid when under UTC rules. Customers of the Horsfall, Hawk Acres, and Ridgewood water systems will be billed \$15.35 per month for the Drinking Water State Revolving Fund Surcharge (to expire April 1, 2024) and \$10.10 per month for the Extraordinary Maintenance Expense (to expire March 29, 2016). **Commissioner Olsen made a motion to adopt Resolution 14-14, Commissioner Stearns seconded, all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He attended a Department of Ecology Rural Water Supply Strategies workshop on June 16. There will be additional workshops which he plans to attend. GM Weidenfeller also reported that Pierce County is working on an evaluation for the Webster Hill water system real estate review of the reservoir easement. The evaluation may take a month or more. The transfer of the road must also be approved by the County Council.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She stated that last year's Consumer Confidence Reports have been completed and they are halfway through the Water Use Efficiency Reports.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer

CFO Parker's Financial Variance Report will be submitted during the first regular meeting in July, due to the second regular meeting for June being rescheduled from June 24 to tonight's meeting.

Commissioner Topics, Discussion and Reports: None

Executive Session: Review the Performance of a Public Employee (RCW 42.30.110 (1)(g))

Commissioner Oosterman announced the Board would be in an Executive Session for the purpose of reviewing the performance of a public employee as authorized by RCW 42.30.110 (1)(g) for 15 minutes at 6:18 pm. At 6:33 pm, it was announced in the public area that the Executive Session would be extended for two more minutes. The Executive Session was closed at 6:35 pm. No actions were taken.

Summary of Assignments: None

Adjournment: Commissioner Olsen made a motion to adjourn the meeting, Commissioner Stearns seconded, and the meeting was adjourned at 6:35 pm.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary