

**MINUTES OF THE REGULAR MEETING OF AUGUST 5, 2014  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for August 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, August 5, 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 Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. John Weidenfeller, the District's General Manager, and Joseph Rehberger, Chief Legal Counsel, were excused from the meeting.

**Call to Order: Commissioner Oosterman called the Regular meeting to order at 5:07 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: July 22, 2014

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Other: Declaration of Emergency & Waiver of Competitive Bidding Requirements

Voucher Approval:

Accounts Payable: July 24, 2014, July 31, 2014

Payroll: August 5, 2014

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

**Public Comments:** None

**Public Hearing:** None

**Discussion Items:**

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

**Distribution of Board Packets**

Commissioner Oosterman had packets to distribute to the rest of the Board as a discussion item, but wanted to save this for the Executive Session, as the information pertains to reviewing the performance of a public employee as authorized by RCW 42.30.110 (1)(g).

### **Discussion of 2015 Budget Priorities**

A summary of the budget priorities for 2015 was provided. Commissioner Stearns indicated that the proposed 1.5% property tax decrease would reduce the overall rate by 0.5%, as the property tax rate was increased by 1% for this year (set forth by Resolution 13-29). However, the District may become active in telecommunications, so the proposed tax rate decrease may not be adopted. Commissioner Olsen requested that since the District committed to spending up to \$30,000 in the next 18 months in support of telecommunications projects that the property tax decrease be removed from the budget discussion; all agreed.

Commissioner Stearns spoke with Bob Guenther with Local Union 77 of the International Brotherhood of Electrical Workers (IBEW) at a recent meeting he attended. Mr. Guenther offered their training facility in Olympia to our employees should they need training or information on electrical safety. It is unknown if there is a cost associated with this offer, but the offer may be worth considering.

### **Discussion of 2014 Employee Revised Salary Grid & COLA Review**

A Cost of Living Allowance (COLA) has not been adopted by TPUD since 2007. There is currently a salary schedule established for its employees (all employees except the General Manager). The salary schedule is made up of seven steps and is adjusted every other year to ensure salary ranges mirror market values. In 2015, three employees will be at the top of their respective ranges and will not receive step increases. The cost to the PUD of all other step increases in 2015 is \$5,322 over 2014 budgeted levels.

There is an option to adopt a COLA in lieu of a salary survey in the years that a survey is not performed. The last survey was made in 2013, based on 2012 salaries. In June 2014, the Consumer Price Index reported a 2% change in Urban Wage Earners and Clerical Workers. If adopted, a 2% COLA would increase expenses by \$19,691.12. The Commissioners would like to be provided with information from the last salary survey and any comparable information to make a decision at a later meeting.

**Action Items:** None

**Legal Report:** None

**Presentations:**

**Staff Presentations:**

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

GM Weidenfeller provided a written report. Commissioner Stearns discussed the last public meeting in Thurston County with other Commissioners and staff present. Changing the name of the Tanglewilde-Thompson Place water system was also discussed.

**Operations Manager's Report:** Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She reported that she and John met with the Skookumchuck Maintenance Board two weeks ago. Their water system will be brought under contact with the PUD for management, but with the understanding that the District will be acquiring the water system in the future. OM Gubbe will submit a consolidation packet to DOH for the Skookumchuck Maintenance water system.

OM Gubbe will be meeting with the North Overhauled water system within the next few weeks about possible acquisition. She also reported that one of the field technicians suffered a hand injury on the job. The field technician was taken to the emergency room immediately and he will be back to work on Monday, August 11 with a few limitations.

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

CFO Parker will provide written report during the second regular meeting of August. However, CFO Parker reported that the Department of Retirement Systems has drawn TPUD's number for an audit which will begin August 18, 2014 and is expected to last 2 days.

CFO Parker also sent information to the Auditor's Office to prepare for the annual audit. When the interview is scheduled, the Commissioners will be updated. It was agreed that Commissioner Olsen be the Commissioner Representative on the audit committee.

**Commissioner Topics, Discussion and Reports:**

Commissioner Stearns attended the Chehalis Basin Partnership meeting recently. If there are any Lewis County agreements that need to be followed up on, he can speak with his contact in Lewis County and follow up. Topics discussed at the meeting include the issue regarding rail transporting oil through Lewis County and the watershed festival later this year.

Commissioner Olsen reported that he has received feedback concerning NoaNet. NoaNet is meeting with representatives from Lacey, Olympia, and Tumwater about their facilities. The Commissioner will give another update at the next regular meeting.

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

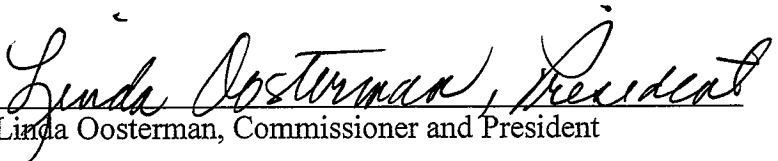
**Commissioner Oosterman announced the Board would enter an Executive Session for the purpose of reviewing the performance of a public employee as authorized by RCW 42.30.110 (1)(g) for 10 minutes at 6:30 pm. At 6:40 pm, it was announced in the public area that the Executive Session would be extended for six more minutes. At 6:46 pm, it was announced in the public area that the Executive Session would be**

**6:46 pm, it was announced in the public area that the Executive Session would be extended for 14 more minutes. The Executive Session was closed at 7:00 pm. No actions were taken.**

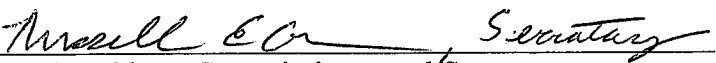
**Summary of Assignments:**

1. Set up a system to track the cost of the PUD in pursuing Telecommunications in Thurston County.
2. Provide the Commissioners with the last salary survey information.
3. Provide an update on the progress with the written agreement with the Auditor's Office regarding splitting the election costs every year versus every two years.

**Adjournment: Commissioner Stearns made a motion to adjourn the meeting, Commissioner Olsen seconded, and the meeting was adjourned at 7:00 pm.**

  
Linda Oosterman, Commissioner and President

Attest:

  
Russell E. Olsen, Commissioner and Secretary