

MINUTES OF THE REGULAR MEETING OF OCTOBER 14, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The second regular meeting for October 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, October 14, 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), Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. Joe Rehberger, Chief Legal Council, was excused from the meeting.

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

Approval of Agenda: Commissioner Stearns made a motion to approve the agenda as presented; Commissioner Olsen seconded, all in favor.

Consent Calendar:

Approval of Minutes: September 23, 2014

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Other:

Voucher Approval:

Accounts Payable: September 24, 2014, October 1, 2014

Payroll: October 6, 2014

Resolution: Resolution 14-25, Uncollectible Accounts

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Commissioner Retirement Benefit Discussion

Staff updated the Board on the Public Employees' Retirement System (PERS) Commissioner reporting requirements. The Commissioners will need to identify the hours dedicated to the support of PUD activities during the month. The reported information will be used to calculate the retirement credit a Commissioner may receive. CFO Parker drafted a modified meeting per diem report form for the Commissioners to begin using this month.

Commissioner Oosterman was misinformed about the retirement credit by personnel at the Department of Retirement Systems. She will contact their office to follow-up.

Discussion to Reschedule or Cancel the November 11 Meeting

As the second Tuesday of November falls on November 11 (Veterans Day), it is staff's recommendation to reschedule the meeting to November 12 at 5:00 p.m. The Commissioners

were in agreement. Staff will advertise the meeting change and make signs for the Veterans Day closure and the new meeting time.

Action Item(s): None

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. The PUD has hired an electrical engineer, as an Extra Hire Project Engineer, to assist with specialized details for the Tanglewilde-Thompson Place generator installation. GM Weidenfeller, OM Gubbe and Mr. Rehberger will be meeting with RH2 Engineering to negotiate a scope of work on the North Thurston School District's new schools planned for construction in the PUD's service area on October 15.

Acquisition of the Webster Hill water system is proceeding. DOH grants to conduct feasibility analysis for acquisition of the Cougar Mountain and Skookumchuck Maintenance water systems are pending. The Skookumchuck grant contract has been received and is being reviewed prior to signature and the Cougar Mountain grant contract should be received within the next two weeks.

The City of Lacey has contacted the PUD about buying the existing water meters for Wendy's, WinCo, and Great Floors when the service area is turned-over. The Commissioners approved assisting the City in any way possible. The meters and related equipment needed by the City of Lacey will be sold to the City and will be surplus.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. As of October 8, the PUD was looking at eight systems for possible acquisition. However, after meeting with the owner of the Crocker Creek water system in Pierce County, staff has decided not to pursue acquisition of this system. OM Gubbe reviewed the Country Meadows East #2 water system in Pierce County and this system is favorable for acquisition. The County Lane water system in Thurston County is not ready to be acquired at this time. OM Gubbe has yet to meet with representatives for a few of the other water systems.

OM Gubbe reported that the Prairie Villa and Prairie Ridge water systems both received test results that exceeded the Coliform Maximum Contaminant Level (MCL). For the Prairie Villa system, it was determined that the sample site was contaminated, as the other samples taken were fine. Customers of that water system were notified that no other action is required. For the Prairie Ridge system, temporary chlorination is required. The customers of this system have been notified and the Operation's Team has already made a plan to resolve the issues so we don't have these problems in the future.

GM Weidenfeller recently received a water quality complaint from a customer in the Trinity Muck 1 water system. Most houses on the system have filters due to the mud, iron, and manganese in the water. A contractor is scheduled to clean the well this week to remove iron and manganese from the system.

There are other systems with issues and GM Weidenfeller tasked OM Gubbe to draft a list of all PUD systems with issues and provide options to improve water quality with a cost estimate for each system by the end of November 2014. He will brief the Board on system issues and recommended options.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer
CFO Parker will provide a report at the second regular meeting of October, scheduled for October 28.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen is meeting with several elected officials about the telecommunications project he has been heading. The next meeting is on October 20 and it will be for elected officials only. He spoke briefly about expectations for the upcoming meeting. Commissioner Olsen attended the North Thurston Education Foundation and learned that there are over 600 homeless children within the North Thurston School District. Most of these children are in kindergarten or the first grade.

Commissioner Stearns attended Thurston Regional Planning Council last Friday. At the meeting, the problem of nicotine in beef was addressed. The Council was interested in the rebates the PUD is offering to its customers and the progress to a more energy efficient state.

Commissioner Oosterman attended the first anniversary gathering of the Family Justice Center. Both the Prosecutor's and Sheriff's budgets contribute to the Center. Commissioner Oosterman will be meeting with the Utilities and Transportation Commission later this month. GM Weidenfeller will also be in attendance for that meeting.

Action Items: None

Summary of Assignments:

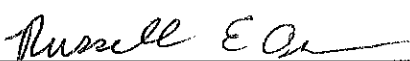
1. Commissioner Oosterman will contact the Department of Retirement Systems to follow up regarding misinformation about Commissioner retirement credits.
2. The Clerk to the Board will ensure signs are made about the office's Veterans Day closure, as well as rescheduling the November 11 regular meeting to November 12. Staff will ensure the new meeting date will be advertised.
3. Identify and surplus meters and ancillary equipment desired by City of Lacey.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded, all in favor. The meeting was adjourned at 6:35 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary