

**MINUTES OF THE REGULAR MEETING OF DECEMBER 9, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for December 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, December 9, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen and Chris Stearns were present; Commissioner Linda Oosterman was present via teleconference. 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 Counsel, was excused from the meeting.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:01 p.m.

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

Consent Calendar:

Approval of Minutes: November 21, 2014 (Special Meeting), November 25, 2014

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Other: Resolution 14-35 Part B Water System Plan for Lew's 81st

Voucher Approval:

 Accounts Payable: November 26, 2014, December 4, 2014

 Payroll: December 5, 2014

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of the Commissioner Retreat

The Commissioner Retreat is scheduled for January 6, 2015, from 10:00 a.m. to 2:00 p.m. at the WPUA building in downtown Olympia. All Commissioners will be in attendance.

Discussion of Commissioners' Assignments

A matrix of the assigned duties for each Commissioner, which included the most recent proposals, was provided to all present. GM Weidenfeller suggested that the Commissioners postpone any further discussion, since not all Commissioners were present at the office. Suggestions have been made, but decisions have not yet been executed.

Discussion of the Tanglewilde Park & Recreation Board Meetings

GM Weidenfeller reported that there is a meeting scheduled with the Tanglewilde Park & Recreation Board on December 18. There is also community meeting scheduled for January 22, 2015, for which an advertisement will be placed to invite the members of the Tanglewilde

community (who are in the Tanglewilde Park and Recreation Tax District). Commissioner Olsen will attend both meetings. After these meetings, staff will bring recommendations to the Commissioners for a course of action.

Action Item(s): None

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller, an attorney with Cowlitz PUD, George Caan (WPUDA) and John Kounts (WPUDA) met with the State Auditor's Office to discuss On-call Contracting. He received information on how to potentially resolve the issue, so as not to run into problems with the Auditor's Office. There is no proposed legislative fix for the issue, but GM Weidenfeller left the meeting feeling optimistic.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. OM Gubbe met with the Forest Glen water system homeowners. Of the homeowners present, there was a majority vote for PUD acquisition, so she will move forward with the acquisition process. There was a sanitary survey at Nisqually Commercial Park, an SMA system. The system has had arsenic problem in the past, but the issue has improved with PUD management. An action letter will be received and a permanent solution will be found.

Country Meadows East No. 2 water system has been acquired as of December 1. A few days ago, a recorded message was forwarded to N Roy water system customers because of an emergency outage. The system was shut down to repair a leak caused by a garbage truck running over two meters. OM Gubbe is moving forward with acquisition of the Skookumchuck water system, but staff is not ready to present any information to those system's customers yet.

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

CFO Parker will provide a written report during the second regular meeting of December. CFO Parker has drafted a policy regarding active connections for the former Marvin Road Water Company customers. There are several issues that arose after the PUD acquired those systems in relation to vacant lots, vacant homes, and foreclosures. The policy, which complies with PUD Commission direction will be distributed to the customer service representatives as a guide.

Commissioner Topics, Discussion and Reports:

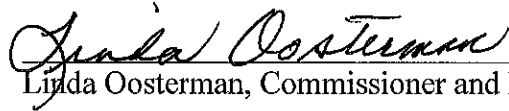
Commissioner Stearns attended the WPUDA annual meeting earlier this month. The WPUDA scholarship was awarded to CFO Parker's daughter, Tiana. He was interested that one of the speakers spoke about diversity and how demographics are changing. Commissioners Stearns also attended the WPUDA Water Committee and Manager's meetings. On December 10, NoaNet will be meeting and a new Board will be elected. Commissioner Stearns will be attending this meeting.

Commissioner Olsen attended the Thurston Regional Planning Council (TRPC) meeting on December 5. The main presentation focused on transportation. Other presentations included the Pacific Avenue-Chehalis Western Trail Bridge, legislative priorities, and the Timberland Regional Library.

Summary of Assignments:

1. Commissioner Olsen and GM Weidenfeller will attend Tanglewilde Park and Recreation Commission meetings on December 18th and January 22nd. The PUD will send a flyer to all tax payers in the Tanglewilde Park and Recreation District. Placement of the backup generator at the Tanglewilde Park and potential park improvements will be discussed.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Oosterman seconded, all in favor. The meeting was adjourned at 5:43 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary