

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 12, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for November 2014 of the Commissioners of Public Utility District No. 1 was called to order on Wednesday, November 12, 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 5:03 p.m.

After recitation of the Pledge of Allegiance, Commissioner Oosterman called for a short recess. The regular meeting was resumed at 5:15 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: October 28, 2014

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Other: None

Voucher Approval:

Accounts Payable: October 29, 2014, October 31, 2014, November 5, 2014

Payroll: November 5, 2014

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:

Discussion of the WPUA Annual Conference (December 3 through December 5)

There is a sign-up deadline of November 17 for the WPUA Annual Conference. Both Commissioner Oosterman and Commissioner Stearns expressed interest in attending. CFO Parker will be attending with her family, as her daughter will be in attendance to accept the scholarship she was awarded by WPUA.

Commissioner Mileage Reimbursement Discussion

The Board currently has a policy that Commissioners will not be reimbursed for mileage within Thurston County which does not exceed 30 miles roundtrip. The Commissioners discussed amending the policy to include mileage reimbursement for any PUD business outside of the regular Commission meetings. The GM said he would bring forward the travel policy (Policy

100-032) to amend the current wording since state law authorizes Commissioners reasonable reimbursement for expenses.

Review of the Board's Vision, as Part of the PUD Strategic Plan

Commissioner Oosterman expressed her interest to review and possibly revise the Board's Strategic Plan Vision. The Board agreed to meet on January 6, 2015 from 10:00 a.m. to 2:00 p.m. at the WPUA building to review the Strategic Plan Vision.

Discussion of Commissioners' Assignments

A matrix of the currently assigned duties for each Commissioner was provided to all present. Due to the retirement of a prior Commissioner and Russell Olsen's appointment of that vacant seat, the Commissioners' assignments have been somewhat modified over the past few years. The Board agreed to make the indicated assignments for a two year period, instead of going year by year.

Commissioner Stearns made a motion to appoint Russell Olsen as the Board President for 2015 and 2016; Commissioner Olsen seconded, all in favor. Commissioner Olsen made a motion to appoint Linda Oosterman as the Vice President for 2015 and 2016; Commissioner Stearns seconded, all in favor. Commissioner Oosterman made a motion to appoint Chris Stearns as the Secretary for 2015 and 2016; Commissioner Olsen seconded, all in favor. The Board has proposed that Linda Oosterman be appointed as the Board President in 2017 and 2018 and Chris Stearns be appointed as President in 2019 and 2020.

Commissioner Oosterman would like the PUD to be more present within the community and proposed a sort of Community Liaison role for the matrix. Commissioner Stearns would like the PUD to be involved with Thurston County Conservation District and Groundwater Advisory Group, as these organizations have goals similar to the PUD. He would also like more outreach done to the local Tribal governments. The Commissioners will revisit assignments and delegate information for the designated organizations at a later date.

Commissioner Oosterman made a motion to excuse Commissioner Olsen from the December 9 and December 23 regular meetings for medical reasons; Commissioner Stearns seconded, all in favor. Commissioner Olsen may attend the meetings via telephone conference, but this will be determined at a later date. It was also agreed that the December 23 regular meeting will begin at 2:00 p.m., which allows for ample time before the holiday party scheduled that day at 3:00 p.m.

Tanglewilde-Thompson Place Back-up Generator

The GM addressed options he plans to address with the elected Tanglewilde Park and Recreation Board Commissioners regarding the Tanglewilde-Thompson Place back-up generator. For 'brown outs,' the generator would be powered by natural gas; for 'black outs' or other emergency situations, there would be two 2,000 gallon propane tanks installed. The difference between the two plans would be the benefit provided by the PUD to the community - either an area for proposed parking spaces or clearance of the obsolete tennis courts for more field space. The Board gave GM Weidenfeller the authority to proceed with the process. The Commissioners would like to educate the community members as to the benefits they seek to provide and the services rendered by the PUD. In addition, if the second option is taken and the tennis courts are

removed, Commissioner Stearns would like an agreement to include that it is the Park's responsibility to maintain the green space made available.

Action Item(s):

Resolution 14-26 Adopt the Ad Valorem Tax

Adoption of this resolution is required to establish the level of the regular property tax levy to be collected in 2015 at the highest lawful amount. This information must be submitted to the Thurston County Treasurer by mid-November. **Commissioner Olsen made a motion to adopt Resolution 14-26 as presented; Commissioner Stearns seconded, all in favor.**

Resolution 14-27 Lost Tax Revenue

The purpose of this resolution is to authorize a refund levy of \$583.45 to make up for lost tax dollars due to refunds given to taxpayers as a result of changes in value. **Commissioner Olsen made a motion to adopt Resolution 14-27 as presented; Commissioner Stearns seconded, all in favor.**

Resolution 14-29 Contract with RH2 for NTSD Engineering

Adoption of this resolution would give the General Manager authorization to sign a contract with RH2 Engineering to perform engineering and hydrogeological services for the North Thurston School District new schools in the PUD service area. **Commissioner Olsen made a motion to adopt Resolution 14-29 as presented; Commissioner Stearns seconded, all in favor.**

Resolution 14-30 Contract Amendment, Jerome W. Morrissette & Associates

If adopted, this resolution would extend the contract timeline and add additional funding for Jerome W. Morrissette & Associates that was approved via Resolution 14-16, adopted in July 2014. It is the General Manager's recommendation to add \$5,000 for engineering and to extend the agreement through February 20, 2015. **Commissioner Olsen made a motion to adopt Resolution 14-30 as presented; Commissioner Stearns seconded, all in favor.**

Resolution 14-31 Fair Labor Standards Act (FSLA) Exempt Employee Executive Leave

This resolution will give employees of the District (excluding the General Manager), who are exempt from the FSLA overtime requirements, up to 40 hours per year for Executive Leave as approved by the General Manager. **Commissioner Olsen made a motion to adopt Resolution 14-31 as presented; Commissioner Stearns seconded, all in favor.**

Legal Report: None

At 7:06 p.m., Commissioner Oosterman recessed the regular meeting for a short break. The meeting was resumed at 7:19 p.m.

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager
GM Weidenfeller provided a written report. On Monday, November 17, a new employee will start as a Field Technician I. The GM also discussed with and informed the Board he would be combining the part time meter reader position and part time laborer positions that are funded in the budget. Based on the PUD's needs, staff will combine the seasonal laborer (part-time

position) with the part-time meter reader position (proposed for the 2015 budget) to create a full-time position with benefits. The extra expenses, expected to be around \$6,500 will come from the Operations budget. The Board was supportive of the GM's proposal.

GM Weidenfeller reported that the back-up generator project for smaller water systems is still a viable project, but he has not had time to move it forward. The Department of Health (DOH) approved grants for evaluation of the Skookumchuck Maintenance and Cougar Mountain water systems. Skookumchuck Maintenance was also awarded a DWSRF loan but there were not sufficient DOH monies to award a loan to Cougar Mountain. The PUD should own the Country Meadows East No. 2 water system as of December 1; the Board would like a meeting scheduled with the Community in January 2015. GM Weidenfeller also received an e-mail from John Kounts from WPUDA regarding a system with approximately 140 connections in Pierce County and has followed-up.

Ownership of the Webster Hill water system, currently a managed system, was assumed on November 1. A letter was sent to those customers. GM Weidenfeller explained the procedure behind the PUD water systems that are treated with chlorination. It is a federal requirement that these systems must have the chlorine residual tested every day; these tests are conducted by members of the systems and a credit of \$20 is given on their monthly bill. Staff proposes that the chlorine credit be increased to \$25.74 in January 2015 to cover the Thurston County base rate per month (the amount will remain at \$25.74 for those testers outside of the county). The Commissioners have approved the increase and staff will bring forward a resolution for the Commissioners to sign.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. OM Gubbe recently visited Holiday Valley, a system that the PUD is interested in for acquisition. She also reported that there is a meeting on December 6 scheduled with Forest Glen water system customers, which is one of the PUD's SMAs and also interested in acquisition.

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

CFO Parker will provide a written report during the second regular meeting of November. Figures for the primary election earlier this year have come through to CFO Parker. She will need to contact the County about preliminary figures for the general election.

Commissioner Topics, Discussion and Reports:

Commissioner Stearns attended a Thurston Regional Planning meeting. Transportation issues were primarily discussed.

Commissioner Oosterman attended a meeting at the Utilities Transportation Commission (UTC). CFO Parker and the Commissioner will be following-up with the UTC. She also reported that funding for emergency management in Thurston County has been cut significantly.

Commissioner Olsen has received a scope of work from NoaNet regarding the Telecommunications project. He would like the other Commissioners to provide the GM feedback by 3:00 p.m. on Friday, November 14 about the Intent and Purpose sections of the document.

At 8:26 p.m., Commissioner Oosterman called for a short recess. The meeting was called back to order on 8:32 p.m.

At 8:32 p.m., Commissioner Oosterman announced the Board would enter an Executive Session for the purpose of discussing the performance of a public employee as authorized by RCW 42.30.110 (1)(g) for 10 minutes. The Executive Session was closed at 8:42 p.m. No actions were taken.

Summary of Assignments:

1. Bring forward Policy 100-032, Travel, to delete the section relating to reimbursement of mileage reimbursement within Thurston County.
2. Schedule a Board Retreat on January 6, 2014 from 10:00 a.m. to 2:00 p.m. at WPUDA if possible.
3. Continue the discussion of Commissioner Assignments at the next Commission meeting.
4. Excuse Commissioner Olsen from the December Commission meetings.
5. Schedule and advertise the December 23 Commission meeting to begin at 2:00 p.m., followed by a Holiday Gathering with the Commissioners.
6. The PUD Commissioners would like a meeting scheduled with the Country Meadows East No. 2 water system community in January 2015.
7. Bring forward a policy for the Board to approve payment of the base rate, at the Thurston County base rate, to individuals that are volunteering to check chlorine residual readings daily.
8. Commissioners should provide the GM any comments on the Draft NoaNet report by 3:00 p.m. on Friday, November 14.
9. OM Gubbe will e-mail the Commissioners with information about the needy family adoption, which is an annual project for the holidays.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded, all in favor. The meeting was adjourned at 8:42 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary