

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 10, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for February 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, February 10, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present. Also present was John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), and Kurin Rosado, Clerk to the Board. Julie Parker, the District's Chief Financial Officer (CFO), and Joe Rehberger, Chief Legal Counsel, was excused from the meeting.

Call to Order: Commissioner Olsen called the regular meeting to order at 5:00 p.m. The Pledge of Allegiance was recited by all present.

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

Consent Calendar:

Approval of Minutes: January 27, 2015

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: January 28, 2015, February 4, 2015

 Payroll: February 5, 2015

Prequalification of Contractors: H2O Management Services, Inc., Simply Controls, Inc., Hansen Drilling Co., Inc.

Other: None

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

Public Comments: None

Presentation: Thurston Climate Action Team (TCAT) by Tom Crawford

Tom Crawford, a Board Member of the Thurston County Climate Action Team (TCAT) gave a review of the agency's energy efficiency, clean energy, and greenhouse gas inventory work. The group's goal is to reduce greenhouse gases to 25 percent below 1990 levels by 2020. This relates to the PUD's strategic plan and mission, which includes conserving water and energy, reducing the carbon footprint, and maintaining good relations with other jurisdictions and entities. TCAT is accepting financial contributions: both LOTT Clean Water Alliance and Thurston County have committed \$5,000 each.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Review of the 2014 Toilet Rebate Program & Approval of the 2015 Program

OM Gubbe reported that 12 toilet rebates were issued in 2013 and 12 rebates were issued in 2014. It is her hope that if the rebate program is advertised earlier in the year, more rebates will

be issued to the PUD's customers. Approval of Resolution 15-05 would grant 50 toilet rebates of \$50 each. The Resolution was approved immediately following its discussion (see Action Items below).

Discussion of Resolution 15-06 Updating PUD Policies

GM Weidenfeller recommended the following changes to the PUD's policies:

1. Update the Travel Policy (100-032) to remove the rule addressing reimbursement of travel within 30 miles. This change was discussed at the November 12, 2014 meeting.
2. Modify the Discipline and Terminations Policy (400-005) so that only two weeks' notice of resignation is required, not four weeks' notice.
3. Modify the Business Interests Conflicts of Interests Policy (500-003) so that employees are required to notify the General Manager of any and all employment outside of the District.
4. Amend the Vacation and Sick Leave Policy (400-006) to authorize payment of 25 percent of sick leave to employee only after five years of employment.

Staff recommends approving these policies at the February 24 meeting. After discussion about the Business Interests Conflicts of Interests Policy, the terms 'elected officials' and/or 'Commissioners' will be removed from said policy.

Commissioner Oosterman made a motion to revise the meeting's agenda to include discussion of audio recording of the Commission meetings: Commissioner Stearns seconded; all in favor.

Discussion of Audio Recording of Commission Meetings

Commissioner Oosterman relayed her experience with the State, requests for information by the public, and the Freedom of Information Act (FOIA). For the reasons she described, as well as the possible liability to the PUD, she would like to discontinue the audio recording of the Commission meetings. Commissioner Stearns was in favor of continuing the audio recordings, and Commissioner Olsen is open to the policy concerns.

Commissioner Oosterman will complete more research before asking to revisit the issue at a later meeting. It was reported that Representative Sam Hunt is supporting the discussion of an Initiative related to this issue.

Action Item(s):

Resolution 15-04 Adoption of a Whistleblower Policy

Adoption of Resolution 15-04 would establish a whistleblower policy for the District.

Commissioner Oosterman made a motion to approve Resolution 15-04 as presented: Commissioner Stearns seconded the motion; all in favor.

Resolution 15-05 Adoption of the Toilet Rebate Program for 2015

Commissioner Stearns made a motion to approve Resolution 15-05 as presented;

Commissioner Oosterman seconded the motion; all in favor. Resolution 15-05 was approved immediately following its discussion.

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller and OM Gubbe met with representatives from the Skookumchuck Maintenance water system; the meeting went well. The feasibility study for that system will conclude in April and staff will report the findings after the conclusion of the study. Acquisition discussion will occur after these dates. The feasibility study for the Cougar Mountain water system will also begin soon, though there are some issues with easements for the system.

Staff also attended a community meeting with customers of the newly acquired Country Meadows East No. 2 water system. Several customers were concerned with the imminent rate increase; the Commissioners approved to maintain the prior rate schedule for Country Meadows East No. 2 customers through June 30, 2015. In addition, several customers have contacted the office regarding the 2015 rate increase and capital surcharge.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She is helping Washington Land Yacht Harbor, an SMA, develop rates for their customers. The Commissioners would like those customers to know that the charges are not originating with the PUD. OM Gubbe is also working on a bid packet for mainline replacement at the Webster Hill water system.

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

CFO Parker will provide a report during the second meeting of February.

Commissioner Topics, Discussion and Reports

Commissioner Stearns attended a Thurston Regional Planning Council (TRPC) meeting for Commissioner Olsen. Officers for 2015 were elected at that meeting. The Commissioner would like to meet with the current Thurston County Commission. He reported that he has visited 22 of the 27 targeted Legislators.

Commissioner Oosterman briefed the Commissioners and staff on the latest news about a possible Mt. Rainier eruption and the issues related to emergency management. She would like to review the PUD's policies and evaluate if any problems are arising from certain procedures.

Commissioner Olsen will be attending the March 10 meeting by teleconference. GM Weidenfeller reported briefly on the Telecommunications project. Commissioner Olsen has been dealing with Tanglewilde customers and their questions regarding the generator installation.

Commissioner Oosterman asked for a short break before the Commissioners reconvened the meeting for the Executive Session. The meeting was resumed at 7:45 p.m.

At 7:45 p.m., Commissioner Olsen announced that the Board would enter an Executive Session for the purpose of receiving and/or evaluating complaints or charges brought

against a public officer or employee, as authorized by RCW 42.30.110 (1)(f) for 10 minutes. The Executive Session was closed at 7:55 p.m. No actions were taken.

Summary of Assignments:

1. Cancel the March 3 Tanglewilde Generator Public Hearing and advertise for a Public Hearing on February 24.
2. The Clerk to the Board will edit Policy No. 500-003 to remove 'elected officials' and/or 'Commissioners' terms.
3. Staff will provide the Commissioners with information about the Initiative supported by Sam Hunt and GM Weidenfeller will schedule a discussion of the bill at a later meeting.
4. GM Weidenfeller will obtain a list of agenda items from the Commissioners for a meeting with the Thurston County Commissioners.
5. GM Weidenfeller will e-mail Commissioner Olsen with pertinent dates relating to the Tanglewilde generator installation.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded, all in favor. The meeting was adjourned at 7:57 p.m.



Russell Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary