

**MINUTES OF THE REGULAR MEETING OF MARCH 24, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for March 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, March 24, 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), 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 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: March 10, 2015

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: March 11, 2015, March 18, 2015

 Payroll: March 20, 2015

Prequalification of Contractors: None

Other: None

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Resolution 15-10 Policy and Procedures Update

The purpose of the recommended policy changes is as follows:

1. Update the Purchase Contract Process, 200-012, last updated in 2008. An update was recommended during the SAO audit.
2. Update the Harassment Policy, last updated in 2004.
3. Update the Discipline and Terminations Policy, 400-005, so that it reflects the definition of at-will employment as recommended by assigned legal counsel.

Commissioner Oosterman would like to discuss the possibility of drug testing PUD employees. GM Weidenfeller will look into the legal aspects of drug testing PUD employees and will discuss it with Commissioner Oosterman.

Discussion of Topics for Meeting with County Commissioners

The PUD Commissioners met on February 24 to deliberate topics for discussion with the Thurston County Commissioners. The PUD Commissioners would like to schedule a meeting with the County Commissioners this year and draft an updated Memorandum of Understanding (MOU), as the prior MOU

expired January 1, 2015. GM Weidenfeller has not received any follow-up from the Commissioners since the February 24 Commission meeting; the Commissioners will brainstorm individually before the next meeting.

Discussion of the Country Meadows East No. 2 Water System

GM Weidenfeller and CFO Parker met with customers of the recently acquired Country Meadows East No. 2 on January 29. Customers are most concerned about the price increase if they revert to the PUD's rates. Staff is looking into adding the system to surplus, which would give those customers a chance to purchase their own system. Each Commissioner will meet individually with GM Weidenfeller to discuss thoughts/concerns regarding the future of this particular system before the next meeting.

Action Items:

Resolution 15-08 Tanglewilde Water System Generator Design – Bid and Construction Contract with Jerome W. Morrissette & Associates Inc., P.S.

Adoption of Resolution 15-08 would authorize GM Weidenfeller to sign a contract with Jerome W. Morrissette & Associates to perform engineering, design, bidding, and construction oversight and inspection services for the Tanglewilde-Thompson Place water system power backup and emergency generator. **Commissioner Oosterman made a motion to approve Resolution 15-08 as presented; Commissioner Stearns seconded; all in favor.**

Resolution 15-09 Award of the Webster Hill Water System Improvements Construction Contract to American Pump and Electric

Adoption of Resolution 15-09 would award the Webster Hill distribution replacement project to the lowest responsible bidder. The resolution also authorizes GM Weidenfeller to sign a contract with American Pump and Electric to complete the project for a total of \$145,064.19 (this amount includes a 15% contingency). **Commissioner Oosterman made a motion to approve Resolution 15-09 as presented; Commissioner Stearns seconded; all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that the Lew's 81st, Woods, and Jenni water system consolidation is scheduled to be completed by the end of July 2015. Consolidation of the Sward and Platt water systems is scheduled to be completed by the end of November 2015.

A feasibility study is currently being completed for the Cougar Mountain water system, which the PUD is interested in for acquisition. It was thought that the system had a failing reservoir, but the consulting engineer found that the reservoir can be repaired. The study is expected to be completed on April 30. Staff has interviewed for two open positions – the Accountant and Meter Reader positions. Offers have been made and accepted by two individuals and both will start April 13.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She reported that the project for the Hawk Acres water system has been completed. There is a leak on the system which we need to find and repair.

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

CFO Parker provided a written report. She reported that the general liability insurance expense is slightly above the budgeted amount due to the annual assessment increasing more than expected for 2015.

Commissioner Topics, Discussion and Reports

Commissioner Stearns has been attending WPUDA meetings. He also attended a water resources meeting at the Department of Ecology.

Commissioner Oosterman made a presentation at WPUDA regarding women in the industry. She also attended an emergency management meeting with John; representatives from USGS were also in attendance.

Commissioner Olsen recently returned from a trip to Washington D.C. The work he has been doing has been centered on the legislative session. He's also been working on the telecommunications project with GM Weidenfeller.

At 7:00 p.m., Commissioner Olsen announced that the Board would enter an Executive Session to receive and evaluate complaints or charges against a public officer or employee, as authorized by RCW 42.30.110 (f) for 15 minutes. At 7:15 p.m., it was announced in the public area that the Executive Session would continue for 15 more minutes. At 7:30 p.m., the Executive Session was adjourned and the Regular meeting was continued.

Summary of Assignments:


1. GM Weidenfeller will work look into the legal aspects of drug testing PUD employees and will discuss it with Commissioner Oosterman.
2. Commissioners will think about discussion items for a meeting with the Thurston County Commissioners and come to the next meeting prepared to discuss possible topics.
3. Commissioners will meet with GM Weidenfeller to discuss any concerns or thoughts concerning the future of the Country Meadows East No. 2 water system before the next meeting.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded, all in favor. The meeting was adjourned at 7:49 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary