

**MINUTES OF THE REGULAR MEETING OF APRIL 14, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for April 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, April 14, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Russell E. Olsen, Linda Oosterman 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 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 Olsen made a motion to approve the agenda as presented; Commissioner Oosterman seconded, all in favor.

Consent Calendar:

Approval of Minutes: March 24, 2015

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: March 25, 2015, April 1, 2015, April 8, 2015

 Payroll: April 6, 2015

Prequalification of Contractors: Wilder Contractor, Inc.

Other: None

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

Public Comments: None

Staff introduced the new Accountant, Colby Dixon, and the new Meter Reader, Ryan Adams. The backgrounds of both new employees were discussed before those employees were dismissed.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of Topics for Meeting with County Commissioners

A draft Memorandum of Understanding (MOU) was provided to the Commissioners for their review. GM Weidenfeller will work with Commissioner Olsen and with the County Manager to ensure that an agenda is in place before the meeting scheduled on April 30. Commissioner Olsen would like the discussion during the meeting to be directed by the agenda. The Commissioners would like to give the County Commissioners an update about the PUD's telecommunication project and current priorities for the PUD.

Discussion of the Water Use Efficiency Goal

OM Gubbe made a PowerPoint presentation. The PUD needs to establish a customer-based conservation goal for all Group A water systems. Initially, one goal was established for the Tanglewilde-Thompson Place water system and another goal was set approximately one year later for all other Group A systems. It is OM Gubbe's recommendation to set one goal for all Group A systems. Group B systems are not required to set conservation goals. The Commissioners would like to look at an incentive plan for customers.

Group A customers have met expectations set forth by the current conservation goals. The proposed goal is as follows: Reduce and/or maintain the average annual Equivalent Residential Unit (ERU) water usage for all accounts, per Group A system, to a value of 250 gallons per day (gpd) through 2021. Staff will provide notice

to customers on the PUD website, the Department of Health website, and possibly on April's bills. A public forum will be held during the May 12 Commission meeting. The Commissioners should adopt the goal at the May 26 Commission meeting.

Discussion of the WPUDA Meetings in April

On April 16, WPUDA members will elect officers for that organization. The Commissioners discussed attendance of those meetings.

Action Items:

Resolution 15-11 Surplus Country Meadows East No. 2 Water System

Adoption of Resolution 15-11 would give Commission approval to surplus and dispose of District property, consisting of the Country Meadows East No. 2 water system. The system has been tagged by the Department of Health because the system consists of two Group B systems, but the necessary paperwork has not been completed to make the system an official Group A water system; it was noted that while the system has been tagged with a 'blue status,' it is not necessarily considered unlawful.

Commissioner Oosterman made a motion to approve Resolution 15-11 as presented. Commissioner Stearns made a motion to amend the resolution to include a requirement that Country Meadows East No. 2 system completes the step to become a legitimate Group A system, per Department of Health/State of Washington requirements. However, Commissioner Oosterman rejected this amendment. **Commissioner Olsen made a motion to approve Resolution 15-11 with the amendment that the contract for sale include a recommendation that the Country Meadows East No. 2 water system complete all required Department of Health/State of Washington documentation to become a Group A system. Commissioner Oosterman seconded; Commissioners Olsen and Oosterman voted for Resolution 15-11. Commissioner Stearns voted against approval of Resolution 15-11. It was approved.**

Resolution 15-12 Mutual Aid Agreement with the City of Olympia

The PUD has terminated its purchased water agreement with the City of Olympia effective June 1, 2015. Both parties agree that a mutual aid agreement would be in the best interest so representatives from the City have met with staff to develop the mutual aid agreement presented. Staff noted that there will be no charge for the first two days of water and at cost after that.

Commissioner Oosterman made a motion to approve Resolution 15-12 as presented: Commissioner Olsen seconded; all in favor.

Resolution 15-13 Clarification of Resolution 15-01

Resolution 15-01 was adopted by the Commissioners on January 13, 2015. The same resolution was adopted again on March 10. Adoption of Resolution 15-13 would nullify the January 13 version and leave the March 10 version as the only viable version of Resolution 15-01. **Commissioner Olsen made a motion to approve Resolution 15-13 as presented: Commissioner Oosterman seconded; all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller explained that he is ready to move on to the next steps to make generators available to both Group A and Group B systems. A beta test for each type of system is expected to take place within the next couple of months. The General Manager will update the Commissioners with more information as it becomes available. He also reported that Drinking Water Week is scheduled for May 3 through May 9.

GM Weidenfeller discussed office space options with the Commissioners. There is County property on Mottman Road that could be available for use in the future. Buying property was also discussed. The Board

approved the GM looking into all options for future space including extending the existing office lease, leasing new space, looking into renting space from the County and purchasing.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She has a preconstruction hearing this week for the Webster Hill construction project. She's also been dealing with certain CDBG issues for the project. The OM made a statement that some of the water main work at Webster Hill may not be done because of easement issues. The Board was concerned and the GM told the Board that this was the first time he has heard of this issue and he would look into it and get back with the Board. OM Gubbe spoke to the Commissioners about the Tanglewilde-Thompson Place generator project. She also reported that County approval for the Lew's 81st consolidation project was received that afternoon.

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

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

Commissioner Topics, Discussion and Reports

Commissioner Stearns attended the Thurston Regional Planning Council (TRPC) meeting with Commissioner Olsen.

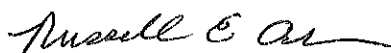
Commissioner Oosterman will be attending an Emergency Management meeting this week. She will also be working with an individual to report to PSE which of the PUD's systems lose water service when the power goes out.

Commissioner Olsen reported that the contract with NoaNet has not yet been signed. Both he and GM Weidenfeller will continue to follow up with their office. The contract may have to be brought before the Board again for approval due to slight contract changes. He attended the TRPC meeting.

Summary of Assignments:

1. The GM will work with Board President Olsen on an Agenda for the meeting with the BOCC.
2. Schedule a public forum for the proposed *Water Use Efficiency Goal* for Group A water systems at the meeting on May 12th and adoption of a water use efficiency goal for May 26th.
3. Brief the Board on the a plan to plan to offer generators to small water systems that will include:
1) Installation and payment via surcharges for a period of time; 2) A partnership with customers to train customers and have them run generators during brownouts and emergency conditions.
4. Staff was asked to look at options for a possible contest for the best water conservation by water system or some other type of incentive plan.
5. Commissioner Olsen will follow-up with the GM once he determines if he can or cannot attend the Telecommunications Workshop.
6. The GM will looking into rental or purchase options for office space.
7. The GM will update the Board on easement issues involved in the Webster Hill water main replacement project.
8. GM will follow-up on signature for NoaNet contract.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded, all in favor. The meeting was adjourned at 7:33 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary