

**MINUTES OF THE REGULAR MEETING OF MAY 26, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, May 26, 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), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. Kim Gubbe, the District's Operations Manager (OM), and Joe Rehberger, Chief Legal Counsel, were 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 amended, to include additional discussion items and emergency waiver of competitive bidding requirements for the Pleasant Valley water system on May 22, 2015; Commissioner Stearns seconded, all in favor.

Consent Calendar:

Approval of Minutes: May 12, 2015

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: May 13, 2015, May 20, 2015

 Payroll: May 20, 2015

Resolution: None

Other: Emergency Waiver of Competitive Bidding Requirements for the Pleasant Valley Water System, May 22, 2015

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of Public Comments on the Proposed Water Conservation Goal for 2015-2021

A public meeting forum was held during the May 12 Commission meeting to take public comment for the proposed Water Use Efficiency Goal for all Group A water systems. The proposed goal would be in effect from 2015 through 2021. No members of the public attended the forum.

Discussion of Agenda Format Change

The current agenda format includes a time next to each agenda item. As this could lead to potential issues with the public's expectations and/or legal complications; it is staff's recommendation to forgo any times listed on any future agendas. It is also recommended that particular language is

added to the bottom of the agenda to address the PUD's willingness to make reasonable accommodations to people with disabilities. The Commissioners agreed that both recommendations are viable and staff should proceed accordingly. An agenda with the estimated times will be provided to the Chair at his or her discretion.

Discussion of Strategic Budget Priorities

Staff hopes to finalize priorities that need to be budgeted by the end of June. Commissioners are encouraged to consider any budget priorities and bring those ideas forth at the next Commission meeting.

Discussion of the WPUA Meetings Hosted by Kitsap PUD

The WPUA meetings hosted by Kitsap PUD are scheduled July 15 through July 17 at the Suquamish Clearwater Resort and Casino. If the Commissioners would like to register for the SUBASE Bangor tour, they will need to call WPUA directly and provide their social security numbers to gain security clearance.

Discussion of Statewide Drought Emergency

Commissioner Olsen brought forth this topic as an amended agenda item. The Commissioners discussed the statewide emergency declared by the governor regarding drought. No shortages are anticipated for PUD systems. Commissioner Stearns has prepared an article that speaks to this issue; the article will be featured in the next newsletter set to debut with the June newsletter (to be sent with May bills at the end of the month).

Action Items:

Resolution 15-16, Water Use Efficiency Goal for 2015-2021

The proposed goal is to "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." **Commissioner Oosterman made a motion to approve Resolution 15-16 as presented; Commissioner Stearns seconded the motion; all in favor.**

Resolution 15-17, Memorandum of Understanding (MOU) Between the Thurston County Board of Commissioners and the Thurston PUD Commissioners

The County Commissioners approved the MOU at their May 12 Commission meeting, however the necessary documentation has not been received from their office. The PUD Commissioners will approve Resolution 15-17 when they have a signed copy of the MOU from the County Commissioners.

Resolution 15-18, Acquisition of the Skookumchuck Maintenance Water System

Staff had certain items pertaining to acquisition of the Skookumchuck Maintenance water system to discuss at the Executive Session scheduled later in the meeting. The Commissioners may return to the resolution after the Executive Session.

Resolution 15-19, Acquisition of the Forest Glen Water System

Approval of Resolution 15-19 would give the General Manager the authority to negotiate with the Forest Glen homeowners to enter into a purchase and sale contract for their water system.

Commissioner Stearns made a motion to approve Resolution 15-19 as presented; Commissioner Oosterman seconded the motion; all in favor.

Commissioner Medical Coverage

Commissioners Stearns brought forth the subject of medical coverage for Commissioners as an amended agenda item. This was discussed at a previous meeting earlier in the year. The impact to the budget, should staff add personnel to the medical plan, would be approximately \$6,800 per person. Commissioners Olsen and Oosterman are not seeking coverage through the PUD's plan at this time, but Commissioner Stearns would be enrolled, if authorized by the other Commissioners. Commissioner Stearns will work with GM Weidenfeller regarding coverage and a resolution will be brought forward to officially approve medical coverage for Commissioners.

Commissioner Olsen made a motion to give GM Weidenfeller the authority to approve health insurance for all Commissioners, effective immediately: Commissioner Oosterman seconded the motion; Commissioner Stearns abstained from the vote.

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He stated that he will follow up with NoaNet regarding a written report and meeting with the Commissioners for the Telecommunications Feasibility Study. Commissioner Stearns spoke with a Port of Olympia Commissioner regarding the telecommunications project; as a result, the Port Executive Director has been in contact with GM Weidenfeller.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report, but was absent to answer any inquiries.

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

CFO Parker provided a written report. Budget season is beginning, so she will be working on priorities for 2016.

Commissioner Topics, Discussion and Reports

Commissioner Stearns attended a Thurston Conservation District meeting. He also attended the Washington PUD Association Telecommunications Workshop with GM Weidenfeller.

Commissioner Oosterman is attending an Emergency Management meeting on Thursday, May 28.

Commissioner Olsen will attend the Thurston Regional Planning Council retreat. He will be running personal errands at the end of the week.

At 6:56 p.m., Commissioner Olsen called for a short break prior to the Executive Session.

At 7:00 p.m., Commissioner Olsen announced that the Board would enter an Executive Session to discuss and to consider the selection of a site or the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b) for 10 minutes. At 7:10 p.m., it was announced in the public area that the Executive Session would continue for five more minutes. At 7:15 p.m.,

the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

Action Item:

Resolution 15-18, Acquisition of the Skookumchuck Maintenance Water System

Approval of Resolution 15-18 would give the General Manager the authority to negotiate with the Skookumchuck Maintenance water system homeowners to enter into a purchase and sale contract for their water system. GM Weidenfeller explained that the system is red-tagged by the Department of Health, but the system is in good condition overall. **Commissioner Oosterman made a motion to approve Resolution 15-18 as presented; Commissioner Stearns seconded the motion; all in favor.**

Summary of Assignments:

1. Implement the new agenda format at the next meeting.
2. Commissioners will bring forward any budget priorities to the June 9th Commission Meeting
3. Bring a resolution forward for the approval of medical coverage for all Commissioners.
4. Follow up with Angela with NoaNet about obtaining a copy of the Telecommunications feasibility study prior to meeting with NoaNet.
5. Schedule a meeting for NoaNet to brief the Commissioners on the telecommunications feasibility study.
6. Move forward with acquisition of the Skookumchuck and Forest Glen water systems.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded; all in favor. The meeting was adjourned at 7:27 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary