

**MINUTES OF THE REGULAR MEETING OF SEPTEMBER 21, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for September 2015 of the Commissioners of Public Utility District No. 1 was called to order on Monday, September 21, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:10 p.m. Commissioners Russell Olsen and Linda Oosterman were present for the meeting. Commissioner Stearns was not present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), 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 5:10 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; Commissioner Olsen seconded, all those present in favor.

Consent Calendar:

Approval of Minutes: September 8, 2015
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: September 9, 2015, September 16, 2015
 Payroll: September 21, 2015
Resolution: None
Other: None

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

Public Comments: None

Public Hearing for the 2016 Budget and Rates:

Commissioner Olsen opened the 2016 Budget and Rates Public Hearing at 5:12 p.m. CFO Parker gave a brief presentation on the proposed budget, highlighted by the handout provided to staff, Commissioners, and the public. Three written comments, submitted by customers by mail or via e-mail, were provided to staff and Commissioners.

One member of the public was present. Mr. Youmans, a PUD customer, spoke with GM Weidenfeller just before the meeting regarding his questions for the proposed 2016 budget - specifically in regard to the purchased water line item. He also inquired about the Covington water system pump and if there was residual value for the decommissioned pump. Staff informed Mr. Youmans that the Covington well will be used for monitoring water levels in the future.

Commissioner Olsen closed the Public Hearing at 5:18 p.m. and the regular meeting was resumed.

Discussion Items:

Discussion of SMA Contracts

Gm Weidenfeller provided a spreadsheet outline to the Commissioners. The outline showed the information to be compiled for each Satellite Management Agency (SMA) when a comprehensive review is completed.

Discussion of Public Hearing Comments from the Public on the Proposed 2016 Budget, Rates and Capital Surcharges

The Commissioners are receptive to comments received from the public, particularly those in reference to low income households. However, the Commissioners are also satisfied with the proposed budget, especially since the increase for 2016 was below the four percent increase threshold goal.

Action Items:

Resolution 15-27, Adoption of the 2016 Budget; Resolution 15-28, Adoption of Rates, Fees, Charges, and Surcharges for 2016; Resolution 15-29, Adoption of 2016 Capital Budget; Resolution 15-30, Second Revised 2015 Capital Budget Amendment; and Resolution 15-31, Rate Stabilization Mechanism.

Commissioner Oosterman made a motion to approve Resolutions 15-27, 15-28, 15-29, 15-30, and 15-31 as presented; Commissioner Olsen seconded; all those present in favor.

Resolution 15-32, Second KPFF Contract Amendment to the Lew's 81st Consolidation Project

The proposed contract amendment updates and approves changes to the budget and extends the contract with KPFF for engineering and construction of the Lew's 81st consolidation project. The Board approved the contract award at the August 25 Commission meeting. **Commissioner Oosterman made a motion to approve Resolution 15-32 as presented; Commissioner Olsen seconded; all those present in favor.**

Resolution 15-33, Policy and Procedures, Probationary Period Policy

The proposed policy adopts a probationary period for employees. **Commissioner Oosterman made a motion to approve Resolution 15-33 as presented; Commissioner Olsen seconded; all those present in favor.**

Resolution 15-34, Policy and Procedures, Incentive Pay Policy

The purpose of this resolution is to provide the District the ability to provide employees who have reached the top of their pay range the ability to receive merit pay. The employee must fulfill certain caveats to qualify for merit pay. Incentive pay will not raise the salary range but will instead be treated as a merit pay for outstanding performance. **Commissioner Oosterman made a motion to approve Resolution 15-34 as presented; Commissioner Olsen seconded; all those present in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller is working with OM Gubbe on a letter to PUD customers regarding obtaining a generator for their system; the letter is expected to be sent to customers next month.

Staff has decided not to participate in WPUA's Day on the Hill in October 24. There is a state legislative workshop on retail telecommunications in Ocean Shores on October 15. GM Weidenfeller would like to bring forward a Proclamation from the Thurston PUD Commissioners to Kitsap PUD; Kitsap PUD has been extremely helpful and supportive of Thurston PUD in the past.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. The Lew's 81st consolidation project has begun - the longest scheduled outage for the project occurred September 21. In regard to the Tanglewilde generator project, the GM hopes to meet soon with the County to discuss the timeline. Chlorination is required for the McKenna water system (an SMA). The District's field staff will try to chlorinate the system one more time before employing a contractor to complete the work.

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

CFO Parker provided a written report. Anti-harassment training for the Commissioners is scheduled at 3:00 pm on October 13, prior to the next Commission meeting.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen attended the last Thurston Regional Planning Committee (TRPC) meeting. He also attended the Telecommunications project workshop on September 21 with GM Weidenfeller.

Commissioner Oosterman did not attend the WPUA meeting in Wenatchee. The Deschutes and Emergency Management meetings for September were cancelled. The Commissioner will be attending the Economic Development Council (EDC) Luncheon and the WPUA meetings in Leavenworth this week.

At 6:25 p.m., Commissioner Olsen announced that the Board would enter an Executive Session to consider the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b) for 10 minutes. At 6:35 p.m., the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

Summary of Assignments:

1. GM Weidenfeller will work with Commissioner Olsen to follow up with customers who submitted written comments to the PUD office.
2. The Clerk to the Board will look for a Robert's Rules of Order cheat sheet.
3. Staff will contact Thurston County regarding a timeline for the Tanglewilde pocket gopher study.
4. GM Weidenfeller will get information to the Commissioners on NIMS Classes.
5. Commissioners Oosterman and Stearns will take the Harassment Training at 3:00 on Tuesday, October 13th.

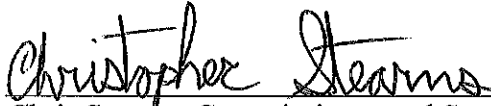
6. The GM will follow-up on membership at the Chamber of Commerce for Lacey and Thurston County.
7. Commissioners Olsen and Oosterman will sign the Proclamation to Kitsap PUD. The GM will get Commissioner Stearns's signature and Commissioner Oosterman will make the presentation to Kitsap PUD at the WPUA Water Workshop.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting: Commissioner Olsen seconded; all present in favor. The meeting was adjourned at 6:35 p.m.



Russell E. Olsen, Commissioner and President

Attest:



Chris Stearns, Commissioner and Secretary