

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 9, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for February 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, February 9, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:02 p.m. Commissioners Russell Olsen, Linda Oosterman and Chris Stearns were present for the meeting. 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 for the meeting.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:02 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as amended, to include approval of Resolution 16-03 as an Action Item: Commissioner Oosterman seconded; all in favor.

Consent Calendar:

Approval of Minutes: January 26, 2016
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: January 27, 2016, February 3, 2016
 Payroll: February 5, 2016
Resolution: None
Other: None

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

Presentation by Mary Hall, Thurston County Auditor

Ms. Mary Hall made a presentation on the District boundary adjustments proposed for Thurston County. The adjustments affect six voters and would move these voters from District 1 to District 3. However, no PUD customers would be effected by the boundary adjustments, as there are no PUD-owned water systems in that immediate area. The deadline to file the boundary adjustments is two weeks before candidates file for office this year. **Commissioner Oosterman made a motion to accept the new boundaries to keep the PUD's boundaries the same as the County and the Port: Commissioner Olsen seconded the motion; all in favor.**

Public Comments: A member of the Public was present, but this individual declined to speak at the meeting (and therefore, they did not sign in to the sign in sheet).

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Resolution 16-02 Revised Leak Adjustment Policy

The Commissioners discussed revising the District's leak adjustment policy at the January 26th Commission meeting. Under the new policy, 100% of the leak will be forgiven if all the criteria are met; the leak overage is calculated by reviewing the usage on a customer's account from the prior year. **Commissioner Olsen made a motion to approve Resolution 16-02 as presented: Commissioner Oosterman seconded the motion; all in favor.**

Purchases Proposed by Reserves

In 2015, rate revenues exceeded the budget by \$161,753. Staff recommends the Board approve using reserves for the following items: security enhancements for the Tanglewilde-Thompson Place reservoir, a locking Conex container, and a digital telephone system. These items will be covered in a budget amendment the next time one is brought forward for the Board to approve. The GM also said he would like to request reserves be used to fund some of the emergency radio system, generator beta system costs, and a disaster/emergency command and control center. However, these costs are not known at this time. He will bring this request forward at a later date. The Board approved using reserves for the security enhancements for the reservoir, the Conex container and a digital telephone system.

Action Item:

Resolution 16-03, Contract Amendment, Jerome W. Morrissette & Associates, Tanglewilde-Thompson Place Generator System Engineering and Construction Inspection

The proposed contract amendment updates and approves changes to the budget and extends the contract for Jerome W. Morrissette & Associates, Inc. P.S. for engineering and construction oversight and inspection of the Tanglewilde-Thompson Place generator project. The original contract was awarded at the March 24, 2015 Commissioner meeting (Resolution 15-08). **Commissioner Oosterman made a motion to approve Resolution 16-03 as presented: Commissioner Olsen seconded the motion; 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 Cedar Ridge Estates HOA Board would like staff to make a presentation to their homeowners on the evening of February 24th. He also reported that he and the Field Supervisor met with City of McCleary representatives to tour the Grays Harbor County PUD-owned systems.

The Telecommunications workgroup will be meeting either March 14th or March 21st. GM Weidenfeller and OM Gubbe conducted second-round interviews for the Meter Reader position on February 2nd. GM Weidenfeller will be presenting at the Legislator's Water Fair on February 10th.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She reported that there was a noise issue reported at Lew's 81st, but the problem, which might be due to a fan, may be fixed. The Notice to Proceed for the Tanglewilde-Thompson Place generator installation project will be sent out soon; the project was awarded to Waunch Construction and Trucking, Inc. at the last Commission meeting. OM Gubbe is working on a letter to be sent to customers of the Covington water system – water samples from that

system have shown that the water is more corrosive, resulting in higher concentrations of lead and copper (leached from a homeowner's pipes) in the water.

OM Gubbe also reported on a near-emergency over the weekend for the Tanglewilde-Thompson Place water system. The situation was good practice for staff in the case of an actual emergency. In addition, OM Gubbe will be out of the office from February 11th through February 19th on vacation.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer
CFO Parker will provide a written report during the second meeting in February.

Commissioner Topics, Discussion and Reports:

Commissioner Oosterman received a tour of eastern Washington PUDs and PUD infrastructure during her recent stay in that area. While she was touring that area, she saw the damage caused by the wildfires last year.

Commissioner Olsen attended the Thurston Regional Planning Council (TRPC) meeting. The focus of that meeting was primarily mobile integrated healthcare and its effects on the industry.

Commissioner Stearns will be following up regarding the February 24th meeting with the Cedar Ridge Estates homeowners. He would also like to in some way honor Senator Fraser for her public service.

Summary of Assignments:

1. Bring forth a budget amendment for the items to be paid for out of reserves.
2. Follow up with the Board on Legislation regarding any telecommunications projects/bills.

At 6:58 p.m., Commissioner Stearns announced that the Board would be entering Executive Session to discuss real estate acquisition, as authorized by RCW 42.30.110 (1)(b), for 20 minutes. At 7:18 p.m., it was announced in the public area that the Executive Session would continue for ten more minutes. At 7:30 p.m., it was announced in the public area that the Executive Session would continue until 7:40 p.m. At 7:40 p.m., the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Olsen seconded; all in favor. The meeting was adjourned at 7:40 p.m.


Chris Stearns, Commissioner and President

Attest:


Linda Oosterman, Commissioner and Secretary