

**MINUTES OF THE REGULAR MEETING OF JUNE 28, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, June 28, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:04 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 Operation Manager (OM), Joseph Rehberger, Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:04 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 discussion of a moving plan under discussion items: Commissioner Oosterman seconded; all in favor.

Consent Calendar:

Approval of Minutes: June 7, 2016
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: June 8, 2016, June 15, 2016, June 23, 2016
 Payroll: June 20, 2016
Resolution: None
Other: None

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

Public Comments: There was a member of the Public present, but the individual did not comment during the meeting, nor did he sign in.

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Discussion of Hazard Mitigation Planning Process

Administrative Assistant (AA) Carrie Bowen reported on progress with the District's Hazard Mitigation Plan; she and OM Gubbe have been involved in this project, led by the Thurston Regional Planning Council (TRPC). AA Bowen has completed a draft, but a final draft of the Plan isn't required to be submitted until next year. Commissioners, staff, and legal counsel discussed the possible benefits and ramifications of publishing the Hazard Mitigation Plan.

Discussion of Resolution 16-13, Supplemental Bidder Responsibility Criteria

The purpose of this resolution is to allow the District to adopt relevant supplement bidding criteria for determining bidder responsibility applicable to particular projects as authorized under state law. Mr. Rehberger spoke to purpose of the resolution and the update of PUD Policy 200-013, including the Public Works bidding process and statutorily-defined parameters. The resolution was approved for movement for consideration of approval by the Commissioners at a later meeting.

Discussion of Tanglewilde Generator Celebration

At an earlier meeting, the Commissioners discussed the possibility of having a 'ribbon-cutting' ceremony to celebrate the completion of the installation of the Tanglewilde-Thompson Place generator. After receiving feedback from the Tanglewilde Park Commissioners, no celebration will be planned. Based on past experience, staff also doesn't recommend sponsoring a booth at the Garage Sale Day.

Set Strategic and Budget Priorities for 2017

Commissioners and staff continued their discussion of establishing strategic budget priorities for 2017. The GM noted that an evaluation of all of the field tasks is underway, and that the optimal staffing level will be analyzed and with a recommended level of service, a staffing recommendation will be brought forward at the second meeting in July or the first meeting in August.

Discussion of Small Generator System Development

GM Weidenfeller provided a handout to update the Commissioners and staff regarding the development of the small water systems generator project. The Electrical Engineer, Parker V. Holden, is in the final stages of manufacturing a prototype device that can be used to provide back-up power for small water systems. Once the generator is completed, a beta test will be performed on the Indian Crest water system. A generator set could then be manufactured. The estimated cost for a small system generator is estimated to cost between \$20,000 and \$22,000; if customers would like a generator installed for their system, a 66% yes vote is required from customers of the water system to pay for the generator through surcharges for the next 20 years.

Discussion of Moving Plan

Commissioners and staff discussed the possibility of moving to another location. CFO Parker will provide more information on funding for a move at the second meeting in July. In the meantime, Commissioners and staff will hold a workgroup to make a list of criteria for a new location; this list could be provided to a real estate agent for research. A moving plan will not be developed until a new location is determined.

Action Item(s):

Resolution 16-11, Revision to 2016 Capital Budget

This resolution revises the 2016 Capital Budget to incorporate several changes. CFO Parker and OM Gubbe generated a list to describe each change. **Commissioner Olsen made a motion to**

approve Resolution 16-11 as presented: Commissioner Stearns seconded the motion; all in favor.

Resolution 16-12, DWSRF Loan for Lew's 81st Contract Extension

The purpose of this resolution is to authorize the General Manager to sign the Drinking Water State Revolving Fund (DWSRF) contract for the additional costs incurred during construction of the Lew's 81st consolidation with the Jenni and Woods water systems. **Commissioner Oosterman made a motion to approve Resolution 16-12 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 Dinelt water system will likely be purchased by Rainier View Water; GM Weidenfeller and OM Gubbe visited the system recently to research PUD acquisition of the system. Staff has looked into the costs associated with improving the IT connection at the office and installing a phone system upgrade, but due to the possibility of a move in the future, these projects have been placed on hold. CFO Parker will be able to research the costs of these projects once there is a possible location.

GM Weidenfeller has made contact with Mason PUD No. 3 in regard the possibility of providing a broadband connection at the Olympia Harbor Days event in September. Puget Sound Energy has denied the District's claim in reference to the Hawk Acres water system generator; the General Manager will be testifying to the Utilities and Transportation Commission regarding this issue, and staff will be submitting a claim to Washington Cities Insurance Authority (WCIA) for damages.

Commissioner Olsen discussed an issue with the other Commissioners regarding the recent decision made to stand down in regard to the Tumwater 4th of July Celebration.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She reported that Anthony Dahmen, the former Meter Reader, has been promoted to Field Technician I. In addition, the Consumer Confidence Reports (for all Group A systems) will be posted to the PUD website by July 1st; notification will be sent to customers with the June billing statements by June 30th.

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

CFO Parker provided a written report. She reported that expenditures so far are within budgeted limits. Per Commissioner Oosterman's request, CFO Parker will begin highlighting any items on her report that are highly unusual or important. OM Gubbe will model her report like GM Weidenfeller's to include 'new information'/'no new information.'

Commissioner Topics, Discussion and Reports:

Commissioner Oosterman reported that the Emergency Management meeting was again cancelled, so she may be looking into other alternatives. She attended the last Thurston County Chamber of Commerce meeting, as well as the last Economic Development Council (EDC) meeting. The Commissioner has been having an issue with receiving information from the EDC.

Commissioner Olsen will attend the next TRPC meeting in July. He spoke earlier in the meeting with the other Commissioners about communication and the Tumwater 4th of July Celebration issues.

Commissioner Stearns will attend the next Water Resources Advisory Council group meeting at the Department of Ecology on July 11th.

Summary of Assignments:

1. Add language in the resolution for the Hazard Mitigation Plan (HMP).
2. The next draft of the HMP resolution should note that the District's Asset Management Plan (AMP) determines the priority of funding allocations and that the HMP priorities are secondary to priorities of the AMP.
3. If Hazard Mitigation monies become available for a generator, then these funds will be applied based on the size of the water system. Larger systems will be prioritized first.
4. Send a copy of the Tanglewilde Garage Sale Day flyer to the General Manager and Commissioners.
5. Contact South Puget Sound Community College in reference to the possibility of collaborating on broadcasting the tug boat races during Olympia Harbor Days in September.
6. Research the costs involved in obtaining a broadband generator.

At 8:25 p.m., Commissioner Stearns announced that the Board would be entering Executive Session to discuss the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b) until 8:40 p.m. At 8:40 p.m., it was announced in the public area that the Executive Session would continue for 5 more minutes. At 8:45 p.m., the Executive Session was adjourned and the regular meeting resumed. 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 8:45 p.m.


Chris Stearns, Commissioner and President

Attest:


Linda Oosterman, Commissioner and Secretary