

**MINUTES OF THE REGULAR MEETING OF JULY 12, 2016
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for July 2016 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, July 12, 2016, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:01 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), and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Stearns called the regular meeting to order at 5:01 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Olsen made a motion to approve the amended agenda as presented. Commissioner Oosterman then made a motion to amend the agenda to include a discussion on Decision Making under Discussion Items. Commissioner Olsen seconded the motion; all in favor (for both the amended agenda and amendment to the amended agenda).

Consent Calendar:

Approval of Minutes: June 28, 2016

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

Accounts Payable: June 29, 2016, July 6, 2016

Payroll: July 5, 2016

Resolution: None

Other: Letter, Declaration of Emergency Waiver of Competitive Bidding Requirements, Prairie Villa Water System, July 12, 2016

Consent Calendar: Commissioner Oosterman made a motion to approve the Minutes, which had been amended because of a name error: Commissioner Stearns seconded this motion; all in favor. The Commissioners then voted to approve the Consent Calendar; 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 Decision Making Processes

Commissioner Oosterman discussed her proposal for decision-making for the Board going forward, as there may have been some confusion during the last few Commission meetings.

Commissioner Oosterman suggested that when there is an issue, the Chair should state the issue, summarize the issue, request feedback/discussion from all Commissioners and then bring the issue to a vote. Commissioner Olsen suggested creating a third category in addition to the current two: *Information or Discussion of Operations/Policy Issues* and *Action/Approval Item(s)*. He suggested there be a new category that addressed *Operational and Coordination Issues* for items that require a decision or follow-up, but not necessarily a vote. The Commissioners were in agreement that clarity and concurrence is the goal going forward. After further discussion, Commissioner Oosterman withdrew her request.

Review of the September Commission Meeting Dates

The two Commissioner meetings in September are scheduled for September 13th and September 27th. The WPUDA Association meetings are scheduled September 14th through September 17th in Goldendale. The WPUDA Water Workshop is scheduled September 21st through September 23rd in Vancouver. The Commissioners concurred that the September 13th Commission meeting should be rescheduled for Monday, September 12th; this item will be brought to the July 26th Commissioner meeting (under Consent Calendar) for approval by the Board.

Set Strategic and Budget Priorities for 2017

CFO Parker explained that this is the third time the Board has had the opportunity to address and set strategic and budget priorities for the 2017 Budget. She listed the following, based on the items that were contributed:

- Budget telecommunications events in 2017 to provide parameters within which the District can participate. (Growth Goal)
- Focus on how we communicate to the Public the relationship of the budget to the financial plan, asset management plan, and the impact of surcharges on our customers. (Stewardship and Sustainability Goal)
- Budget some funding to apply for tanks to better prepare for an emergency. (Sustainability Goal)

Following the next meeting, CFO Parker will compile the numbers for the 2017 budget.

Discussion of PUD Office

GM Weidenfeller suggested that a Request for Qualifications (RFQ) be published to find a realtor with a commercial specialization to help aid in the search for a new office. There is a budget of \$870,000 available, including improvements; this figure doesn't reflect a rate increase to customers. GM Weidenfeller stressed the importance of updating IT since the connection at the current office is severely outdated and affects productivity. Commissioners and staff discussed moving to a location that can be served by Thurston County, costs of arranging IT services by a firm/individual other than the County, and finding areas that have dark fiber. CFO Parker pointed out that if there's a location that can be serviced by Comcast, the County can still provide IT services for the PUD.

After senior staff discussed desired provisions for a new location with PUD personnel earlier in the month and the list of criteria was provided to the Commissioners. Improved IT is high on this list. The Commissioners agree that it is also critical to have the criteria to include finding a

location that can be served by Thurston County's IT Department. Commissioner Oosterman was told by a local property management agency that an office with 5,000 square feet is around \$650,000 and 6,000 square feet is around \$750,000.

The Commissioners found the list of screening criteria provided to be acceptable. Commissioner Olsen would like to be updated for each property that meets criteria and have all property specification sheets forwarded to the Commissioners when they become available. If a special meeting is required for the Commissioners to meet, GM Weidenfeller cautioned that 24 hours are necessary to advertise in The Olympian. An emergency exception could be made to advertise for a special meeting on the PUD website only; he recommends advertising in the paper.

Commissioner Oosterman volunteered to be the Commissioner assigned to this project due to her background. Commissioner Oosterman will serve on the commercial real estate firm RFQ Review Team. Commissioner Stearns will serve on the architectural firm RFQ Review Team. The Commissioners are fine with the GM sending out the RFQs.

Discussion Regarding Providing Broadband for the Olympia Harbor Days

At the June 28th meeting, the possibility of providing broadband at the Olympia Harbor Days event was discussed. To avoid further confusion, GM Weidenfeller would like the Board to make a decision regarding whether or not to go forward with the project, which would require a lot of coordination on staff's part. The Commissioners agreed to not go forward with this project, or with the proposed real time web site posting of the tug boat races. Funding to plan for these types of events will be included with the 2017 proposed budget.

Action Item(s):

Resolution 16-13, Contractor Criteria

Joe Rehberger, Chief Legal Counsel, updated the Board on this resolution at the June 28th meeting. Approval of the resolution would allow the District to adopt relevant supplemental bidding criteria for determining bidder responsibility applicable to particular projects as authorized under state law; PUD Policy 200-013, Competitive Bidding and Procurement Procedure, has been updated. **Commissioner Oosterman made a motion to approve Resolution 16-13 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 estimated cost to fix the roads at the Lew's 81st water system is \$10,000; he has been working with Mr. Rehberger to tackle this project. GM Weidenfeller reviewed the list of possible acquisitions, including the Red Tail Hawk Estates and Frog Hollow 1, 2 and 3 water systems.

A system has been established for the emergency radios, and the GM expects to have even more progress on this in about a month. Commissioners will receive a demonstration and radios around this time. CFO Parker spoke to the Accountant's absence expected later this year due to maternity leave. She has contacted Accountemps regarding a temporary hire to cover the essential duties of the Accountant until she returns to the office. GM Weidenfeller is hoping to compile claim information this week pertaining to the Hawk Acres water system generator to forward to Washington Cities Insurance Authority (WCIA) since Puget Sound Energy (PSE) denied the PUD's original claim.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. Thurston County advised staff that chlorinated water has been seeping into a storm drain. Last week, a leak was found to be the cause of this issue, and a contractor repaired the leak on July 12th. A claim may be submitted to the County for the leak which is believed to have been caused when the installation of the storm water catch basin was not correctly installed; this issue has occurred before. Bob Coker, one of the Tanglewilde Park Commissioners, accepted the park upgrades as completed. A few inspections have yet to be completed for the new Tanglewilde-Thompson Place generator.

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

CFO Parker will provide a written report at the second meeting of the month.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen attended the last Thurston Regional Planning Council (TRPC) meeting. He discussed personnel changes at this agency and discussion topics at that meeting (e.g. transportation and the next legislative session). The organization doesn't plan on having a summer retreat; the next meeting is scheduled in September. He also reported that the Department of Ecology may be proposing rules limiting the discharge from water vessels, as this contributes to contamination of the Puget Sound, shellfish, etc. He suggested that the Commissioners follow this development and consider issuing comments and/or testimonies for this process. The Commissioner will be on vacation during the next Commission meeting and would like to be excused from attending the Commission meeting. **Commissioner Oosterman made a motion to excuse Commissioner Olsen from attending the July 26th Commission meeting; Commissioner Stearns seconded the motion; all in favor.**

Commissioner Oosterman attended the last Economic Development Council (EDC) strategic meeting. She noted that TRPC is included in the strategic process and an update will be given in September. The Commissioner will be attending a Chamber of Commerce meeting this week. She will not be attending the WPUA Association meetings in Port Angeles this week, as the venue is not spouse-friendly. The Commissioner reported more in depth on business, education, and representation in regard to the EDC.


Commissioner Stearns attended the last Water Resources Advisory Committee meeting at the Department of Ecology. He reported on the individuals/agency representatives that attended, as well as issues discussed including the Office of Columbia River, legislation, treaties and renewals, supply allocations, etc. Commissioner Stearns explained that this committee meets to discuss water supply, not water quality.

Summary of Assignments:

1. On the July 26th agenda, include the reschedule of the September 13th meeting to September 12th under Consent Calendar for approval by the Board.
2. The GM will issue RFQ's for a commercial real estate consultant and architectural services.

At 7:15 p.m., Commissioner Stearns announced that the Board would be entering Executive Session to discuss the performance of a public employee, as authorized by RCW 42.30.110 (1)(g) until 7:27 p.m. At 7:27 p.m., it was announced in the public area that the Executive Session would continue for 10 more minutes. At 7:37 p.m., it was announced in the public area that the Executive Session would continue for 20 more minutes. At 7:57 p.m., the Executive Session was adjourned and the regular meeting resumed. No decisions were made.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting: Commissioner Oosterman seconded; all in favor. The meeting was adjourned at 7:57 p.m.



Chris Stearns, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Secretary