

**MINUTES OF THE REGULAR MEETING OF DECEMBER 11, 2017
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for December 2017 of the Commissioners of Public Utility District No. 1 of Thurston County was called to order on Monday, December 11, 2017, at the Lacey Community Center at 6729 Pacific Ave SE, Lacey, WA 98503, commencing at 2:30 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 Assistant General Manager (AGM), Joe Rehberger, the District's Chief Legal Counsel, Cathy Easton, the District's Customer Service Representative, and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Stearns called the regular meeting to order at 2:30 p.m.

Approval of Agenda: Commissioner Olsen made a motion to approve the agenda as presented: Commissioner Stearns seconded the motion; all in favor.

Consent Calendar:

Approval of Minutes: November 28, 2017
Prequalification of Contractors – Small Works Roster: None
SMA Contracts: None
Correspondence: None
Travel Approvals: None
Voucher Approval:
 Accounts Payable: December 1, 2017, December 8, 2017
 Payroll: December 5, 2017
Resolution: None
Other: None

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

Public Comments: None

Public Hearing: 2018 Rates for Keanland Park, Scattercreek Ranch, Redtail Hawk, Frog Hollows 1, 2 and 3, and Forest Glen Water Systems

Commissioner Oosterman opened the Public Hearing at 2:35 p.m. Several members of the Public testified – all Public members that testified belonged to the Scattercreek Ranch water system. The Public Hearing was closed at 3:13 p.m.

Information or Discussion of Operations/Policy Issues:

Update on the 1230 Ruddell Rd SE Building and Move

AGM Parker gave an update on the renovations completed at the 1230 Ruddell Rd SE building and the upcoming move. Staff and Commissioners discussed painting, floor installation, phone line/network installation, the security system, various moving updates, and installation of the customer service payment window.

Resolution 17-55, 2017 Operational Budget Amendment

This resolution revises the 2017 operating budget to incorporate the additional revenue and expenses of the new water systems purchased in October 2017, not already included in the existing 2017 budget. AGM Parker explained that the changes reflect increased cost/size of the PUD and additional customers/staffing due to the acquisition. This resolution will be brought forward for approval at the next meeting.

Resolution 17-56, 2017 Capital Budget Amendment

This resolution revises the 2017 capital budget to incorporate the changes as noted in the list attached to the resolution. AGM Parker explained that the changes reflect a reallocation of funding. This resolution will be brought forward for approval at the next meeting.

Resolution 17-67, Adopt Revised 2018 Budget

AGM Parker introduced the revised 2018 budget, which will be brought forward for approval at the next meeting.

Resolution 17-68, Authorization to Surplus

The purpose of this resolution is to request Commission approval to surplus and dispose of PUD equipment and materials. This resolution will be brought forward for approval at the next meeting.

Action Items: None

Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. He reported that Standard & Poor's (S&P) new rating for the District is A+, and the bond sale is scheduled for December 12th. The GM has received interest in installing generators at the Redtail Hawk, Prairie Ridge, and Country Club water systems, so he will be working with those customers regarding voting and surcharges.

Finance Report: Julie Parker, Assistant General Manager

AGM Parker will provide a written report at the second meeting in December. Commissioner Olsen asked AGM Parker about the recent S&P rating, and she addressed the Commissioners in regard to the rating related to the acquisition of the systems formerly owned by H&R Waterworks customers.

Commissioner Topics, Discussion and Reports:

Commissioner Olsen had nothing to report.

Commissioner Stearns reported that he is meeting with the Department of Ecology Water Resources Program Manager later this month.

Commissioner Oosterman had nothing to report.

At 4:04 p.m., Commissioner Oosterman announced that the Board would be entering into an Executive Session to consider the minimum price at which real estate will be offered for

sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price, as authorized by RCW 42.30.110(1)(i), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g), until 4:45 p.m. At 4:45 p.m., it was announced in the public area that the Executive Session would be extended until 4:55 p.m. At 4:55, it was announced in the public area that the Executive Session would be extended until 5:05 p.m. At 5:05 p.m., it was announced in the public area that the Executive Session would be extended until 5:14 p.m. At 5:14 p.m., the Executive Session was closed, and the regular meeting was resumed.

Summary of Assignments:

- Include an article to former H&R Waterworks customers about the customers' vs. the PUD's responsibility in regard to water leaks.

Adjournment: Commissioner Olsen made a motion to adjourn the meeting; Commissioner Stearns seconded the motion; all in favor. The meeting was adjourned at 5:14 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary