

**MINUTES OF THE REGULAR MEETING OF OCTOBER 28, 2014
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for October 2014 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, October 28, 2014, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Linda Oosterman and Chris Stearns were present. Commissioner Russell Olsen attended the meeting via conference call. Also present were John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), Julie Parker, the District's Chief Financial Officer (CFO), and Kurin Rosado, Clerk to the Board. Joe Rehberger, Chief Legal Council, was excused from the meeting.

Call to Order: Commissioner Oosterman called the Regular meeting to order at 5:04 p.m.

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

Consent Calendar:

Approval of Minutes: October 14, 2014

Prequalification of Contractors: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Other: None

Voucher Approval:

Accounts Payable: October 16, 2014, October 22, 2014

Payroll: October 20, 2014

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

Public Comments: None

Discussion Items:

Information or Discussion of Operations/Policy Issues:

Customer Survey & Drawing of Three \$50 Bill Credit Winners

The Customer Satisfaction Survey was concluded on October 15, 2014. A total of 36 responses were received. The Commissioners present conducted a drawing to determine the three \$50 bill credit winners. The winners, two Tanglewilde-Thompson Place customers and a Lew's 81st customer, will be notified by staff and their names will be posted in the next newsletter.

Quarterly Strategic Plan Report – Third Quarter 2014

The 2014 3rd Quarterly Strategic Plan Report was made via a PowerPoint presentation. Complaints are up slightly from second quarter. The former Marvin Road Water Company customers have been making electronic payments, as evidenced by the increased payments processed by Customer Service Representatives. Results from the Customer Satisfaction Survey were positive overall. It was also reported that all but one water system (of those systems that are owned by the PUD) is in compliance with Department of Health standards.

Commissioner Oosterman would like to meet with the other Commissioners regarding the PUD's 'Vision.' They may want to revise that portion of the strategic plan to better fit the PUD.

Resolution 14-26 Adopt the Ad Valorem Tax

Adoption of this resolution is required to establish the level of the regular property tax levy to be collected in 2015 at the highest lawful amount. This information must be submitted to the Thurston County Treasurer by mid-November.

Resolution 14-27 Lost Tax Revenue

The purpose of this resolution is to authorize a refund levy of \$583.45 to make up for lost tax dollars due to refunds given to taxpayers as a result of changes in value.

Resolution 14-29 Contract with RH2 for NTSD Engineering

Adoption of this resolution would give the General Manager authorization to sign a contract with RH2 Engineering to perform engineering and hydrogeological services for the North Thurston School District new schools in the PUD service area.

Resolution 14-30 Contract Amendment, JWM Morrissette & Associates

If adopted, this resolution would extend the contract timeline and add additional funding for Jerome Morrissette & Associates that was approved via Resolution 14-16, adopted in July 2014. It is the General Manager's recommendation to add \$5,000 for engineering and to extend the agreement through February 20, 2015.

Resolution 14-31 Fair Labor Standards Act (FSLA) Exempt Employee Executive Leave

This resolution will give employees of the District (excluding the General Manager), who are exempt from the FSLA overtime requirements, up to 40 hours per year for Executive Leave as approved by the General Manager.

Action Item(s): Resolution 14-32 Contract with Hatton Godat Pantier for Engineering and Construction Oversight for the Webster Hill Water System Project

The District is expected to own the Webster Hill water system by Saturday, November 1, 2014. The purpose of this resolution is to authorize the General Manager to sign a contract with Hatton Godat Pantier to perform engineering services and construction oversight for the Webster Hill system. **Commissioner Stearns made a motion to approve Resolution 14-32 as presented; Commissioner Olsen seconded, all in favor.**

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. Commissioner Oosterman inquired about the engineering for the Lew's 81st water system. OM Gubbe has submitted the Water System Plan (WSP) to the Washington Department of Health (DOH) Office of Drinking Water and received their feedback on the plan. She will need to review the WSP for recommendations and corrections made.

GM Weidenfeller received a call from the DOH; their office would like him to attend a November 3 meeting to discuss the Webster Hill water system and the PUD's acquisition of this system. GM Weidenfeller also attended a Hazard Mitigation meeting with Emily Banks, the PUD's Technical Assistant.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. She has been working with the City of Lacey for the conversion of the WinCo, Wendy's, and Great Floors meters. Wendy's will be transferred to City of Lacey by the end of the week. However, WinCo will take longer to transfer; it is expected that WinCo will be transferred to City of Lacey service by the end of 2014.

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

CFO Parker provided a written report. The Project Help reserve account is building; the amount accumulated so far is approximately \$700, so the CFO may need to adjust the requirements for those applying to receive help from that program.

The exit interview for the Department of Retirement Systems audit has been conducted and their office has made some suggestions to PUD staff. One of these suggestions includes adjustments relating to the change of the payroll reporting period from biweekly to semimonthly around 2006 or 2007. Another suggestion related to the Commissioner reporting for retirement credits. Based on the information received, a new form was approved by the Board at the last meeting (October 14).

Finally, CFO Parker thanked the Board for nominating her daughter, Tiana Parker, for the WPUDA scholarship earlier this year. Tiana was chosen from the candidate pool to receive the scholarship.

Commissioner Topics, Discussion and Reports:

Commissioner Stearns attended the Chehalis Partnership and spoke about personnel changes with that group. The proposed oil tanker continues to be an issue in this region. As the Board has approved the 2015 budget, which includes a waiver of the Pederson Place and Cornerstone Estates water systems surcharges to those customers, Commissioner Stearns would like information on the amount of the refund that should be given to the few customers that paid these charges in advance to avoid interest charges.

Commissioner Oosterman attended the October 20 Emergency Management meeting. Officials have predicted this winter to be warmer and drier than usual. The rising conflict regarding Ebola was also addressed. The Commissioner also met with the Utilities & Transportation Commission (UTC) with GM Weidenfeller this month. Officials from that entity like the PUD's philosophy and invited our staff and Commissioners to the UTC's public meeting on November 21.

Commissioner Olsen recently met with Olympia, Lacey, and Tumwater elected officials about the telecommunications project. Although the Commissioner still needs to work with Lacey representatives, the project will be moving towards the next step: a scope of work. There are some issues to address, but the overall attitude toward this project is a good one. It was reported that GM Weidenfeller was finally able to get in contact with an official from the Economic Development Council (EDC), as requested by some city officials.

At 7:28 p.m., Commissioner Oosterman announced the Board would enter an Executive Session for the purpose of discussing real estate acquisitions as authorized by RCW 42.30.110 (1)(c) for 10 minutes. At 7:38 p.m., it was announced in the public area that the Executive Session would be extended for 12 more minutes. The Executive Session was closed at 7:50 p.m.

At 7:51, Commissioner Oosterman called the regular meeting back to order.

The Board discussed potential acquisitions. **Commissioners Stearns made a motion to authorize GM Weidenfeller to negotiate with the owners and acquire real property, water rights, and water systems associated with the Country Meadows East #2 water system in Pierce County; Commissioner Oosterman seconded, all in favor.**

Commissioners Stearns also made a motion to authorize GM Weidenfeller to negotiate with the Forest Glen Estates Homeowners Association to acquire real property, water rights, and water systems associated with the Forest Glen Estates water system in Pierce County; Commissioner Oosterman seconded, all in favor.

Summary of Assignments:

1. CFO Parker will provide the Commissioners with a copy of the Department of Retirement Systems exit interview from the audit.
2. CFO Parker will calculate refunds information and make a recommendation to the Board concerning with surcharge refund information for those Pederson Place and Cornerstone Estates water system customers that paid in advance to avoid interest charges.
3. Staff will speak with Legal Counsel regarding acquisition of the Forest Glen Estates water system in relation to collecting the road fund fee billed to their customers.

Adjournment: Commissioner Oosterman made a motion to adjourn the meeting; Commissioner Stearns seconded, all in favor. The meeting was adjourned at 8:00 p.m.



Linda Oosterman, Commissioner and President

Attest:



Russell E. Olsen, Commissioner and Secretary