

MINUTES OF THE REGULAR MEETING OF AUGUST 11, 2015
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for August 2015 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, August 11, 2015, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:11 p.m. Commissioners Russell Olsen, Linda Oosterman, and Chris Stearns were present. 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), Joe Rehberger, Chief Legal Counsel, and Kurin Rosado, Clerk to the Board.

Call to Order: Commissioner Olsen called the regular meeting to order at 5:11 p.m. The Pledge of Allegiance was recited by all present.

Approval of Agenda: Commissioner Oosterman asked that the Board Decorum Discussion be moved forward in the agenda. **Commissioner Stearns made a motion to approve the agenda as amended; Commissioner Olsen seconded, all in favor.**

Consent Calendar:

Approval of Minutes: July 31, 2015

Prequalification of Contractors – Small Works Roster: None

SMA Contracts: None

Correspondence: None

Travel Approvals: None

Voucher Approval:

 Accounts Payable: July 29, 2015, August 5, 2015

 Payroll: August 5, 2015

Resolution: None

Other: None

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

Public Comments: None

Discussion Items:

Discussion of Board Decorum

The Commissioners, GM Weidenfeller, and Joe Rehberger were present for a discussion regarding Board Decorum.

Strategic Plan Report for Second Quarter 2015

GM Weidenfeller made a PowerPoint presentation for 2015 Second Quarter Strategic Report.

Office Space Discussion

The GM stated he would bring forward the contract renewal for the current office space and noted it had a 120 day lease termination clause. Staff and the Commissioners primarily discussed two options available for moving to a new office space in the future; space will be available in

Thurston County's Mottman property and also at the Port of Olympia lands located near the airport. Staff will move forward investigating a lease with the County at the Mottman property.

General Fund Financial Review and Initial Proposed Budget Presentation

CFO Parker provided her preliminary projections and initial budget for 2016. With a \$91,000 water revenue increase needed to balance the 2016 budget, an increase of less than four percent for water rates is recommended. This increase includes increases in salaries and wages, as well as the part-time staff increase for the customer service work study position. CFO Parker will continue to analyze revenue predictions and provide more information at the upcoming meetings.

2016 Employee Salary Survey

Copies of the current salary grid was provided to all present; also provided was a salary grid with the proposed changes for 2016. The last salary survey was completed in 2013, which reflected 2012 salaries. Based on the most recent research, the District's salaries have not kept up with comparable jurisdictions in similar jobs. The recommended changes will have an estimated impact of \$28,670 on salaries and benefits in 2016 and includes the work study position in the customer services section. The proposed budget is expected to sustain these salary increases without exceeding a four percent rate increase.

At 6:53 p.m., a short recess was called. The meeting was resumed at 7:05 p.m.

Water Use Efficiency Report/Leak Report and Conservation

OM Gubbe made a PowerPoint presentation for the water use efficiency report and current conservation measures.

Satellite Management Agency Discussion

The District began providing Satellite Management Agency (SMA) services in 2008. The Board has since approved taking on new SMAs only under unique circumstances. Due to the amount of growth the District has experienced and the fact that staff is at capacity, it is staff's recommendation to authorize the General Manager to end SMA contracts with water systems currently managed that are not in the District's best interest. Initial terminations considered will be considered with those SMAs the District has no hope or interest to acquire.

Action Items:

Request from Mr. and Mrs. Coffey

Mr. and Mrs. Coffey attended the first meeting in July to ask for permission to drill an irrigation well on their property in the Elk Heights community. They must obtain the Board's approval prior to asking the Tacoma Pierce County Health Department to also approve their request. In addition to meeting the irrigation needs for their empty lot, the irrigation well could also serve to suppress any wildfires in the area, as there are no hydrants within that community. **Commissioner Oosterman made a motion to deny permission to drill an irrigation well, but also to authorize the General Manager to contact the local fire authority for more information on fire support for that area; Commissioner Stearns seconded the motion; all in favor.** Commissioner Olsen made an amendment to the proposed motion, but the amendment was withdrawn.

Meeting Change for the Second Meeting in September

The WPUWA Water Workshop is scheduled the same week as the second Commission meeting in September. To avoid any travel conflicts, the Commissioners agreed to change the September 22 meeting to Monday, September 21 at 5:00 p.m. Commissioner Oosterman will call in to the meeting.

Legal Report: None

Presentations:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a written report. GM Weidenfeller will be out of the office beginning Wednesday, August 12 through Thursday, August 20; he will be on vacation.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a written report. The Tanglewilde Generator project has been delayed for six weeks due to pocket gopher screening.

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

CFO Parker will provide a written report during the second meeting of August.

Commissioner Topics, Discussion and Reports: None

At 8:13 p.m., a short recess was called. The meeting was resumed at 8:20 p.m.

At 8:20 p.m., Commissioner Olsen announced that the Board would enter an Executive Session to consider the acquisition of real estate, as authorized by RCW 42.30.110 (1)(b) for 20 minutes. At 8:40 p.m., the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

At 8:40 p.m., Commissioner Olsen announced that the Board would enter another Executive Session to review the performance of a public employee as authorized by RCW 42.30.110 (1)(g) for 10 minutes. At 8:50 p.m., the Executive Session was adjourned and the regular meeting was continued. No decisions were made.

Summary of Assignments:

1. Commissioner Stearns is excused from the second meeting in August. Provide the Commissioner with information to call into the meeting, if his schedule allows him to attend via teleconference.
2. Schedule a discussion of the NoaNet Feasibility Study at the second meeting in August; a follow up meeting with the cities of Olympia, Lacey, and Tumwater is scheduled for September 21.
3. Provide the Commissioners with the pump house/asset assessment once that report has been completed.


4. Include average annual temperature on the 'Are We Meeting the Goal?' slides for the next Water Use Efficiency report.
5. Bring forward a SMA Contract Termination as an Action Item at a future meeting.

**Adjournment: Commissioner Oosterman made a motion to adjourn the meeting:
Commissioner Stearns seconded; all in favor. The meeting was adjourned at 8:50 p.m.**



Russell E. Olsen, Commissioner and President

Attest:



Linda Oosterman, Commissioner and Vice President