

**CERTIFIED COPY OF RESOLUTION
ADOPTED AT THE REGULAR MEETING OF THE COMMISSIONERS
OF
PUBLIC UTILITY DISTRICT NO. 1 OF THURSTON COUNTY**

We, the undersigned, being the Vice President and Secretary of Public Utility District No. 1 of Thurston County (PUD), do hereby certify that the following Resolution was adopted by a majority vote of the Commissioners of Public Utility District No. 1 of Thurston County, in attendance at the meeting held at the office of the District, Suite 301, 921 Lakeridge Way S.W., Olympia, Washington, 98502 on Tuesday, May 24, 2011, and that said Resolution has not been revoked.

RESOLUTION NO. 11-21

WHEREAS, the PUD has the full and exclusive authority to sell and regulate and control the use, distribution, and price for the purpose of furnishing the district, and the inhabitants thereof, with an ample supply of water for all purposes, and

WHEREAS, pursuant to its authority and duties, the PUD is to furnish water service to all customers within the service area of the water system. Each individual water system is engineered, designed and must be maintained to serve different classes of customers range of water connections, and

WHEREAS, the collection of General Facilities Charges (GFC) and other connection and surcharges are necessary for both the cost providing service to new customers and to insure and protect the efficiency and integrity of the water systems in compliance with Federal, State and local laws as well as the policies of the PUD.

WHEREAS, the integrity of the water systems owned and managed by the PUD is compromised if existing or new customers, to whom the PUD is able and willing to furnish water, disconnect from the PUD system and otherwise seek an alternative water supply with the intent to avoid PUD GFC, connection and other fees required for the system. If the PUD does not collect rates from existing and new customers to operate, maintain, repair and replace the water system, the cost to other customers within the system and other PUD ratepayers will pay a higher and unfair share of PUD

costs and payment of PUD bond requirements. Alternative sources include the use of groundwater under the ground water permit exemption provided in RCW 90.44.050., and

WHEREAS, periodically the PUD receives requests for customers to release and surrender their water service connection and thereby avoid the GFC, connection and other fees and rates to the PUD, and

WHEREAS, under certain circumstances, a new or existing customer may have good cause, and it may be in the best interest of the PUD to allow a the customer to surrender rights and release the PUD from its duties to furnish water to the customer, and

WHEREAS, the District's Board of Commissioners desires to issue a policy by adopting a Resolution that new and existing customers remain obligated for all GFC, connection and other charges of the PUD for a water system regardless of whether the customer disconnects from the water system and such customer cannot otherwise to surrender or release the rights and obligations for water service from the PUD, unless it is first determined that releasing the connection is in the best interest of the PUD in owning and managing the water system on behalf of all customers and the PUD, and

WHEREAS, the Board wishes to delegate to the General Manager the authority to make such determination for petitions filed with the PUD.

NOW, THEREFORE, it is hereby

RESOLVED that the PUD establish a policy that a new or existing customer within the service area of a PUD owned or managed water system remain obligated for all GFC, connection and other charges of the PUD for a water system regardless of whether the customer disconnects from the water system; and that such customer cannot otherwise to surrender or release the rights and obligations for water service from the PUD, unless it is first determined that there is good cause for releasing the connection and it is in the best interest of the PUD in owning and managing the water system on behalf of all customers,

AND FURTHER RESOLVED, that the Board authorizes the General Manager to make all such determinations for releasing and surrendering the rights and obligations for a connection.

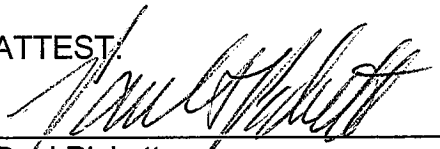
Said Resolution was approved and adopted by a majority vote of the Commissioners present.

We do further certify that said meeting was attended by a majority of the three Commissioners of Public Utility District No. 1 of Thurston County and that the Resolution was adopted by the a majority vote of the Commissioners of Public Utility District No. 1 of Thurston County in attendance.



Alan M. Corwin
Commissioner and Vice President of PUD

ATTEST:



Paul Pickett
Commissioner and Secretary