

MINUTES OF THE REGULAR MEETING OF April 28, 2009
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The second regular meeting for April 2009, of the Commissioners of Public Utility District No. 1 was called to order on April 28, 2009, at 921 Lakeridge Way SW, Suite 201, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Alan Corwin, Paul Pickett and Chris Stearns were present. Also present were Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), Don Taylor the District's Attorney and Jennifer Anderson, Clerk to the Board. GM Weidenfeller was excused.

Commissioner Corwin called the general meeting to order at 5:06 p.m.

Approval of Agenda:

Commissioner Pickett moved the adoption of the agenda, with amendments to Information/Discussion, Commissioner Stearns seconded and all approved.

Public Hearing:

None

Public Comment:

No members of the public were present

Consent Calendar:

Improvement Authorizations
Approval of Minutes: April 14, 2009
Prequalification of Contractors – Small Works Roster

Travel Approvals

Other –

Voucher Approval

- 1) Accounts Payable 4/15/2009, 4/22/2009
- 2) Payroll 4/20/2009

Resolution 09-22 Uncollectable Accounts

Commissioner Pickett moved to adopt the consent calendar, Commissioner Stearns Seconded, all approved.

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

A written report was submitted in his absence.

Operations Manager's Report: Kim Gubbe, OM

The OM presented a written report. There was discussion regarding the permitting process and ordinances of removing trees. The Commissioner's requested that this information be obtained from the permitting jurisdictions so that we have this on file for future reference.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO presented a written report.

Commissioner Corwin asked staff to look into what other PUD's are using for health care.

The CFO explained that a resolution was not needed to repay the inter-fund transfer from the General Fund to the Water Fund because there is already a resolution authorizing her to do so at any time the funds are available.

Information Discussion of Operations/Policy Issues:

Tanglewilde Pool rate

The CFO explained that the Tanglewilde pool is currently billed the commercial rate. We have offered the Tanglewilde Board a rate of 1/3 (one-third) of the current commercial rate, which is a significant discount but which will still cover our cost of water plus repairs, as compensation for the inconvenience of the PUD work to be done during the summer of 2010. The CFO also provided prior Tanglewilde pool consumption data to the Board to support the new rate being offered. No action was needed at this time.

Correspondence

The Commissioners agreed that there is no need for the Commissioners to sign correspondence that the GM can sign; the GM is authorized to sign correspondence that is administrative or management and the Commissioners will sign correspondence that concerns policy or is politically oriented. Commissioner Pickett would like to see copies of correspondence that goes out in the PUD's name.

Expansion of PUD Services into other Services

Commissioner Stearns expressed reservations about expanding into sewer in areas where LOTT is already operating. Commissioner Corwin expressed financial concerns about expanding into sewer service; he believes it would be capital intensive with limited returns. He does not want to tie-up our financing ability with sewer and then not be able to finance our current water service obligations.

Commissioner Pickett clarified that LOTT does the treatment, the cities and County take care of the sewer lines and that it would be consistent with our role to say we have no interest in doing anything with LOTT. The issue regards our involvement with the County in providing sewer service to Tanglewilde and Woodland Creek. In the context of working with the County he believes we could potentially play a role in sewers and small sewer systems, but not LOTT's role. Commissioner Pickett noted that the PUD could possibly buy the county sewer systems, help with problem small community systems, or we could help solve problems with shellfish beds; he believes these are all worth looking into and should be considered from a standpoint of

sustainability using the “Triple Bottom Line”: financial, environmental and community. The benefits to the environment and the community are pretty clear, but as the Commissioners Corwin and Stearns have noted, the financial aspect is the big uncertainty.

The question of providing sewer service is going to be part of what is discussed with the County Commissioners about next month. The Board agreed to continue this discussion at a continuation of this meeting on Tuesday, May 5, 2009 in order to prepare for the meeting with the County Commissioners.

Legal Report:

Legal Report:

Don Taylor, PUD Attorney

Mr. Taylor followed up on discussion from the April 14th meeting about surcharge and a fire hydrant case out of Seattle. We are not providing fire hydrants, we provide the service that can be used by a hydrant to extinguish a fire and further iterated that if you are going to provide a service then there should be something there to provide the service with. Commissioner Pickett asked Mr. Taylor if there is a difference in legal risk between providing financing and doing a surcharge to the customer to repay the financing as opposed to doing an LID. Mr. Taylor believes it would be litigated either way. Commissioner Pickett questioned whether there is sufficient legal protection to justify the cost of doing an LID. Mr. Taylor cautioned the Board to proceed slowly on this issue. There was further discussion about financing and legal issues.

Mr. Taylor attended the environmental law and land use section seminar in Lake Chelan last week. He reported that the first two days were all about climate change; the problem he found with that was there were good speakers but very little constructive comment about how to work with the issue.

The Board asked Mr. Taylor about their desire to continue the meeting to May 5th. Mr. Taylor confirmed that is allowable. They also asked him about requirements to change the Tanglewilde pool rate; Mr. Taylor stated that a rate hearing, with proper legal notice, will be necessary to change the rate. Commissioner Corwin wants the notice to specify that the rate is specifically for the purpose of the Tanglewilde pool. It was agreed to publish the rate hearing in the Nisqually Valley News and to have the rate change effective for summer 2009.

Action Items:

None

Resolutions:

Resolution 09-23 PWTF Interest Rate Buy-down Pilot Grant

The CFO provided information about the grant and the Tanglewilde project the grant will pay for.

Commissioner Pickett made a motion to approve Resolution 09-23, PWTF Interest Rate Buy-down Pilot Grant, Commissioner Stearns seconded, all approved.

Commissioner Reports:

Commissioner Corwin

Commissioner Corwin went to the WPUDA Board meeting. The bulk of the discussion was focused on the legislature and how the different issues that concern WPUDA have been treated by the legislature. Bill Clark also spoke about Commissioner Compensation issues; they are expecting to receive communication from the State that will give clearer direction.

Commissioner Stearns

Commissioner Stearns met with Karen Valenzuela and discussed the possible sale of the Lathrop water system to the City of Tumwater. They also discussed Henderson Inlet clean-up issues. She mentioned that Sandra Romero has been appointed as the Commissions' designated delegate to the Puget Sound Partnership; he feels this may motivate Ms. Romero to push to clean up Tanglewilde and Woodland Creek developments.

Commissioner Pickett

Commissioner Pickett met with Cathy Wolfe and discussed ideas about the PUD entering into an MOA with the County, and possibly offering to buy their water and sewer utilities. Her response was everything is open for discussion.

Summary of Assignments:

1. Staff is to gather regulations and ordinances that apply to tree removal.
2. Staff is to look into what other PUD's are using for health care.
3. Commissioner Corwin will attend the staff meeting on May 6.
4. Commissioner Pickett will attend TRPC

Commissioner Pickett moved to recess the meeting to Tuesday, May 5, 2009 at 5:30 p.m., seconded by Commissioner Stearns, all approved.

Continued Meeting – reconvened Tuesday May 5, 2009, 5:30 p.m.

The CFO and GM presented the Board with new information regarding new service connections at Terry Lane. The Board redirected Staff to follow existing policy regarding fees for new connections.

The Board discussed topics to be included in their meeting with the County Commissioners. The Board directed the GM to meet with Don Krupp, Thurston County CAO concerning the items to be discussed with the County Commissioners.

The Board entered into an Executive Session to address potential litigation at 7:20 and came out of the executive session at 7:29 p.m.

There being no further business, Commissioner Pickett moved to adjourn the meeting at 7:30 p.m., seconded by Commissioner Stearns, all approved.

President

Attest: _____
Secretary