

**MINUTES OF THE REGULAR MEETING OF May 12 and 13, 2009
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for April 2009, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday May 12, 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 John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager, Don Taylor, the District's Attorney (5:50 p.m.), and Jennifer Anderson, Clerk to the Board.

Commissioner Corwin called the general meeting to order at 5:05 p.m.

Approval of agenda:

Commissioner Corwin requested a motion for approval of the agenda.

Commissioner Pickett moved the adoption of the agenda for the May 12, 2009 general meeting; Commissioner Stearns seconded and all approved.

Public Hearing:

None

Public Comment

No members of the public were present

Consent Calendar:

Improvement Authorizations – None

Minutes of the April 28, 2009 meeting

Prequalification of Contractors – Small Works Roster

Travel Approvals

Other –

Voucher Approval

1) Accounts Payable 4/29/2009, 5/6/2009

2) Payroll 5/5/2009

Resolution 09-24 Surplusing Lathrup Water System

Commissioner Pickett moved to adopt the consent calendar with the addition of Resolution 09-24 Surplusing Lathrup Water System, Commissioner Stearns Seconded, all approved.

Presentations

Solar Panels

Kirk Haffner, South Sound Solar

Commission Pickett began by explaining why the PUD has an interest in solar power. Mr. Haffner introduced himself and provided the Board with a brief history of his experience and qualifications. He explained the basic solar process which he supplemented with a written handout. His discussion included the benefits of a solar system, tax credits, production metering, and production incentives. Commissioner Pickett questioned the practicality of solar in the Pacific Northwest environment. Mr. Haffner responded by providing a sample cost calculation based on solar panel production in Washington and explained the solar benefits of the longer, cooler Washington summers. The Commissioners asked for clarification about the 30% Federal tax credit; Mr. Haffner explained this is a tax credit, not an income deduction. The Commissioners noted the PUD would not benefit from this because we don't pay an income tax. Commission Corwin observed that without the benefit of the 30% tax credit the cost may be prohibitive and that even if it did pencil out he has concerns that technology is developing so quickly that whatever is available today may be obsolete in a few years.

There was further discussion about large scale systems, site selection and battery technology. In closing, Mr. Haffner referred the Commissioners to www.dsireusa.org for additional information regarding Washington state incentives.

General Manager's Report: John Weidenfeller, General Manager

The GM presented a written report. He further reported that he, the CFO and Tom McDonald will be meeting with Tom Loranger and Jeff Marti from Department of Ecology on Thursday (May 14th). If the acquisition of the Goat Rocks Community Association water system looks like it's going to come together, Commissioner Corwin would like a courtesy notice sent to the Lewis County Commissioners.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM submitted a written report. There was a discussion of leaks at Tanglewilde.

Financial Report: Julie Parker, Chief Financial Officer

The CFO distributed copies of her annual report to the Board and requested that comments be given to her before Monday prior to submitting it to the State Auditor's office. She also presented revisions to the water policy manual regarding leak adjustments. Commissioner Corwin asked for a mechanism to raise the Authority Levels outlined in section 2.4.6 without staff having to get approval from the Board whenever the need arises. Commissioner Pickett recommended adding a clause stating: "authority levels are provided in attachment A". This would allow changes to the authority levels without having to revise the entire policy. Commissioner Stearns questions how liability issues are handled when a leak at one residence affects neighboring properties. The OM responded that if there is any community or health risk, we shut the water off. A motion approving the policy changes was requested by the CFO.

Commissioner Stearns moved to pass the policy change amended by removing the Authority Levels from Section 2.4.6 and in it's place inserting "Attachment A", seconded by Commissioner Pickett, all approved.

Information Discussion of Operations/Policy Issues:

Crescent Park and Terry Lane Service Reliability Community Involvement Process

The GM presented a written outline of the issue to the Board. This was followed by discussion of how to address service reliability at Terry Lane and Crescent Park. The group agreed to consult the homeowners prior to the Commissioners making the final decision about which option to proceed with.

Legal Report:

Don Taylor, PUD Attorney

Mr. Taylor reported that he is finishing the transfer of title to water systems in Pierce County; he expects to have 2 -3 documents ready for the Commissioners by the end of next week which will transfer all of the items to the PUD.

Action Items:

None

Resolutions:

None

Commissioner Reports:

Commissioner Corwin

Commissioner Pickett

Commissioner Stearns

Summary of Assignments

1. Staff to work on Terry Lane and Crescent Park outreach materials.

Executive Session

Commissioner Corwin opened an Executive Session at 7:05 p.m. to discuss potential litigation and real estate acquisitions (RCW 42.31.110). The Board closed the Executive Session at 7:20 p.m. and returned to the Regular meeting at 7:25 p.m.

Commissioner Pickett moved to recess the meeting to Wednesday, May 13, 2009 at 2:00 p.m., Thurston County Courthouse, Building 1, Room 269, 200 Lakeridge Drive SW, Olympia, WA 98502, seconded by Commissioner Stearns, all approved.

Continued Meeting – reconvened Wednesday, May 13, 2009 at 2:00

The May 13, 2009 continuation of the meeting of the Commissioners of Public Utility District No. 1 begun on May 12, 2009 was held with the Thurston County Commissioners in the County Commissioners Chambers at 200 Lakeridge Drive SW, Olympia, Washington. The meeting was called to order jointly by County Commission Chairman Cathy Wolfe, at 2:00 on Wednesday, May 13 2008. PUD Commissioners Alan Corwin, Paul Pickett and Chris Stearns were present and County Commissioners Sandra Romero and Karen Valenzuela were present. County Manager Donald D. Krupp, and members of the County staff were present. PUD General Manager John Weidenfeller was also present.

County Commission Chairman Cathy Wolfe opened the meeting at 2:00 p.m. Introductions were made. PUD Commissioner Alan Corwin provided an overview of PUD everyone was introduced.

Commissioner Corwin provided an overview of the PUD and the ability we have to work collaboratively to best serve the citizens of Thurston County.

Commissioner Pickett introduced the idea of a Memorandum of Understanding (MOU) between the PUD and the County and introduced some possible items that could be incorporated into an MOU. He also indicated that the PUD is interested in acquiring the County's utility systems if we can arrive at mutually agreeable terms. Is the County Board of Commissioners open to allowing the PUD staff explore this option with County staff?

County Manager Krupp suggested there might be other areas like septic system areas in Cities UGAs. The provisions of RCW 54.16.230 and 54.16.310 that guide how the PUD can provide sewer were discussed.

Commissioner Stearns addressed several other issues related to county-wide planning. He noted that the PUD recognizes the County will continue to have the lead role in water and land use planning.

The County and PUD Commissioners agreed that there were many areas that we could work in together and Commissioner Wolfe said they would get together and get back with the PUD Commissioners.

County Commission Chairman Cathy Wolfe adjourned the joint meeting at 3:00 p.m.

There being no further business, Commissioner Pickett moved to adjourn the Thurston PUD Board meeting at 3:00 p.m., seconded by Commissioner Stearns, all approved.

President

Attest: _____
Secretary