

**MINUTES OF THE REGULAR MEETING OF JULY 23, 2009
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for July 2009, of the Commissioners of Public Utility District No. 1 was called to order on July 23, 2009, at 921 Lakeridge Way SW, Suite 201, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Alan Corwin (arrived at 5:15 p.m.), 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) and Jennifer Anderson, Clerk to the Board.

Commissioner Stearns called the General Meeting to order at 5:00 p.m.

Approval of Agenda:

Commissioner Stearns moved the adoption of the agenda, Commissioner Pickett seconded and all approved.

Public Hearing:

None

Public Comment:

No members of the public were present

Consent Calendar:

- Improvement Authorizations
- Approval of Minutes: July 9, 2009
- Prequalification of Contractors – Small Works Roster
 - Evergreen Tree Experts LLC
 - KBH Construction
 - WA Industrial Coatings
- Travel Approvals
- Other –
- Voucher Approval
 - 1) Accounts Payable 7/8/2009, 7/15/2009
 - 2) Payroll 7/20/2009

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

Presentation:

Stewart Henderson Thurston Climate Action Team (TCAT)
Mr. Henderson provided background about TCAT and made a presentation about TCAT's purpose and goals. Commissioner Pickett would like the PUD to be engaged with TCAT as a

second-tier group. He would like to provide a letter of commitment and put a nominal amount of money in to it. Mr. Henderson was asked to send the GM a sample of the commitment letter; the Board will then consider putting it on a future agenda for approval.

Legal Report:

Mr. Taylor received permission from his Tempo Lake client to release documents to the GM. He also prepared a Budget Hearing notice, which he gave to the CFO for publication. The hearing is scheduled for the first Monday in October. He re-wrote Resolution 09-35 Opt-Out of Financing Lacey's Gateway Town Center Local Revitalization Area to make it clear that the entity, Thurston PUD No.1, was adopting the resolution through its' Commissioners.

Resolutions:

Resolution 09-35 Opt-Out of Financing Lacey's Gateway Town Center Local Revitalization Area

Commissioner Pickett moved to adopt Resolution 09-35 Opt-Out of Financing Lacey's Gateway Town Center Local Revitalization Area, Commissioner Stearns seconded, all approved.

Executive Session

Commissioner Corwin opened an Executive Session at 6:43 p.m. to discuss potential litigation and real estate acquisitions (RCW 42.30.110). The Board closed the Executive Session at 6:47 p.m. and returned to the Regular meeting.

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report. He noted that there is a greenhouse gas emissions workshop on September 29th that someone might want to attend; more information will be forthcoming. Commissioner Pickett noted that the workshop probably is presenting more detail than the PUD needs at this time, but some attention is needed to having a carbon footprint policy to address the State's new requirements for grant applications. He will contact John Kounts about whether WPUDA or WWUC will be developing a template for water utilities.

Operations Manager's Report: Kim Gubbe, OM

The OM was absent; her written report was submitted to the Commissioners. Commissioner Corwin had questions about the recent problem at Tolmie Park and requested that a letter be sent to the customers explaining what happened and what was done about it.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO presented a written report and had nothing further to add. Commissioner Pickett asked if fuel purchases are tracked as a separate transportation expenses. The CFO responded that fuel expenses are tracked in a sub-account of transportation expenses and the exact expenses are available, although not tracked in the variance report

Action Items:

None

Information Discussion of Operations/Policy Issues:

Discussion – Questions for WPUDA Executive Director

The GM presented a list of interview questions for the WPUDA Search Committee. He explained that WPUDA is reaching out to different headhunters to select search firm candidates.

The Board discussed questions to submit to WPUDA and provided the GM with a list to be forwarded to them

Discussion – Review of Terry Lane and Crescent Park Intertie Process

The GM provided an overview of the process that was followed to address the Crescent Park and Terry Lane fire flow issue. The Commissioners made suggestions about how to handle future community meetings more efficiently.

Discussion – 2010 Budget

The CFO presented 3 budget options to the Board, which were discussed. The Board made suggestions for refinements for further discussion in August

Commissioner Corwin expressed concern about the TRPC Index. He asked Commissioner Pickett to look into that with TRPC and ask them to come up with a more representative index that would be of some value; for example an Index that compares Olympia to other similarly sized capital cities.

The CFO noted that we are required to have our first budget hearing no later than the first Monday in October. The Commissioners agreed to discuss it at the next meeting and possibly set a Rate & Budget Hearing at the end of August, after they are confident about the options.

Commissioner Reports:

Commissioner Corwin

Commissioner Corwin gave a report about the WPUDA Board of Directors meeting he attended. He also was in Washington DC where he visited the offices of our local Congressmen, where he described the cost burden to our Covington system from the new Federal (EPA) arsenic requirements, and asked if they had any ideas about some relief from those requirements of from the cost.

Commissioner Stearns

Commissioner Stearns attended the TMDL meeting for the Deschutes. They are happy with the unified approach they are taking for the estuary study. No commitments have been made but Department of Ecology supports the recommendations. Also, new projects are being proposed for restoration of the middle and upper Deschutes River.

He also went to the Chehalis Partnership, where they discussed education and outreach. He also attended the TRPC meeting in Rochester, where he spoke with Sandra Romero; she is still

interested in a follow up meeting between the County Commissioners and the PUD Commissioners. The TRPC has Paul's name for the subcommittee looking at water tasks.

The Board discussed PUD relations with Tribes in its service area. Commissioner Pickett will talk to the Chehalis Tribe representative to the TRPC to find out what she recommends as protocol for contacts between the two organizations. The GM will give Don Krupp at Thurston County a heads-up that we are making these contacts.

Commissioner Pickett

The TRPC is planning a retreat to review their strategic goals, and the consultant planning the retreat will be calling Commissioner Pickett for his input to the retreat agenda. Commissioner Corwin asked that the retreat look at the mission of TRPC and whether they represent just transportation planning or something larger. Commissioner Pickett concurred.

Summary of Assignments:

1. Staff send letter to Tolmie Park
2. Commissioner Pickett look into TRPC COLA index
3. Commissioner Pickett will talk to the Chehalis Tribe TRPC representative about protocol for talking to the Tribe.
4. GM talk with Don Krupp regarding tribal outreach
5. Commissioner Pickett will speak to John Kounts about a carbon footprint policy template

There being no further business, Commissioner Pickett moved to adjourn the meeting at 8:00 p.m., seconded by Commissioner Stearns, all approved.

President

Attest: _____
Secretary