

**MINUTES OF THE REGULAR MEETING OF OCTOBER 27, 2009
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for October 2009, of the Commissioners of Public Utility District No. 1 was called to order by Board President Alan Corwin on October 27, 2009, at 921 Lakeridge Way SW, Suite 201, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Paul Pickett 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, and Jennifer Anderson, Clerk to the Board.

Commissioner Stearns called the General Meeting to order at 5:01 p.m.

Approval of Agenda:

Commissioner Pickett moved adoption of the agenda as amended with Resolution 09-49 removed, Commissioner Stearns seconded and all approved.

Consent Calendar:

Improvement Authorizations
Approval of Minutes: October 13, 2009
Prequalification of Contractors – Small Works Roster

Travel Approvals

Other –

Voucher Approval

- 1) Accounts Payable 10/14/2009, 10/21/2009
- 2) Payroll 10/20/2009

Resolutions:

Resolution 09-44 Charge \$1,539.34 to Uncollectable Accounts

Resolution 09-48 Lost Tax Revenues

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

Public Comment:

No members of the public were present

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report.

There was discussion regarding the internal review of customer accounts. It was explained that a number of unbilled accounts with no consumption were identified and will now begin receiving a monthly bill for the base charge. This will consistently apply our policy of making the property owner responsible for the burden of system maintenance even though they may not be using water, so that water is consistently available to customers connected to the system.

Commissioner Corwin asked if we need a new rate for these customers. If so, he does not want to wait an entire year before setting a new rate for metered lots that are not consuming water; he believes it would be more cost effective to charge a lower rate to inactive, metered lots than to pay the staff time to collect the full base rate. The Board requested the GM review this issue and provide the Board with any recommendations.

There was some discussion about the acquisitions currently in progress. Staff, consultants, and Commissioner Pickett will be meeting with the Tempo Lake Glade Homeowners Association on Saturday November 7th. The PUD has sent them a letter making an offer in which the PUD would contribute \$53,400 towards system improvements. The CFO also provided an update about the Cedarwood CDBG grant.

The CFO explained it was recently learned that 7 Lathrop accounts were being charged an incorrect rate that resulted in a loss of revenue. The error occurred in 2007; customers will not be back-billed but will be charged the correct rate beginning with the October 31st bill.

Regarding the fire sprinkler issue, the GM explained there are both technical and legal issues involved. He has already spoken with other water utilities to learn how they plan to handle it. He will also touch base with Thurston County. Commissioner Pickett suggested this issue presents an opportunity to initiate a discussion with the major water purveyors in Thurston County, which could also include other topics. The GM will send the Commissioners a list of the issues he could envision discussing, and approach Thurston County and ask if they are willing to take the lead in scheduling a meeting of the major water purveyors.

Operations Manager's Report: Kim Gubbe, OM

The OM presented a written report and provided a brief overview of items on the report.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO presented a written report. She noted that the section regarding fiscal notes were updated since the packets were delivered last Friday. She announced that she will be absent for the November 24th meeting. She is hoping to see if the auditors can attend the November 10th meeting.

Commissioner Stearns asked about the Gaudio Well savings in purchased water. The CFO stated that after we pay for the pumping costs, our savings year-to-date is approximately \$15,000 – she expects that figure to increase by year end. Commissioner Pickett asked that the well's start date be added to the report.

Commissioner Reports:

Commissioner Corwin

Commissioner Stearns

Commissioner Stearns will attend a workshop on November 10th about Saving Energy Through Water Conservation.

Commissioner Pickett

Commissioner Pickett scheduled a meeting with the Squaxin Tribe for mid-November. He hasn't received a reply from the Chehalis Tribe.

Information Discussion of Operations/Policy Issues:

December WPUDA Annual Meeting Discussion

Commissioner Corwin suggested that both the GM and Mr. Taylor attend on December 4th and saw no reason for any of the Commissioners to attend on any of the dates with the exception of the business meeting on December 4th – he expressed a strong opinion that at least one Commissioner should attend this. Commissioner Pickett voiced his support of at least one representative of the PUD attending all the functions of the Annual meeting, with Commissioner Stearns attending any sessions that the GM or Commissioner Corwin aren't attending.

There was discussion regarding the PUD's continuing involvement with WPUDA. It was agreed that Commissioner Corwin state at the November WPUDA meeting that we are considering withdrawing from the organization if proposals for WPUDA reorganization aren't revised to be fairer to Thurston PUD.

Legal Report:

Mr. Taylor reported that he reviewed the Resolutions and noted that the 2010 Budget has been adopted; we will need to follow that up with the Ad Valorem tax levy. The CFO will prepare the necessary Resolution and deliver it to Mr. Taylor for review, prior to the next meeting. This item needs to be passed at the November 10th meeting and the packet returned to Thurston County. He will attend the WPUDA Attorneys Annual Meeting on December 22nd.

Action Items:

None

Resolutions:

None

Executive Session

Commissioner Corwin opened an Executive Session at 6:43 p.m. to discuss potential litigation and real estate acquisitions (RCW 42.31.110). The Board closed the Executive Session at 7:00 p.m. and returned to the Regular meeting.

Summary of Assignments:

1. Staff review the issue of inactive metered accounts and provide the Board with their recommendations, as appropriate.

2. GM will check with Thurston County and Olympia to see how they are going to handle the fire sprinkler issue.
3. The GM will contact Thurston County and ask if they are willing to take the lead in scheduling a meeting of the major water purveyors, and provide Commissioners a list of key water issues that need to be addressed.
4. The CFO will prepare the Ad Valorem Resolution and deliver it to Mr. Taylor for review, prior to the next meeting.

Adjournment:

There being no further business, Commissioner Pickett moved to adjourn the Thurston PUD Board meeting at 7:00 p.m., seconded by Commissioner Stearns, all approved

Alan M. Corwin, President

Attest: _____
Paul Pickett, Secretary