

**MINUTES OF THE REGULAR MEETING OF JANUARY 26, 2010  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for January 2010, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday January 26, 2010, 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 (OM), Don Taylor the District's Attorney and Jennifer Anderson, Clerk to the Board

**No members of the Public were present.**

Commissioner Stearns called the general meeting to order at 5:01 p.m.

**Approval of agenda:**

The Board agreed to modify the consent calendar and the agenda. Resolution 10-05 was moved from the Consent Calendar to Resolutions section and Resolutions 10-08 and 10-09 were moved from Resolutions to the Consent Calendar section. Time to discuss our relationship with the county was added to Discussion section.

**Commissioner Corwin moved the adoption of the agenda as modified for the January 26, 2010 general meeting; Commissioner Pickett seconded and all approved.**

**Public Hearing**

None

**Public Comment**

No member of the Public were present

**Consent Calendar:**

Improvement Authorizations – None

Approval of Minutes: January 12, 2010

Prequalification of Contractors – Small Works Roster

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 1/13/10, 1/20/10

2) Payroll 1/20/10

Resolutions:

Resolution 10-08 Ratification of PURMS Resolution

Resolution 10-09 Change Order RS Underground

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

**Presentations**

**Legal Report: Don Taylor, PUD Attorney**

Mr. Taylor reported that he had reviewed the resolutions before the Board this evening and noted that resolution 10-07 had been modified according to his suggestions. An inquiry regarding the PUD's utilization of tax revenue was discussed. A lawsuit regarding a similar issue has been filed against Jefferson PUD.

**Staff Presentations:**

**General Manager's Report: John Weidenfeller, GM**

The GM presented a written report. In addition, he informed the Board about a claim for expenses received from an Elk Heights customer for problems that occurred during the December freeze. The Board agreed to reimburse the customer in full. Also, a Lazy Acres customer ran out of water because of an air compressor malfunction; the large amount of air in the system loosened debris which then clogged the customer's plumbing and required a plumber for repair.

He asked the Board about their preferences for the system location map which is currently being updated. The Board agreed it was a good idea to spend additional funds for separate maps of Pierce, Thurston and Lewis counties in addition to the current map with all systems. Commissioner Corwin asked for a version with map tacks and a foam board backing. Commissioner Pickett believes a free GIS viewer is available, and suggested that staff ask about getting a version of the map that can be explored with the free viewer; he will look into the issue and get back to staff.

The Board scheduled the Tanglewilde ground breaking for 12:15 p.m. on Friday, February 12<sup>th</sup>. The Commissioners requested that the elected officials who wrote letters of support, the project engineers, and others be invited to the ground breaking. There will also be a press release.

Commissioner Corwin requested the GM draft a procedure by which to lien property with unpaid water bills. The GM explained that this would be a useful tool to have in some situations to help ensure that payments due to the PUD are made.

There was discussion about the GM's annual evaluation process; The GM is to provide a self-evaluation to the Commissioners prior to the next Board meeting. If any of the staff has comments to share, they should be given to President Stearns prior to the next Board meeting. The actual evaluation will be done in Executive Session and a letter will be placed in the personnel file.

**Operations Manager's Report: Kim Gubbe, OM**

The OM presented a written report. The GM reminded the Commissioners that the OM will be in Washington D. C. next month representing Lazy Acres at the National Great American Water Taste Test. She may have the opportunity to meet our representatives in Congress;

Commissioner Pickett asked that she be provided a list of things that Congressional offices have done to help the PUD.

**Chief Financial Officer's Report: Julie Parker, CFO**

The CFO provided written financial reports; she noted that the 2009 reports are incomplete as she is awaiting invoices from some vendors. The vendors have been asked to provide these to us as soon as possible so that the reports can be finalized. The actual revenue figures are complete. Our overall revenue numbers are very good; our metered water revenue came in at 101% of what was budgeted. However, the unmetered revenue was lower due to the number of meters that were installed during the past year. The CFO noted there was a correction to the Gaudio Well purchased water cost; the net savings is actually \$20,445.54 and the savings from leak detection is \$20,098.89. She also provided a summary of services and population count delineated by unit type and by county. Commissioner Pickett clarified that the total customer count is the sum of residential single-family, commercial and multi-family connections. Commissioner Pickett also asked about General Facility Charges; the CFO explained how GFC's are accounted for as a rolling forward item in the Capital Budget. She is hoping to close out the 2009 Capital Budget by the end of January and will provide a revised 2010 Capital Budget to include the roll-over items.

She also noted that she finished the CDBG Grant for Cedarwood and filed it with the County on January 20<sup>th</sup>.

**Commissioners Reports:**

**Commissioner Corwin**

Commissioner Corwin attended the WPUDA Board meeting on the 15<sup>th</sup> and provided commentary to the Commissioners regarding the incoming WPUDA President and the issues discussed which he noted brought out some tensions.

**Commissioner Pickett**

Commissioner Pickett reported that he postponed his meeting with Karen Valenzuela until after tonight's discussion about County relations. He also attended the Nisqually WRIA to hear the water bank discussion. He explained water banking is mainly used for agriculture because agriculture does not have inchoate rights; without banking they have to use as much water as they can to keep their water right active.

**Commissioner Stearns**

Commissioner Stearns reported that he attended the Friday TCAT meeting at the Great Wolf Lodge; electric utilities were the primary topic of the day. He also mentioned a conversation with one of our customers of a system we operate under contract. The customer is confused about the PUD's role and how water rights are managed. Commissioner Pickett suggested that staff find an alternative term to use for contract operations other than "SMA" when speaking with the public, since that term would not mean anything to most people.

**Action Items: None**

**Resolutions:**

Resolution 10-05 Resolution to charge \$1,635.10 to uncollectable

The GM explained that these un-collectables occurred prior to our policy change on October 1, 2009 and that our contract with the owners will have to be modified before we have lien authority.

**Commissioner Corwin moved to adopt Resolution 10-05 Resolution to charge \$1,635.10 to uncollectable Commissioner Pickett seconded and all approved.**

Resolution 10-07 Award of Bid and Contract for Well Drilling to Boart Longyear

The GM provided a brief summary of the bid and selection process. The bid was higher than the engineer's estimate but it will not adversely affect the budget. Commissioner Pickett questioned what happens if there is a cost overrun; the GM explained it is included in the bid packet which is part of the contract by reference.

**Commissioner Corwin moved to adopt Resolution 10-07 Award of Bid and Contract for Well Drilling to Boart Longyear Commissioner Pickett seconded and all approved.**

**Information Discussion of Operations/Policy Issues:**

County Relations

Commissioner Pickett explained one of our strategic goals has been to improve our relations with the County and to pursue an Memorandum of Agreement (MOA) with them. He asked the Board to confirm if they still wanted to pursue an MOA with the county, and the Board confirmed that was still a goal, but that working for an MOA with just the most basic issues was a good strategy. A matrix was distributed among the Commissioners and summarized by Commissioner Pickett. He plans to meet individually with each County Commissioner and wants to communicate a common vision from the PUD Board.

The Board agreed to prioritize the list based on things we can do now to build our relationship with the County and which the County would most likely agree to. After a thorough discussion the Board agreed on a revised list for Commissioner Pickett to use when speaking with the County Commissioners; he will re-draft the list and distribute it for comment.

**Executive Session: Potential Litigation & Real Estate Acquisitions (RCW 42.30.110)**

**Executive Session:**

Commissioner Stearns opened an Executive Session at 7:40 p.m. for the purpose of discussing potential litigation & real estate acquisitions (RCW 42.30.110) with an estimated time of 30 minutes. The Board closed the Executive Session at 8:20 p.m. and returned to the Regular meeting.

**Assignments**

1. Commissioner Pickett: Explore whether a GIS viewer is available and would be helpful.
2. GM: Prepare press release and invitations for ground breaking
3. GM: draft a procedure by which to lien property with unpaid water bills.

4. GM: Prepare a self-evaluation for the Board.
5. Staff: Provide comments on the GM to the Board President, if they desire.
6. CFO: Include a total customer count combining residential single-family, commercial and multi-family categories on the monthly financial report.

**There being no further business, Commissioner Stearns moved to adjourn the general meeting at 8:21 p.m.**

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President

Attest: \_\_\_\_\_  
Secretary