

**MINUTES OF THE REGULAR MEETING OF MAY 25, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday May 25, 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), and Tom McDonald the District's Attorney. Also present was Doug Eklund, Engineer.

Commissioner Stearns called the general meeting to order at 5:13 p.m.

Approval of agenda:

The agenda was approved.

Public Hearing

None

Public Comment

None

Consent Calendar:

Improvement Authorizations – None

Approval of Minutes: May 11, 2010

Prequalification of Contractors – Small Works Roster

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 5/12/2010, 5/19/2010

2) Payroll 5/20/2010

Resolutions:

Commissioner Pickett moved to approve the Consent Calendar, Commissioner Corwin seconded and all approved.

Action Items:

Resolution 10-41 Contract Change Order, Well Drilling to Boart Longyear

Doug Eklund, Engineer, spoke to the Board about reasons to increase the size of the Don Taylor well at Tanglewilde.

Commissioner Pickett moved adoption of Resolution 10-41 Contract Change Order, Well Drilling to Boart Longyear. Commissioner Corwin seconded and all approved

Legal Report: Tom McDonald, PUD Chief Counsel

Chief Counsel McDonald presented his report to the Commissioners.

- Regarding the Maxville system near Yelm, Counsel McDonald recommends that the PUD not become a party to the current litigation, but would like to see formal court action to remove the Maxville system from being part of the litigation.
- Counsel McDonald will look into the status of Jefferson PUD's litigation with the Brickland law firm.
- Counsel McDonald does not believe that the Mutual Aid agreement with Thurston County creates any risk for the PUD. However, the PUD should put a procedure in place with fees that it can refer to if the PUD receives a request under this agreement. The GM will work on developing a resolution with authorization to take action, procedures, and fees.
- Lewis County has passed the Interlocal Agreement with the PUD, and Thurston County has passed the MOU with the PUD.

Resolutions:

Resolution 10-38 Washington State Homeland Security Region 3 Mutual Aid Agreement
Commissioner Pickett moved to adopt Resolution 10-38 Washington State Homeland Security Region 3 Mutual Aid Agreement Commissioner Corwin seconded and all approved.

Resolution 10-39 Acquisition of Prairie Ridge Water System

The Commissioners discussed the up-front and after-sale costs of this acquisition, and asked the GM to include an estimate of those costs in future acquisition decision papers.

Commissioner Pickett moved to adopt Resolution 10-39 Acquisition of Prairie Ridge Water System. Commissioner Stearns seconded. The motion passed 2 votes to 1 (Pickett and Stearns in favor, Corwin opposed).

Resolution 10-40 Prairie Ridge Water System Water System Plan Contract Approval

Commissioner Pickett moved to adopt Resolution 10-40 Prairie Ridge Water System Water System Plan Contract Approval. Commissioner Corwin seconded and all approved.

Resolution 10-35 Lien Authority

The Commissioners discussed how this authority would be used. They asked the GM to mention in cover sheets for Board action on contracts whether lien authority is included. Counsel McDonald will find out if other PUDs have used the lien authority.

Commissioner Pickett moved to adopt Resolution 10-35 Lien Authority. Commissioner Corwin seconded and all approved.

Presentations

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report.

- He requested permission for a special meeting on July 6th to approve the bid for the Stillwell main replacement. The exact dates are subject to the archeological review and the date of the special meeting may need to be modified. The bid opening is set for 1:00 p.m. on June 30th.
- The GM noted that he and Commissioner Corwin, WPUDA Board Delegate, will be attending the WPUDA Reform meeting June 10 & 11.
- The Board directed the GM to revisit the interlocal agreement with the City of Olympia if the purchase of the Diamond Parking Lot and Artesian well goes through.
- Moerke did not accept the PUD's purchase offers. The Board directed the GM to take no further action at this time.
- The Board directed the GM to discuss Lewis County's concerns regarding franchise agreements to see if some middle ground can be found that is not county-wide but still allows us to expand existing systems without a new agreement. Commissioner Corwin will represent the Board if a meeting with Lewis County occurs.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM presented a written report.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO presented written reports to the Board.

Information and Discussion of Operations/Policy Issues:

Future Office Options

Commissioner Pickett provided an update.

- The Board clarified that the search for real estate should be a low priority, but opportunities should be seized if they arise.
- The option of leasing from Port does not sound promising, and should be on the back-burner unless new information merits further attention.
- Options of working with the County look promising and should be pursued further.

Pederson Place Corrosion Control Treatment (John and Kim)

The GM provided information about Pederson Place corrosion control treatment. The GM recommended action be taken soon and the decision needed to be made that if the PUD would pay for the treatment or if the customers would be surcharged. A public meeting should be scheduled. Commissioner Pickett asked for the spreadsheet that shows what we paid for the system and add on the cost of the corrosion control; he asked that this information be brought to the next meeting. The OM noted that the system is supposed to have corrosion control by July 2010. Commissioner Pickett suggested that staff should request a 6 month extension from the Department of Health. The Board directed staff to keep working on getting this issue resolved, but take the time to do it correctly with good process.

Water Use Efficiency Goals for Group A water systems (Kim)

The OM provided a copy of the existing goal and a list of the group A systems with their current loss percentage. Commissioners asked for an e-mail of the materials so they could submit suggested goals before the next meeting. The goals need to be set at the public hearing on June 22nd.

Discussion – Watershed Planning (Commissioner Corwin)
Due to time, this item was not discussed.

Commissioner 2011 Goals and Priorities in 2011 (All)
Due to time, this item was not discussed. The Board will meet early on June 8th to work on this issue.

Commissioners Reports:

Commissioner Corwin

Due to time, this item was not discussed.

Commissioner Pickett

Due to time, this item was not discussed.

Commissioner Stearns

Due to time, this item was not discussed.

Executive Session: None

Assignments:

GM: Schedule and advertise June 8 meeting to begin at 4:00 to discuss Strategic Goals.

GM: Schedule special meeting in July to award Stillwell Street Bid.

GM: Provide Commissioners closing costs for Lathrop water system.

GM: Work with Lewis County on compromise franchise agreement.

GM: Discuss amended interlocal agreement with City of Olympia if Diamond Parking purchase is finalized.

GM/CFO: Provide Commissioners costs of Pederson Place corrosion control with per connection cost.

GM/OM: Request time extension from Dept of Health for Pederson Place Corrosion Control.

GM: Continue agenda items on the Information Discussion of Operations and Policy Issues not addressed at 5/25 meeting to next meeting.

GM: Develop policy and procedures to implement mutual aid agreements; include cost reimbursement provisions.

GM: Develop P&P for bringing on new customers in acquisitions or SMA.

GM/Staff: Develop P&P for initiating liens under Res. 10-35.

PUD Counsel: Look into how other PUDs have used lien authority.

PUD Counsel: Look into Jefferson PUD ongoing case relating to use of tax revenue.

GM: Add a line for estimated acquisition costs for new systems to checklist used.

OM: Provide Commissioners system connection information of Class A water conservation goals.

Commissioners: Provide OM suggested other proposed conservation goals before the next meeting.

GM: Research drip irrigation and make information available to our customers.

GM: Schedule a public hearing for the Prairie Ridge WSP.

Commissioner Pickett moved to adjourn the regular meeting at 8:32 p.m. Seconded by Commissioner Corwin and all approved. The meeting was adjourned.



President

Attest: 

Secretary

