

MINUTES OF THE REGULAR MEETING OF JULY 13, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for July 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday July 13, 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), Tom McDonald the District's Attorney, and Jennifer Anderson Clerk to the Board

Commissioner Stearns called the general meeting to order at 5:02 p.m.

Approval of agenda:

The agenda was adopted as amended: Resolutions 10-45 and 10-47 were moved to the consent calendar.

Public Information Meeting/Public Comment Period

Prairie Ridge Water System Plan

Commissioner Stearns opened the public hearing at 5:05 p.m. No one from the public was present and no written comment was received.

Doug Eklund reported to the Board about his work on the water system plan. The system has high water consumption at this time; those could cause problems in the future. He expects that the PUD rate structure will result in decreased consumption due to the increased cost to the customer. However, if consumption does not decrease after a two year period, then it will be necessary to expend some capital improvement funds to upgrade the system.

The Board discussed the boundaries of the proposed service areas. Commissioner Stearns closed the public hearing at 5:27 p.m.

Consent Calendar:

Improvement Authorizations – None

Approval of Minutes: June 22, 2010 and July 6, 2010

Prequalification of Contractors – Small Works Roster

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 6/23/2010, 6/30/2010, 7/7/2010

2) Payroll 7/6/2010

Resolutions:

Resolution 10-46 Elk Heights Water System Reservoir Cleaning

Resolution 10-45 Archeologist Change Order Approval

Resolution 10-47 Pierce County Water Availability Fee Update

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

Informational Meeting Wholesale Telecommunications with Dave Spencer, NoaNet
Dave Spencer, Chief Operating Officer and Mike Hanson, Chief Security Officer spoke to the Board about their business, which is owned by a dozen PUDs. They sell wholesale telecom services: high-speed internet, telephone traffic and advanced services such as broadband. They currently have 50 customers who retail to thousands of customers. There was discussion about Thurston PUD business opportunities with NoaNet. They recommended three preliminary steps: 1) conduct a facilitated risk assessment; 2) conduct a feasibility study to study the range of possibilities; 3) and then approach potential partners. NoaNet indicated they might be open to assisting the PUD with conducting a facilitated risk assessment at no cost to the PUD.

Commissioner Corwin suggested that the PUD invite State Representative Sam Hunt to a PUD meeting to discuss this issue and the PUD's business in general.

Presentations

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report and had nothing to add. The Board discussed the Pederson corrosion control project, the request from Prairie Ridge for a generator; and the status of the South Bay School system.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM presented a written report in her absence.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO reports at the second regular meeting of the month.

Legal Report: Tom McDonald, PUD Attorney

Mr. McDonald has been working on the extension of the lease and on acquisitions. He also reported that there is no news to report about the Bricklin tax case or the Supreme Court municipal law case. He met with Clark Halverson, Regional Manager for DOH Drinking Water Program, regarding the Tanglewilde funding issue appeal, which he felt had a good outcome.

Information and Discussion of Operations/Policy Issues:

Discussion – Public Comment on Prairie Ridge Water System Plan

There was no public comment received.

Prioritization of 2011 Strategic Plan

Staff provided a prioritization matrix. The Commissioners agreed to discuss this item further at the next regular meeting.

Discussion – TRPC Membership and Dues

Commissioner Corwin expressed his reasons for wanting to discontinue membership. Commissioner Pickett attended a TRPC meeting and received a very positive message encouraging our membership. Based on that, he brought this back to the Board for reconsideration. He believes we sent a message by sending the letter and heard that our membership is valued. The TRPC Board has tabled a motion to deny our request for Tier 4 Membership.

Commissioner Pickett moved to withdraw the letter this year and reconsider it again next year. Seconded by Commissioner Stearns.

Commissioner Corwin stated his opposition to withdrawing the letter at this time and stated his opinion that it is premature to withdraw the letter at this time. Commissioner Stearns noted the value of our participation, which allows for interaction with the County and City officials in the area and that the influence membership provides is worth the cost difference.

Commissioner Corwin moved to table the question until he has a chance to attend a TRPC meeting in September. The motion failed; 1 for, 2 opposed, Commissioner Corwin in favor, Commissioners Pickett and Stearns opposed.

Commissioner Corwin moved to amend the motion to withdraw the letter by adding that this action not be taken until after the TRPC has concluded it's discussion at the September 3rd meeting and if the status quo remains then withdraw the letter without further action by this Board. The motion failed for lack of a second.

Commissioner Corwin moved to amend the motion with the proviso that we will reinitiate our letter of withdrawal at such time as either North Thurston and Olympia School Districts withdraw. Seconded by Commissioner Stearns. The motion to amend passed 2 to 1, Commissioners Corwin and Stearns in favor, Commissioner Pickett opposed.

The Board voted on the motion as amended. All approved. The GM will notify TRPC staff that we have withdrawn the letter.

Action Items:

Resolutions:

Resolution 10-48 Approval of Prairie Ridge Water System Plan

Commissioner Pickett moved adoption of Resolution 10-48 Approval of Prairie Ridge Water System Plan. Commissioner Corwin seconded and all approved.

Commissioners Reports:

Commissioner Corwin

Commissioner Corwin will attend the WPUDA meetings. The Board discussed their position on WPUDA reforms, and directed Commissioner Corwin to use his judgment based on several principles: help WPUDA to survive and include all PUDs; don't marginalize small PUDs like

Thurston; adjust the Managers' role if it add value, but Commissioners should continue to hold the final decision-making.

Commissioner Pickett

Commissioner Pickett reported to the Board about the Fifth Wednesday meeting, which covered several issues including Nisqually watershed planning, grant proposals, Woodland Creek Estates sewer project. The sewer project is still short some funding, and since the PUD needs to coordinate our Covington project with the sewer project, it might make sense to offer to chip in some funds as our contribution. Once the wells are completed and we know their production levels, he would like to have a work session with Doug Eklund and Tom McDonald, to discuss a long term strategy to fill out our water-rights needs so that we will no longer have to buy wholesale water. Commissioner Pickett is planning to attend a brainstorming session about a sustainable regional planning grant on Wednesday evening.

Commissioner Pickett relayed a letter from Thurston County regarding a "Green Building" initiative, and asked the GM to look into whether there is a role for the PUD.

Commissioner Stearns

Commissioner Stearns attended the TRPC meeting and the Chehalis Partnership meeting. He is also interested in attending the brainstorming session about a sustainable regional planning grant on Wednesday evening.

Executive Session: None

Assignments:

GM: make informal inquiries to Lewis and Grays Harbor PUD's and find out why they backed out of NOANET

CFO: Provide input of best way to use the proceeds from the Lathrop sale.

GM: Included NOANET as a discussion item on the next agenda with the understanding that it will be kept to 10 minutes.

GM: Invite Rep. Sam Hunt to a PUD meeting.

GM: Find out what the due structure is for TRPC membership

GM: Notify TRPC that we have withdrawn our letter.

GM: Follow up on Woodland Creek Estates sewer project

GM: Follow up on the County's Green Building initiative

GM: Develop an issue paper on a strategy for a long-term solution to Tanglewilde water supply (later in the fall, after budget process is over).

Commissioner Pickett moved to adjourn the regular meeting at 7:50 p.m. Seconded by Commissioner Corwin and all approved. The meeting was adjourned.

Christopher L. Stearns
President

Attest: Paul Pickett
Secretary

