

**MINUTES OF THE REGULAR MEETING OF AUGUST 24, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for August 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday August 24, 2010, at 921 Lakeridge Way SW, Suite 201, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Alan Corwin and Paul Pickett were present and Chris Stearns attended via telephone. Also present was John Weidenfeller the District's General Manager (GM). Tom McDonald, the District's Chief Counsel, Kim Gubbe, the District's Operations Manager, Julie Parker, the District's Chief Financial Officer and Jennifer Anderson Clerk to the Board were excused from the meeting.

Commissioner Corwin called the general meeting to order at 5:00 p.m.

Approval of agenda:

The Board adopted the agenda with an Executive Session added at the end.

Public Comment

None

Consent Calendar:

Improvement Authorizations – None

Approval of Minutes: August 10, 2010

Prequalification of Contractors – Small Works Roster

John Lupo Construction, Inc.

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 8/11/2010, 8/18/2010

2) Payroll 8/20/2010

Resolutions:

Resolution 10-52 Approval of Security Fence at Tolmie Park #239

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

Presentations

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report. He added that we have the new maps from TRPC and they include the three recently acquired systems. Commissioner Stearns noted that the Pederson Place and Cornerstone Estates corrosion control projects are scheduled to start in December or January and asked if they can these be moved to an earlier, drier time. The GM noted this is a worst-case timeline. The engineers are already working on the project and will submit it to DOH for

approval when it is completed. DOH has sixty days to approve the plan. Since we are doing the work ourselves, as soon as that approval is received we will begin work at the earliest possible date. It was also noted that most of the work is inside the well house not outdoors in the rain. Commissioner Corwin asked for an explanation as to where we are with the Lewis County Franchise Agreement. The GM stated this is substantially complete; he spoke with the Lewis County Community Director yesterday who asked to have the PUD Board pass a resolution and forward it to Lewis County. The resolution will be presented to the Board for consideration at the first September meeting.

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 presented a written report in her absence. The Chairperson tabled this item to the next meeting so that questions could be asked of the CFO. Commissioner Stearns asked how rapidly the property tax assessment can be increased and to what ceiling. The GM explained that a tax rate increase would go to a vote of the people. On an annual basis, the budget includes the maximum increase our mil levy allows; this is the ad valorem tax levy. Commissioner Pickett noted that the rate declines annually as only 1% of the current valuation can be added and county assessed property values have increased by greater than 1% annually.

Information and Discussion of Operations/Policy Issues:

Action Items:

None

Commissioners Reports:

Commissioner Corwin

Commissioner Corwin attended the WRIA 11 meeting; our revised letter regarding the water-banking study was attached to the report and will also be attached to the copy of the report provided to the Department of Ecology. The majority of the meeting was discussion about how to spend the approximately \$25,000 coming from the State next year; they want to pay approximately \$15,000 to George Walther and \$10,000 to staff support in Thurston County. He also provided information regarding WPUDA dues; the current cap for large PUD's is 9% of the WPUDA budget. The current proposals are to raise the cap or lift it entirely in order to make up budget shortfalls caused by the withdrawal of other PUD's from WPUDA. He plans to participate in a dues committee conference call on Thursday morning; he noted the agenda does not address the concerns of the smaller PUD's.

Commissioner Pickett

Commissioner Pickett did not have a report. After Commissioner Stearns' report, he added that he received an email from Zena Hartung who invited him to come to any Conservancy Board meeting; he will forward the email to the GM for distribution to the other Commissioners.

Commissioner Stearns

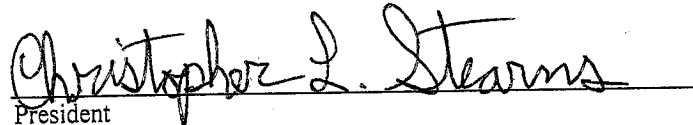
Commissioner Stearns announced that he was not appointed to the Water Conservancy Board position due to a perceived conflict of interest.

Executive Session: Real Estate Acquisitions (RCW 42.30.110)


Commissioner Pickett moved to recess to an executive session for the purpose of Real Estate which was expected to last approximately 15 minutes, and to return to the regular session when concluded. Seconded by Commissioner Corwin and all approved. Commissioner Corwin opened the executive session at 5:24 p.m. At 5:39 p.m. the Board returned to the regular session

Assignments: None

Commissioner Pickett moved to adjourn the regular meeting at 5:39 p.m. Seconded by Commissioner Corwin and all approved. The meeting was adjourned.



President

Attest: 

Secretary

