

**MINUTES OF THE REGULAR MEETING OF OCTOBER 12, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for October 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday October 12, 2010, at 921 Lakeridge Way SW, Suite 201, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Alan Corwin and Paul Pickett were present. Also present was John Weidenfeller the District's General Manager (GM). Kim Gubbe, the District's Operations Manager, Julie Parker, the District's Chief Financial Officer, and Jennifer Anderson Clerk to the Board.

Commissioner Stearns called the General Meeting to order at 5:09 p.m.

Approval of agenda:

The Board did not change the agenda, except for removing "Potential Litigation" from the Executive Session".

Public Comment

None

Consent Calendar:

Improvement Authorizations – None

Approval of Minutes: October 4, 2010 and September 28, 2010

Prequalification of Contractors – Small Works Roster

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 9/29/2010, 10/6/2010

2) Payroll 10/5/2010

Approval to Purchase Service Meter

Resolutions:

Resolution 10-64 Employee Salary Range to Reflect .5% COLA

Resolution 10-67 General Managers Contract Amendment, 2011 Salary

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

Action Items:

None

Presentations

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report. He added several verbal reports:

- He scheduled a meeting with Tempo Lake Customers on November 13th to explain the DWSRF program. Commissioner Pickett will attend if his presence is needed; he assess the situation prior to the meeting.
- The Regional Water Association of Pierce County invited him to become a member of their Board. The Board supports the GM pursuing this opportunity
- He met with J.W. Morrissette and Associates earlier today regarding the Tanglewilde projects. The timeline for the well project will likely extend to June, which is problematic in that we will have to use Olympia water for a longer period of time. The GM will schedule a workshop at 4:00 pm prior to the next regular meeting for the Board to get a briefing from the Tanglewilde consultants.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM presented a written report. She added information regarding 3 bad samples received in October at Elk Heights, Aust and Washington Land Yacht Harbor, one of our SMA systems. She expressed concern regarding the Yacht Club (WLYH) because there have been continual problems. If another sample comes back bad, the system will probably need to be put on permanent chlorination.

Chief Financial Officer's Report: Julie Parker, CFO

No report. However, she did advise the Board that she finally received information about our election costs for 2010; the cost is considerably lower than what was budgeted. Commissioner Corwin requested the savings be put in the reserves; the Board concurred.

Information and Discussion of Operations/Policy Issues:

Discussion Water Rates Options for 2011

The CFO presented a worksheet of rate options which included 3 basic options. Her recommendation is Option 1 where approximately 50% increase is collected through the base charge equally applied to all customers. The consumption rates are also increased; however the tiers would not be equally increased. Commissioner Corwin requested a 4th option – adopt rates for 2 years with an increase already built in for the 2nd year. The Board discussed this option, and then invited the CFO and GM to propose in the future a two-year revenue plan if our financial condition merits such consideration.

The Board concurred with staff on their recommended Option 1. The notice regarding the rate hearing will be posted on our website and will also be included with the October bills, which will be mailed on November 1. The Board agreed to hold the rate hearing on November 9th and accept written comment through November 18th. A final decision on rates will be scheduled for the November 23rd regular meeting.

Debrief on Nisqually Water Banking Report & Board Operating Procedures

Commissioner Pickett presented a written report, including a timeline of the Water Banking Report situation. The Board discussed the lessons learned from the Water Banking Report

situation. The review showed that misstatements in the report resulted from errors by the author of the report, and could have been corrected with the review of the draft if not for some missed communication. Consultation with Commissioner Corwin had been attempted, but had room for improvement. Clearer procedures for situations that arise between meetings might help in the future.

The Board discussed whether to have a workshop to develop some Board Operating Procedures to help with mutual understanding between Commissioners for protocols both in and outside Board meetings. The Board agreed that the intent was to have some mutually agreed-upon guidelines, rather than written rules. Commissioner Pickett recommended arranging a meeting with John Doan (Tumwater City Administrator), if possible, to facilitate a meeting with an outcome of putting together a set of Board Operating procedures. Commissioner Corwin said that he was opposed to any written procedures.

Resolutions:

Resolution 10-56 Tenant Improvements for Employee Space & Safety

The Board discussed the resolution, changes were agreed upon and the Resolution was re-drafted to reflect the changes. The signed resolution includes the revisions.

Commissioner Pickett moved to adopt Resolution 10-56 Tenant Improvements for Employee Space & Safety, Commissioner Corwin seconded and all approved.

Resolution 10-69 Rental Agreement with CFS Investments, LLC

After a motion to adopt the resolution, the Board discussed the agreement and the effect of purchasing office space before the lease expires.

Commissioner Corwin moved to adopt Resolution 10-69 Rental Agreement with CFS Investments, LLC, subject to approval by Mr. McDonald, Commissioner Pickett seconded and all approved.

Legal Report:

Tom McDonald, PUD Attorney

No report

Commissioners Reports:

Commissioner Corwin

Commissioner Corwin is informally pursuing lien authority so that the State Legislature is aware of the issue prior to setting their next calendar. He is attending WPUDA meetings this week.

Commissioner Pickett

Commissioner Pickett provided information about a piece of property he looked at for potential office space. He also noted that he had an article on the fall election published in the local bi-weekly paper "Olympia Power & Light".

Commissioner Stearns

Commissioner Stearns spoke more about the Grays Harbor workshop he attended prior to the last meeting. He is attending a meeting of the Southwest Washington Association of Conservation Districts in Olympia.

Assignments:

GM: Get dates for the October WRIA meeting

GM: Schedule a presentation by the Consulting Engineers on the updated scheduling for the Tanglewilde-Thompson Place Water System Improvements at 4:00 before the regular meeting on 10/26

Commissioner Pickett: Schedule John Doan, Tumwater City Administrator, if possible, to work with Board on Board Operating Procedures in early 2011

GM: Newsletter - Notify customers about budget adopted and rate hearings

CFO: Schedule rate hearing on 11/9 and projected adoption of rates on 11/23

GM:/CFO: When making budget amendment for 2010, use savings from election costs to partially pay for the move to the third floor


Chief Counsel and GM: Review and approve new rental agreement for move to third floor

Commissioner Stearns moved to recess to an executive session for the purpose of Review Performance of a Public Employee, which was expected to last approximately 20 minutes, and to return to the regular session when concluded. Seconded by Commissioner Pickett and all approved. Commissioner Stearns opened the executive session at 7:25 p.m. At 7:33 p.m., Commissioner Stearns closed the executive session and the Board returned to the regular session.

Commissioner Corwin moved to adjourn the regular meeting at 7:34 p.m. Seconded by Commissioner Pickett and all approved. The meeting was adjourned.



President

Attest: 

Secretary