

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 23, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for November 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday November 23, 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), and Tom McDonald, the District's Attorney (arrived at 6:00 p.m.). Kim Gubbe, the District's Operations Manager and Jennifer Anderson Clerk to the Board were excused from the meeting due to inclement weather.

Commissioner Stearns called the general meeting to order at 5:12 p.m.

Approval of agenda;

The Board added an Executive Session.

Consent Calendar:

Improvement Authorizations – None

Approval of Minutes: November 9, 2010

Prequalification of Contractors – Small Works Roster

Eagle Tree Service

Northfork Construction Inc.

SMA Contracts

Resolution 10-77 Contract with Olympic View Water Association

Travel Approvals – None

Other –

Voucher Approval

1) Accounts Payable 11/10/2010, 11/17/2010

2) Payroll 11/19/2010

Resolutions:

Resolution 10-73 Contract Amendment to Resolution 10-19, Cascadia Law Group, Legal Services

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

Public Comment

None

Public Hearing

Proposed 2011 Water Rates and other Changes

Commissioner Stearns opened the Rate Hearing.

No members of the public were present. The CFO noted that a total of 6 public comment letters were received. The staff is drafting a response to the questions posed in the letters. She also noted that they oppose the rate increase.
Commissioner Stearns closed the rate hearing.

Information and Discussion of Operations/Policy Issues:

Presentations

Staff Presentations:

General Manager's Report: John Weidenfeller, GM

The GM presented a written report. Commissioner Stearns asked if there has been in resolution concerning the Big Bird Trailer Park which had connected himself to our system. The GM stated that he notified the customer that they must either disconnect themselves from the system or pay a General Facilities Charge to remain connected. The customer is not currently using any PUD water.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM reported a written report in her absence.

Chief Financial Officer's Report: Julie Parker, CFO

The CFO presented a written report. In response to a question from Commissioner Corwin about refinancing a Bond, the CFO stated that she needs to fill the Accountant 1 position as soon as possible so that she has more time to spend on this issue.

Commissioner Stearns asked staff to begin collecting data on the amount of electricity and vehicle fuel used. This would be important for future initiatives to track and reduce our "carbon footprint" or other needs. Commissioner Pickett suggested that staff review how data is collected to see if the needed data could be set aside beginning in 2011.

Discussion of Public Hearing Testimony on Proposed 2011 Water Rates and Other Charges

Commissioner Corwin requested that language be included in the response letter to the customers acknowledging their comments about furloughing staff and noting we are constrained by the Department of Health who requires we have staff available 24/7. Also, as a business, to defer Capital Improvements could end up costing more at a later date.

Action Items:

Resolutions:

Resolution 10-61 2011 Rates and other Changes

Commissioner Pickett moved to approve 10-61 2011 Rates and other Changes, seconded by Commissioner Corwin and all approved.

Information Discussion of Operations/Policy Issues:

2011 Potential Legislation

The Board discussed WPUDA Water Legislative Issues. Staff provided the Board a handout describing the issues.

Commissioner Discussion – TRPC Water Line item, Water Element of Sustainable Development Grant & Board Representative for SDG Task Force
Commissioner Stearns will be the Board Representative for the Sustainable Grant Task Force;
The GM will notify TRPC of this assignment.

WPUDA Annual Meeting
Commissioner Corwin will attend the business meeting.

Commissioner Discussion – Public Opinion Poll Questions
The Board discussed possible questions to ask the public. There was also discussion about creating a focus group so that questions could be asked in depth. Commissioner Pickett will incorporate suggestions from the Board into an RFQ format for further discussion at the next regular meeting.

Legal Report: Tom McDonald, PUD Chief Counsel

Mr. McDonald reported that he has been speaking with the Attorney General's office and DOE on the Municipal law suit decision; they are working with DOH to develop guidelines. He expects them to release the guidelines soon.

Commissioners Reports:

Commissioner Corwin

Commissioner Corwin did not have a report. He asked that Telecom be a discussion item at the next regular meeting.

Commissioner Pickett

Commissioner Pickett provided a written report and elaborated on the exempt well issue. He suggested that at some future meeting Chief Counsel McDonald provide an overview of the exempt well issue and how it affects the PUD. He also suggested that Jerry Louthain of the Thurston Water Conservancy Board be invited to discuss that organization with the Board at some future meeting.

Commissioner Stearns

Commissioner Stearns did not have a report.

Executive Session: Real Estate Acquisitions and Review Performance of a Public Employee (RCW 42.30.110)

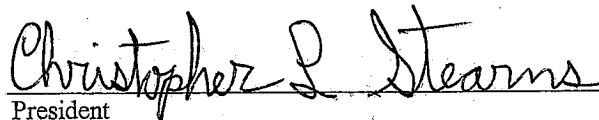
Commissioner Stearns moved to adjourn to an Executive Session for the purposes of Real Estate Acquisitions and Review Performance of a Public Employee, expected to last

approximately 15 minutes and to return to the regular session when concluded. Seconded by Commissioner Pickett and all approved. Commissioner Stearns opened the executive session at 7:15 p.m. At 7:30 p.m. the executive session was extended for another 7 minutes. At 7:37 p.m., Commissioner Stearns closed the executive session and the Board returned to the regular session.

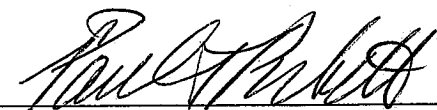
Assignments:

1. GM - Ask Managers whose PUD's are in sewer why they are in sewer service and if they think it is a good use of their PUD's resources.
2. GM - Send Commissioner Pickett copies and examples of RFQ/RFP documents.
3. Commissioner Pickett – develop a draft RFQ/RFP for consultant support to explore new business lines.
4. GM – Share information on bills affecting the PUD as they develop.
5. GM - Place Telecommunications on next Agenda.
6. GM – Beginning in 2011 ensure that data on our gas and electricity usage is organized so that at some future date the data can be easily accessed to assess our energy use for planning and other needs.
7. GM – Schedule a presentation by Tom McDonald and a discussion of exempt wells at a future meeting.
8. GM – Schedule a presentation by Jerry Louthain and a discussion of the Thurston Water Conservancy Board at a future meeting.

Commissioner Pickett moved to adjourn the regular meeting at 7:48 p.m. Seconded by Commissioner Corwin and all approved. The meeting was adjourned.



President

Attest: 

Secretary