

**MINUTES OF THE REGULAR MEETING OF JUNE 28, 2011
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2011 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday June 28, 2011, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Alan Corwin and Paul Pickett were present. Also present were John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operation Manager (OM), and Cathy Skiles, Clerk to the Board. Julie Parker, the District's Chief Financial Officer (CFO) was excused from the meeting.

Commissioner Stearns called the general meeting to order at 5:10 p.m.

Approval of agenda:

Commissioner Stearns made a motion to approve the agenda. GM Weidenfeller said Commission Corwin asked that they remove the South County Commission Meeting from the agenda. Commissioner Pickett seconded, all in favor.

Consent Calendar:

Approval of Minutes: June 14, 2011

Prequalification of Contractors – Small Works Roster

SMA Contracts

Correspondence:

Travel Approvals:

Other –

Voucher Approval

Accounts Payable 6/15/11, 6/22/11

Payroll 6/20/11

Resolutions:

Res. 11-26 Approval to Award Contracts to Repair Tanglewilde Leaks

Commissioner Pickett moved approval of the Consent Calendar, Commissioner Corwin seconded, all in favor.

Public Hearing: None

Public Comment: None

Action Items: None

Resolutions: None

Staff Presentations:

General Manager's Report:

John Weidenfeller, General Manager provided a report in writing. He added that he will be contacting an absentee homeowner informing him that we will be removing some trees and shrubs from the Right of Way to repair a leak. Commissioner Pickett asked about the employee attire item in the GM report and the GM Weidenfeller asked the Commissioners to let him know if they are interested in receiving a shirt or hat. The GM will send pictures of the clothing options when they are available.

Commissioner Pickett reported that in a personal conversation Assistant Attorney General Alan Reichmann commended Commissioner Stearns and John Weidenfeller's input at the the Ecology WRAC meeting. He added the WWUC sent out a summary of what happened in the Legislature this year and it was also an agenda item for the WPUWA Water Committee. He asked GM Weidenfeller to provide a briefing at the next Commission meeting.

Commissioner Stearns asked about the RWA item on GM Weidenfeller's report. The GM stated that the USGS earthquake presentation was interesting and he will provide it to Commissioner Stearns.

Operations Manager's Report:

Kim Gubbe, Operations Manager, provided a report in writing. Commissioner Stearns asked about the potential acquisitions. The Board decided to discuss this issue in Executive Session.

OM Gubbe added that at 4:21 p.m. today she received permission from the Washington State Department of Health to put the Coker well on line. She has a little more work to do tomorrow on the telemetry and then they will be pumping water into the system. Commissioner Pickett asked about the amount of water that will be pumped into the system. She will provide numbers once they have some historical records, but it should provide more than half the PUD's needs. Bids will come in tomorrow for a leak repair on the Tanglewilde system. It looks like there was work on the storm drains by the County nearby that may be related to the leak. If it looks like it is the case, they will call a County inspector out. This leak is one of the reasons for the 30% loss we have been experiencing. There are also 7 hydrants leaking and a mainline repair that will take a little longer to repair.

OM Kim Gubbe thanked GM Weidenfeller for putting into his report that the temporary seasonal employee has been hired. The PUD is short just one employee now, the Field Technician I, and is moving forward with filling that position.

OM Kim Gubbe continues to work on the water use efficiency reports that are due on Thursday.

There was discussion regarding other PUD projects: Covington, Cedarwood, Tempo Lake, and Phase 2 of the Tanglewilde Well integration project. There are a lot of projects being worked on this year. OM Gubbe will be on vacation next week.

Commissioner Stearns asked if we need a little more coordination with the County and the work they are doing. OM Kim Gubbe said she and GM Weidenfeller have discussed this and they will be working on it. Commissioner Stearns asked how OM Gubbe is holding up with all the staffing changes and the projects. The OM noted that with many deadlines arriving at the same time, she has been stressed, but everything is going fine.

The Commissioners briefly discussed the LOTT summit meeting being held tomorrow night.

Chief Financial Officer's Report:

CFO Julie Parker provided a report in writing. There were no questions or comments.

Presentation:

Legal Report and Presentation: Chief Legal Counsel Tom McDonald

Mr. McDonald reported that the Department of Ecology is performing a LEAN process in which DOE is reviewing their *water right process* to look for ways to make processes more efficient and faster. Their internal meetings will be led by a consultant from the Boeing Company. The Department of Ecology Water Resources Program (DOE) has asked Mr. McDonald to sit-in on the meetings as a customer. Employees from each region are also to participating in the process review; the process review is employee, not manager driven. The first meeting was today and they primarily discussed the initial application. It was very interesting to see how the different regions handle things differently. Mr. McDonald was able to emphasize that the application process needs to be user friendly. This week, participants are covering the application process; by the end of July, DOE will have begun looking at the entire *water rights review process* and the process review will be completed by September.

Tom McDonald provided a presentation regarding the Municipal Water Law and how it affects the PUD operations, which included handouts in a binder for the Commissioners.

Commissioner Stearns made a motion at 6:55 p.m. to move into Executive Session for 35 minutes to discuss potential litigation and possible acquisitions. At 7:28 p.m. Commissioner Stearns adjourned the Executive Session and moved back into the General meeting.

Commissioner Pickett asked that they postpone the proposed WRIA 11 MOU extension discussion to another meeting.

Information or Discussion of Operations/Policy Issues:

PURMS Health and Welfare Pool Deposit (CFO) - Discussed During GM report.

2012 Budget – Initial Discussion (CFO)- A schedule of the budget process was provided during the CFO report.

Discussion – Policy: Employees and Political Activities

Commissioner Stearns introduced the political activities policy that LOTT adopted. GM Weidenfeller requested that Mr. McDonald review the policy and provide feedback before it is brought back to the Commission. Commissioner Pickett added that the policy is consistent with the policy for State Employees.

South County Commission Meeting- GM will provide the location and date.

Discussion – WPUDA Membership

Commissioner Stearns said only Grays Harbor County has proposed to withdraw. There has also been discussion regarding Cowlitz PUD. Commissioner Corwin stated there probably will not be any changes until next year. He believes George Caan is doing a lot of the right things. If any of the large PUD's withdraw there will be more budget adjustments and more members may withdraw after that. Commissioner Stearns asked if there has been a change in morale at the Managers meetings, GM Weidenfeller stated there have not been any manager meetings since George Caan came in. Commissioner Stearns asked where WPUDA was with their strategic planning process. It was noted that it is an agenda item at the July WPUDA meeting and nothing major has changed in the plan. Commissioner Pickett added that the WPUDA contributed a lot to passing the low income legislation.

Commissioner Pickett made a motion to continue membership in the WPUDA through 2012. Commissioner Stearns seconded, all in favor.

Meetings:

June 28, 11:30-1:00 - Redistricting Meeting, County Council Chambers - All three Commissioners plan to attend.

June 29, 6:00-9:00 - Summit for LOTT Elected Officials – All three Commissioners plan to attend.

June 30, 10:00-4:00 - WPUDA Water Committee Meeting-Commissioner Stearns and the GM will attend.

Low Income Assistance Program (Name) – Commissioner Pickett will attend the PUD All Staff meeting, on June 30th, to brainstorm brain storm a name for the low income program. The law authorizing the program goes into effect on July 9, 2011. GM Weidenfeller explained he will work with Commissioner Pickett to develop a resolution authorizing implementation of the program at the first meeting in July. Billing statements are being revised to include a

contribution line; we will solicit contributions to the program for a few months prior to announcing funds are available for distribution. Commissioner Stearns added that this program will not apply to the SMA customers that we bill.

Discussion - Planning Unit Next Steps – Proposed MOU Extension – postponed to next meeting

Commissioner Reports: Chris/Alan//Paul
Commissioner Pickett did not have anything new to report.

Commissioner Corwin reported on the WRIA 11 Planning Unit meeting. Chair George Walter said that the Nisqually Land Trust would not be eligible for grants; Commissioner Corwin contacted Justin Hall and asked him to rewrite the proposal to remove the part that makes them ineligible for grants. If he is able to do that, Commissioner Corwin would prefer to have the Nisqually Land Trust manage the Planning Unit.

Commissioner Corwin reported he has been working on the Redistricting project. Redistricting will be placed on the next meeting's agenda.

Commissioner Stearns reported that he attended the Democratic Central Committee meeting last night. He asked people at the meeting to sign a petition which asks Thurston PUD to support performing a feasibility study to provide electric distribution in Thurston County. He provided a list of people who signed-up in support of a feasibility study. Commissioner Pickett asked if he had made it clear he was speaking for himself and not for the PUD, and Commissioner Stearns confirmed that he had.

Commissioner Stearns stated that he will continue to collect signatures in the next weeks and months, and will bring this issue back for discussion. Commissioner Corwin asked Commissioner Stearns to make sure his actions didn't get the PUD into trouble with the State Public Disclosure Commission.

Commissioner Pickett and Corwin accepted the petitions as correspondence presented by Commissioner Stearns. The petitions have a statement saying, "I support Thurston P.U.D. doing a feasibility study for public electrical distribution." with names and signatures below the statement.

Summary of Assignments:

The GM will provide Commissioners examples of PUD clothing options.

The GM will provide the Commissioners a summary of the key 2011 legislative items at the next Commission meeting.

The GM will provide Commissioner Stearns a copy of the USGS handout from the RWA meeting.

The Chief Legal Council will evaluate the proposed policy addressing employees and political activities.

The GM will invite George Caan to a Board meeting.

Adjournment:

Commissioner Pickett moved to adjourn the meeting at 8:11p.m., Commissioner Stearns seconded, all approved.

Christopher L. Stearns
President

Attest: Paul Pickett
Secretary