

**MINUTES OF THE REGULAR MEETING OF OCTOBER 25, 2011
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for October 2011 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday October 25, 2011, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, and Alan Corwin were present, Commissioner Pickett was present via speaker phone. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the Districts Operations Manager (OM), and Cathy Skiles, Clerk to the Board.

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

Approval of Agenda:

President and Commissioner Chris Stearns

GM Weidenfeller requested several changes to the agenda, the first was to move Resolution 11-54 from the consent calendar to the Resolution section so they can discuss it per Commissioner Corwin's request. Commissioner Pickett asked to add TPUD Input to DOE Key Stakeholder Recommendations – Statutory Barriers to Efficient Water Rights Processing and Effective Water Management to the discussion portion of the meeting. And GM Weidenfeller has a few minor changes to his written report. **Commissioner Corwin made a motion to approve the agenda as amended, Commissioner Stearns seconded, all in favor.**

Consent Calendar:

Approval of Minutes: September 27, 2011, October 11, 2011

Prequalification of Contractors – Small Works Roster

SMA Contracts

Correspondence:

Travel Approvals:

Other –

Voucher Approval

Accounts Payable 10/14/11, 10/21/11

Payroll 10/20/11

Resolutions:

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

Public Comment: None Present

Action Items:

Resolutions

Resolution 11-52 2012 Rates & Charges

CFO Parker noted the rates are presented as the Commissioners requested, less than 2%.

Commissioner Corwin moved approval of Resolution 11-52 2012 Rates & Charges, Commissioner Stearns seconded, all in favor.

Resolution 11-53 1st Revised 2012 Budget

Commissioner Corwin moved approval of Resolution 11-53 Revised 2012 Budget, Commissioner Stearns seconded. CFO Parker stated that this amendment of the budget reflects the projected revenue based on the rates that were approved tonight. All in favor of approving Resolution 11-53.

Resolution 11-54 Uncollectible Account

Commissioner Stearns made a motion to approve Resolution 11-54. Commissioner Corwin stated he is opposed to approving this particular uncollectible account. This item is over \$500, and since this is an estate we can file a claim against the estate. It is premature to write it off. If we can not collect then we can bring it back for approval. Commissioner Corwin made a motion to table the approval of Resolution 11-54, Commissioner Pickett seconded, all in favor. Staff will look into alternative collection methods for this account.

Presentation:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a copy of the draft newsletter and asked the Commissioners to respond by 10:00 a.m. tomorrow.

GM Weidenfeller also added three other items to his report; the first is Social Security and Medicare coverage. CFO Parker reported that she recently received a letter from Washington State Department of Retirement Systems. The letter informed her that Social Security withholding is not required for public employees that are covered under the State Retirement System. To provide Social Security to the employees requires a vote of the employees to be covered by both. This was a housekeeping action that had been overlooked. PUD management will hold the election, and if a majority of employees agree, the PUD will continue providing Social Security. If employees vote against Social Security collections, then Social Security Administration will refund the contributions from the last few years. There is no cost to the PUD for either option.

Commissioner Corwin asked about the statement in newsletter that customers can purchase pipe insulation at their local hardware store. If it is not too expensive he would like to provide some pipe insulation to our customers to pick up at the office. OM Manager Gubbe suggested the hose

bid covers. After discussion GM Weidenfeller will bring back ideas to the next Board Meeting. If the Board decides to institute this program, a notice can be placed in a future bill.

GM Weidenfeller announced they received a bid to install meters on the last 16 unmetered accounts we have. OM Kim Gubbe sent out a bid packet and only one was returned with an estimate of \$70,000. The bid was not accepted and another packet was sent out, this time 4 bids were returned. The low bid is around \$25,000, our current budget is \$10,000 he asked the Commissioners to move forward on the project. All three Commissioners agreed to move forward.

The last item GM Weidenfeller added is that he received a call on Friday from Representative Jamie Herrera Butlers office explaining the Congress woman is interested in introducing a bill recognizing hydro powers clean renewable energy source and wanted to know how we felt about it. He told them we are in support of that. He then directed them to WPUA. Commissioner Corwin asked GM Weidenfeller who the supporters were.

Commissioner Pickett asked about the County's response to our letter regarding the Tanglewilde leak. The total cost for the repair was approximately \$33,000. Commissioner Corwin suggested they wait until the next meeting, this will allow the PUD engineer and Council Tom McDonald to review the letter.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Kim Gubbe provided a report in writing, and there were no questions from the Commissioners.

Chief Financial Officer's Report: Financial Variance Report (every 4th week's meeting)

The CFO provided the Board with some minor clarifications.

Information or Discussion of Operations/Policy Issues:

2012 Satellite Management Rates

CFO Parker presented her calculations for the proposed SMA rates. She brought this forward because she would like to send letters to the clients and provide them time to make comment regarding the proposed rates before the Commissioners approve the rates. Letters will go out to the customers and brought back to the Commissioners in December with the comments. They decided to have a hearing the first meeting in December.

Commissioner Corwin asked if we might want to move the December 27, 2011 meeting. The managers will discuss and bring back suggested dates.

Commissioner Per Diem

Commissioner Corwin has given this a lot more thought and is now more reluctant to make changes. The per diem is already set by the Legislature and Commissioners may waive all or part of the per diem if they choose. He suggests the Commissioners continue to work on the honor system and suggested they just change the per diem form where the Commissioners can waive a portion or all per diem for a meeting they attend. The form will document all the meetings they went to and the meetings they requested per diem for. This way all meetings are documented. The GM suggested putting Commissioner Pickett's proposed guidelines on the back of the form. Commissioner Stearns suggested the Commissioners put together a policy or guidelines describing the type of meetings that are eligible for reimbursement. Commissioner Pickett felt that non-binding guidelines should suffice, and situations where a Commissioner was uncertain could be discussed and agreed upon by the Board.

WRIA 11

Commissioner Corwin said the WRIA 11 is becoming more of a concern to him. The MOU we signed is about to expire. George Walter would like to extend the MOU and Commissioner Corwin does not agree with the extension agreement. There is no effort to bring the members back who are not attending. The Board suggested that he work with GM Weidenfeller to draft a letter listing the things they would like to see prior to signing the MOU extension, and bring it back to the Board.

Telecommunications

Commissioner Corwin provided a written report summarizing his ideas regarding Telecommunications. He has been attending the telecom meetings at WPUDA. There may be a way to provide service on a Government to Government basis. Commissioner Corwin is not sure what our legal authority at this time. He would like to explore the legal obstacles and what benefits we could find from Telecommunications. He proposed an RFP of limited scope to evaluate our legal authorities and to survey other governments in Thurston County to see if potential markets exist that deserve further investigation. Commissioner Pickett expressed his support for the idea, and would like to make sure the County, all the Cities, the Port, and the Tribes are included in the review. The GM will work with Commissioner Corwin on drafting an RFP to bring back to the Board.

TPUD Input to DOE Key Stakeholder Recommendations – Statutory Barriers to Efficient Water Rights Processing and Effective Water Management

Commissioner Pickett said John Kounts sent an e-mail asking for additional input, but the GM recommended that the PUD send its own comments. Counsel MacDonald described the issues that he would include in the PUD's letter, and Commissioner Pickett stated that it sounded like a good list. The GM and Counsel will draft a letter and send the draft to Commissioners to see if they have any concerns before sending out.

Legal Report:

Executive Session:

Commissioner Reports: Chris/Alan//Paul

Summary of Assignments:

GM Weidenfeller will bring ideas and Resolution if necessary to the next meeting to provide free insulation products to our customers.

CFO Parker will take the steps to find out from the employees if they wish to continue being covered by Social Security then go through due process to continue.

GM Weidenfeller will report back to the Board with recommendations for next steps to respond to the County regarding the leak in Tanglewilde after consultation with the PUD's engineer and Counsel.

GM Weidenfeller will revise the per diem meeting form to provide a way for Commissioners to waive all or part of the per diem for any meeting.

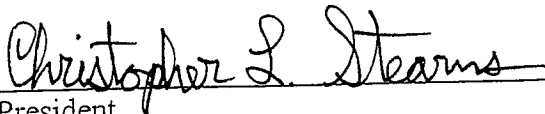
Managers will bring back suggestions for shortening, canceling, or rescheduling the December 27, 2011 meeting.

GM Weidenfeller and Commissioner Corwin to draft a letter to WRIA 11 and bring it to the Board.

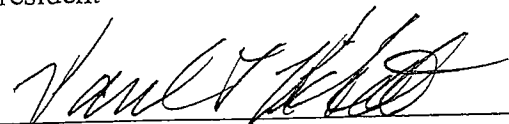
GM Weidenfeller and Commissioner Corwin to draft an RFP for a survey of wholesale telecommunications opportunities with other governments, and bring it to the Board.

Adjournment:

At 7:25 p.m. Commissioner Corwin moved to adjourn. Commissioner Stearns seconded, all approved and the meeting was adjourned.



President

Attest: 

Secretary