

**MINUTES OF THE REGULAR MEETING APRIL 24, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second Regular meeting for April 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, April 24, 2012, 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 Operations Manager (OM), Joseph Rehberger, Legal Council and Cathy Skiles, Clerk to the Board. Julie Parker, Chief Financial Officer (CFO), was excused from the meeting.

Commissioner Pickett called the general meeting to order at 5:01 p.m.

Pledge of Allegiance: All

Commissioner Pickett stated he made some changes to the minutes last night, the Commissioners approved the changes. Commissioner Stearns made a motion to approve the Consent Calendar, Commissioner Corwin seconded, all in favor

Consent Calendar:

Approval of Minutes: April 10, 2012

Prequalification of Contractors – Small Works Roster

SMA Contracts:

Correspondence:

Request for Public Disclosure – Justin Kover 4/16/12

Request for Public Disclosure – Jordan Brennan 4/17/12

Request for Public Disclosure – Dan Cathers 4/19/12

Request for Public Disclosure – Justin Kover 4/23/12

Travel Approvals:

Accounts Payable: 4/11/12, 4/18/12

Payroll: 4/20/12

Other: Approval for Storage Shed on Property

Proposed Public Comment Protocols:

Commissioner Pickett stated he has been concerned with the decorum of the meeting; it would be good to have a Public Comment protocol. He provided a copy of the County's protocol and a draft for Thurston PUD. Commissioner Corwin would like to think about it more, he does not want to adopt anything formally at this time. Commissioner Stearns likes the protocol. The Commissioners decided for now they will receive Public Comments and then make their comments at the end.

Public Comments

Commissioner Pickett recommended limiting each speaker's public comments to five minutes.

Public Comments were made by Justin Kover – 522 Lilly Road – Olympia WA 98506.

Presentation:

Senator Karen Fraser – World Water Forum Briefing

Commissioner Pickett introduced Senator Karen Fraser from the 22nd District. He introduced other special guests: Scott Egger, City of Lacey Public Works Director, Peter Brooks, City of Lacey Water Manager, Tony Berkson, Nisqually Tribe Public Works Director, Dan Smith, City Tumwater Water Resources Manager, and George Caan, Executive Director of the Washington PUD Association.

Senator Fraser reported on a World Water Conference at which she presented in France recently. It was the 6th World Water Forum. This Conference is run by a non-profit organization. The theme was "**Solutions**". The next Conference will be in South Korea, and the theme will be "**Implementation**". About 20,000 people attended the conference. Over 400 panels were going on at anytime. The Forum's website has pictures and information about the conference at www.worldwaterforum6.org. Another web site for the United States Panel who presented at the conference is www.cnrep.org. Key issues included climate issues, growing river and groundwater extraction due to growth and economic development growth, pollution and the political pressures that can arise from water problems. Access to water is one of the great moral challenges of our time. The biggest problems are lack of access to water and sanitation, rapid world population growth, and gender issues. Women are at a much higher risk. Another problem is that currently 50% of the world population lives in cities; in 50 years 75% of the world population will live in cities. We will be doubling the urban population for the first time in history. Climate change makes the amount of water available unpredictable. Waste of water is a problem; it was noted that about 70% of the water pumped is wasted. Water used to produce energy needs to be improved. Good data is scarce or not well documented. Financing infrastructure and water use efficiencies is a problem for everyone.

Information or Discussion of Operations/Policy Issues:

Recommendation of RFP Interview Panel

Commissioner Pickett said the process used by the PUD was to advertise for a Request for Proposal for a study of potential electric service based on the premise that at sometime in the future the citizens of Thurston County may grant the PUD authority to enter into the electrical business. The RFP was issued and Thurston PUD received 4 proposals. The proposals were screened at the last PUD Board meeting and the Board decided to not interview one of the applicants. A panel was put together including Commissioner Pickett, GM Weidenfeller and Bob Geddes, the General Manager of Lewis PUD. Three consultants were interviewed. It was the unanimous decision of the panel and very strong recommendation to offer the contract to DHittle and Associates, Inc.. Commissioner Pickett noted that DHittle was very well prepared. They came in with really good knowledge of the County and they have been involved working on the Capital Campus as well. DHittle and Associates, Inc. provided good scenarios they could

potentially work with to provide viable options. They have a lot of experience and knowledge of utilities in the area and put the least demands on our staff to help with the project. The distant second place wanted staff to attend all meetings on the project. The third place did not seem to be as strong in the broad planning.

WPUDA Meetings May 9-12

Commissioner Corwin stated the minutes of the last meeting laid out the items to be discussed at the WPUDA meeting. The first issue regards the representation for the East and West sides of Washington at the WPUDA Board meetings. The second item to be addressed concerns the concept of whether a person can be elected to the Board after serving all positions of the Board. The consensus was to stay with the existing by-laws and not make changes at this time.

Action Items:

Set Public Hearing on Cornerstone Water System Surcharges for May 8, 2012

GM Weidenfeller noted that Thurston PUD took over the Cornerstone Water system in 2010 after staff and Commissioner Stearns met with the customers of the water system. There were public health issues that needed to be addressed. The customers asked us to take over the system and authorized us to charge a \$26.75 monthly surcharge to pay for chlorination and PH adjustment with the understanding that once the improvements were made, the PUD would "true-up" the surcharges. Once the improvements were paid for by the Cornerstone community, the surcharges initiated to pay for the improvements would end. OM Gubbe and an engineering firm reviewed the options and the PUD staff was able to install the corrosion control themselves and the chlorine contact time was contracted out. The original estimate was \$60,000; the corrosion control and chlorination improvements were made for \$30,249. The \$26.75 surcharge, originally projected for 20 years, is recommended to change to \$16.30 for ten more years. If the Commissioners decide to hold a Public Hearing on this proposal, letters will go out to the customers this week. The Commissioners had a consensus to hold a Public Hearing at the May 8, 2012 meeting.

Resolutions:

Resolution 12-08 Contract with Selected Consultant for RFP Electrical Utility Assessment
Commissioner Corwin moved passage of Resolution 12-08, Commissioner Stearns seconded. GM Weidenfeller asked for permission to negotiate a contract, with Commissioner Pickett's input as needed. All in favor.

Presentation:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager Updated GM Report

GM Weidenfeller sent a written report to the Commissioners last Thursday. An updated report was provided in the packet today. He was contacted by Drew Phillips, President of the Thurston County Roundtable, they are interested in meeting with a Commissioner at sometime in the future. Commissioner Corwin suggested since he already has a presentation prepared for the EDC meeting that he make the presentation to the Thurston County Roundtable group.

The GM noted that this week letters are going out to the Crowder, Fir Tree and Loma Vista water systems to vote on paying a surcharge to provide generators. He met with Webster Hill water system, the system Pierce County Health Department would like us to acquire. The Homeowners are making great progress in resolving their problems. The Interim Commissioner position has been advertised two weekends in a row. When the applications arrive, the Commissioners will be provided copies. The position closes on April 30, 2012. GM Weidenfeller will be on vacation April 25th through May 2nd.

Operations Manager's Report: Kim Gubbe, Operations Manager

Commissioner Corwin asked when Steve Skiles retirement will be effective; it will be August 17th. OM Gubbe said the transition will go smoothly and she is sure Steve will be available to answer questions after retirement. OM Gubbe noted her operations report went from one page to two pages. She will not be attending the next Commissioner meeting since she will be on vacation.

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

CFO Parker was excused from the meeting. The financial reports were provided to the Commissioners. The revenues are tracking where they should be this time of year.

Legal Report: Joseph Rehberger, Legal Council – Mr. Rehberger will arrive at 7:00 p.m. to give his report.

Commissioner Reports: Paul/Alan//Chris

Commissioner Corwin had nothing to report other than the WPUDA meetings he already reported on.

Commissioner Pickett had nothing to report other than the RFP panel he already reported on.

Commissioner Stearns attended the Chehalis Partnership meeting last Friday. He tried to ascertain from them some kind of expenditure the PUD could give to help fund their activity. He thought a contribution of somewhere between \$1,200 to \$1,500 was a fair contribution. Other entities have already contributed. This will be put on the agenda for discussion at the next meeting.

Commissioner Pickett recessed the meeting for 5 minutes.

At 6:55 p.m. Commissioner Pickett moved into Executive Session to discuss Real Property Acquisition RCW 42.30.110 (1)(b) and Potential Litigation for 20 minutes.

Executive Session: RCW 42.30.110 (1)(b) Real Property Acquisition and Potential Litigation.

At 7:15 p.m. Commissioner Pickett extended the Executive Session for 10 minutes.

At 7:25 Commissioner Pickett resumed the regular meeting.

Joseph Rehberger asked the Commissioners to authorize GM Weidenfeller to continue negotiations and signature of a contract of a potential acquisition of a water system, water rights and infrastructure located in Pierce County. **Commissioner Pickett moved they accept staff's recommendation, Commissioner Stearns seconded, all in favor.**

Summary of Assignments:

Add Chehalis Partnership support to the next agenda for discussion.

Provide copies to the Commissioners of any applications received for the interim Commissioner position (do not give Commissioner Pickett hard copies)

Advertise for Public Hearing on May 8, 2012 Cornerstone Estates Surcharge.

Adjournment:

At 7:30 p.m. Commissioner Stearns moved to adjourn the meeting, Commissioner Corwin seconded, all in favor.



President

Attest: 

Secretary

