

**MINUTES OF THE REGULAR MEETING OF JUNE 5, 2012  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for June 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday June 5, 2012, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns and Alan Corwin were present. Also present were John Weidenfeller, the District's General Manager (GM), Kim Gubbe, the District's Operations Manager (OM), Joseph Rehberger, Chief Legal Counsel and Cathy Skiles, Clerk to the Board. Julie Parker, the District's Chief Financial Officer (CFO) was excused.

**Commissioner Corwin called the general meeting to order at 5:00 p.m.**

**Commissioner Corwin led the Pledge of Allegiance.**

**Approval of Agenda:**

Vice President Alan M. Corwin – **Commissioner Stearns made a motion to approve the agenda, Commissioner Corwin seconded, all in favor.**

**Consent Calendar:**

Approval of Minutes: - none

Prequalification of Contractors – Small Works Roster

SMA Contracts:

Correspondence:

Travel Approvals:

Accounts Payable: 5/23/12, 5/30/12

Payroll: none

Other: Declaration of Emergency and Waiver of Small Works Roster Competitive Bidding Requirements

**Commissioner Stearns made a motion to approve the Consent Calendar, Commissioner Corwin seconded, all in favor.**

**Public Comments:**

Mary Louise Crowson – 6049 Buckthorn Ct. NW – Olympia WA 98502 – She a retired Public School Teacher and a customer of the PUD. She stated she is concerned whom the Board may appoint as the District 1 PUD Commissioner. For various reasons she encouraged the Board to not appoint Jim Lazar.

Justin Kover – 522 Lilly Rd. NE #752 – Olympia WA 98506 – He stated he is a Thurston County citizen. He spoke against appointing Jim Lazar as the Commissioner.

Mark Kelly – 825 Dundee – Olympia WA 98502 – He stated he lives in Olympia. He believes in having leaders you can look up to. He spoke against appointing Jim Lazar. He provided a copy of PDC complaints he recently filed.

Bob Jacobs – 720 Governor Stevens Ave. SE – Olympia WA 98501 – He responded to the comments made by members the public who spoke before him. He is in support of Jim Lazar's appointment as a PUD Commissioner.

Glen Morgan – Tenino WA - He spoke in support of Jim Lazar's appointment as a Commissioner.

#### **Discussion of Candidates for District 1 Appointment**

Commissioner Stearns stated that the Commissioners have not made up their minds who they will appoint to the District 1 Commissioner position. He stated he has spoken to all of the candidates.

Commissioner Corwin stated allegations and complaints are just that, they do not prove anything. To the best of his knowledge, none of the complaints made have been supported. He added there were five applicants, all are qualified and each brings something different to the table. Now it is the job of the Commissioners to appoint one of the applicants to complete Commissioner Pickett's term of office which will last until the November election is certified. He stated the major items that will be worked on during the interim term are the 2013 budget and rates; those are the main skills and experience areas he is looking for when he makes the Commissioner appointment.

**Executive Session** authorized per RCW 42.30.110 (1) (h) to evaluate the qualifications of a candidate for appointment to elective office. **At 5:28 p.m. Commissioner Corwin moved into Executive Session and to adjourn from the Executive Session at 5:45 p.m.**

**Commissioner Corwin called the Regular meeting back to order at 5:45 p.m.**

#### **Motion to Appoint a District 1 Commissioner**

Commissioner Corwin explained that he had two candidates in mind, while all five applicants interviewed were qualified. He stated that Commissioner Stearns also had two candidates in mind they had one in common. They discussed that during the next few months, the primary items on their agenda will be the 2013 budget and rates.

Commissioner Stearns stated that the length and duration of service in this community matters to him and that it also matters if they have had experience running for office.

**Commissioner Stearns made a motion to nominate Joanne McCaughan for the position of District 1 Commissioner. Commissioner Corwin declined the motion. Commissioner Stearns made a second motion to nominate Jim Lazar. Commissioner Corwin seconded and noted that due to his experience with budgets and rate setting he supported appointment of Mr. Lazar. All voted favor to appoint Mr. Lazar to complete Commissioner Pickett's term of office as the District 1 PUD Commissioner.**

#### **Oath of Office by Thurston County District 1 Commissioner Karen Valenzuela**

County Commissioner Karen Valenzuela administered the oath of office to Jim Lazar to assume office as the Public Utility District No. 1 of Thurston County District No. 1 Commissioner.

#### **Break to Congratulate the Newly Appointed Commissioner**

**Action Items: None**

#### **Staff Presentations:**

**General Manager's Report:** John Weidenfeller, General Manager

GM Weidenfeller provided a report in writing. He provided the Commissioners with a list of the July WPUDA meetings. He has rooms reserved for Tuesday, Wednesday and Thursday nights and would like the Commissioners to discuss attendance at the next Commission meeting. He submitted an application for a \$50,000 telecommunications grant. We should hear if we were selected to receive a grant later this month.

GM Weidenfeller noted the CFO has completed the financials on time to the State Auditor's Office and that the annual audit has been postponed from June 6 until early August at the Auditor's request.

Commissioner Corwin asked for a little more elaboration on the revenue shortfall the PUD experienced last year due to the cooler weather. He was not looking for a great deal of detail but something that shows where the revenues came from.

**Operations Manager's Report:** Kim Gubbe, Operations Manager

OM Gubbe provided a written report to the Commissioners. She added that we had two group B systems with bad coliform; both systems may need to be permanently chlorinated. The contamination is coming from the wells. Temporary chlorination will be installed for the Ivan water system this week and for the Tracy water system the following week. OM Gubbe did submit Public Works Trust Fund loan requests for both systems to help pay if permanent chlorination is required. Commissioner Corwin asked to have a generic article in the next newsletter that addresses what we do when we have bad samples. The GM commended OM Gubbe for submitting the loan applications before the end of May deadline since the cost for permanently installing chlorination on each system is estimated to cost approximately \$44,000.00.

**Chief Financial Officer's Report:** Financial Variance Report (every 4<sup>th</sup> week's meeting)

CFO Parker was excused from the meeting.

GM Weidenfeller informed the Board that we are upgrading our software soon and there are a lot of behind the scenes things that are being done to accomplish this. We go live the week of July 9<sup>th</sup> so everyone will be very busy getting trained while the regular business goes on.

**Information or Discussion of Operations/Policy Issues:**

**Resolution 12-11 Policy Updates**

GM Weidenfeller said the information provided is for discussion only. At the last All Staff meeting, he provided the employees with draft policies regarding hours of work, overtime, on-call compensation, and retirement medical benefits. He asked for comments if there were any items of concern but did not receive any employee comments. He remarked that he and staff has been working at updating policies. He noted that the recommended changes to the retirement medical and dental benefits grandfather Steve Skiles, from the ten year service requirement stipulation, for an employee to be able to purchase insurance since he had already provided notice of his intent to retire in August 2012. The GM noted that the retiree medical and dental benefits in the 2004 policy are not sustainable and recommended the policy he submitted be adopted at a future meeting.

Commissioner Stearns asked how the policies will affect the overall budget. GM Weidenfeller explained the employment classifications will not affect the budget at all. The hours of work are a clarification of existing policies. The overtime and compensatory time off policy clarifies our way of doing things and will ensure there is consistent guidance to employees. The on-call policy refines the way we do things and does not impact the budget. The medical, vision and dental retiree policy, adopted in 2004, says an employee and their family can get insurance and defines in generous terms what they could get it. This policy is not sustainable, is more generous than that of most other PUDs (a survey is included in a GM letter to employees), and could have future negative impacts on the budget of over \$14,000.00 per employee, in 2012 dollars, in future years as employees retire if the policy is not changed.

**Legal Report:**

**No report**

**Commissioner Reports:**

Commissioner Stearns attended the first Friday meeting of the Thurston Regional Planning Council (TRPC) and on the following Monday attended the TRPC's Sustainability Council meeting. He is the Water Committee representative for the Council. They presented the results of the web survey of 400 respondents. The mail survey consisted of approximately 800 responses. There were good comments and information regarding growth in Thurston County.

Commissioner Corwin returned from a trip to Southern California. In San Diego, he read very in-depth articles regarding water and wastewater, he will be bring in a copy of the article.

Commissioner Corwin stated that the June meetings have been changed from the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday to the 1<sup>st</sup> and 3<sup>rd</sup> Tuesday. They will resume their normal schedule in July.

Commissioner Lazar reported in June 5, 2012 he attended the Thurston County Public Utility District meeting where he was appointed as the Commissioner for District 1. The appointment will last until the November election is certified. As he indicated in his application, he will be in Vermont on the 19<sup>th</sup> and would like to attend the meeting via teleconference. The other Commissioners said that has been done before and agreed that calling-in for the meeting was fine.

Commissioner Corwin said he would like to ask Mr. Lazar for his input regarding multiple year rate increases.

**Summary of Assignments:**

OM Gubbe - Commissioner Corwin asked to have a generic article in the next newsletter explaining what we do when we have bad samples


CFO Parker - Commissioner Corwin asked for a little more elaboration on the revenue shortfall the PUD experienced last year due to the cooler weather.

Set up a teleconference for June 19<sup>th</sup> meeting so Commissioner Lazar can dial in.

**Adjournment:**

**At 6:20 Commissioner Corwin made a motion to adjourn the meeting, Commissioner Stearns seconded, all in favor.**

  
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President

Attest:   
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Secretary