

**MINUTES OF THE REGULAR MEETING JUNE 19, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for June 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, June 19, 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. Jim Lazar was present via phone conference. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, Chief Financial Officer (CFO), Joseph Rehberger, Legal Council and Cathy Skiles, Clerk to the Board.

Commissioner Corwin called the general meeting to order at 5:04 p.m.

Pledge of Allegiance: All

Approval of Agenda:

Commissioner Corwin asked to add to the agenda, after Public Comment, his response to comments made during the TCTV candidate interviews. **Commissioner Lazar move adoption of the Agenda, Commissioner Stearns seconded, all in favor.**

Consent Calendar:

Commissioner Lazar abstained from approving the minutes of May 22, 2012 since he was not appointed Commissioner at the time and did not attend the meetings.

Approval of Minutes

June 6, 2012 Meeting

Prequalification of Contractors – Small Works Roster

SMA Contracts:

Correspondence:

Travel Approvals:

Accounts Payable: 6/6/12, 6/13/12

Payroll: 6/5/12

Other:

Board approval for Commissioner Corwin to speak in favor of the County's Proposed Critical Areas Ordinance update.

PURMS Board Resolution 6-7-12-1 for Public Utility Risk Management Services Joint Self Insurance Fund

Commissioner Stearns made a motion to approve the revised consent calendar, Commissioner Lazar seconded, all in favor.

Approval of Minutes:

May 22, 2012 Workshop

May 22, 2012 Meeting

Commissioner Stearns made a motion to approve the minutes of the May 22, 2012 workshop and the May 22, 2012 minutes, Commissioner Corwin seconded, all in favor.

Public Comments: None

Commissioner Corwin responded to comments he heard on the TVW candidate interviews.

Presentation: Michael Gallagher, Section Manager, Water Resources Program - Southwest Regional Office, Department of Ecology - Presentation on Lacey, Olympia, Yelm Water Rights and Related Mitigation Efforts

Action Items:

Resolution 12-11 Policy Updates

Commissioner Corwin asked for any questions or discussion, there being none he entertained a motion to approve Resolution 12-11. **Commissioner Lazar made a motion to approve Resolution 12-11, Commissioner Stearns seconded, all in favor.**

Resolution 12-12 Covington 212 Arsenic Treatment System Preliminary Engineering Services
Commissioner Corwin explained this has been an issue for several years due to changes in the federal government's change in maximum contaminant levels for arsenic. There being no discussion, he entertained a motion to approve Resolution 12-12. **Commissioner Stearns made a motion to approve Resolution 12-12, Commissioner Lazar seconded, all in favor.**

Staff Presentations:

General Manager's Report:

John Weidenfeller, General Manager, provided the Commissioners a report in writing. He asked who will be attending the water committee meeting on June 28, 2012 from 10:00 – 4:00. Commissioner Lazar and Commissioner Stearns will attend.

The GM reminded the Commissioners that the 2013 Strategic Goals and Priorities will be discussed at the next meeting and GM Weidenfeller will provide a draft list to the Commissioners before the next meeting.

Commissioner Corwin has asked to include a modest amount of money to implement conservation measures in the Tanglewilde area, such as shower heads and other conservation items that can be given to the customers. Commissioner Lazar stated there are a number of vendors who sell conservation kits that come with several items.

Commissioner Corwin would also like to look at multi-year rates. Commissioner Stearns added that our future bond ratings are set based on rates, reserves, etc.

Operations Manager's Report: Kim Gubbe, Operations Manager provided a report in writing. GM Weidenfeller added the Tempo Lake project has been advertised and bid opening will be in early July.

A management contract for Webster Hill will be brought to the Commissioner's at a future meeting for their approval.

The Cedarwood bid opening will be Thursday of this week.

Commissioner Lazar asked if the Eastridge 3 failed sample will be a problem into the future.

Chief Financial Officer's Report: Financial Variance Report - CFO Report for May will be provided at the first meeting in July.

Information or Discussion of Operations/Policy Issues:

Farm Bill Language Proposal – Commissioner Corwin provided a copy of the language proposal that went to Senator Patty Murray. He objects to the bill and would like the Board to take a position. Commissioner Lazar and Commissioner Stearns concur and authorized Commissioner Corwin to take a position against the bill.

WPUDA July Meetings in Leavenworth, WA July 18-20

Commissioner Corwin and Commissioner Stearns will both attend the meetings.

The Water Workshop is scheduled for September 26, 27 and 28th in Spokane. GM Weidenfeller and OM Kim Gubbe will attend. Commissioner Stearns will attend. Commissioner Lazar will not attend since he is on an interim term of office until a new Commissioner is elected. Commissioner Stearns asked Commissioner Lazar to sit in on the next WPUDA meetings held in Olympia, specifically the Energy Committee meetings.

Commissioner Election

Commissioner Corwin made a motion to elect Commissioner Stearns to serve as Vice President, Commissioner Lazar seconded, all in favor.

Commissioner Stearns will continue to serve as Secretary.

Commissioner Assignments

Commissioner Stearns nominated Commissioner Lazar to serve as Alternate Delegate to the Thurston Regional Planning Council (TRPC) and Commissioner Corwin seconded the motion. All voted in favor.

Legal Report:

Joe Rehberger, Legal Council nothing new to report.

Commissioner Reports:

Commissioner Corwin reported PURMS will have their Annual Meeting and he will attend.

Commissioner Stearns attended the second Sustainability Meeting of the TRPC this month. In discussing goals, they do not have a mind set other than to review the input they receive from the public.

Commissioner Stearns announced that Steve Wright who is the Chair of BPA will be retiring at the end of this year.

Commissioner Lazar stated at the June 5, 2012 meeting, Mark Kelly discussed and provided a copy of a complaint that he had filed with the Public Disclosure Commission on June 15, 2012. The Public Disclosure Commission responded in a letter to Mr. Kelly the following comments. The letter was from Andrea McNamara-Doyle, Executive Director of the PDC. She said, "I have determined there is no reason to believe a material violation of any law under the Commissions Jurisdiction has occurred for these reasons the PDC will not be conducting a more formal investigation into your complaint, or pursuing enforcement action in your case." Mr. Lazar explained that Mr. Kelly's complaint has been closed; he provided a copy of the letter to GM Weidenfeller. A copy of the letter will be provided as part of the meeting record.

Commissioner Lazar had a meeting in the office last week for orientation and to fill out paper work.

Summary of Assignments:

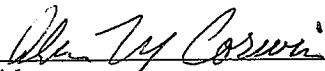
GM Weidenfeller, provide the Commissioners with a draft of proposed 2013 Strategic Goals and Priorities prior to the next meeting.

GM Weidenfeller - draft a letter for Commissioner Corwin to sign opposing the Farm Bill language proposal.

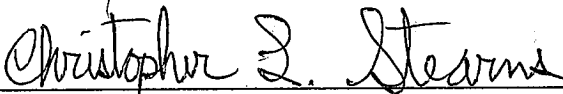
GM Weidenfeller - provide Cathy Skiles a copy of the letter from the PDC dismissing the complaint by Mr. Kelly regarding Commissioner Lazar.

Adjournment:

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



President

Attest: 

Secretary