

MINUTES OF THE REGULAR MEETING OF OCTOBER 9, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for October 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday October 9, 2012, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Alan Corwin and Jim Lazar were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), and Cathy Skiles, Clerk to the Board.

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

Commissioner Corwin led the Pledge of Allegiance.

Approval of Agenda:

Commissioner Corwin made a motion to approve the agenda, Commissioner Lazar seconded, all in favor.

Public Comments: None

Consent Calendar:

Approval of Minutes: September 24, 2012 Meeting
October 1, 2012 Special Meeting

Prequalification of Contractors – Small Works Roster

SMA Contracts:

Correspondence:

Travel Approvals:

Accounts Payable 9/12/12, 9/19/12, 9/26/12, 10/3/12

Payroll: 9/20/12, 10/5/12

Resolutions:

Other:

Change Order 7, T.Bailey Contract, Tanglewilde Reservoir and Booster Pump Station

Change Order 8, T.Bailey Contract, Tanglewilde Reservoir and Booster Pump Station

Declaration of Emergency Waiver of Small Works Competitive Bidding Requirements per RCW 39.04.280(2)(b)(3), Terry Lane Water System

Commissioner Lazar moved adoption of the Consent Calendar, Commissioner Stearns seconded.

Commissioner Stearns asked GM Weidenfeller to explain what was going on at Terry Lane. GM Weidenfeller explained we had a regular Small Works project that we issued on Terry Lane. When the pump was pulled, we found a crack in it. The pump needed to be replaced immediately to place the water system into operation and provide safe drinking water. **All voted in favor of approving the Consent Calendar.**

Public Hearing:

Continuation of the 2013 Budget and Rate Hearing from the October 1, 2012 Commission Meeting

Commissioner Corwin opened the Public Hearing at 5:05 p.m.

Commissioner Corwin asked if there was anyone present who wanted to make comments regarding the 2013 Budget and Rates.

There being no Public comment, the Hearing was closed at 5:07 p.m.

Action Items: None

Resolutions:

Discussion of Public Hearing Testimony on the Proposed 2013 Budget and Rates.

Commissioner Lazar stated there are three or four changes to the budget that we ought to pay some attention to. The items for discussion are the step increases for employees, the COLA increase, the increase of the CSR staff from part time to full time, and the General Manager's compensation. Commissioner Lazar asked to spend time at the next meeting to complete the General Manager's evaluation.

The Commissioners decided to open the October 23, 2012 Regular meeting at 4:00 p.m. The Commissioners will approve the Consent Calendar and immediately go into Executive Session until 5:00 p.m.

The FTE CSR position, COLA increases, medical insurance increases, and step increases were discussed amongst all three Commissioners. Commissioners also discussed rates, including the possibility of increasing out of County rates and ancillary charges. Staff was asked to bring the following information to the next meeting: 1) If the CSR position is not made full time, identify what functions will no longer be performed or what will be done less frequently; 2) Provide the Commissioners with the cost of the COLA and the cost of the increase for health care benefits; 3) Provide a discussion on some options to increase the out of county surcharge, and ; 4) Review all fees in the first half of 2013, to include general facility charges.

Resolution 12-22, Adoption of 2013 Budget – Tabled to the General Meeting on October 23, 2012.

Information or Discussion of Operations/Policy Issues: None

Presentation:

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a report in writing. He added that he and Commissioner Corwin will be attending FEMA Public Information Officer training on October 23rd and 24th.

On October 31st, GM Weidenfeller will be hosting a meeting of the Thurston County Water Purveyors that have over 50 connections. This will be the second meeting held this year; one was cancelled due to low attendance. Commissioner Corwin requested a copy of the list. Usually about 40 purveyors show up to the meetings.

The Tanglewilde Reservoir celebration ceremony will be held at 1:30 p.m. on October 30, 2012. OM Gubbe showed the Commissioners a copy of the invitation she is working on. GM Weidenfeller listed some of the people he is inviting to the celebration. Invitations are scheduled to go out this week.

GM Weidenfeller and Commissioner Lazar will be going to the City of Olympia to discuss the contract we have with them on October 16, 2012.

GM Weidenfeller provided the Commissioners a list of the PUD water systems and SMA systems broken down by legislative district. The list was also broken-out by County and lists the number of connections in each county and a map of each legislative district.

GM Weidenfeller is planning to take-off October 12th and 19th if work allows; he will be available by phone.

Commissioner Corwin asked the GM to see if he could address the WPUDA Telecommunications Committee voting in the General Managers Committee meeting in November. Under the current practice, only PUD's that are actively involved in telecommunications may cast votes at the meetings. He feels this policy should be changed since there are not restrictions in getting into telecommunications like there are in electricity. Our PUD should be able to vote. Since the Committee is discussing Government to Government telecommunications at this time, he feels TPUD should be able to vote. Thurston County has the largest stake in Government to Government communications, since our County has the State Capitol and Thurston PUD should have a vote on these issues.

GM Weidenfeller commended CFP Julie Parker and OM Kim Gubbe for the wonderful job they are doing. Both have done some really extraordinary things this year. Julie Parker has worked with the GM, Commissioner Corwin, the financial consultants and the bond attorney to achieve a AA- Bond rating saving \$158,000 in debt servicing. She has really stepped up to the plate in working on the Tanglewilde projects, doing much more than a CFO would normally do. The CFO and OM worked diligently on the Tanglewilde, Cedarwood, Tempo Lake and numerous small works projects. They were successful in acquiring five low interest loans with low interest rate funding, two with loan forgiveness. The OM and CFO also submitted eleven PW Board projects for funding that have been recommended for approval. He thanked them for their hard work, diligence and expertise and awarded them a signed letter and a check for \$50.00.

GM Weidenfeller stated that there are three things that need to be addressed with the City of Olympia as we negotiate a contract with them. One is the General Facility Charge (GFC), the PUD shares 58% of each GFC collected with the City of Olympia. We have a flat rate of \$50,000 that we pay to them for water availability. The other item is the rate for water used from

the City. Commissioner Lazar explained the difference is in the past the Tanglewilde water system was 100% dependant on the City of Olympia for water, we have now moved to a partial requirement system. This change should affect the base standby rate.

Operations Manager's Report: Kim Gubbe, Operations Manager
OM Gubbe provided the Commissioners a report in writing. She added they did have an emergency situation on Friday, at 4:30. She had three employees in the field. Ronnie was up at Evergreen Vista on Friday during the day to do regular maintenance and found the chlorine pump was not repairable. Sherri stepped up and ran for the parts he needed and the pump was fixed avoiding the potential of the customers having to go on boil water order. That same night Jacob was in the field on one of the SMA's, and he found an alternator had failed. Although this is a higher level task than he would normally perform, he called the people he needed and worked through the problem. Jacob also worked with the Homeowners Association to dispatch an electrician to fix other problems.

OM Gubbe reported on the status of the Cedarwood construction.

Chief Financial Officer's Report: Financial Variance Report
No report; she will provide a financial report at the next meeting.

Commissioner Reports: Alan/Chris/Jim
Commissioner Lazar reported he attended a meeting of the Yelm City Council because they were discussing the ballot measure. Former Commissioner Dianne Oberquell was there. Ken Johnson and Casey Cochran from PSE were there to speak. Thurston Public Power Initiative representatives were also there to speak. Commissioner Lazar spoke to what the PUD could and would do. It was clear that the Yelm Council had been briefed extensively either by PSE or the Alliance. At the end of the meeting, the Council decided not to take a vote to support or not support the initiative.

Commissioner Lazar spoke at the League of Woman Voters on a panel with Ralph Munro who is with the Alliance, Andy Wappler from PSE and John Pearce, from T.P.P.I.. It was a one and a half hour program and was very well attended; there were approximately 200 people there. It will be broadcast by TCTV.

Commissioner Lazar reported he just spent time in Poland giving a two day rate base rate making seminar.

Commissioner Stearns reported he attended the TRPC meeting, they are primarily discussing transportation.

Commissioner Stearns attended the Water Workshops with OM Gubbe; it was well attended. He saw some excellent hydro systems operated by the City of Spokane. He benefitted greatly from it.

Legal Report: None

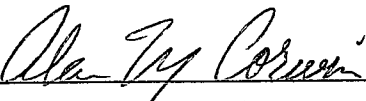
Summary of Assignments:

1. Commissioners will meet to complete the General Manager's annual review at 4:00 on October 23, 2012. GM was asked to insure Mr. Rehberger attends the session.
2. Provide information for the budget discussion as follows: 1) If the CRS position is not made full time, identify what functions will no longer be performed or what will be done less frequently; 2) Provide the Commissioners with the cost of the COLA and the cost of the increase for health care benefits; 3) Provide a discussion on some options to increase to the out of county surcharge, and ; 4) Review all fees in the first half of 2013, to include general facility charges.
3. Provide Commissioners a copy of the list of water purveyor's that have 50 or more connections that are invited to the Water Purveyor's Group.
4. See if voting on the WPUA Telecommunications Committee can be added to the November Managers Committee agenda.


Executive Session: None Scheduled

Adjournment:

Commissioner Lazar made a motion to adjourn the meeting at the time there is no Commissioner left in the room, Commissioner Corwin seconded, all in favor.



Alan M. Corwin, President and Commissioner

Attest: 

Chris Stearns, Secretary and Commissioner