

**MINUTES OF THE REGULAR MEETING OF JANUARY 8, 2013
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for January 2013 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, January 8, 2013, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns and Linda Oosterman 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), Joseph Rehberger, Chief Legal Counsel, and Cathy Skiles, Clerk to the Board. The Commission District 2 position is vacant.

Commissioner Stearns called the Regular meeting to order at 5:00 p.m.

Approval of Agenda:

Commissioner Stearns called for a motion to approve the Agenda. **Commissioner Oosterman made a motion to approve the Agenda, Commissioner Stearns seconded, all in favor.**

Consent Calendar:

Approval of Minutes: December 20, 2012

Prequalification of Contractors – Small Works Roster

SMA Contracts

Correspondence:

Travel Approvals:

Other –

Voucher Approval

Accounts Payable 12/19/12, 12/26/12, 1/2/13

Payroll 12/20/12

Resolutions:

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

Public Comments: None

Action Items:

Election of Officers

Commissioner Oosterman nominated Commissioner Stearns for President of the Board, Commissioner Stearns seconded, all in favor.

Commissioner Stearns nominated Commissioner Oosterman for Vice-President and Secretary of the Board, Commissioner Oosterman seconded, all in favor.

Once a new Commissioner is appointed for the District 2 position, the Board will hold elections to fill the three positions.

Organizational Assignments

GM Weidenfeller presented proposed revisions to the Commissioner organizational assignments. The Commissioners discussed what meetings qualify for per diem pay. The Commissioners approved the organizational assignments matrix as presented at the meeting. It will be reviewed again when a new District 2 Commissioner is appointed.

Resolutions: None

Information or Discussion of Operations/Policy Issues:

Discussion - Process and Timeline for the Appointment of the District 2 PUD

Commissioner

GM Weidenfeller presented the Commissioners with a proposed timeline for the appointment of the District 2 PUD Commissioner position. The timeline included advertising, discussing the application, posting the application, the due date for applications, a special meeting of the Commissioners scheduled for January 29th to review the applications and select individuals for interviews, interview applicants on February 12th, select a new interim Commissioner, and schedule the Swearing-in Ceremony at the February 26th Commission meeting. The Commissioners agreed with the timeline and instructed GM Weidenfeller to move forward with the process.

GM Weidenfeller presented the Commissioners with a draft application. The Commissioners made some changes and revised two questions included in the application. The changes were agreed on by both Commissioners. The application will be available at the PUD's office and posted on the PUD website by Friday, January 11, 2013.

Discussion – Extension of Office Hours to 5:30 p.m.

CFO Parker presented a report, requested by former Commissioner Corwin, regarding the possibility of extending the PUD office hours to 5:30 p.m. At Commissioner Corwin's request, the CFO Parker asked the office staff if any of them were interested in flexing their hours to accommodate the extended hours. None of the office staff showed interest, primarily on the basis that they would be left alone in the building after 5:00 p.m. when the other tenants in the building left for the day. Staff was concerned for their safety. CFO Parker noted in her report that there has not been a request from a customer to stay beyond 4:30 since 2007. To provide better service to the customers, the PUD installed a secured drop box and has provided many payment options for the customers. There are very few walk-in customers during our business hours and no requests for extend hours have been received since multiple payment options have been provided to our customers. The staff's recommendation to maintain the current office hours of 8:00 a.m. to 4:30 p.m. was made and the Commissioners agreed there is no need to change office hours.

Commissioner Per Diem and Mileage

Commissioner Stearns requested a discussion regarding Commissioner Per Diem and Mileage reimbursement.

Mileage:

Currently the policy is that mileage reimbursement for Commissioners within the County will be for travel in excess of 30 miles roundtrip. No changes were made to this policy.

Per Diem:

The Commissioners modified the Per Diem guidelines to add a fifth bullet under the "*Guidelines for Authorized Per Diem*" which states, "Through January 1, 2014, Commissioners may attend meetings when a majority of the WPUA monthly meetings and New Commissioner Orientations are scheduled and receive per diem compensation." GM Weidenfeller was asked to update the back of the Commissioner Per Diem form with this change. He was also asked to provide a comparison of what per diems would have been if full per diems were taken instead of the voluntary partial per diems when the Board adopted the new per diem form which allowed them to take partial per diems.

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided the Commissioners a report in writing. A supplemental report was provided. In his supplemental report, GM Weidenfeller made two proposals to the Commissioners.

The first proposal was to bring forward the Work Plan he has been working on with the CFO and Operations Manager to the next PUD Meeting on January 22. This Work Plan will outline the key and essential activities the PUD has projected in 2013. The Commission's prioritized goals and objectives would be included. Commissioner Stearns asked that staff bring forward recommendations and budget requirements for Thurston PUD's 75th Anniversary in 2013 in the Work Plan. The Commissioners agreed to add the Work Plan to the January 22, 2013 agenda.

The GM's second proposal was to hold Workshops in March and April on the first and third Tuesdays, or on days that work best for the Board of Commissioners; additional workshops may be needed. The purpose of these workshops is to provide the Commissioners briefings and information orientations on key PUD and municipal corporation functions that will provide them background and briefings to facilitate their governance of the PUD. A list of the topics was provided and the Commissioners were invited to request other areas they would like covered in these work shops.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a report in writing. Commissioner Stearns asked how staff is dealing with some of the emergencies that have come-up recently. OM Gubbe reported staff has responded well. The 2" line break on a Friday afternoon was taken care of and several of the operators jumped-in and repaired it themselves rather than calling a contractor in. The Prairie Ridge water

system had an outage that is believed to have been caused by an electrical issue. The specific problem has not been determined but the electrical system is suspect so staff is watching the system very closely. No more outages have occurred at the Prairie Ridge water system.

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

CFO Parker was not scheduled to provide a financial report until the next meeting. At Commissioner Stearns' request she did report on the seasonal adjustment rate mechanism that the Board adopted in their ratemaking process for 2013. Every six months, the need for an adjustment will be evaluated. Monthly consumption is tracked and compared to the same period last year. In April, if the 2013 consumption is more than 2.5% lower than 2012 she will bring a proposed rate adjustment to the Commissioners for discussion. An increase of less than 2.5% does not require Commissioner approval, but the Commission will be kept up-to-date.

CFO Parker reported staff is training on the Springbrook software system Purchase Order and Project Tracking modules this week. This new software will allow Operations and Accounting to track projects better and provide better reporting to the Commissioners.

Legal Report: Joseph Rehberger, Chief Legal Counsel

Joseph Rehberger, Chief Legal Counsel, reported he has been working with GM Weidenfeller on the Ready to Serve rate and responses to requests to relinquish service.

Commissioner Reports:

Commissioner Oosterman reported she will be attending the WPUA training next week for new Commissioners.

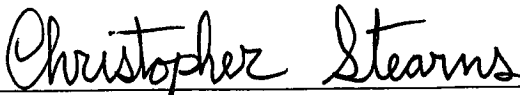
Commissioner Stearns reported he attended the Chehalis Partnership meeting.

Summary of Assignments:

Provide a comparison of what per diems would have been if full per diems were taken instead of the voluntary partial per diems when the Board adopted the per diem form which allowed them to take partial per diems.

Adjournment:

**Commissioner Oosterman made a motion to adjourn the meeting at 7:10 p.m.,
Commissioner Stearns seconded, all in favor.**



Chris Stearns, President

Attest: 

Linda Oosterman, Secretary