

**MINUTES OF THE REGULAR MEETING MAY 22, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for May 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday, May 22, 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), Julie Parker, Chief Financial Officer (CFO), Joseph Rehberger, Legal Counsel, and Cathy Skiles, Clerk to the Board.

Commissioner Pickett called the general meeting to order at 5:02 p.m.

Pledge of Allegiance: All

Approval of Agenda:

GM Weidenfeller stated he made some minor grammatical changes to the minutes of May 8, 2012. Commissioner Pickett noted the agenda changed from the one sent out on Friday, the changes were mailed to the Commissioners yesterday. **Commissioner Corwin made a motion to approve the agenda, Commissioner Stearns seconded, all in favor.**

Consent Calendar:

Approval of Minutes: Meeting April 24, 2012
Workshop May 8, 2012
Meeting, May 8, 2012
Prequalification of Contractors – Small Works Roster
CFP Construction, LLC
Thoren Electric, LLC

Correspondence:

Request for Public Disclosure – Amy Tousley, 050812 – 2 each
Request for Public Disclosure – Jason Zittel, 050512
Request for Public Disclosure – Pat Jones, 051112
Request for Public Disclosure – Patrick Sampson Banineau, 051112 - 2 each
Request for Public Disclosure – Terri Morast, 051112

Travel Approvals:

Accounts Payable: 5/9/12, 5/16/12

Payroll: 5/21/12

Other:

Appointment of Commissioner Stearns to serve as the Commission's TRPC Delegate until January 1, 2013

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

Public Comments:

Justin Kover, 522 Lilly Rd. Olympia, WA 98506, made public comments.

Information or Discussion of Operations/Policy Issues:

Discussion - Process for Appointment of Interim District No. 1 PUD Commissioner – Commissioner Corwin explained five applicants were interviewed this afternoon. The Board developed four questions to ask each of the applicants and they gave each of them five minutes at the beginning to share what they had to offer the PUD. Commissioner Stearns added they learned something from each candidate.

The decision of who to appoint as the new Commissioner will not be made until June. The Commissioners will meet in Executive Session during the first meeting in June to discuss the candidate's qualifications. The Commissioners will resume the General Meeting and take a vote.

Discussion of Public Comments on Cornerstone Estates Water System Surcharges

Commissioner Pickett explained the only comment they received regarding the Cornerstone Estates Water System Surcharge was a request to allow a one time payment upfront with a discount for the debt service. CFO Parker has made this calculation and will make it an option for the customers. There have been no other comments.

The Cornerstone Estates customers received a letter about the proposed surcharge change at the end of April. The Hearing was held May 8, 2012. The customers were sent notices and the Hearing notice was published in The Olympian.

Action Items:

Resolution 12-09 Cornerstone Estates Water System Surcharges – **Commissioner Corwin made a motion to adopt Resolution 12-09 Cornerstone Estates Water System Surcharge, Commissioner Stearns seconded, all in favor.**

Commissioner Corwin said he plans to attend the Thurston County Water Forum on May 25th from 2:00 – 4:00.

Commissioner Corwin presented a plaque to Commissioner Pickett upon his retirement from the PUD Board. He stated that Commissioner Pickett has served as a PUD Commissioner since his election in 2000. He has been a very constructive part of the PUD, a visionary. The PUD would not be where we are today without the leadership he has provided. Commissioner Pickett has always worked toward consensus among the Board. Commissioner Pickett was extended many thanks for all his time and commitment to the PUD.

Commissioner Pickett thanked the Board members, current and past, management and the staff.

OM Kim Gubbe presented Commissioner Pickett with a Certificate of Appreciation from the staff.

The meeting was recessed for 10 minutes to share cake in honor of Commissioner Pickett's retirement.

Staff Presentations:

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

GM Weidenfeller provided a report in writing. CFO Parker reported that GM Weidenfeller had asked the IT Staff at Thurston County to change our website from thurstonpud.com to thurstonpud.org. The domains were purchased several years ago to use in the future. We are now officially transferred to thurstonpud.org. Customers using thurstonpud.com will be directed to thurstonpud.org automatically. Staff has started using thurstonpud.org.

In addition to his written report, GM Weidenfeller said that he put a draft copy of a WPUDA reform document in each of the Commissioner's mailboxes. A storage shed has been put up adjacent to the office for field staff's use. This Friday, there is a Thurston County Water Forum put on by the County, LOTT, and Cascade Green Building Council. The OM will be attending.

We had a water availability letter submitted requesting water for 170 units at Tanglewilde. Staff will report back to the Commissioners at a future meeting. Another request for 36 connections came in; Cathy Skiles is checking to see if it is in our service area.

GM Weidenfeller is meeting with Brian Farris from Thurston County and someone from Department of Commerce to discuss applying for a telecommunications feasibility study grant. If it makes sense he will get make a submission; it is due on May 31.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe reported the internal promotion notice has gone out to staff to fill the Field Technician II position that will become vacant when Steve Skiles retires. Interviews will be next week and the position will be filled in the middle of July.

GM Weidenfeller reported that he and staff are working on an asset management program, he and the OM are making it a priority in the next 45 days to get the Class A water systems done. The Class B systems will become the priority next.

OM Gubbe reported two Class B water systems in Thurston County have had bad coliform samples come back. One has a prior history. A contractor has been hired to perform chlorination

under pressure. If that does not work, temporary chlorination will need to be installed, and then possibly permanent chlorination.

OM Gubbe made site visits to two potential acquisitions. Neither looks promising. The GM noted that we will not recommend acquiring either system.

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

CFO Parker provided the Commissioners a financial report. Commissioner Corwin explained the revenue shortfall last year was due to cooler weather in the summer and noted the CFO made appropriate adjustments to the budget to work through it.

Commissioner Stearns explained how the revenue is affected by summer weather. Commissioner Corwin explained the tiered rates.

Commissioner Stearns asked about stresses on CFO Parker with the additional expectations put on her, including the additional loans, public disclosure, etc. CFO Parker stated she is managing fine and her staff has stepped-up and handled the additional duties. She added that she, the GM and the OM been discussing how to address these issues and hope to bring it up during the budget process.

Presentation:

Information or Discussion of Operations/Policy Issues:

Request for Funding - \$500 to Support the "Solar Tour"

GM Weidenfeller stated we received a request from a community member that we provide monetary support for the Solar Tour: materials will be provided.

Joe Rehberger, Legal Counsel, reported that GM Weidenfeller asked him to look into this to make sure it is appropriate to support this program. It is a little bit unclear as to the sponsorship issue. Title 54 describes the general authority. This might fit into the general, global views of the PUD. As a general rule, the PUD needs to be cautious about sponsoring community projects.

Commissioner Corwin does not believe it is appropriate for the PUD to sponsor this event. It is not an appropriate use of rate payer money or tax dollars the PUD receives. It is a good program and he is willing to personally contribute up to \$250 if the other Commissioners are willing to support the program. Commissioner Stearns concurs with Commissioner Corwin, noting we have government to government relationships and support other programs, but in this instance it is more of a show-and-tell to the community. Commissioner Pickett stated Olympia is full of great causes: many are not appropriate for the PUD to support. GM Weidenfeller was directed to notify the group that we are not able to support this worthwhile cause with public monies.

Code of Ethics

Commissioner Stearns stated he has talked to GM Weidenfeller on this subject. Grant PUD had sent Commissioner Stearns a copy of their Code of Ethics. He provided the Board with a draft copy of Grant County's Code of Ethics. Commissioner Corwin said the RCWs and the PDC Commission addresses these issues. Why does the PUD need to write another policy? He asked GM Weidenfeller to check with the County to see if they have their own code of ethics. Commissioner Pickett added that he thinks it is a good idea to have a code of ethics that is more descriptive than the law. This will be brought forward at future meetings for discussion.

Legal Report:

Joe Rehberger, Legal Counsel reported the personal injury case was dismissed.

Commissioner Reports

Commissioner Corwin reported he sat through the WPUA Telecommunications Committee meeting. There are unresolved problems: our PUD has not been a part of any problems, we are only listening. There is a split between the committee; the minority feels they are not being represented.


Commissioner Stearns attended the WPUA Reform meeting; they are not making significant progress. The East/West side issue is still of concern. The Thurston Regional Planning Council Sustainability Committee is now meeting twice a month and are gathering the information they received from the meetings which were held around the County. He attended the Chehalis Basin Partnership meeting; they are very appreciative of the one time contribution the PUD made. He has a Deschutes TMDL meeting this week.

Summary of Assignments:

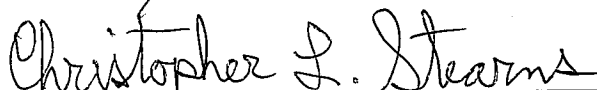
1. The GM will check with Thurston County on their *Code of Ethics* and provide a copy to the Board.
2. The GM will notify the Solar Tour that the PUD will not be able, as an organization, to contribute to the Solar Tour, but that individually, the Board may contribute.

Adjournment:

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



Alan M. Corwin, Vice President

Attest: 

Christopher Stearns, Secretary