

**MINUTES OF THE REGULAR MEETING OF DECEMBER 11, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for December 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday December 11, 2012, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Alan Corwin and Chris Stearns were present. Commissioner Linda Oosterman attended the meeting via teleconference. 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. Joseph Rehberger, Chief Legal Counsel was excused from the meeting.

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

Commissioner Corwin led the Pledge of Allegiance.

Approval of Agenda: President Alan M. Corwin

Commissioner Corwin asked to add the following under action items. "Authorize the General Manager to sign a contract with the City of Olympia to share costs for a rate study with FCS, and he is authorized to pay for one half (50%) of the costs of the joint study with the City of Olympia." Commissioner Stearns asked to add the following under action items. "Authorize the General Manager to terminate the PUD's satellite management agreement with the Tempo Lake Glade Homeowners Association if issues concerning the Drinking Water State Revolving Fund Loan and improvements at their water system are not resolved." **Commissioner Stearns made a motion to approve the Agenda as amended, Commissioner Oosterman seconded, all in favor.**

Consent Calendar:

Approval of Minutes: November 27, 2012 Meeting
Prequalification of Contractors – Small Works Roster
SMA Contracts:
Correspondence:
Travel Approvals:
Accounts Payable 11/28/12, 12/5/12
Payroll: 12/5/20
Other:
Resolutions:
Other:

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

Public Comments: None

Action Items:

Commissioner Corwin made a motion that the General Manager is authorized to sign a contract with the City of Olympia to share costs for a rate study with FCS, and is authorized to pay for one half (50%) of the costs of the joint study with the City of Olympia. Commissioner Oosterman seconded. Commissioner Corwin clarified that this rate study does not include the rates the PUD charges its customers. GM Weidenfeller added that purpose of this rate study is to modify the rates, general facility charges and fixed charge the City of Olympia charges Thurston PUD for wholesale water for the PUD's Tanglewilde system. This is necessary since the current Olympia/Thurston PUD contract was based on the PUD being totally dependent on City of Olympia water. Now that the PUD is using its own wells, the City water will only be used to serve Tanglewilde in emergencies and for peak use days. GM Weidenfeller estimates the share for the PUD will be \$7,170.00. **All voted in favor of the motion.**

Commissioner Stearns made a motion to authorize the General Manager to terminate the PUD's satellite management agreement with the Tempo Lake Glade Homeowners Association if issues concerning the Drinking Water State Revolving Fund Loan and improvements at their water system are not resolved. Commissioner Corwin seconded. This is a managed system with 89 connections; it is located in Commissioner Oosterman's District. GM Weidenfeller believes he will not need to terminate the contract. **Commissioner Corwin made a motion to table this decision until the next meeting after the GM provides an update on the status of the system. All voted in favor.**

Resolutions:

Resolution: 12-31 SMA Rates Effective January 1, 2013. CFO Parker explained these rates are cost based and there are minor changes. She has added an hourly rate for the Accountant and other minor changes. All of the SMA systems were notified three weeks ago of the proposed changes. They were invited to make comments to the Commissioners at tonight's meeting or submit written comments. The District has not received any comments. **Commissioner Corwin made a motion to amend the SMA fee schedule to clarify the materials fee and make it clear that for materials over \$150.00 there is a 20% mark up on the first \$150.00 plus a 10% markup on the charges over \$150.00. Commissioner Stearns seconded, all in favor.**

Commissioner Corwin made a motion to approve Resolution 12-31 SMA Rates Effective January 1, 2013, Commissioner Stearns seconded, all in favor.

Information or Discussion of Operations/Policy Issues: None

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager
GM Weidenfeller provided a report in writing. He added two items. 1) One of the PUD vehicles was broken into over the weekend. Some chlorine system parts along with a Garmin GPS were taken. A police report was submitted. 2) GM Weidenfeller received an inquiry on the Pickering View water system. The original developer is developing some property adjacent to the

Pickering View water system. He is interested in connecting four lots to the existing system. He has also drilled a well he is interested in giving to the PUD. GM Weidenfeller met with an Engineer who will analyze the capacity of the system to serve four more lots and determine if the well would be valuable asset for us as a backup well.

GM Weidenfeller has scheduled December 14th, 21st, and 24th off.

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Gubbe provided a report in writing. She reported she had a telephone conversation with The State Department of Health regarding a Forest Glen water system (a managed system) bad bacti sample. Repeat samples were taken on this chlorinated system. The week before, construction was done on the water system. The distribution samples came back good; the well samples came back with e-coli present. This shows the treatment is working and the OM is working to get the chlorinated system approved because it was not done when it was installed.

OM Gubbe reported the Cedarwood project is coming along well and should be completed by the end of the year.

GM Weidenfeller asked approximately how many hours OM Gubbe has spent on Tempo Lake projects since the last Commission meeting. Her estimate was about 8 hours.

GM Weidenfeller asked OM Gubbe to give the Commissioners an update on the Nisqually Commercial water system. She reported we are having problems with the system. It is a managed system with arsenic treatment that has never fully worked properly. She has made attempts to work with the company that designed the system who is located on the East Coast. When they meet with us, they can only allow a couple of hours. Last week, she and the GM were able to get the designer to work to get the system operational. The system is sending a high flow alarm when the system backwashes. The system is not pulling all of the arsenic out of the water due to the iron that is no longer in the water. She is working with the State to find a way to get the treatment working. Because the treatment is not working, we are required to notify the customers the water is above the maximum contaminant level for arsenic. The owner is also behind on paying his bill to the PUD for services provided.

Commissioner Corwin asked to have a reminder notice sent to everyone on the 19th that the meeting on the 20th starts at 8:00 a.m.

Chief Financial Officer's Report: Julie Parker, Chief Financial Officer

CFO Parker reported she has been working with the Public Works Board on behalf of the Webster Hill water system, a managed system. Due to their financial issues the last couple of years, they were not able to make their 2012 Public Works Trust Fund payment. The Public Works Board agreed to refinance the loan with the agreement the water system owners maintain a management contract with an SMA approved by the Public Works Trust Fund Board.

CFO Parker reminded the Commissioners of the registration forms they were provided for the WPUA January meetings. Extra copies were provided in the Commissioners packets.

Commissioner Corwin and CFO Parker discussed Thurston PUD's relationship with the Public Works Board. The relationship is very positive. Commissioner Corwin asked GM Weidenfeller to draft a simple letter to the Executive General Director of the Public Works Board, thanking them for their cooperation and the good work the Board does.

Legal Report: None

Executive Session: None Scheduled

Commissioner Reports:

Commissioner Corwin reported he attended a special meeting of the WPUDA Board in Vancouver. The Board passed a motion against removing the tax exempt status for municipal bonds.

Commissioner Stearns attended a TRPC Sustainability meeting where emergency preparedness and water quality were discussed. There are two meetings scheduled next month. Water quality and how it ties to water quantity was discussed.

Commissioner Stearns attended the Commissioner Education Roundtable at the WPUDA meeting. Rick Lovely gave a wonderful speech about the Association and their role in supporting the electricity movement in both Washington and Oregon.

Commissioner Corwin asked GM Weidenfeller to prepare letters from Commissioner Corwin to Commissioners Lee Caldwell and Tom Casey. They have not only served their PUD's for more than 30 years but have also served WPUDA well.

Commissioner Oosterman called into the Friday morning meetings of WPUDA.

Commissioner Oosterman will attend the day long orientation for new Commissioners put on by WPUDA. The orientation is scheduled in January.

Summary of Assignments:

Report progress on the Tempo Lake issue at the 12/20/12 Commission meeting.

On Resolution 12-31, amend the SMA fee schedule to clarify the materials fee and make it clear that for materials over \$150.00 there is a 20% mark up on the first \$150.00 plus a 10% markup on the charges over \$150.00.

Prepare letters from Commissioner Corwin to Commissioners Lee Caldwell and Tom Casey.

Put together an article in one of our future newsletters that addresses bottled water.

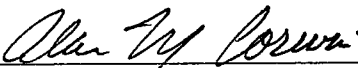
Remind the Commissioners on 12/19 that the Commission meeting is on the 20th at 8:00 a.m., not at 5:00 p.m..

Prepare a letter from Commissioner Corwin to Stan Finkelstein, the Executive Director of the Public Works Board, thanking him and the PW Board for their help.


Get a copy of Rick Lovely's speech that was delivered at WPUDA.

Adjournment:

**Commissioner Oosterman made a motion to adjourn the meeting at 6:06 p.m.,
Commissioner Stearns seconded, all in favor.**



Alan M. Corwin, President and Commissioner

Attest: 

Chris Stearns, Commissioner and Vice President