MINUTES OF THE REGULAR MEETING OF JANUARY 10, 2012
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for January 2012 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday January 10, 2012, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Paul Pickett and Alan Corwin were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Tom McDonald, Legal Council and Cathy Skiles, Clerk to the Board.

Commissioner Stearns called the general meeting to order at 5:05 p.m.

Approval of Agenda:
Commissioner Corwin moved approval of the agenda, Commissioner Pickett seconded, all in favor.

Consent Calendar:
Approval of Minutes: December 29, 2011
Prequalification of Contractors – Small Works Roster
SMA Contracts
Correspondence:
E-mail to Commissioner Pickett from Ken Johnson
Director, State Government Affairs, Puget Sound Energy
E-mail to Commissioner Pickett from Zena Hartung
Travel Approvals:
Other –
Voucher Approval
Accounts Payable 12/28/11, 1/4/12
Payroll 1/5/2012
Resolutions:
Commissioner Corwin moved approval of the Consent Calendar. Commissioner Pickett mentioned he received an e-mail regarding the Electric issue that has been added to the public record. He has also received a request for public records from Kevin O'Sullivan that has been forwarded to staff. Commissioner Pickett seconded the approval of the Consent Calendar, all in favor.

PUD No 1 of Thurston County Board Position Elections

Commissioner Stearns stated there are three members of the Board; they usually rotate the positions every two years. Commissioner Stearns has served as President for the past two years, Commissioner Corwin Vice President and Commissioner Pickett Secretary. **Commissioner Corwin nominated Commissioner Pickett to service as President, Commissioner Stearns seconded all in favor.**

Commissioner Stearns nominated Alan Corwin as Vice President, Commissioner Pickett seconded, all in favor.

Commissioner Pickett nominated Commissioner Stearns as Secretary, Commissioner Corwin seconded, all in favor.

Public Comments: Commissioner Pickett opened the public comment session. He explained there are some cards available so people can make written comment for the public record. There are 15 people already signed-up to speak so they will allow two minutes each to speak.

Bruce Fortune - Spoke in favor of the RFP. He has seen his power rates go up every year. He pulled his power bills from fifteen years ago and found they have increased 80%. He followed that up with some research on electricity privatization, he found in other countries where they have privatized power while wholesale costs have gone down, the retail rate has gone up.

Molly Gibbs – Spoke in Favor of the proposed RFP. She stated she is very about the possibility that we can take charge of our own Commission. We can take money that is being sent overseas and put it back into our own Community. Rate payers can save at least 12% on their bills.

Richard Fellows – Spoke in favor of the proposed RFP. He believes it is important that the citizens of Thurston County have the information in front of them. This can impact the citizens of Thurston County over the next 20 – 30 years and possibly the next 100-200 years. The nature of monopolies is in the long term having an incentive to ratchet up price and profitability and where with public oversight they will overlook the environmental impact locally, conservation, and long term maintenance of the infrastructure.

Doug McCaugham - Spoke in favor of the proposed RFP. Electricity is the lifeblood of everything to the way we live. We need assure that we have a steady supply of it, not based on market whims, world shortage and the buying and selling of commodities. Nobody knows if this is economically feasible, this is why the study needs to be done.

Guy Hoyle-Dodson - Spoke in favor of the proposed RFP. He is Assistant Chair of the TPPI (Thurston Public Power Initiative). He is sure this issue will come to a vote of the citizens of Thurston County. He reminded the Commissioners it is their duty to serve the Citizens of Thurston County. The Commissioners need to think about it very seriously because the Public needs to know. Feasibility studies have been done in other counties and they have come out in favor of Public Power. He does not know if this will be the case in Thurston County but the public needs to know.

Doug Riddels - Spoke in favor of the proposed RFP. He spoke very specifically about the rates, and how PUD's in every county charge less than PSE; up to 10% less. The savings can mean hiring a new teacher in his school district or hiring a doctor at the local hospital. The savings could mean the difference between a profit or a loss for a small business.

Joseph M. Patti – Spoke against the proposed RFP. He is a student at St. Martins University and an athlete there. He read an article last week that the PUD is considering a feasibility study to consider a

takeover of PSE. This concerns him greatly first for fiscal reasons and secondly due to issues regarding property rights. Taken from the Fifth Amendment, "no person shall be deprived of life, liberty or property without due process of law. Nor shall private property be taken for public use without just compensation." He stated that is the bit that interests him; it is his understanding that PSE has no intent in selling its private holdings to the PUD in Thurston County. He believes the only thing the PUD can do is coerce PSE to sell and that is not just compensation. The County does not have the money to purchase PSE and the public can not afford to purchase PSE in a time of recession. He would like to hear from economist Jim Lazar how they plan to come up with the money to purchase and how the $50,000 study is going to be paid for.

Commissioner Stearns clarified that the PUD is not the County and the Port is also a different entity. Commissioner Pickett asked to hold comments to the end of the Public Comment period in fairness to the speakers.

John Pearce – Spoke in favor of the proposed RFP. He provided some handouts. First of all, the way he understands statute if the PUD electrifies, PSE has to sell at fair market value. He is in favor of the study because the public needs to find out if this is a feasible option. He has talked to many people who are collecting signatures to get this on the ballot. If the feasibility study shows it is not in the best interest of the public, they will drop the ballot measure. They want to make sure the public has a choice between PSE; a multi-national foreign corporation who is guaranteed a rate of return, who, based on the national average has 15% higher electrical rates. Or the PUD who in the State of Washington could provide an average of 10% to 15% lower costs. The feasibility study show if this is a good option.

Carl Japhet – He spoke against the proposed RFP. He stated he lives at Summit Lake he is a resident and private business owner. He has been a customer of several PUDs and paid the fees of those PUD's. That is one thing he is concerned about Thurston PUD, currently they have a base rate for their water. You pay that base rate whether the water is turned on or turned off, whether there is any consumption or not. It looks like you are pretty good at making charges. When you have a new account there is a charge of $35, when most businesses have a new account it is a wonderful thing and they do not charge the customer for the new account. Three is a Water Availability letter that you are charged charge $55 for. It is a form letter; when you are in Pierce County the fee is $110. What is Thurston PUD doing in Pierce County? What benefit is that to the citizens of Thurston County? A lender letter costs $50, a meter test $100, a temporary service $1,500, a ¾ meter install $750, these are pretty good prices. He is concerned about the study. Does the PUD have so much money they can spend $50,000 for a study? This money could go toward replacing old lines and providing better water service. PSE has been around for 130 years and they are providing excellent service.

Bill Pilkey – Spoke against the proposed RFP. He stated he is a business owner, Certified Economist and President of the Thurston County Tax Payers Association. Some say this PUD can do a better job than PSE and can buy out PSE. The assumption is that the PUD can get bonds to fund the acquisition of PSE. It could be over $500 million dollars. PSE power crews have come to our rescue during regional power outages; Thurston PUD cannot do this. No bond council would advise funding of an acquisition with such high risk. We encouraged the Commissioners to wisely say no to this irresponsible proposal.

Brett Foster – Spoke against the proposed RFP. He is a heat loss specialist. We have some of the cheapest power in the State; his power bill is $200 per month, what might the PUD save him, $20 per month? This is not the highest priority. It is cheaper to waste it than for him to go out and figure out how to save it.

Mike Allan - Spoke in favor of the proposed RFP. Specifically he currently works in the Public Power industry for the past 10 years; prior to that he worked for PSE. He wants to point out a few of the differences between public and private power. Public power gives more local control over the services, it is community based. When you are dealing with public power you have certain advantages with BPA, with respect to taxes, municipal bonds, and to profits. Those factors bring the ability to serve with lower rates. Even more important, this becomes a way to attract bigger businesses; industrial businesses where power is a key to their operating budget. When you are looking at an investor owned business you are looking at the profits leaving the area. With a public utility, they reinvest into the community, infrastructure and rate relief.

Glen Morgan – He lives between Tenino and Rochester. He is would like to speak on wastewater, specifically water treated by LOTT in Hawks Prairie. He stated that most phosphates, hormones, thousand of different bi-products from medical wastes, carcinogens from double chlorination bi-products and leaching from the nearby landfill are in that water. He said LOTT believes the so called treated water being fed back into our aquifer at 2 million gallons per day is a good idea. He suggested Thurston PUD consider acquiring LOTT as provided for under RCW 54. Since LOTT is currently a public entity, it would not require the acquisition of stock from private holders as it would with the acquisition PSE. The Commissioners of the PUD would be directly accountable for the operation of LOTT and would not directly pollute our aquifers to get additional water rights. The Commissioners would be far more responsible for the operations of the waste water in Thurston County than the current Board overseeing the operations of LOTT.

Anna Marie – She showed a copy of the rate increase notice from PSE. Her rates went up $6 per $100 per month, this may not seem like a lot to some people, but those who own businesses and those who work with the elderly know that means a lot to some people over a long period of time. This also means more money taken out of our community, and what we need is more money put into our community. She is asking for a feasibility study because this will not only benefit our community but it will also benefit our local power ability. We can develop power in our communities and that is extremely important to us. These rate increases are not just a drop in the bucket to the individuals. She suggested PSE pay $25,000 for the feasibility study since this is a drop in the bucket to them.

Justin Kover - He would like to talk about public sewer and wastewater. RCW Title 54 allows the PUD to assume the authority of LOTT. Since the assets are currently public owned it would not require the funding that the PSE acquisition would require. He would like the PUD Commissioners to provide some financial information regarding the acquisition of PSE. Commissioner Corwin is a financial advisor who has helped many families develop a financial program. He and the other Commissioners are capable of working up the preliminary numbers. Showing the estimated cost of acquiring PSE and the cost to the citizens to acquire a Bond to pay for it.

Commissioner Pickett closed the Public Comment portion of the meeting and asked each Commissioner to make their comments on the issue.

Commissioner Corwin – He stated the PUD cannot use any water revenues to pay for the feasibility study, it can only come out of tax revenues.

Commissioner Stearns – First he will take on the issue of LOTT. LOTT has been around Olympia, Tumwater, Lacey and Thurston County. He has often thought about the LOTT operations, it is a creation allowed by law. None of our water systems feed into LOTT, therefore he sees this as a County entity. The three Commissioners of Thurston PUD are very versed in what the other PUD's in the state are doing. What he hears from other PUD's across the state is that if you have a choice, do not get into sewer services.

Commissioner Corwin added that if the PUD was to acquire PSE the acquisition would start with book value, the purchase price would end up with a decision by the Courts.

Commissioner Pickett – He thanked the people who took time to make comments tonight. He explained that if he decided to vote for a RFP, he wants a study that provides facts, unbiased and accurate information. The PUD needs to make an informed decision. He had a conversation with a PSE representative recently and they told him if the PUD approves a RFP that would put the PUD in a confrontational position with PSE. He said that sounds like to me is if you pass the RFP that means war; he is really disturbed by that attitude. In a Democracy there is a need for good information and should not mean a threat to anyone. He said that his vote for a RFP will not be affected by bullying or threats from anyone or any organization. His vote for an RFP for a feasibility study to acquire PSE will be based on what the citizens and customers of Thurston PUD want. What is the best for the PUD to serve its customers and the citizens of Thurston County? He encouraged any citizens to let our PUD Board know if we should proceed with a feasibility study or not.

Commissioner Stearns stated that they have received over 400 signatures to proceed with a feasibility study to acquire electrical services in Thurston County.

Guest: Casey L. Cochrane, Puget Sound Energy (PSE) Government and Community Relations Manager for Thurston and Lewis Counties – Commissioner Pickett introduced Casey Cochrane and shared that he had a conversation last week with Ken Johnson of PSE, and they discussed the importance of sharing information. Commissioner Pickett stated that he supports that and that is why the PUD has invited him to share his comments.

Casey Cochrane has been with PSE for the last seven years, they have shared a great working relationship with the PUD regarding pumping issues etc. He has Andy Wappler with him from PSE to share some of his comments. For the record, the PUD did invite PSE to a meeting prior to the item being on the agenda. He turned the comment period over to Andy Wappler.

Andy Wappler – He thanked the Commissioners for inviting him, he added that Commissioner Pickett stated that the public needs to know the facts and he totally agrees. He has been with PSE for the past four years, and it has actually become a family business for him. His wife has worked for PSE for many years and his father worked for them. PSE has many employees in Thurston County working for their neighbors. These employees are out many times when we are at home glad that we

do not have to be out in the weather. It can be a dangerous job working with gas and electricity. PSE is here in Thurston County serving the Community everyday and are proud to be serving their community.

Yes, he stated, PSE changed ownership in 2009 going from a public traded stock company to a private company. He is proud to say that during that time their commitment to what we believe are important to our customers, and more importantly what our customers tell us are important to us; that commitment has not wavered. Since the new ownership of PSE, the company has produced four times the amount of green power in the State of Washington than all the public utilities combined. They have done this because they have listened to their customers. Other things they have heard from their customers is they want more energy efficiency. PSE has provided $15 million in grants to businesses and homeowners to become more energy efficient. They continue to make progress.

PSE built the first hydro-electric power plant in the state. They are rebuilding some of their plants to produce more power with the same amount of water. Since 2007, PSE has invested more than 70 million dollars in Thurston County. In the next five years, PSE plans to invest 100 million dollars in Thurston County to improve reliability to the customers. Reliable, quality infrastructure is a good way to attract businesses to Thurston County. PSE believes in serving the community. Their employees serve on the Olympia Planning Commission and spend many hours in community volunteer service. The Company has a foundation to provide grants; the 2011 grant cycle provided $35,000 to Thurston County agencies. That service ethic is one of the reasons why employees work for PSE.

When it comes to clean energy on your roof, PSE has more than 100 customers who have grid connected solar power, and that number is growing. PSE has community outreach such as "Rock the Bulb" where thousands of people in a parking lot talk about energy and are excited about it.

Mr. Wapler encouraged everyone, should they decide to move forward with a feasibility study, to look carefully at the track record of feasibility studies and then look at the track record of the reality in communities who have decided to go this route. Look at the fees they are charging their customers and what they plan to charge their customers in the future versus where the studies estimated. The studies have not been very accurate.

Commissioner Stearns interrupted and clarified that the Jefferson County study was performed after the vote of the people.

Andy Wapler said that the feasibility studies have not been very accurate and left a lot of questions unanswered. He stated that is what he wanted to say on behalf the people who are currently serving Thurston County, who are out in the storms, on the phones to answer their questions, the engineers who work with businesses and residential customers to solve their problems. It is a pleasure to be on that team, he knows where their hearts are and how proud they are to serve their communities. Is it worth it to ask a community to pay hundreds of millions of dollars to provide a service they already have.

Commissioner Stearns commented that Jefferson PUD did not ask for the electric authority - the decision came as a vote of the people. He does not know if a feasibility study was done by the

citizens group. The Thurston PUD Commissioners will get a better timeline from Jefferson County of the chain of events.

Commissioner Pickett added that in his earlier conversation with Mr. Johnson of PSE, he asked if PSE could participate in a workshop with the PUD Board about electrification. with the Commissioners and PSE to share more information.

Commissioner Corwin wants to have a discussion with his fellow Board members, not about the pro's and con's of a feasibility study, but what this Board needs to do before making a decision to spend tax dollars on a feasibility study.

Commissioner Stearns said that PSE employees in Thurston County will continue to serve gas utilities in Thurston County.

Executive Session: As authorized per RCW 42.30.110
Commissioner Pickett moved to adjourn the general meeting 6:10 p.m. to take a three minute break then go into Executive Session to discuss potential litigation for 30 minutes.

The Executive Session ended at 6:35 p.m. The General meeting was called to order at 6:42 p.m.

Information or Discussion of Operations/Policy Issues:
Timing of Issuance of RFP (Commissioner Corwin)
Commissioner Pickett explained that a RFP is a Request for Proposal, the RFP being discussed tonight is a Request for Proposal to perform a feasibility study for Thurston PUD to go into the Electric business.

Commissioner Corwin stated, he asked for this to be place on the agenda because he wants to discuss the PUD doing their own due diligence to decide what should be included in the feasibility study. He is concerned about the timing of the proposed RFP. We have a fiduciary responsibility to the public when deciding how to spend tax dollars. A number of people tonight have commented about the cost of a feasibility study, at this time we do not know how much it will cost. When the County Commissioners were working on redistricting, the first thing they did was to hold meetings around the County to gather comments from the voters. This evening we have received some comments, but there are many more issues that the Public is not aware of. Before we issue an RFP we need to reach out to the citizens of Thurston County to get a better idea what their preference is.

The PUD does not have a rough idea at this time what it would cost to acquire PSE. The question comes up about how we will come up with the money. Commissioner Corwin explained there are three ways to fund the acquisition. One would be to float a Bond, currently the PUD has debt of approximately 3 million. If we were selling bonds to acquire PSE there would be debt service on that and fees to acquire the Bonds, this may still make sense but we do not know. Another way to fund the acquisition is a tax increase. The third option is to use power rates. He would like to hear what the members of the public what their preference would be.

He has been told that if the PUD is to acquire PSE they would have to operate the power at a loss for the first five years. Sometime after that we could have lower costs, in the meantime the Commissioners would have to decide how to fund the deficit. Jefferson County received the

authority to provide power, Commissioner Corwin would like to find out what point they acquired a feasibility study. At the same time Skagit County PUD sought authority to provide power. He would also like to find out what they did or did not do because their attempt failed.

Commissioner Corwin asked why the PUD is rushing into this now. The Board has been working on strategic goals for several years. Their number one priority to date is to grow the water utility to approximately 5,000 connections. Then they decided to look into new lines of business was a low priority. He wants evidence that the feasibility study will provide the best information possible at the least cost.

Commissioner Stearns explained there was a change in management at Skagit PUD, he would be glad to work with the Skagit PUD to get input from them. He is not sure about working with Jefferson PUD since they are still in the process of finalizing their transition with PSE and he does not want to jeopardize anything in their process.

Commissioner Pickett explained that they will not be voting on the RFP tonight. He has suggested the possibility of holding a hearing and advertising it prior to the Commissioner's vote. In respect to "Why Now?", he said there has been a lot of discussion regarding this in the Community, he is hearing a lot of questions he cannot answer at this time. Having said that, the scope of the draft RFP, is growing and it is becoming very big and suggested a phased approach. He would like to lay out a schedule of the information that needs to be gathered, who will gather the information and when they will report back to the Commissioners.

Commissioner Stearns added that $1.5 million is being spent by PSE in tax dollars for property taxes, the PUD is not liable for those taxes. That being said Port of Olympia has a voluntary tax to pay for County services provided to them,. He would hope that the PUD would pay in the same manner as the Port of Olympia does.

Commissioner Pickett added that staff needs to keep the water systems running and we need to minimize the use of their time. Commissioner Corwin will contact Jefferson PUD for a timeline they used to acquire power utilities in their county, he will report back next meeting. Thurston PUD's CFO has worked up some assumptions regarding an estimated debt service; she will provide that information to the Commissioners at the next meeting. The Board asked that the GM and/or Commissioner Corwin meet with Alan Dashen for a brief paper regarding funding options.

Commissioner Stearns explained that Thurston PUD has no experience in the condemnation process, but other PUD's have. He explained to the public that only a Superior Court Judge in Thurston County can cover the condemnation process. The other process is a vote of the people, this allows the PUD a ten year window to get into the business. He cautioned that either process can be a long and expensive process.

Commissioner Pickett said he had a request from PSE to hold a workshop. The PSE representative said they would happy to discuss their plans, the 927 process etc. GM Weidenfeller will confer with PSE staff to coordinate a workshop and an agenda. They suggested a workshop on January 24th at 3:00 p.m. This will be advertised as a Public Meeting and the public is welcome to attend.

Revised RFP (Commissioner Pickett)
Commissioner Pickett suggested the other Commissioners review it and provide comments back to GM Weidenfeller. He will provide all the comments to the Commissioners for discussion at the next meeting.

Board Organizational Assignments
Commissioner Stearns said WPUDA Government Relations Committee and the Communications Committee has been combined so we only need one representative. The WPUDA Water Committee meets quarterly now and it is an all day meeting. Chehalis WRIA, we are full members, this is an all day meeting. The Deschutes group will continue for one more year. The sustainability panel is something Commissioner Stearns has attended and not been reimbursed for in the past. Commissioner Stearns asked if anyone is interested in changing their position. No one was interested in changing assignments, so they will continue with a few minor changes that will be incorporated in a resolution at the next meeting. Commissioner Stearns will be the representative for the WPUDA Government relations/Communications committee, Commissioner Corwin will be alternative.

Commissioner Stearns with be the representative for the Chehalis WRIA.

Appointment of PUD Attorney
Commissioner Corwin reported that he and GM Weidenfeller have met with Joseph Rehberger and recommended him for the position. Bill Clark dropped out of the running because he felt there is potential for conflict of interest. **Commissioner Pickett made a motion to continue Cascadia Law Group as the legal firm representing Thurston PUD, and authorize GM Weidenfeller to move forward with a revised contract showing Joseph Rehberger as the Chief Counsel, Commissioner Pickett seconded, all in favor.**

Staff Presentations:
General Manager's Report: John Weidenfeller, General Manager

He provided a written report, he recommended that the Board rescind the approval of the minutes approved under the consent calendar at the last meeting, the minutes sent out in the Commissioners agenda packets were not the final minutes. **Commissioner Pickett made a motion to rescind the minutes approved at the last meeting, Commissioner Stearns seconded, all in favor.**

GM Weidenfeller asked the Commissioners to review their strategic goals and priorities and bring their comments to the next meeting. Commissioner Stearns added that a lot of things have changed in the past year. Commissioner Pickett asked GM Weidenfeller to make comments also on the prioritizations.

Commissioner Corwin asked to have someone review the testimony to find statements made that are not factual and note the corrections. Commissioner Pickett would like a transcript of the public comments.

GM Weidenfeller was asked to report back on his work regarding acquisitions. He has sent letters out to the water systems in Thurston County, and he will begin sending letters out to the water systems in Pierce County.

GM Weidenfeller reported to the Commissioners that there is a scheduled outage at Tanglewilde as part of the Reservoir project. There are approximately 40 customers who will be out of water, these customers have been notified. There will be a temporary intertie with the City of Lacey to minimize the number of customers out of water.

GM Weidenfeller provided the Commissioners with a list of the WPUDA meetings to be held this month. Commissioner Stearns will attend the Energy Committee meetings as an observer.

Operations Manager's Report: Kim Gubbe, Operations Manager – None

Chief Financial Officer's Report: Financial Variance Report (every 4th week's meeting) - None

Legal Report: - None

Commissioner Reports:
Commissioner Stearns made a presentation to the TRPC group, it went well.

Summary of Assignments:
Commissioner Corwin will contact Jefferson PUD for a timeline they used to acquire power utilities in their county

CFO Parker has worked up some assumptions regarding an estimated debt service, she will provide that information to the Commissioners at the next meeting

Commissioner Corwin and/or the GM will meet with Alan Dashen for a brief paper regarding funding options.

GM Weidenfeller will confer with PSE staff to coordinate the 1/24 3:00 Workshop and an agenda.

Commissioners will provide the GM with their comments on the draft RFP for electrical service by the next meeting.

GM Weidenfeller will prepare two resolutions: one reflecting the new Board positions, the second reflecting new Board assignments. These will be on the Consent Agenda for the next meeting.

GM Weidenfeller will scan the written comments left tonight and send them out to the Commissioners.

GM Weidenfeller will review the public comment from the meeting, identify any errors of fact, and report them back to the Board

Commissioners will review 2012 Strategic Goals and Priorities before the next meeting.

Adjournment:
Commissioner Corwin made a motion to adjourn the meeting, Commissioner Stearns seconded, all in favor.

Paul Pickett, President

Attest: Christopher Stearns
Secretary

Position Paper: Timing of Feasibility Study

I am concerned about the timing for the proposed feasibility study. We have a fiduciary responsibility how we spend public tax money. A feasibility study at this time is premature because we, the PUD Board, haven't done our own due diligence.

We haven't for example, held public meetings around the country in the manner the County Commissioner did to receive public input about redistricting.

We don't have an even ballpark estimate what it would cost to acquire Puget Sound Energy infrastructure or how we would obtain the funding. Choice of a funding mechanism would be a policy decision. If there's no acceptable funding mechanism available, we shouldn't spend public money on a feasibility study. There would seem to be three choices of potential funding mechanisms:

1) Obtain voter approval to sell hundreds of millions of dollars of bonds which would dramatically increase the PUD's debt burden and require payment of interest and payback of principle.
2) Request a tax increase.
3) Raise rates.

Are any of these three choices acceptable to the public? If they aren't acceptable to the public, we shouldn't be spending public money on a feasibility study. That would be one of the findings we could attempt to

learn by holding public meetings around the County.

People who know much more about this than I do predict that an electric PUD in Thurston County would turn a profit in five years. In the meanwhile, it would experience losses. Where would the money come from the fund those losses? It couldn't come from water rates.

We know Jefferson PUD obtained authority to offer electric service by a vote of the people in 2008. We do not know the timeline, what took place when and how long it took from the formation of the organization separate from the PUD before the PUD funded a feasibility study. We should meet with the people from Jefferson County directly involved before spending public money on a feasibility study. That's our job, not the job of an outside organization hired to perform a study.

We know Skagit PUD lost a vote of the people in 2008 to obtain authority to provide electric service. We should meet with people from Skagit PUD to find out what happened there before spending money on a feasibility study. Skagit has more population than Jefferson County and their experience may be more similar to what we could expect in Thurston County.

Why now? We had lengthy discussions in 2010 about our strategic goals. We prioritized building out our water utility as a high priority. We prioritized pursuing new lines of business as a low priority. What has changed? Why

have we spent more time discussing a feasibility study about electric service than about growing our water utility? I am unwilling to vote to issue an RFP for a feasibility study or to fund a feasibility study until we have done our own homework and found satisfactory answers to these questions.