

**MINUTES OF THE REGULAR MEETING OF APRIL 14, 2009  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for April 2009, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday April 14, 2009, at 921 Lakeridge Way SW, Suite 201, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Alan Corwin, Paul Pickett and Chris Stearns were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), Don Taylor, the District's Attorney (5:50 p.m.), and Jennifer Anderson, Clerk to the Board.

Commissioner Corwin called the general meeting to order at 5:10 p.m.

**Approval of agenda:**

Commissioner Corwin requested a motion for approval of the agenda. The agenda was amended to include the discussion item, Conservation.

**Commissioner Stearns moved the adoption of the agenda, as amended, for the April 14, 2009 general meeting; Commissioner Pickett seconded and all approved.**

**Public Hearing:**

None

No members of the public were present

**Consent Calendar:**

Improvement Authorizations – None

Minutes of the March 24, 2009 meeting

Prequalification of Contractors – Small Works Roster

Anderson Environmental Contracting, LLC

Bison Well Drilling & Septic LLC

Everson's Econo-Vac. Inc.

Extreme Coatings, Inc. dba ECI Services

Granite Northwest, Inc.

J Harper Contractors, Inc

Pacific Rainier Roofing, Inc.

Pump Tech Inc.

Scholten Roofing Inc.

Valley Electric Co. of Mt. Vernon, Inc

Wright Roofing, Inc.

Travel Approvals

Other –

Voucher Approval

1) Accounts Payable 3/25/09, 4/1/09, 4/8/09

2) Payroll 4/6/09

**Commissioner Pickett moved to adopt the consent calendar, Commissioner Stearns Seconded, all approved.**

**Executive Session**

Commissioner Corwin opened an Executive Session at 5:12 p.m. to discuss potential litigation and real estate acquisitions (RCW 42.31.110). The Board closed the Executive Session at 5:28 p.m. and returned to the Regular meeting at 5:28 p.m.

**Commission Pickett moved to authorize the GM to enter into negotiations with the City of Tumwater regarding the sale of the Lathrop System, Commissioner Stearns Seconded, all approved.**

**Presentations**

**Financial Report: Julie Parker, Chief Financial Officer**

The CFO presented information about providing a discounted water rate to the Tanglewilde Recreation Board to serve the community pool. Commissioner Pickett stated he has no objection to giving them a good rate but would like to see a MOA before doing so. Commissioner Corwin concurred and added that he would like a time deadline attached to any proposal we offer them.

The Board directed the CFO to work on rates for servicing the Tanglewilde Community pool water to be presented at the next regular meeting.

**General Manager's Report: John Weidenfeller, General Manager**

The GM presented a written report.

The GM provided information regarding the impact of the proposed legislative changes that could result in the loss of future Public Works Trust Fund loans. This could result in there being no money available to us until 2009 - 2011 for our 131 Class B systems. We will also not be able to get our planning grants, which are zero percent loans. We will still be able to get DWSRF Loans from the Department of Health for our Class A systems. We can still apply for USDA Rural Development Loans however they are very competitive and the CFO noted that you have to prove you can not get the money from any other source.

Commissioner Pickett asked for clarification about the two existing loans we have from the Public Works Trust Fund, which the CFO provided. She also explained that we have also been awarded a grant from the PWTF in the amount of \$1.1 million to support our Tanglewilde project. Commissioner Pickett asked if this grant has already been encumbered; the CFO believes that funds have been allocated to us and are forthcoming.

We received money from the Triway sale to Winco and have approximately \$50,000 of unbudgeted revenue. There was some discussion about where that money could be used. The Board directed the CFO to prepare a Resolution for the Board's consideration at the next meeting with the direction that the election cost loan from the General Fund be paid back first.

There was discussion regarding the fire protection issues at Crescent Park and Terry Lane. The Board concurred that the options to be presented at the next public meetings are to remove the hydrants or fund an intertie. The GM was directed to prepare an outreach plan to get the homeowners involved in the decision making.

**Operations Manager's Report: Kim Gubbe, Operations Manager**

The OM submitted a written report.

**Information Discussion of Operations/Policy Issues:**

Discussion - WPUDA Meetings Schedule – See Schedule

Commissioner Corwin is opposed to attending the meeting in Kennewick and recommended attendance via speaker phone. Commissioner Pickett suggested that Commissioner Stearns attend some of the out of town meetings as they are very informative.

Discussion – Climate Change SB 5200

The Board discussed the proposed PUD Climate Change policy and advised Commissioner Corwin on the PUDs position for the upcoming WPUDA Board decision on the policy change.

Discussion – Conservation Program

There was discussion about creating a conservation program which would utilize the \$2000 conservation budget. The viability of a rebate for efficient low flow toilets was discussed. The GM was directed to research the issue and provide recommendations for this idea, and for other conservation activities as appropriate.

**Legal Report: Don Taylor, PUD Attorney**

Mr. Taylor presented his Surcharge Memorandum. He emphasized that it is important to understand our system is an integrated system with many water providing facilities all under the same umbrella and to think globally: one area is being helped today, another tomorrow but they are all part of the same system; the fire protection issue applies to this concept. Commissioner Pickett asked if Mr. Taylor's legal research supported the current PUD rate structure, and Mr. Taylor concurred that it did. Mr. Taylor stressed that whatever direction the Board elects to take on this issue that the time be taken to put together a plan. It was agreed to study this more and discuss it further at a later date.

**Executive Session**

Commissioner Corwin opened an Executive Session at 6:35 p.m. to discuss potential litigation and real estate acquisitions (RCW 42.31.110). The Board closed the Executive Session at 7:08 p.m. and returned to the Regular meeting at 7:08 p.m.

**Commission Pickett moved to authorize the GM to proceed with resolution of the Covington situation based on the parameters proposed by the GM: paying up to 50% of the proposed cost, with a maximum PUD contribution of \$32,000, Commissioner Stearns seconded and all approved.**

**Action Items:**

None

**Resolutions:**

**Resolution 09-18 Revised Financial Policies**

**Commissioner Pickett made a motion to approve Resolution 09-18, Revised Financial Policies, Commissioner Stearns seconded, all approved.**

**Resolution 09-21 Commissioner Per Diem**

**Commissioner Pickett made a motion to approve Resolution 09-21 Commissioner Per Diem, Commissioner Stearns seconded, all approved.**

**Commissioner Reports:**

**Commissioner Corwin**

Commissioner Corwin reported that he was unable to attend the WRIA11 meeting as he had planned.

**Commissioner Pickett**

No report.

**Commissioner Stearns**

Commissioner Stearns attended the Chehalis Watershed habitat meeting regarding salmon recovery projects. He also attended a gathering hosted by Councilmember Valenzuela. He spoke to the mayor of Tumwater and expressed the PUD's interest in selling the Lathrop system to the Town of Tumwater.

**Summary of Assignments**

1. CFO: Work on rates for servicing the Tanglewilde Community pool water to be presented at the next regular meeting.
2. GM: Prepare an outreach plan to get the Terry Lane and Crescent Park homeowners involved in decision making on the Fire Protection issue.
3. GM: Provide recommendations on a conservation program, possibly including rebates on low flush toilets.
4. CFO: Draft a resolution to transfer money back to the general fund for the election costs (to be paid from the non-budgeted \$50,000 revenue)
5. GM: Schedule follow-up meetings with Crescent Park and Terry Lane homeowners.
6. Don Taylor: Draft a memorandum regarding the fire protection issue.
7. Commissioner Pickett: Prepare a statement outlining the PUD's position on the WPUDA Climate Change proposed policy change.

**There being no further business, Commissioner Corwin moved to adjourn the meeting at 7:35 p.m., seconded by Commissioner Pickett, all approved.**

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President

Attest: \_\_\_\_\_  
Secretary