

**MINUTES OF THE REGULAR MEETING OF AUGUST 11, 2009
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for August 2009, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday August 11, 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 Julie Parker, the District's Chief Financial Officer (CFO), Kim Gubbe, the District's Operations Manager (OM), Don Taylor the District's Attorney (arrived at 6:00 p.m.), and Jennifer Anderson, Clerk to the Board.

Commissioner Corwin called the general meeting to order at 5:08 p.m.

Approval of agenda:

Commissioner Corwin requested a motion for approval of the agenda.

Commissioner Pickett moved adoption of the agenda with the Approval of Minutes corrected to July 23, 2009, Commissioner Stearns seconded and all approved.

Public Comment

Consent Calendar:

- Improvement Authorizations
- Approval of Minutes: July 23, 2009
- Prequalification of Contractors – Small Works Roster
 - RS Underground Inc.
 - Rickabaugh Pentecost Development, LLC.
- Travel Approvals
- Other –
- Voucher Approval
 - 1) Accounts Payable 6/22/09, 7/29/09, 8/05/09
 - 2) Payroll 8/5/2009

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

Presentation:

None

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager, was absent.
Commissioner Corwin requested staff to provide a summary table of pending acquisitions that includes an estimate of when the acquisition is expected to be completed.

Operations Manager's Report: Kim Gubbe, Operations Manager

The OM presented a written report and provided an update about the Brookhaven 1 water system. During the past 2 weeks we had several calls and complaints due to no water. The problem was at first thought to be due to overuse of the system however a flow test of the well determined that the well is producing only 10 gallons/min with a very slow recovery time. She is waiting for the full report from Moerke and anticipates that we will have to upgrade the water system which could include redeveloping the well, adding a reservoir and booster pump. In the mean time, the OM met with the customers and placed them on a conservation plan.

Commissioner Pickett asked about the annual meeting at Lake Lucinda. The OM reported that they are very happy with the service we are providing. He also inquired about conservation measures – she explained that typically customers are assigned to an odd or even day of the month with time limits for outdoor water use. Commissioner Corwin asked if customers could be assigned to specific days of the week rather than odd/even – the OM explained that both alternatives were presented to the customers at the most recent system placed on conservation and the customers chose the odd/even day schedule.

Chief Financial Officer's Report:

No report.

Commissioner Corwin asked about the proposed bond. CFO is in the process of scheduling interviews with Underwriters. She is also working to get Alan Daschle involved in the interview process.

Commissioner Reports:

Commissioner Stearns

Commissioner Stearns attended the Chehalis Partnership meeting; they are moving ahead with education outreach to make people more aware of the watershed. He will not be able to attend their next meeting. Commissioner Pickett asked for clarification between the Chehalis River Council (a non-profit group) and the Chehalis Partnership (a WRIA group).

Commissioner Pickett

Commissioner Pickett contacted John Kounts regarding carbon footprint policy and learned this has not yet been raised with the PUD Association because guidelines are expected from the State. The Association will be tracking this issue and Commissioner Pickett will keep informed.

He also spoke with Lon [Wildrick](#) at TRPC concerning the question about indexes which was raised at the last meeting. It was explained that the ACCRA is a nationwide cost of living index that is prepared by the Federal government. Every city provides their own data and TRPC is the designated agency that provides Olympia's data. Commissioner Corwin still wants to see Olympia compared to similar cities rather than the illustrative comparison to larger cities that has been provided so far. Commissioner Pickett will relay this request to them. He also learned that salaries are based on a COLA index that is comprised of COLA's that have been given to other similar organizations rather than using the CPI.

He reported that he contacted Leanne Magnus of the Chehalis Tribe and she indicated they would be willing to meet as long as water rights are not part of the discussion. He will follow up with potential contacts with the Squaxin Tribe.

Commissioner Corwin

Commissioner Corwin went to Portland and met with a member of the NW Power Council who teaches utility regulations at Portland State. Tomorrow he will attend the WRIA 11 because the subject is water banking.

Formatted: Tab stops: 2.13", Left

Legal Report: Legal Report: Don Taylor, PUD Attorney

Mr. Taylor reminded staff of the importance of publishing the notice of budget hearing before the deadline. He also asked for an update about the Lake Tempo acquisition; the OM explained this is on hold while the GM is away on vacation. He commented about the draft interlocal agreement with Thurston County for IT services and will rewrite the paragraph concerning Indemnification to Hold Harmless to better protect the PUD.

The CFO provided Mr. Taylor a bid proposal packet that we are working on with Hatton Godat regarding the Terry Lane and Crescent Park projects. She asked him to review the draft contract that is contained in the packet.

~~He reported that he contacted Leanne Magnus of the Chehalis Tribe and she indicated they would be willing to meet as long as water rights are not part of the discussion. He will follow up with potential contacts with the Squaxin Tribe.~~

~~Commissioner Corwin~~

~~Commissioner Corwin went to Portland and met with a member of the NW Power Council who teaches utility regulations at Portland State. Tomorrow he will attend the WRIA 11 because the subject is water banking.~~

Resolutions:

None

Action Items:

Crescent Park and Terry Lane Construction

The CFO informed the Board that there is nothing in the minutes that officially authorizes staff to proceed with these projects. A motion is needed so that staff can move forward with developing bid packets, putting the projects out to bid and selecting a contractor, there will then be one Resolution brought to the Board to authorize the contract and to also spend the money.

Commissioner Pickett moved to authorize staff to proceed with the next steps in the Crescent Park and Terry Lane projects, including putting the project to bid, and return to the Board for approval of a contract with the selected bidder. Commissioner Stearns seconded, all approved

Information Discussion of Operations/Policy Issues:

Discussion – Travel Policy

The Board discussed the travel and stipend policy. The Board expressed their interest in the possibility of changing the geographic area for getting travel reimbursement from “outside Thurston County” to a set number of miles from Olympia, to allow mileage reimbursement for southern Thurston County. No action was taken.

Discussion – 2010 Budget

The CFO provided 3 options to the Board for discussion. She also presented worksheets regarding Commissioner Compensation and Dues & Subscriptions. The Board expressed an interest in moving towards paperless newsletters as an option to cut postage and printing expenses, although providing printed newsletters to customers who request them is still desirable. The CFO noted that if we were to incorporate all of the changes noted in Option 2.1, with a 2% increase, there would be a small amount going into reserves. There was some discussion about increasing the reserves to maintain the ratio between the budget and operating reserves. Commissioner Pickett stated that he is leaning towards Option 2.1. He would like to see some funds retained in the capital budget for regional water planning. The Board would like to keep the increase necessary to cover this option to less than 2%. Staff will work towards translating the discussion into a rate to be presented to the Board at the next meeting.

Summary of Assignments:

1. Staff: prepare a summary sheet of pending acquisitions
2. Staff: ~~modify-propose a~~ travel policy amendment to ~~include a mile parameter~~redefine the area eligible for travel reimbursement.
3. Staff: look at incorporating ~~something funds~~ in the capital budget ~~to include something~~ for planning
4. Staff: prepare a rate for the Board to consider at the next meeting based on Option 2.1
5. Don Taylor: review the draft contract to hire for the Crescent Park and Terry Lane projects
6. Don Taylor: rewrite the County IT contract paragraph concerning Indemnification to Hold Harmless

Adjournment:

There being no further business, Commissioner Stearns moved to adjourn the Thurston PUD Board meeting at 6:48 p.m., seconded by Commissioner Pickett, all approved.

President

Attest:

Secretary