

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 23, 2010  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for February 2010 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday February 23, 2010, 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), Kim Gubbe the District's Operations Manager (OM), Don Taylor the District's Attorney and Jennifer Anderson, Clerk to the Board.

**No members of the Public were present.**

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

**Approval of agenda:**

The Board agreed to move Resolution 10-18 SMA Contract with Tempo Lake Glade water system to the Consent Calendar.

**Public Hearing**

None

**Public Comment**

No member of the Public were present

**Consent Calendar:**

Improvement Authorizations – None

Approval of Minutes: February 9, 2010

Prequalification of Contractors – Small Works Roster

    Apply-A-Line, Inc.

Travel Approvals – None

Other –

Voucher Approval

    1) Accounts Payable 2/10/10, 2/17/10

    2) Payroll 2/20/2010

Resolutions:

Resolution 10-17 Change order to Contract with RS Underground

Resolution 10-18 SMA Contract with Tempo Lake Glade water system

**Commissioner Corwin moved to approve the Consent Calendar, Commissioner Pickett seconded and all approved.**

## **Presentations**

### **Staff Presentations:**

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

The GM presented a written report. He provided a copy of the press release for the third place award in the national contest won by Thurston PUD for its Lazy Acres water. He also noted that we will rehire the same person who filled last year's temporary field position into that position again this year. There were some questions from the Board regarding lien authority; more research is being done. The Tanglewilde project Notice to Proceed was issued on Friday, February 19<sup>th</sup>.

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

The OM presented a written report. Dave Doern has a leave of absence for knee surgery beginning March 8; the temporary replacement will begin on March 1. There is a pre-construction meeting on March 1 for the Tanglewilde well drilling project. She also had a pre-construction meeting with Tanglewilde Lumber. They are an existing customer who is building a new warehouse and adding a new connection to our "8" line.

#### **Chief Financial Officer's Report: Julie Parker, CFO**

The CFO explained that due to time demands, she does not have a financial report for January to present to the Board. In response to a question about population counts, she explained that figure is obtained using average household data by county – it is a statistical average. She informed the Commissioners that we are unable to proceed with the Low Income Assistance program because our current legislative authority does not permit us to have such a program; the current statute is specific to electricity customers.

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

Mr. Taylor reported that he reviewed the Tempo Lake SMA contract; he commented on the paragraph concerning cooperation – does not know if the Homeowners' Association has the authority to proceed as described. He also prepared our election to exercise our Right of First Refusal for purchase of the Pederson Place water system. A statement for the purchase was delivered to their attorney; the projected closing date is April 30<sup>th</sup>.

#### **Executive Session: Potential Litigation & Real Estate Acquisitions (RCW 42.30.110)**

Commissioner Stearns made a public announcement that the Commission would enter an executive session to address Potential Litigation & Real Estate Acquisitions that would last approximately 15 minutes. At opened an Executive Session at 5:29 p.m. and closed the Executive Session at 5:43 p.m. and returned to the Regular meeting.

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

Casualty and Liability Insurance

The GM recommended that we proceed with this based on his own analysis.

**Commissioner Corwin moved to authorize the GM to proceed as described in the Agenda Item Recommendation, seconded by Commissioner Pickett and all approved.**

#### Discussion – PUD Attorney Candidates

**Commissioner Pickett moved to accept additional application materials that were provided late from Mr. Turner and Mr. Kalikow, and to accept no more application materials unless solicited, seconded by Commissioner Corwin and all approved.**

The Board discussed the number of candidates to be interviewed. All three Commissioner provided a verbal declaration that they had not business dealings or family relationship to any of the candidates. The GM was directed to schedule interviews for all 7 applicants. Interviews will take place on February 25. The interview panel will consist of the GM, Commissioner Corwin and Bill Broughton, Kitsap PUD Attorney. They will make their recommendation to the Board after the interviews. The Board will review the recommendations, and if necessary, meet at an executive session on March 2 to decide at that time who they wish to invite to the March 9 regular meeting. The GM will check references for the top candidate between March 2 and 9. The Board also directed the GM to notify the candidates of our compensation expectations for the Attorney candidates, and to see if they wanted to continue with the candidate interview process.

#### Interpersonal Relationships and Communication

The Board discussed the upcoming retreat. They agreed to move forward without a facilitator. Commissioner Corwin will work with the GM to set a time and location.

#### **Commissioners Reports:**

##### **Commissioner Corwin**

Commissioner Corwin attended a WPUA parliamentary procedures workshop. He also attended the Commissioners Roundtable where there was discussion about how PUD's would deal with requirements of state grant and loan applications to address climate change and greenhouse gasses.

##### **Commissioner Pickett**

Commissioner Pickett attended the water committee meeting. Among the topics discussed were the lien issue and Public Works Trust Fund loans. According to the PW Board Executive Director, they will accept applications for loans for the 2011 cycle and applications are due on July 11, 2010 for loans to be awarded in 2011. He also noted there is a legal requirement to have a greenhouse gas policy; what they are going to do is require a policy be in place to be eligible for a loan. The criteria will available on a website; a policy could be generated by checking the applicable boxes.

##### **Commissioner Stearns**

Commissioner Stearns attended the Water Committee meeting with Mr. Pickett. He informed the Board about the discussion relating to exempt wells; a bill that would allow a PUD to increase their water right by the amount equal to the exempt well that would have been drilled is moving forward in the legislature. Another bill, that would have banned irrigation exempt wells inside a

system, is stalled. He also went to a function regarding the installation of a Puget Sound Energy high transmission line.

**Action Items:**

**Commissioner Pickett moved to “Authorize staff to submit DWSRF loan applications for Tanglewilde-Thompson Place water system distribution improvements and to submit DWSRF applications for improvements in the Satellite Management Agency source and distribution system for Tempo Lake Glade and a reservoir for the Delphi water system.” seconded by Commissioner Corwin and all approved.**

**Resolutions: None**

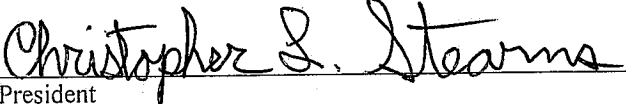
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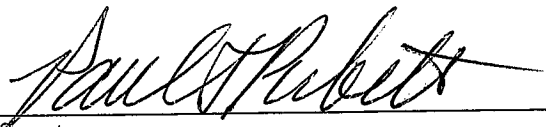
**Assignments:**

1. GM will provide information links for the EPA publication “On-Tap” to the PUD Commissioners.
2. GM will coordinate with Commissioner Corwin to schedule a Commissioner Workshop to address communication and interpersonal relationships.

**Commissioner Pickett moved to recess to an executive session for the purpose review the performance of a public employee and it was expected to last approximately 20 minutes and to adjourn at the conclusion of the session. Commissioner Stearns opened the executive session at 6:30 p.m. and the executive session was recessed at 6:49 p.m, to be continued at 5:00 pm on March 2, 2010.**

**The continued executive session for March 2, 2010 was cancelled due to lack of business to conduct. The meeting was adjourned at 5:00 pm, Tuesday March 9, 2010.**

  
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President

Attest:   
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Secretary