

**MINUTES OF THE REGULAR MEETING OF MAY 11, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The first regular meeting for May 2010, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday May 11, 2011 at 921 Lakeridge Way Suite 201, 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), Kim Gubbe, the District's Operations Manager, and Tom McDonald, the District's Attorney.

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

Approval of agenda:

Resolution 10-36 Thurston County MOU was added to the agenda.

Public Hearing:

None

Public Comment

None

Consent Calendar:

Improvement Authorizations - None

Prequalification of Contractors – Small Works Roster - None

Travel Approvals – None

Approval of Minutes: April 27, 2010

Resolutions:

Resolution 10-34 Uncollectable Accounts (\$796.36)

Resolution 10-37 Change Order for contract with Archeological Services

Other –Voucher Approval

1) Accounts Payable 4/28/2010, 5/5/2010

2) Payroll 4/20/2010

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

Presentations

General Manager's Report – John Weidenfeller, General Manager

The GM presented a written report. He provided an update regarding the Tanglewilde pump test, which will be scheduled during the week of May 17. In addition, he provided drafts of two letters to be sent to customers which the Board discussed. He also updated the Board about the Little

Donkey customer who has a private well and wants to relinquish her connection and noted that a Pederson Place customer has also asked the County about getting a permit to dig a well in our service area. He stated the staff is researching the issue and he will bring forward a recommendation to take to the County at a later date. Commissioner Pickett noted this is a topic which recently arose with the County Commissioners; it is useful to have a current example to present to the County. The Board asked the GM to research this issue.

The Board discussed the GM's draft letter to the McKenna customer. The Commissioners expressed reservations about the letter; Commissioner Stearns does not want this to escalate to a situation that may cause additional property damage. They agreed however that a letter which demonstrates support of the staff may be appropriate. Commissioner Corwin will discuss a revision of the letter with the GM.

Operations Manager's Report – Kim Gubbe, Operations Manager

The OM presented a written report. She added that American Pump chlorinated the Heslep system today and found the same problem that was found at Indian Crest 2. The pipe causing the problem will be replaced on Wednesday, May 12th. Washington Water will begin work on the Washington Land Yacht Harbor system reservoir also on Wednesday, May 12th.

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

There is not a CFO report at the first monthly meeting.

Information Discussion of Operations/Policy Issues:

Future Office Options

Commissioner Pickett provided an update to the Board. He is meeting with a Port representative next week and the County is pulling together a list of county surplus properties. Staff have sent a list of TPUD properties to Commissioner Pickett.

TRPC Membership in 2011

The GM reminded the Board that they must give notice by July 1st if they wish to discontinue membership with TRPC. He provided a membership assessment. The Commissioners determined that an Associate Membership is appropriate. The GM was directed to notify TRPC that the PUD intends to become an Associate member, if a formal action of the Board is required, he will present that at the next regular meeting.

2011 Budget and Rate Setting Schedule

The Board discussed the Tentative Agenda provided by the GM.

Commissioner Priorities in 2011

The GM presented the Thurston PUD's 2010 Strategic Goals and his first draft of goals for 2011 to initiate discussion about the priorities and goals for 2011. The Board discussed process and issues. They decided to prepare for further discussion at the next meeting.

Legal Report – Chief Counsel Tom McDonald

Counsel McDonald reported he has been working on the legal documents related to water system purchases. He noted that the closing documents for Prairie Ridge can be signed by the seller while they are on vacation. In addition, he has been working on the issue of relinquishing the connection rights of customers who don't want to be buy water from one of our systems.

Commissioner Pickett asked if Counsel had reviewed the lien bill. He replied that he had not, and the GM explained that the bill would be reviewed by the WPUDA Manager's Committee and Commissioner's Roundtable before returning to us for further action.

Resolutions:

Resolution 10-27 Memorandum of Understanding Between Thurston PUD and Lewis County. Counsel has reviewed the MOU and has no objections to approval. The Board briefly discussed Lewis County's south county utility project, and concluded it was too early to determine the direction it would take.

Commissioner Corwin moved to adopt Resolution 10-27 Memorandum of Understanding Between Thurston PUD and Lewis County. Commissioner Pickett seconded and all approved.

Resolution 10-29 Operating Budget Amendment

The CFO provided an overview of the Budget Worksheets included with the Resolution.

Commissioner Corwin moved to adopt Resolution 10-29 Operating Budget Amendment. Commissioner Pickett seconded and all approved.

Resolution 10-36 Thurston County MOU

Commissioner Pickett moved to adopt Resolution 10-36 Thurston County MOU. Commissioner Corwin seconded and all approved.

Action Items:

None

Executive Session: Potential Litigation & Real Estate Acquisitions (RCW 42.30.110) and Performance of a Public Employee (R.C.W. 42.30.110)

Commissioner Pickett moved to recess to an executive session for the purpose of potential litigation & Real Estate acquisitions which was expected to last approximately 15 minutes, and to return to the regular session when concluded. Seconded by Commissioner Corwin and all approved. Commissioner Stearns opened the executive session at 6:54 p.m. At 7:09 the Secretary announced the continuation of the session for 15 more minutes. At 7:18 p.m. the Board closed Executive Session and returned to the regular session.

Commission Reports

Commissioner Corwin's Report

Commissioner Corwin did not have a report.

Commissioner Pickett's Report

Commissioner Pickett reported on his experience in El Salvador where he helped survey new water line routes, dig a tube well, and evaluate a watershed planning effort. He also distributed a brochure for the Chehalis Flood Authority, which was briefly discussed.

Commissioner Stearns' Report

Commissioner Stearns attended the TRPC meeting, where he heard discussions of transportation, TRPC bylaws, the 2010 Census, and Climate Change response.

Assignments

GM: Research private wells within service areas.

GM: Notify TRPC that the PUD intends to become an Associate member

Commissioners: Think about 2011 strategic goals and mark up the GM's first draft with their ideas.

Commissioner Pickett moved to adjourn the regular meeting at 7:31 p.m. Seconded by Commissioner Corwin and all approved. The meeting was adjourned.

Christopher L. Stearns
President

Attest: [Signature]
Secretary