

MINUTES OF THE REGULAR MEETING OF AUGUST 10, 2010
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON

The first regular meeting for August 2010, of the Commissioners of Public Utility District No. 1 was called to order on Tuesday August 10, 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, Tom McDonald, Attorney (arrived at 6:15 p.m.) and Jennifer Anderson, Clerk to the Board.

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

Approval of agenda:

The Board adopted the agenda without any changes.

Public Hearing:

None

Public Comment

None

Consent Calendar:

Improvement Authorizations - None

Prequalification of Contractors – Small Works Roster - None

Travel Approvals – None

Approval of Minutes: July 27, 2010

Resolutions:

Other –Voucher Approval

1) Accounts Payable 7/28/2010, 8/4/2010

2) Payroll 8/5/2010

Letter Supporting TRPC as Lead Applicant for Consortium's Grant Application for HUD Regional Plan for Sustainable Development

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.

Operations Manager's Report – Kim Gubbe, Operations Manager

The OM presented a written report. She added that the 24 hour pump test at Tanglewilde was finished this morning and reported that it was pumping 700 gpm.

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

There is not a CFO report at the first monthly meeting. Commissioner Stearns provided a handout that listed the change in customer count with our new acquisitions.

Information Discussion of Operations/Policy Issues:

Response to Concerns Regarding Nisqually Water Banking Report

Commissioners reviewed the PUD's draft revision of the section on the PUD in the Nisqually Water Banking Report, prepared by the GM. The Board directed the GM to add one clarification to the revision. Commissioner Corwin and the GM will attend the WRIA 11 meeting on August 16 and will read the PUD's revision into their record.

Commissioner Pickett requested a "hotwash" (or debriefing) of the process that led to the errors in the Nisqually Water Banking Report, and provided a timeline of events that he had developed from the minutes of the PUD and Nisqually Planning Unit and from email records. Further discussion of this item was tabled until the first meeting in September so that the Board had time to review the timeline. The agenda item "Board Operating Procedures" was also tabled until the first September meeting..

Attendance at Water Workshop in Bremerton, 9/29 – 10/1

The GM stated that he is not sure if he will attend. The OM and Commissioner Stearns will attend; Commissioner Pickett will attend Wednesday afternoon and Thursday morning. They will cover the workshops being offered as best they can.

Use of Lathrop Water System Sales Proceeds

The CFO presented her recommended use of proceeds from the sale of the Lathrop Water System. The Board agreed with her allocation of proceeds, based on future needs. Staff will bring forward a resolution the next time we do a budget amendment. The GM noted that the Board can reallocate the funds as necessary in the future (other than what is paid on bond principal). The CFO explained the importance of the vehicle replacement fund and yearly allocations needed to sustain it. Commissioner Corwin asked staff to determine our current vehicle that will have the highest maintenance cost and consider replacing it now with the Lathrop proceeds rather than spending the money on maintenance. The CFO explained we are already looking at replacing one of the trucks that is expensive to run and maintain with a van. The Board directed staff to include an analysis of the cost of a hybrid vehicle as an option when a decision to purchase a vehicle is presented to the Board.

Budget – Preliminary Discussion

Staff presented a list of topics to consider in the 2011 Budget. Staff intends to present the Board with 3 or 4 budget options. The Board would like to see at least three options: a "a bare-bones" budget with no revenue increases, a "high end" budget with all strategic investments budgeted,

and a “medium budget with a few critical investments budgeted but rate increases kept low. The “medium” and “high end” budget options would have the GM salary increase plus a COLA, while the “bare bones” option would have only the employee step pay increases. Members of the Board will communicate individually with the CFO regarding Commissioner Salaries and let her know if they want to waive the increase. Commissioner Corwin asked what the employees’ step increases were in terms of a percent increase, and what the Commissioners’ salary increase would be with the equivalent percent increase. Commissioner Pickett asked staff to develop budget costs that represent investments linked to strategic goals, and to include those amounts in the “high end” budget.

Commissioner Pickett asked about the status of legislation that would allow us authority to administer a low-income program. The GM responded that he will have a plan available for the WPUDA Board of Directors within the next couple of weeks and hoped he and Commissioner Corwin can present it at the September WPUDA meeting.

Legal Report - Tom McDonald

Mr. McDonald reported that he has been working with staff on water system planning and acquisitions. He is working with the GM on prioritizing his assignment sheet for the Board – the hydrant case and the Bricklin case (Jefferson County) are two issues he plans to address first (on the Commission Summary of Assignments). The GM responded to questions from the Board about the water service area around the Prairie Ridge system.

Action Items:

Resolutions:

Resolution 10-51 Contract with Jerome W. Morrissette for Inspections of WINCO Site Improvements

Commissioner Corwin moved to adopt Resolution 10-51 Contract with Jerome W. Morrissette for Inspections of WINCO Site Improvements Commissioner Pickett seconded and all approved.

Commission Reports

Commissioner Corwin’s Report

Commissioner Corwin will attend WRIA 11 on Monday, August 16, 2010.

Commissioner Pickett’s Report

Commissioner Pickett did not have a report.

Commissioner Stearns’ Report

Commissioner Stearns was involved with the WPUDA Water Committee telephone conference where the subject of lien authority was discussed. He consulted with the Board about scheduling a meeting with Senator Karen Fraser with John Kounts, and Bill Clarke from WPUDA for a meeting regarding water issues. Commissioner Corwin suggested that he might wish to let Eric Poulsen, WPUDA’s Government Relations Director, know the meeting is being scheduled.

Executive Session: Real Estate Acquisitions (RCW 42.30.110)

Commissioner Stearns moved to recess to an executive session for the purpose of 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 7:06 p.m. and the meeting was announced as being extended until 7:45p.m. and concluded at 7:31 p.m.. At 7:32p.m. the Board returned to the regular session.

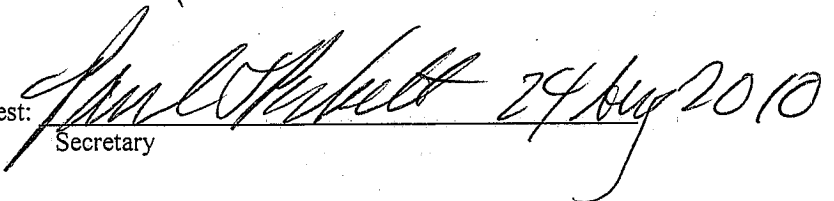
Assignments

- 1) GM will provide letter on Consent Calendar to TRPC supporting TRPC as Lead Applicant for Consortium's Grant Application for HUD Regional Plan for Sustainable Development.
- 2) GM will make a change in the draft revision of the WRIA 11 Nisqually Water Banking Report for Commissioner Corwin to provide to the WRIA 11 PU.
- 3) Commissioner Pickett's agenda items will be rescheduled at a future meeting. The agenda items to be rescheduled are: "Response to Concerns Regarding Nisqually Water Banking Report" and "Board Operating Procedures".
- 4) The CFO's recommended use of Lathrop water system sale proceeds will be implemented in the next budget amendment. Staff will review Commissioner Corwin's recommendation to replace one vehicle this year out of the \$55,000 recommended for "Seed for Vehicle Replacement Reserve".
- 5) Staff was directed to consider purchasing a hybrid vehicle when vehicles are replaced and to provide an analysis showing the advantages and disadvantages of purchasing a hybrid vehicle.
- 6) Staff was directed to bring Commissioners three or four options for budgeting, including investments to meet strategic goals.
- 7) Commissioners will communicate individually with the CFO to let her know if they want to waive the legislatively mandated salary increase.

Commissioner Corwin moved to adjourn the regular meeting at 7:35 p.m. Seconded by Commissioner Pickett and all approved. The meeting was adjourned.



President

Attest:  24 Aug 2010

Secretary