

**MINUTES OF THE REGULAR MEETING OF JANUARY 25, 2011
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for January 2011 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday January 25, 2011, at 921 Lakeridge Way SW, Suite 301, 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 Operation Manager and Cathy Skiles, Clerk to the Board

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

Approval of agenda:

Commissioner Corwin moved the approval of the agenda, Commissioner Pickett seconded, all in favor.

Consent Calendar:

- Approval of Minutes: January 11, 2011
- Prequalification of Contractors – Small Works Roster
- SMA Contracts
- Travel Approvals: OM to Washington D.C. with ERWOW Feb 2011
- Other –
- Voucher Approval
 - 1) Accounts Payable 1/12/11, 1/19/2011
 - 2) Payroll 1/20/11

Resolutions:

Commissioner Corwin moved the approval of the Consent Calendar, Commissioner Pickett seconded, all in favor.

Public Comment: None Present

Staff Presentations:

General Manager's Report: John Weidenfeller, General Manager

GM John Weidenfeller will be attending WPUDA teleconference for Managers tomorrow morning and the Water Committee teleconference on Thursday morning. Commissioner Stearns stated he will not be able to attend because he will be attending Deschutes TMDL meeting. On the 28th John Weidenfeller will be attending the WUCC.

In response to one of the new goals for the PUD regarding sustainability GM Weidenfeller will be attending a one day seminar in Yakima on February 7 offered by the EPA, a seminar on Innovative Energy Management.

Operations Manager's Report: Kim Gubbe, Operations Manager, provided a report in writing.

Commissioner Pickett noted that he would like to have a discussion of engineering services and whether the PUD has enough engineering work to consider hiring its own engineer. Commissioner Pickett asked GM Weidenfeller to provide the total spent on Engineering in 2010, and suggested they add it to the

strategic planning for 2012. Commissioner Stearns also reported that Mason 1 has an engineer on staff, they have offered their services.

Commissioner Pickett asked for an Executive Session at the next meeting to discuss GM Weidenfeller's evaluation reply. He would like to take a few minutes in Executive Session tonight to discuss their next steps.

Chief Financial Officer's Report: Financial Report (every 4th week's meeting) CFO Julie Parker reported she has heard from the Financial Officer regarding a conference call with the Bond Committee. Commissioner Corwin said he will be available Thursday afternoon to participate in the conference call.

Commissioner noted the number of delinquency notices decreased significantly this month. CFO Parker noted we were quite surprised by the low number. Staff discussed some of the details behind this pattern. She will wait until then to determine if this is a new trend.

Commissioner Corwin led some discussion regarding pressure for interest rates to rise, and the timing of getting the Bond floated. CFO Parker has expressed to the Bond Company that she would like to have an April 30th deadline.

Commissioner Pickett asked about the monthly financial statement. He asked CFO Parker to briefly describe the items that have not been put into December 2010 expenses that need updating. CFO Parker stated the actual water costs have not been included, she has estimated but she will not have the actual bill from the City of Olympia until late next month. We are still getting expenses in, repairs, parts etc. that will be through March. She is trying to expedite statements from vendors. She has also found some costs from projects have been expensed and she will make correcting adjustments. Overall she doesn't expect the expenses to rise significantly when the books are closed out.

Action Items:

Approval of Minutes: Dec. 28, 2010

GM Weidenfeller provided notes for changes to the December 28, 2010 minutes. Commissioner Stearns requested clarification that he has not been attending the shellfish meetings as stated in the minutes.

Commissioner Pickett moved the approval of the December 28, 2010 minutes including Commissioner Stearns changes, Commissioner Corwin seconded, all approved.

Resolutions:

Res. 11-04 Policy Revision - Performance Evaluations

Commissioner Pickett had a small revision to encourage staff to provide their input. He proposed we add to the policy another paragraph to provide comments on what has gone well and areas for improvement. He wants to emphasize to employees that their input is valued. On the form he added a block that is optional for the employee to write comments. Commissioner Corwin asked if there is a timeframe for evaluations. GM Weidenfeller stated that reviews are done annually, typically on the employee's anniversary date and new employees will have a review at six months or sooner if deemed necessary. Ideally he would work with Kim and Julie to have a review at the three month and 6 month mark. The Board and GM discussed their philosophies for providing effective evaluations.

Commissioner Pickett moved to adopt Resolution 11-04 Policy Revision - Performance Evaluations, with the revisions he suggested. Commissioner Corwin seconded, all approved.

GM Weidenfeller explained to the Board he has authorized the Operations Manager and the Chief Financial Officer to leave early tonight.

Information Discussion of Operations/Policy Issues:

Newlines of Business – Commissioner Stearns reported he had been told when he was at the Thurston Climate Action Team's (TCAT) meeting there is an ability for public entities to receive tax breaks to install alternate power. He can invite Sam Garst to attend one of their meetings to give a presentation. It was agreed by both Commissioners to allow him 15 or 20 minutes on the agenda. Discussion continued regarding the possibilities.

PUD – 75 years in Operation 2011 - GM Weidenfeller said this is not his idea but as busy as we are the PUD should do something to acknowledge this anniversary. Discussions included have a name/logo contest, when to have the event, locations, etc. Commissioner Pickett thought this might be an opportunity to link the anniversary to a "rebranding" effort (new name, logo, slogan, for example). The discussion was left with everyone give it some thought and come back with ideas. Other suggestions were to start with a banner across the newsletter, something on stationary and on the web site etc. The possibility of a "special event" and a discussion of rebranding will be revisited in September.

Appointment of Primary and Alternate Representatives to the Thurston County

Conservation District, Shellfish Protection Committee (Observer) and TCAT – Commissioner Stearns brought these up to bring them to the Commissioners attention. He stated he was not suggesting the PUD become members of these groups. Discussion about the three organizations continued. It was decided they will continue to observe the groups and decide at a later date if they want to participate.

Legal Report: Tom McDonald

Commissioner Corwin asked to move the legal presentation to the Executive Session.

There was a brief discussion regarding Municipal Water Law cases in progress.

The CFO, OM & Clerk to the Board were excused from the meeting

Executive Session:

At 6:13 p.m. Commissioner Corwin moved they go into Executive Session for 45 minutes to discuss potential litigation issues. At 6:58, Executive Session was extended for another 15 minutes to 7:13, and at 7:13 it was extended 5 more minutes. At 7:18 the Executive Session was ended.

Commissioner Reports:

Commissioner Stearns reported on his attendance at the Chehalis Partnership, Deschutes River TMDL, TCAT, and TRPC meetings, and at the Commissioner training, too.

Commissioner Pickett discussed his attendance at the New Legislator luncheon and the WPUDA Water Committee. The Water Committee discussed the proposal for increased Department of Health fees, and Commissioner Pickett mentioned the problem we were having with system capacity design specs at one of the PUD systems.

The Board discussed upcoming legislative hearings and meetings with legislators for PUD-related bills.

Summary of Assignments:

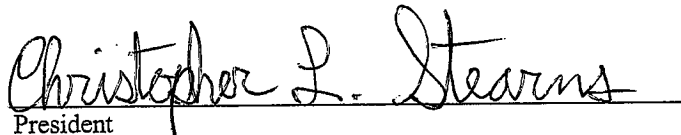
- 75 year celebration – Review ideas and bring back to Commission at a later date for discussion.
- Schedule review of an in-house engineer at the strategic planning review in 2011; provide the total funding spent on Engineering in 2010, the potential initial and monthly cost of a part-time or full-time

engineer, and an evaluation of how much of the 2010 workload could have been done by an in-house engineer.

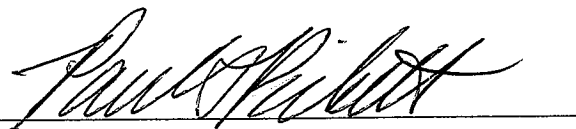
- GM Weidenfeller will provide the Commissioners with an update on the Big Bird MHP water issue.
- Executive Session at the next meeting to discuss GM Weidenfeller's evaluation reply.
- Return to rebranding discussion in September 2011.

Commissioner Reports: Chris/Alan//Paul

Adjournment: The meeting was adjourned at 7:30 p.m.



President

Attest: 

Secretary