

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 8, 2011  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The first regular meeting for February 2011 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday February 8, 2011, at 921 Lakeridge Way SW, Suite 301, Olympia WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Alan Corwin, and Paul Pickett were present. Also present were John Weidenfeller, the District's General Manager (GM), Julie Parker, the District's Chief Financial Officer (CFO), and Cathy Skiles, Clerk to the Board. Kim Gubbe, the District's Operations Manager (OM), is attending a conference in Washington D.C. Tom McDonald, the District's Attorney arrived at 5:30 p.m.

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

**Approval of Agenda:**

**Commissioner Corwin moved to approve the agenda, Commissioner Pickett seconded, all approved.**

**Consent Calendar**

Approval of Minutes: January 25, 2011

Prequalification of Contractors – Small Works Roster

SMA Contracts

Travel Approvals:

Other –

Voucher Approval

Accounts Payable 1/26/11, 2/2/11

Payroll 2/4/11

Resolutions

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

**Public Comment: None**

**Staff Presentations:**

General Manager's Report: John Weidenfeller, General Manager – Provided a report in writing.

GM Weidenfeller provided a copy of a letter he received from a senior low income customer. The customer mentioned that the City of Olympia waives the base fee. There was discussion regarding the current Legislation allowing PUD's a method to assist low income rates. The discussion continued about the legality of a PUD providing preferential rates based on income or age. Commissioner Corwin suggested they add correspondence to the consent calendar. This way correspondence can be placed in the Commissioner Packet for their review but not necessarily up for discussion. Anytime a Commissioner feels a letter requires discussion they can pull it off the Consent Calendar for discussion. This will also place the letter in the public records. The Board concurred with this idea.

GM Weidenfeller reported that the EPA energy management workshop he attended was useful. He and CFO Parker will put the power bills together for analysis and he noted we are already doing a lot to conserve energy. This is a medium priority but he will continue to work on it as time allows.

Commissioner Stearns asked if there are any new water system acquisitions being worked on. GM Weidenfeller explained this is a high priority, he is hoping to get some more letters out later next week. They discussed the type of systems GM Weidenfeller will target.

Staff will spread the letters out over time to reduce the workload impact of projects they may generate.

Operations Manager's Report: Kim Gubbe, Operations Manager was absent – she is attending the Evergreen Rural Water rally in Washington D.C. A written report was provided.

GM Weidenfeller provided a brief review of engineering activities, including a meeting the DOH about the Prairie Ridge project.

Commissioner Stearns asked about the Tanglewilde backflow project. Staff stated that the backflow device installation was required by the PUD's original 2005 contract with Olympia. The first backflow device was installed and it reduced flow pressure extensively. Staff is working with City of Olympia and Department of Health to review options.

The Cedarwood water system meeting with the Home Owners Association went well. CFO Parker explained she has analyzed their rates and found with the reduced operating costs she suggested they reduce their monthly base rate and \$25 surcharge by \$5.00 each for a net savings of \$10 per month per customer.

Commissioner Stearns asked if there was any customer response to the Stillwell Street Main Replacement project issue of having the road open longer than anticipated. CFO Parker explained all safety issues have been addressed, we have asked the customers to be patient with us while we address the issues. The calls are being handled immediately on a case-by-case basis.

Chief Financial Officer's Report: Financial Report (every 4<sup>th</sup> week's meeting)

Commissioner Pickett asked if the Board would be interested in receiving financial reports bi-monthly rather than monthly. He noted that since the PUD is becoming more stable in its financial condition, less frequent reporting might give some relief to staff. Commissioner Corwin stated he would like to see a variance report monthly, with explanation notes. CFO Parker said she could provide a variance report. GM Weidenfeller suggested a variance report monthly and a full financial report quarterly. Commissioner Stearns expressed his concern to carefully track expenditures. All agreed to go with this reporting cycle until at least mid year and see how it goes. Monthly variance reports will be provided in February and March and the first full quarterly report will be at provided at the second meeting in April.

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

##### **Legal Report: Tom McDonald**

The Jefferson County case, they were given a one month extension so there is no need to report.

Everything else will be discussed in Executive Session.

There was discussion regarding the Bills in Legislation.

Commissioner Paul Pickett reported he is a member of the Washington Hydrogeology Association and they are having a presentation on Wednesday by Department of Health about Municipal Water Law. He

asked if the PUD would authorize mileage reimbursement to attend the meeting in Bellevue. Commissioner Stearns will car pool with him. The Commissioners agreed to reimburse him for mileage.

Commissioner Pickett attended the TRPC meeting. The only presentation that was interesting was the Evergreen State College presentation on biomass energy generation.

Commissioner Stearns will attend the Chehalis Partnership meeting at the end of the month. He also spoke at the presentation for the Legislative Bills. He provided GM Weidenfeller some information regarding sustainability.

Commissioners Pickett and Stearns attended a TRPC workshop on their sustainable planning grant. Lots of conceptual discussion, but not much to report.

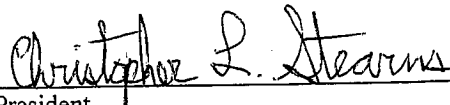
#### **Summary of Assignments:**


1. A correspondence section will be added to the consent calendar. A copy of the correspondence and the General Manager's response to the correspondence will be included for the record and Commissioner review.
2. Full quarterly financial reports will be provide at the second monthly meetings in April, July, October and January. Monthly variance reports with notes on the variances will be provided monthly when a full quarterly financial report is not prepared.

#### **Executive Session:**

Commissioner Stearns moved to adjourn the meeting at 6:15 and move into Executive Session to discuss potential litigation, Commissioner Pickett seconded, all approved. At 7:00 Commissioner Stearns announced that the Executive Session would continue for an other 15 minutes and at 7:15 Commissioner Stearns announced that the Executive Session would continue for another 20 minutes. At 7:28, Commissioner Stearns announced that the Potential Litigation session was completed and at 7:31 the Board went into an Executive Session for the Evaluation of the Performance of a Public Employee for 15 minutes. At 7:45 Commissioner Stearns announced that the Executive Session would continue for another 15 minutes. The Board completed the Executive Session at 8:00 and returned to the Regular Board Meeting.

**Adjournment:** Commissioner Corwin moved to adjourn the meeting at 8:01. Commissioner Pickett seconded and all concurred. The meeting was adjourned at 8:02 p.m.

  
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President

Attest:   
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Secretary