

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 22, 2011  
OF  
PUBLIC UTILITY DISTRICT NO. 1  
OF  
THURSTON COUNTY, WASHINGTON**

The second regular meeting for November 2011 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday November 22, 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), Kim Gubbe, the District's Operations Manager (OM), Tom McDonald, Chief Legal Counsel, and Cathy Skiles, Clerk to the Board. Julie Parker, the District's Chief Financial Officer (CFO), was excused because she is on vacation.

Commissioner Stearns called the general meeting to order at 5:05 p.m. Commissioner Pickett has not arrived yet.

**Approval of Agenda:**

**Commissioner Corwin made a motion to approve the agenda, Commissioner Stearns seconded, all in favor.**

Commissioner Pickett arrived at 5:08 p.m.

**Consent Calendar:**

Approval of Minutes: November 8, 2011

Prequalification of Contractors – Small Works Roster

SMA Contracts

Correspondence: Board Letter GM Evaluation for 2010

Travel Approvals:

Other – Approval of Board Meeting In Yelm on December 13, 2011

Approval of Change of Board meeting from December 27 to December 29 at 12:00 p.m.

Voucher Approval

    Accounts Payable 11/9/11, 11/16/11

    Payroll 11/21/11

Resolutions: None

**Commissioner Corwin made a motion to approve the Consent Calendar, Commissioner Stearns seconded, all in favor.**

**Public Comment:** Two members of the Public were present to make comments to the Commissioners.

Tom Nogler, a resident and voter in Thurston County, spoke in favor of Thurston PUD pursuing the acquisition of Puget Sound Energy in Thurston County. He started working on public ownership of the electric utilities in Thurston County in 1978. This is a 35 year process for him. He believes the public support is there to float a public power initiative. He noted that there is a group of citizens working on this now. He will continue to testify as they prepare their campaign.

Richard Fellows, a resident and voter of Thurston County, he has been watching to see if Thurston PUD would take on electrical power for several years. He believes it is wrong for monopolies to be held by private companies. He encouraged the Commissioners to move forward with a feasibility study of public power service in Thurston County. He also noted that the Macquarie Company of Australia has a record for acquiring monopolies and raising prices.

**Public Hearing:** Redistricting of Commissioner Boundaries  
**Commissioner Stearns decided postpone the Public Hearing to later in the meeting just in case someone shows up to testify.**

**Action Items:** None  
**Resolutions:** None

**Staff Presentations:**

**General Manager's Report:**

John Weidenfeller, General Manager presented the Commissioners a report in writing. He added items 17 – 21 to his written report. He noted the All Staff holiday breakfast will be held on December 14, 2011. Staff processed a public records request from Amy Tousley who is the Municipal Liaison Manager for Puget Sound Energy. The Office of Drinking Water announced there will be an additional 70 million dollars available in the SRF funds for the 2012 cycle.

Commissioner Pickett asked about the public records request. GM Weidenfeller explained that the public records request was for the minutes of five Commission meetings.

Commissioner Pickett noted that he'd made some suggestions for the PUD website.

Commissioner Corwin suggested some rewording to the GM's report to clarify a point.

The Board requested that the GM include all correspondence to the PUD regarding new lines of business, including PSE's request for records, in the Correspondence section of the Consent Calendar.

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

There was a short discussion about ongoing projects and the Operations Manager addressed questions raised. Commissioner Corwin asked that the December newsletter report the leaks we have located and repaired. Commissioner Stearns noted that the PUD Board has taken no stand on fluoridation of drinking water.

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

There was a short discussion on the variance report. Commissioner Pickett praised staff for doing a good job at keeping expenses down. Commissioner Corwin requested that the revenue category of jobbing be changed to Satellite Management or a similar term and the GM said that the CFO would follow-up at the next meeting concerning this request. He also noted the low expenses on training and noted that he wanted staff to spend what is needed for training. The GM replied that staff are getting all the training they need and that costs are low because they have found very economical ways to get the training.

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

Redistricting – Approval of County Board of Commissioner Boundaries and proposed District numbering system.

**Public Hearing:** Redistricting of Commissioner Boundaries

Commissioner Stearns opened the hearing at 5:41. No one was present to provide testimony, and the hearing was closed.

**Commissioner Pickett moved to adopt the Commissioner Districts described by the County Auditor as "Sample 6" as the Districts for Thurston PUD, identical to the County Commission Districts passed by the County earlier in November. Commissioner Corwin seconded, all in favor,**

The Commissioners discussed feedback concerning potential renumbering or renaming Commission boundaries and the GM was asked to notify Thurston County Manager Don Krupp that the PUD Commissioners felt that the decision to renumber Commission districts should wait until redistricting is complete, the new congressional district established, and the current state legislative districts in the County changed. This will help conserve spending of scarce funds in this difficult economic time when making the changes, save mailings, and communicate changes at one time helping reduce citizen confusion of changes. The Commission felt that at this time it would be prudent to wait and see what other changes were made prior to considering any changes to Commission district name or numbering changes.

#### Commissioner Per Diem

The Commissioners reviewed and approved the proposed per diem form. The new form will be used beginning January 1, 2011.

#### WPUDA Annual Meeting

The Commissioners discussed attendance at the Annual Meeting. It was determined that Commissioner Corwin would attend the meeting. He and the GM plan to drive together.

#### Employee Part-time Prorated Benefits

Updating of employee part time benefits was discussed. The GM provided a matrix showing a potential premium schedule for part-time employees and draft resolution. Commissioner Pickett noted that disliked a decision being proposed at the last minute when there was deadline for an upcoming personnel action depending on the decision.

Commissioner Corwin recommended dropping AD&D, and will ask PURMS if we can get a lower premium by dropping this benefit. The Board supports dropping AD&D if premiums can be lowered.

The Board discussed health care benefits for part-time employees. The GM would like to provide health care benefits only for full-time employees as a cost-saving measure. Commissioner Pickett stated that he felt strongly that employees working over 50% time but less than full-time should have access to health insurance through the PUD. He had suggested the matrix of pro-rated PUD contributions as a compromise between cost and providing this benefit. If the resolution is moved as written, he will ask to amend it to include this plan for health care benefits for part-time employees.

The GM was tasked to bring forward a resolution on part-time employee benefits and develop a brief paper/matrix that lists the pros and cons of each recommendation and the GM's recommendation.

#### Legal Report:

Chief Counsel McDonald provided a brief legal report. He reported on his meeting with the County attorney on the Tanglewilde leak dispute, which he felt went well and left the door open for further discussions. The Board also discussed the status of a request for water service from the owner of the Big Bird system.

#### Executive Session:

**Commissioner Reports:** Chris/Alan//Paul

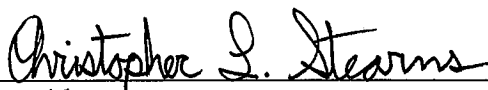
Commissioner Pickett provided a brief report on TRPC where they discussed how governments are coping with diminished resources. He noted that the idea that appeared to have the most support was regional consolidation of services. Commissioner Stearns provided an update on meetings he has attended for the TRPC sustainability planning water infrastructure group, and noted that the Chehalis Partnership has accepted the PUD as a member. Commissioner Corwin discussed WPUDA and the upcoming meeting. The Board discussed some of the feasibility challenges posed by the citizen electrification initiative.

**Summary of Assignments:**

1. In the December newsletter, report the leaks we have located and repaired.
2. Include all correspondence to the PUD regarding new lines of business, including PSE's request for records, in the Correspondence section of the Consent Calendar.
3. GM will notify Don Krupp that the PUD Commissioners felt that the decision to renumber Commission districts should wait until after redistricting is complete. This will help conserve spending of scare funds in this difficult economic time, and communicate changes at one time helping reduce citizen confusion of changes. The Commission felt that it would be prudent to wait and see what other changes were made prior to considering any changes to Commission district name or numbering.
4. GM will propose an approach to Commissioners for the GM 2011 evaluation and provide a recommendation to see if the evaluation process should be done during the budget cycle to link compensation negotiation to the evaluation.
5. Review the Accidental Death and Dismemberment benefit to see if it can be removed from life insurance and if will save the PUD money.
6. Begin using the new Commissioner Per Diem form on January 1, 2011
7. Address Commissioner Pickett's recommended changes to the new web site.
8. Change Revenue Category from *Jobbing* to some other title like **SMA** revenue.
9. Bring forward Resolution on part-time employee benefits and develop a paper/matrix that lists the pros and cons of each option and GM recommendation.
10. Change reservations for annual meeting

**Adjournment:**

**At 7:28 p.m. Commissioner Corwin moved to adjourn. Commissioner Pickett seconded, all approved and the meeting was adjourned.**

  
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President

Attest:   
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Secretary