

**MINUTES OF THE REGULAR MEETING OF MARCH 26, 2013
OF
PUBLIC UTILITY DISTRICT NO. 1
OF
THURSTON COUNTY, WASHINGTON**

The second regular meeting for March 26, 2013 of the Commissioners of Public Utility District No. 1 was called to order on Tuesday March 26, 2013, at 921 Lakeridge Way SW, Suite 301, Olympia, WA 98502, commencing at 5:00 p.m. Commissioners Chris Stearns, Linda Oosterman and Russell Olsen 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 (OM), Joseph Rehberger, Chief Legal Counsel, and Cathy Skiles, Clerk to the Board.

Commissioner Stearns called the general meeting to order at 5:02 p.m.

Approval of Agenda:

Commissioner Oosterman made a motion to approve the agenda; Commissioner Olsen made a motion to add discussion on how to implement Parliamentary procedures amongst the PUD Board. Commissioner Oosterman seconded approval of the Agenda as amended, all in favor.

Public Comments: None present

Consent Calendar:

Approval of Minutes:

March 12, 2013 Meeting

March 19, 2013 Workshop

Prequalification of Contractors – Small Works Roster:

Olympic Landscape and Irrigation

SMA Contracts:

Correspondence:

Travel Approvals:

Other:

Voucher Approval:

Accounts Payable 3/13/13, 3/20/13

Payroll 3/20/13

Resolutions:

13-10 Contracts for CI-71-001-2013 Cornerstone Electrical Service Line Replacement.

Commissioner Olsen made a motion to approve the Consent Calendar, Commissioner Oosterman seconded, all in favor.

Action Items: Attendance at the April and December 2013 WPUA Meetings

The Commissioners discussed attendance of the 2013 WPUA meetings and set a schedule to assure that Thurston PUD is represented at each meeting by at least one Commissioner. Commissioner Oosterman will either attend or call-in to the December meeting.

Commissioner Topics, Discussion and Reports:

Commissioner Oosterman reported she attended an emergency planning meeting at the new Tilley Road facility. She talked to several people at the County who have emergency management programs in place. The primary emphasis is preparing for earthquakes. It has been suggested we put copies of our water system information on CD's and store them off-site. Things to consider are how management and employees get into the Emergency Operations Center. The managers need to consider what will be needed in place if they are not able to get into the office and have no computer access. The first priority would be to figure out how to shut systems down that are damaged to assure we do not serve contaminated water. The next thing would be how to restore safe service to customers.

Commissioner Oosterman suggested sending out emergency preparedness information to customers with their billing statements. She suggested to the managers that they start thinking about the logistics of how they will respond.

Commissioner Oosterman attended the WPUA Education Round Table.

Commissioner Oosterman has been contacted by the WUTC about the potential acquisition of private water systems. These discussions are in the beginning stages.

Commissioner Olsen reported he will be working with the group to save the Tanglewilde pool. On April 7th they will be going around the neighborhood ringing doorbells to encourage financial contributions to keep the pool open this year.

Commissioner Olsen will be working on the Strategic Plan and hopes to bring some information to the Board at the next meeting.

Commissioner Stearns reported he attended WPUA meetings last week. He did testify before legislators about House Bill 5200, a consolidation bill.

Commissioner Stearns attended the Chehalis Partnership meeting last Friday. The group is in transition with the loss of the Chair and they are in the process of hiring a new Chair.

Discussion - How to Implement Parliamentary Procedures Amongst This PUD Board

Commissioner Olsen asked to have open discussion regarding Parliamentary procedures. He recommended to the Board they allow some flexibility in applying the rules. He recommended the other Commissioners allow him to move forward. Commissioner Oosterman asked that he also call on others who are talking over another person and also "pull them all back" to subject when necessary. Commissioner Stearns also asked him to keep decorum amongst the Board members.

Staff Presentations:

Operations Manager's Report: Kim Gubbe, Operations Manager

OM Kim Gubbe provided a report in writing. She added that she had hired the seasonal help, he will start in April. She was able to hire the same person they had last year.

OM Gubbe also reported the Coker well at Tanglewilde is back in service.

Two DWSRF loan requests were submitted for mainline replacements at Tanglewilde. She applied thinking the PUD may not receive the loan but received word there were not many applications so all the loans may be approved. OM Gubbe provided handouts showing where lines will be replaced.

Chief Financial Officer's Report: Financial Variance Report (every 4th week's meeting)

CFO Parker asked if there were any questions on the Variance Report and there were none.

Commissioner Stearns reported on a letter he received from a customer regarding the requirement to submit an application for service. He did not contact us when he purchased the property stating he believed he owned his own well. GM Weidenfeller will follow up with a letter to the customer acknowledging his letter. He will mention the customer's letter was discussed at the Board meeting.

At 7:13 p.m. Commissioner Stearns recessed the meeting for a five minute break.

Executive Session:

Commissioner Stearns moved into Executive Session at 7:18 p.m. for twelve minutes to consider the acquisition of real estate and potential litigation as authorized under RCW 42.30.110 (1) (g) and (1) (i).

At 7:30 pm. Commissioner Stearns ended the Executive Session; no decisions were necessary. Commissioner Stearns re-opened the Regular Meeting at 7:31 p.m.

Information or Discussion of Operations/Policy Issues:

Discussion of Priorities – Asset Management Plan and Acquisitions

GM Weidenfeller asked the Commissioners to open their packets to Section 6. GM Weidenfeller asked the Commissioners to allow him to make the asset management plan a higher priority than acquisitions. The asset management plan should take approximately two months to complete. The potential acquisition discussions in progress will continue. **Commissioner Olsen made a motion to change the highest priority of strategic goals from acquisitions to completing the asset management plan as stated in the documents provided to the Board. Commissioner Oosterman seconded the motion, two in favor, and one against.** GM Weidenfeller added he put this up for discussion and not as an action item.

General Manager's Report: John Weidenfeller, General Manager

GM Weidenfeller provided a report in writing. He reminded the Commissioners to complete their registrations for the WPUA workshops in April before they leave tonight. CFO Parker will be on vacation from 3/29/13 through 4/5/13. He sent the Commissioners an e-mail yesterday about a telecommunications grant he applied for last year and would like input from the Board if they think he should apply again this year.

GM Weidenfeller is working on a letter to the legislature asking them to support appropriation of the projects in the Public Works Trust Fund loan scheduled for 2014. The PUD has ten projects on the list recommended for funding. There is real possibility these funds will not be available.

A Department of Health Office of Drinking Water Stakeholders' Meeting will be held on April 29, 2013. GM Weidenfeller plans to attend.

GM Weidenfeller has been looking for software classes for the Commissioners to attend. The classes will provide a class on the transition from 2003 to 2010 Microsoft Suite software. The Commissioners will send days they are available and GM Weidenfeller will get the class scheduled.

GM Weidenfeller noted that he has scheduled the Commission Workshops for April and May and the schedule is in his Manager's Report.

GM Weidenfeller may attend the AWWA workshop in May.

GM Weidenfeller requested permission to attend some HAM Radio classes; they are Saturday and Sunday classes. He is doing this to see if it is a viable potential emergency communication method for the PUD. He would like the PUD to pay for the class and he will take comp time for the days.

Legal Report: Joe Rehberger, Chief Legal Counsel

Joe Rehberger, Chief Legal Counsel, reported with the acquisition of the Prairie Ridge Water system there is a timeline for the development of a water right for future development. He will file a construction report for the water right on April 1st.

Summary of Assignments:

GM Weidenfeller will send a follow-up letter to the Shadowbrook customer who wrote to Commissioner Stearns.

Adjournment:

Commissioner Oosterman made a motion to adjourn the meeting at 8:08 p.m.,
Commissioner Stearns seconded, all in favor.

Christopher Stearns 4/9/13
President, Chris Stearns

Attest: Linda Oosterman 4.9.13
Secretary, Linda Oosterman