

MINUTES OF THE REGULAR MEETING OF THE COMMISSION PUBLIC
UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON
May 18, 2010

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington, on May 18, 2010.

The meeting was called to order at 4:35 PM. Those Commissioners in attendance were: Jim Cook, President; Robbie Robertson, Vice President; and Al Littlefield, Secretary. Also in attendance were: Mark Fredlund, Assistant General Manager/Treasurer; Larry Saunders, Engineering Supervisor; David Ostergaard, Operations Manager; Kevin Tate, Community Relations Manager; Becky Zorn, Water Quality Supervisor; Pete Gilbert, Attorney; and Kim Carpenter, Recording Secretary; (Manager Johnson and Engineering Manager Peterka arrived at approximately 5:15 PM).

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for May 18, 2010:

- a. Approval of Minutes - Commission Meeting 5/11/10
(Voucher Nos. 81836-81898, approved on May 11, were voided and replaced due to printer error with Voucher Nos. 81899-81961)
- b. Approval of Vouchers – Voucher No. 2338
Voucher Nos. 81962-82005 (\$305,485.70) 5/18/10
- c. Project Acceptance – Boulevard Plaza, Waterline Extension (Burlington)

The motion passed.

Treasurer Fredlund presented the Treasurer's Report for the month of April 2010.

Under Old Business, Assistant Manager Fredlund presented the Manager's Report which included the following items:

Operations

Operations Manager Ostergaard reported that at the Water Treatment Plant draining and cleaning of Clearwater tank 3 is finished and holes have been provided for corrosion control probes. He stated that the Construction Crew will start a section at 13th Street on Monday, which will include 845 feet of ductile iron pipe.

Rain Barrel Workshop

The District held an after-hours rain barrel workshop on Wednesday, May 12, from 6:30-7:30 PM. Special thanks to Customer Service Representative Jackie Callender for her help with checking 25 people in who all arrive at the same time, collecting their money and writing receipts, all done with a smile is a huge part in making these events so successful. Community Relations Manager Tate reported that the next rain barrel workshop would be held at the WSU Extension Center.

PNWS-AWWA Award

At the annual conference in Tacoma, the District was presented with the Excellence in Communication and Conservation, Medium Utility, Wild Card, 2009 Slideshow Presentation Award for the slideshow prepared by Community Relations Manager Tate regarding the District's dam raises, Skagit River Diversion Pipeline and Pump Station and Water Treatment Plant Expansion Projects.

Under New Business, Assistant Manager Fredlund stated that Dale Rettinghouse has requested revisions to the proposed Security Agreement for Line Extension Exception. Attorney Gilbert stated that Mr. Rettinghouse has requested that the agreement be revised to read "permitted development" instead of "development" and has requested that item #4 be stricken. Engineering Supervisor Saunders stated that he explained to Mr. Rettinghouse the reason for item #4 is that he will be treated just as any other developer/customer requesting a line extension, in that cost overruns are borne by the developer/customer. Discussion ensued regarding the proposed revisions. The general consensus of the Commission was that they were not amenable to striking item #4. Attorney Gilbert recommended accepting the amendment of adding "permitted" in front of development and to reject the amendment to strike item #4. Commissioner Robertson moved to accept the amendment of adding "permitted" in front of development and to reject the amendment to strike item #4. The motion passed.

Under New Business, Water Quality Supervisor Zorn gave a PowerPoint presentation regarding the Water Quality Program which included historical, current and future goals regarding taste and odor issues. Supervisor Zorn stated that she has a good water quality team including Operations Manager Ostergaard, Water Quality Coordinator Holmstrom, and Construction Workers Dralle and Anderson. A lengthy discussion ensued regarding the information presented including data collection, Western Washington University (WWU) algae data, mapping of taste and odor complaints, effects of Skagit River water added to Judy Reservoir, water sampling, posting taste and odor information on the District's website and directing customers to that information. Commissioner Robertson expressed frustration at not having had updates regarding the algae information collected by WWU; Supervisor Zorn replied that Operations Manager Spangler turned the data over to her and once she has reviewed the information she will be able to facilitate his request. Commissioner Cook requested that Supervisor Zorn provide him with a synopsis of the water quality program and how much effort is being directed to taste and odor issues and costs associated with implementation of ozonation treatment. Commissioner Robertson reiterated that he would like customers to be directed to taste and odor information on the District's website. Operations Manager Ostergaard stated that a copy of the presentation can be provided to the Commission if they would like. Manager Johnson stated that Operations Manager Ostergaard and Supervisor Zorn have been tasked with gathering information and providing education regarding water quality and taste and odor issues. He thanked them for putting together the presentation in a short amount of time.

At this time, Engineering Manager Peterka greeted the Commission, gave a brief update regarding his status and exited the meeting.

Under New Business, Assistant Manager Fredlund stated that a request from John Ravnik regarding a waiver of District requirements for a storage tank for the Ehrlich Estates Development was presented to the Commission on May 11 and there has been discussion regarding scheduling a work session to discuss the matter further. Manager Johnson stated that this District has put policy in place to build infrastructure to serve the needs of many and not the needs of a select few, and the recommendation of staff regarding the need for a reservoir in this development is for the long haul and that if the Commission were to make a waiver for this development it would set a precedent that would be difficult to overcome in the future. He recommended that the Commission follow District policy. Attorney Gilbert stated that building District infrastructure supersedes the need for accommodating a developer. Discussion ensued regarding various aspects of the proposed development and District policy. Commissioner Cook asked about scheduling a work session. Commissioner Littlefield stated that this District has always said that growth pays for growth and he did not see a need for a work session if staff believes there is no reason to go outside of the boundary of current policy. Engineering Supervisor Saunders stated that Mr. Ravnik has indicated he is more than willing to meet with engineering staff to look at the issue and come to a consensus on how to proceed. Commissioner Robertson stated that the issue is exactly where it should be, with Engineering Supervisor Saunders and staff and he sees no need for a work session.

Under Miscellaneous, Manager Johnson stated that he contacted Gary Stoyka, Skagit County Administrator, regarding Commissioner Robertson's question from last week concerning wells to be drilled at Bryant Estates being in direct conflict with the Department of Ecology (DOE) reports closing the Fisher or Carpenter basins. He stated that Mr. Stoyka indicated they have the right to drill new wells as long as it is not for new water. Manager Johnson stated that Gary Stoyka will also be contacting DOE.

Under Commissioner Comments, Commissioner Littlefield gave a brief summary of his attendance at the Pacific Northwest Section-American Water Works Association (PNWS-AWWA) conference in Tacoma.

Under Commissioner Comments, Commissioner Robertson gave a brief summary regarding the outcome of PSE complaints filed with the Public Disclosure Commission (PDC) against the WA PUD Association (WPUA); and suspending the Executive Director search until the Association has some direction regarding reform issues and what is wanted from a new Director. He stated that the Association is calling a special meeting

of Managers and Commissioners to seek input regarding the reform issues on June 10 & 11 at Douglas PUD.

Under Commissioner Comments, Commissioner Cook asked when a newsletter will go out; Community Relations Manager Tate replied the current newsletter is going out with current billing cycles. Commissioner Cook reported on his attendance at the Skagit County Prayer Breakfast on May 12 and the Swinomish Blessing of the Fleet on May 13. He stated he would be attending the Skagit Council of Governments (SCOG) meeting tomorrow. Manager Johnson requested that Operations Manager Ostergaard accompany Commissioner Cook to the SCOG meeting. Commissioner Cook stated he would also be attending the Skagit County Fire District Association meeting on May 20 at the Burlington Fire Department at 7:00 PM and requested that a staff member accompany him; Manager Johnson replied he would attend.

Commissioner Robertson moved to cancel the Commission meeting of June 1. The motion passed.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of May 18, 2010 was adjourned at 6:30 PM.

Respectfully submitted:

ATTEST

Jim Cook, President

Al Littlefield, Secretary

Robbie Robertson, Vice President