

MINUTES OF THE REGULAR MEETING OF THE COMMISSION PUBLIC
UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON
June 22, 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 June 22, 2010.

The meeting was called to order at 4:34 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; Christine Blake, Auditor; Larry Saunders, Engineering Supervisor; Randy Brower, Environmental Services Coordinator; Dave Ostergaard, Operations Manager; Kevin Tate, Community Relations Manager; Jamie Klunder, Human Resources Generalist; Jones Atterberry, District 3 Commissioner Candidate; Pete Gilbert, Attorney; and Kim Carpenter, Recording Secretary

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for June 22, 2010:

- a. Approval of Minutes - Commission Meeting 6/15/10
- b. Approval of Vouchers-No. 2343
Voucher Nos. 82183-82246, Payroll Warrant Nos. 24936-24951 (\$1,508,904.336) 6/22/10

The motion passed.

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

Judy Reservoir to Mount Vernon Transmission Pipeline Project

The District is working with the contractor, Shoreline Construction, and the City of Mount Vernon to re-establish drainage to four properties on Seneca Drive just east of Waugh Road. The heavy rains this spring have pooled in the back yards of these properties

Public Works Trust Fund (PWTF) Loan Application

The District received a letter from the Public Works Trust Board accepting our application and stating that applications will be ranked this coming August.

Economic Development Association of Skagit County (EDASC)

Local Procurement Opportunities 2010 will be held at the Best Western Cottontree Inn Convention Center in Mount Vernon on June 24 from 10:00 AM – 1:00 PM. The District will have a table and talk about our Small Works Roster and Vendors List.

Engineering - District Projects

The design of the 9th Street project is ready for Construction.

The Clear Lake pipeline replacement project (Bartle to Post, Mill to Lake Street, etc.) is being designed.

District Projects are still on schedule and interdepartmental cooperation regarding design and constructability is working very well.

Engineering Technician Benton and Drafting Technician Smith, along with input from Operations, continue the final stages of design of the South Pleasant Ridge Pump Station.

Developer Projects

The Engineering Department continues review of potential rural developments and the inherent issues regarding "Pressure Zones", "Tank Locations", and "Financial Responsibility".

Engineering Technician Barthel has numerous Developer Projects in various stages of completion that she is managing.

The City of Mount Vernon has a project on 4th Street, between Fulton and Cedar Streets, to install a storm sewer system and pavement replacement. Engineering Technician Hiltz has been coordinating with Operations and the City regarding service lines, raising of valve cans, and minimizing waterline interferences with the new storm sewer.

Community Relations/Customer Service

Skagit Watershed Letterbox Trail kicked off on Saturday. Sixteen Letterboxes are scattered along the watershed. This year's Letterbox theme for the PUD is "rain barrel."

Miscellaneous

Assistant Manager Fredlund reported that the stream gauges for Turner and Mundt Creeks are ready to go online and work continues on the Gilligan antenna. Commissioner Robertson asked about changes in strata temperatures in the reservoir with lower water levels; Operations Manager Ostergaard replied that the strata temperatures are fairly similar from year to year and in speaking with WTP Superintendent Hamilton, there is no danger of running out of water, as water can be pumped from the Skagit if necessary.

Under New Business, Assistant Manager Fredlund presented a request for use of System Development Funds for pipe upsizing in conjunction with the 9th Street, Washington Street to Skagit Street Project to replace 615 feet of 6-inch AC pipe with approximately 615 feet of 12-inch Class 50 ductile iron pipe. He stated the District is proposing to upsize the required 8-inch to 12-inch plant for future fire flow supply under I-5 via Broad Street into downtown Mount Vernon. The estimated difference in cost of material between 8-inch and 12-inch ductile iron pipe is \$11,500.00. Assistant Manager Fredlund recommended approval and requested authorization for use of System Development Funds. Commissioner Littlefield moved to approve upsizing in conjunction with the 9th Street, Washington Street to Skagit Street Project and to authorize use of System Development Funds in the amount of \$11,500.00. The motion passed.

Under New Business, Assistant Manager Fredlund presented the Verizon Draft Rental Agreement. He stated that the Agreement is for discussion purposes only and will be brought back before the Commission for approval at a future meeting. Environmental Services Coordinator Brower stated he was available if the Commission had any concerns or questions. Discussion ensued regarding various aspects of the proposed agreement, including location, antenna height, special use permitting, lease rates, Skagit County vs. District requirements, site access and attorney review. Assistant Manager Fredlund stated that the District will also receive Supervisory Control and Data Access (SCADA) benefits. He stated that staff is looking at whether the Commission has any objections to this agreement; the general consensus of the Commission was positive regarding a telecommunication site lease agreement with Verizon. Commissioner Cook asked how the tank site was acquired and whether or not the District owns the site; Attorney Gilbert replied he was under the assumption the property was owned by the District, but would research that information.

Under New Business, Assistant Manager Fredlund presented revised Policy Nos. 1007 (Equal Employment Opportunity) & 1008 (Anti-Discrimination and Anti-Harassment) which were presented and discussed at the meeting of June 15 and stated he was looking for a motion for approval. Attorney Gilbert stated he has reviewed the proposed policies and although he had a limited amount of input the concerns he brought to light last week regarding reference to procedures and retaliation clarification appear to have been addressed. Discussion ensued regarding various aspects of the proposed policy revisions. Commissioner Robertson expressed concern regarding the amount of time spent by the former Human Resources Generalist in development of policies and why revisions were already being proposed. Commissioner Cook expressed concern from his constituents regarding not giving hiring preference to applicants within Skagit County; staff replied that applicants are selected based on experience and qualifications. Attorney Gilbert stated that the District follows federal law regarding hiring practices. Commissioner Littlefield moved to approve Policy Nos. 1007 (Equal Employment Opportunity) & 1008 (Anti-Discrimination and Anti-Harassment) as revised. The motion passed.

Under Miscellaneous, Assistant Manager Fredlund stated that the Commission has copies of a Skagit Valley Herald article regarding rain barrels. Commissioner Robertson commended Community Relations Manager Tate for a job well done and stated he has received positive comments from customers regarding the rain barrel program.

Under Commissioner Comments, Commissioner Littlefield reported on the Public Utility Risk Management Services (PURMS) meetings he attended on June 16 & 17.

Commissioner Robertson reported that work continues regarding WA PUD Association (WPUDA) Reform Issues and that he participated in 4-hour conference calls regarding the issue on June 18, 21 & 22 and will participate in calls on June 23 & 25. Commissioner Cook reported on his attendance at the June 16 Skagit Council of Governments (SCOG) Board meeting.

Having no further business to come before the Board, Commissioner Robertson moved for adjournment. The motion passed and the meeting of June 22, 2010 was adjourned at 5:20 PM.

ATTEST

Jim Cook, President

Al Littlefield, Secretary

Robbie Robertson, Vice President