

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

July 7, 2009

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 July 7, 2009.

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: Dave Johnson, General Manager; Mark Fredlund, Treasurer; Greg Peterka, Engineering Manager; Christine Blake, Auditor; Harry Meyer, Special Project Coordinator; Kevin Tate, Community Relations Manager; Peter Gilbert, Attorney; Jones Atterberry, Former PUD Commissioner; and Kim Carpenter, Recording Secretary.

Commissioner Littlefield led the Pledge of Allegiance.

At this time, Manager Johnson stated that Jones Atterberry, former PUD Commissioner, would like to make a presentation to the Commission. Mr. Atterberry presented the Commission with a framed print of the four gentlemen that began the initiative to form PUD's in 1929. He stated that the WA PUD Association used to give the prints to outgoing presidents of their association. Mr. Atterberry stated he no longer has a public office in which to hang the print and thought the District might like to have it. Manager Johnson thanked Mr. Atterberry and stated that the District will find a place to hang the print in the front lobby. The Commission thanked Mr. Atterberry for the print.

Commissioner Littlefield moved to approve the Consent Agenda for July 7, 2009:

- a. Approval of Minutes (6/30/09)
- b. Approval of Vouchers
No. 2288 - Voucher No. 79738 (\$2,800.00) 7/2/09
No. 2289 - Voucher Nos. 79739-79777, Payroll Warrant Nos. 24569-24585 (\$265,080.47) 7/7/09

The motion passed.

Under Old Business, General Manager Johnson presented the Manager's Report which included the following items:

Judy Reservoir – Mount Vernon Transmission Pipeline Phase I Project and Kulshan Force Main Project

Shoreline Construction has installed approximately 2,400 feet of 36-inch waterline. They have successfully installed the 36-inch waterline and the 30-inch casing for the sewer force main across Logan Creek. They have also installed the bypass culvert at Bayview Creek and plan to install pipe across Bayview Creek in two weeks.

Water Treatment Plant Expansion Project

The WTP successfully ran at 20 million gallons per day (MGD) for six hours on Wednesday, July 1. Engineer Peterka stated that the District is working through chlorinator issues to inject quantities greater than 20 MGD. Manager Johnson stated that WTP Superintendent Hamilton requested turning on the east and west bank interies, as the reservoir has dropped a foot in the last three days. Manager Johnson stated that the request was denied as commissioning of the Skagit River Diversion Project will include pumping of a large volume of water into the reservoir, so there would be no need to purchase water from the City of Anacortes. Commissioner Robertson asked about the potential of algae; Manager Johnson replied that the District will be pumping low NTU and low total organic carbon (TOC) water that is generally colder than Judy Reservoir. He stated that staff is not sure if algae will be a factor in the future. Commissioner Robertson asked if the District has used half of its committed water volume under its contract with the City of Anacortes; Treasurer Fredlund replied the District has used 218 of 485 million gallons.

Current Stream Flows:

Gilligan: 0 GPM
Mundt: 0 GPM
Turner: 0 GPM
Salmon: 0 GPM

Under New Business, Manager Johnson stated that he became aware last week of the Board's concerns regarding costs for implementation of District signage and has requested that Community Relations Manager Tate give a presentation regarding phased implementation. CR Manager Tate illustrated and reviewed the signage concepts that were presented to the Commission on June 9 by Schell Design Group. He stated that Schell Design has put together "ballpark" estimates and the District will go out to bid. He stated that phase one will include the monument and message center at an estimated cost of \$72,576 including contingencies; and phase two will include three way-finder signs at an estimated cost of \$33,600 including contingencies, tax and permitting costs will be additional. CR Manager Tate stated that the District has budgeted \$65,000 for signage. He stated that the monument portion of phase one could be done and the electronic message center could be postponed until 2011. Discussion ensued regarding various options regarding signage and budget implications, notification requirements under 1996 Memorandum of Agreement (MOA) and budget constraints. The general consensus of the Commission was that expenditures such as signage were non-necessities and even implemented in phases may not be appropriate at this time. Manager Johnson stated he appreciated the Board's comments that it may not be a good idea to go forward with the signage this year. Attorney Gilbert asked that the 96 MOA public service announcements be kept in mind. Further discussion ensued regarding the proposed capital improvement plan, 2010 preliminary budget and potential bond issues. Commissioner Littlefield stated that the item on the agenda was signage and he did not think they should be having a budget discussion. Commissioner Robertson stated that all the issues are related. Manager Johnson proposed having a work session with the Commission that would include discussion of the 1996 MOA, Draft Water Shortage Response Plan, and the Capital Improvement Plan. The Commission agreed to a work session, which will be scheduled for 4:00 PM on Tuesday, July 14.

Under Audience Comments, Mr. Atterberry asked what is being discussed with regard to the 1996 MOA; Manager Johnson replied that they are discussing the interpretation of specific elements of the MOA.

Under Commissioner Comments, Commissioner Littlefield stated that he had received three comments regarding the flowers and fountains in front of the office complex.

Under Commissioner Comments, Commissioner Robertson stated that relative to the MOA and Fisher/Carpenter Creek he has notices a well drillers rig in the Lake McMurray/Conway Road area.

Having no further business to come before the Board, Commissioner Robertson moved for adjournment. The motion passed and the meeting of July 7, 2009 was adjourned at 5:40 PM.

ATTEST

Jim Cook, President

Al Littlefield, Secretary

Robbie Robertson, Vice President