

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

August 11, 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 August 11, 2009.

The meeting was called to order at 4:31 PM. Those Commissioners in attendance were: Jim Cook, President and Al Littlefield, Secretary. Robbie Robertson, Vice President; was on excused absence. 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; Jamie Klunder, Human Resources Generalist; Ed Heidt, Construction Superintendent; Peter Gilbert, Attorney; and Kim Carpenter, Recording Secretary.

Commissioner Littlefield moved to approve the Consent Agenda for August 11, 2009:

- a. Approval of Minutes –Commission Meeting, August 4, 2009
- b. Approval of Vouchers
 - No. 2294 – Voucher No. 80078 (\$27,470.74) 08/05/09
 - No. 2295 – Voucher No. 80079 (\$8,871.94) 08/07/09
 - No. 2296 – Voucher Nos. 80080-80120 (49,491.73) 08/11/09

The motion passed.

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

Skagit River Diversion Pump Station Project

The repaired flow meter was installed Friday, July 31 and quit working five days later August 5. The temporary replacement meter was reinstalled and Commissioning was able to continue.

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

Shoreline Construction has installed all of the 8,200 feet of 36-inch water pipe. They still have to install AVAR's (combination air-vacs) and Flushing Assemblies before they fill the line with water for pressure testing.

Gilligan Creek Remediation Work

FEMA has authorized \$126,401.28 in remediation work with the stipulation that the final scopes of work for the District and FEMA be reviewed for compatibility prior to soliciting bids. Auditor Blake stated that this is 87.5% of the estimate for remediation.

Build-Your-Own Rain Barrel Program

Community Relations Manager Tate reported that the District has had tremendous response to the rain barrel program that was recently promoted via the Pipeline newsletter. He stated that the newsletter article has driven over 100 people to the District's Web site to take an online survey in addition to numerous phone calls. He stated that additionally, businesses

and community groups have contacted the District to ask about conducting joint workshops or be included in promotional opportunities. CR Manager Tate stated that the District is receiving some excellent comments and suggestions from customers on ways the District can better help promote water conservation and encourage environmental stewardship and reviewed several of the comments. He stated that he has done quite a few newsletters in his career and this is the most response he has ever seen with publications he has been associated with. Manager Johnson stated that one of the District's goals was to reach out as a water purveyor to the community. He cautioned the Commission about the budget, stating that the newsletter is an easy target as an expense to eliminate; however, there is a large benefit to continue community outreach. Discussion ensued regarding various options to reduce the cost for publication and mailing of the newsletter including semi-annual rather than quarterly publication, inserting for mailing with water bills, placement on the web site, and development of email distribution lists. Commissioners Cook and Littlefield gave suggestions for contests to encourage customers to read the newsletter. Copies of the customer comments are included in Commission notebooks.

Community Outreach Activities

CR Manager Tate reported that in the current issue of the Pipeline newsletter the District is running a free 5-minute shower timer promotion and have handed out approximately 25 during the week. He stated that the District is receiving positive feedback regarding the newsletter, which indicates customers are reading it. CR Manager Tate stated that he has been involved with many newsletters and the response the District is receiving is more He stated that a number of families are coming onsite to take advantage of the Letterbox Trail Program and learn about water conservation.

Current Stream Flows:

Gilligan:	0 GPM
Mundt:	0 GPM
Turner:	0 GPM
Salmon:	0 GPM
Skagit River Diversion	18.53 MGD
Flow to System	10.49 MGD

Under New Business, Manager Johnson stated that the Commissioner Work Session agenda includes a presentation by HDR regarding their Cost of Service Study and discussion regarding the preliminary 2010 Budget. Manager Johnson recommended that the Work Session begin at 1:30 on Tuesday, August 18. He stated that he spoke with Commissioner Robertson who is available at that time. Commissioner Littlefield moved to schedule the Commissioner Work Session for August 18 at 1:30 PM. The motion passed.

Under Miscellaneous, Manager Johnson recommended discontinuing advertisement of Commission meeting time changes, location changes and work sessions, which will save a projected \$1,500 per year. He stated that it has been the past practice of the District to place advertisements in the newspaper; however, they are not required. Commissioner Cook suggested a public notice section on the District's web site for announcing meeting changes. Manager Johnson stated that he has encouraged CR Manager Tate to build an interested party list to receive notices of changed times. Commissioner Littlefield moved to discontinue non-essential paid advertisements. The motion passed.

Also under Miscellaneous, Manager Johnson stated that the Commission has copies of the letter that was sent to the Skagit County Commissioners last week regarding the fire hydrant that was replaced in Sedro-Woolley and associated costs. He stated that the letter also included a copy of the Lane v. City of Seattle ruling. Attorney Gilbert stated that he has not had a response from Will Honea, Skagit County Chief Civil Deputy Prosecutor.

Under Audience Comments, Treasurer Fredlund stated that the bond signing originally scheduled for September 15 needs to be rescheduled to September 29 due to a conflict for Seattle Northwest Securities. He stated that two Commissioners are required for the signing. Commissioners Littlefield and Cook stated that they would be available.

Under Commissioner Comments, Commissioner Cook stated he attended Representative Rick Larsen's town hall meeting on healthcare which was held in the District's Aqua Room on Saturday, and commented on the large number of people who turned out and his concern regarding damage to the District's facilities. Discussion ensued regarding related problems with use of the Aqua Room, including parking, security and traffic control, and room capacity. Manager Johnson stated that the District's meeting room policy, set by the Commission, needs some minor revisions and several issues addressed today will be reviewed. Recording Secretary Carpenter stated that Representative Larsen's office was informed of the room capacity prior to use of the room. Commissioner Cook stated that Representative Larsen's aides were having a hard time determining the room capacity. Manager Johnson requested that Construction Superintendent Heidt place an additional room capacity sign above the clock, which will be more visible than the sign above the entry doors. Construction Superintendent Heidt stated that the facilities did not sustain any damage.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of August 11, 2009 was adjourned at 5:08 PM.

Respectfully submitted,

Kim Carpenter
Recording Secretary