

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

September 22, 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 September 22, 2009.

The meeting was called to order at 4:33 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; Harry Meyer, Special Project Coordinator; Christine Blake, Auditor; Kevin Tate, Community Relations Manager; Jamie Klunder, Human Resources Generalist; Ed Heidt, Construction Superintendent; Ron Sheahan, Wes Stene, Pat Haveman, Jose Ortiz, Construction Personnel; Peter Gilbert, Attorney; and Kim Carpenter, Recording Secretary.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for September 22, 2009:

- a. Approval of Minutes – Commission Meeting 9/15/09
- b. Approval of Vouchers - No. 2303 – Voucher Nos. 80398-80443 (\$286,128.04) 9/22/09
- c. Project Approval – Freeway Drive and Stewart Road, Wal-Mart

The motion passed.

Treasurer Fredlund presented the Treasurer's Report for August 2009.

Under Old Business, 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 began filling the 36-inch waterline Monday, September 25. If the quality and health testing goes as planned, they will connect to the existing 24-inch waterline at Kulshan and LaVenture Saturday, October 3.

Josh Wilson Road, Bayview Elementary East to I-5

Pipe and appurtenances have been purchased and delivered to complete the "in house" scope of work crossing the WA State Patrol (WSP) property. Awaiting the signed easement from the WSP. Received the WSDOT Franchise Permit and approved Traffic Control Plans. Received three quotes to complete the boring under SR-11 along with an alternative for boring under I-5. The archaeological survey is in progress. Commissioner Cook asked if District crews will perform the work; Manager Johnson replied yes, after the bore.

Marblemount LUD No. 28

The final assessment hearing will begin at 6:30 PM.

PRV Micro-turbines

Manager Johnson reported that he met recently with GC Systems and Soar Technology regarding generating electricity from District PRV's. He stated he would be giving a talk on the concept at the WA PUD Association Water Workshop. Discussion ensued regarding the concept, questions regarding legislation, licensing, net metering, potential PRV sites, and a proposed work session regarding the technology. Manager Johnson stated he would propose that Soar Technology perform a high level review at 9th & Highland and Rhodes & Cook Roads.

Bond Sale

Treasurer Fredlund presented an update regarding the upcoming bond sale. He encouraged the Commission to read the printout from Seattle NW Securities, a copy of which is in Commissioner notebooks, regarding the sale. Treasurer Fredlund stated that the Commission would not need to reschedule the Commission meeting of September 29 to accommodate signing of the bonds as initially suggested.

Current Stream Flows:

Gilligan/Turner/Mundt/Salmon 0 GPM
Skagit River Diversion 0 MGD

Under New Business, Manager Johnson presented Policy #1019 – Reduction in Force/Severance. He stated that the draft policy was presented for review last week. District currently does not have a reduction in force/severance policy. Manager Johnson reviewed the overall policy. Commissioner Littlefield stated if there were no questions he would move to approve the policy. Discussion ensued regarding the ambiguity of language under the Notice portion of the policy pertaining to whether an employee works or not during the two week notice period and the addition of item 6 under Severance Benefits that employee benefits will continue to accrue through the two (2) week notice period. Manager Johnson stated that the policy is based on one from Skagit Valley Hospital. Wes Stene asked if you receive four weeks severance would benefits continue during that time; Manager Johnson replied no, benefits would only continue during the two week notice period. Treasurer Fredlund stated that a lump sum payment for severance is not allowed as part of the Public Employees Retirement System (PERS) retirement formula. Commissioner Littlefield amended his motion to approve Policy #1019 including the proposed language clarification. The motion passed.

Under Miscellaneous, Manager Johnson presented the Notice of Hearing on the 2010 Budget and Rate Hearing for Commission signature. Commissioner Robertson moved to reschedule the Commission meeting from Tuesday, October 6 to Monday, October 5 to coincide with the scheduled hearing. The motion passed.

Also Under Miscellaneous, Manager Johnson stated that the Commission has copies of a letter from the Washington State Auditor, Brian Sonntag, regarding commissioner compensation and copies of a presentation given at WA PUD Association (WPUDA) meetings in September regarding the open public meetings act and executive sessions.

Under Commissioner Comments, Commissioner Robertson stated he would be attending the WPUDA Water Workshop in Leavenworth. Commissioner Littlefield stated he would be attending the workshop as well.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of September 22, 2009 was adjourned at 5:26 PM.

ATTEST

Jim Cook, President

Al Littlefield, Secretary

Robbie Robertson, Vice President