

MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON
November 15, 2011

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 November 15, 2011.

The meeting was called to order at 4:34 PM. Those Commissioners in attendance were: Robbie Robertson, President, Al Littlefield, Vice President and Jim Cook, Secretary. Also in attendance were: Bob Powell, General Manager; Mark Fredlund, Treasurer/Assistant General Manager; Christine Blake, Auditor; George Sidhu, Engineering Manager, Gary Chrysler, IT Manager; Dave Ostergaard, Operations Manager; Kevin Tate, Community Relations Manager; Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board.

Commissioner Cook led the Pledge of Allegiance.

Commissioner Cook moved to approve the Consent Agenda for November 15, 2011:

- a. Approval of Commission Meeting Minutes 11/08/11
- b. Approval of Vouchers
 - No. 2423 - Voucher No. 86053 (\$3,700.00) 11/14/11
 - No. 2424 - Voucher Nos. 86054-86094 (\$114,011.50) 11/15/11

Commissioner Robertson recused himself from approval of Voucher No. 86064 (David Allen Development).

The motion passed.

Under Old Business, Manager Powell initiated discussion regarding the HDR Micro-Hydro Feasibility Study presented at the last meeting. He stated that HDR has used approximately 2/3 of their budget and would like to meet regarding the next step. Discussion ensued regarding various aspects of the information presented, including questions regarding 40% payback, additional testing of water turbidity, potential zero interest loans and discussion of the study in further detail in-house with staff. Manager Powell stated that time will be scheduled at an upcoming Commission meeting with HDR, WTP Superintendent Saavedra and staff.

Under Old Business, Manager Powell presented the Manager's Report which included updates regarding the following items:

- Manager Powell gave a brief summarized his meeting with the Department of Ecology (DOE) regarding Skagit River Basin closures. The Skagit County Commissioners have prepared a letter to Governor Gregoire regarding their stance. Manager Powell stated he plans to meet with Mayor Dean Maxwell regarding both entities being available to serve and will prepare a position statement regarding the closures.
- The District received the invoice from FEMA today in the amount of \$1,348,941.98.

Engineering Manager Sidhu reported the following:

District Projects

The contractor has received the roofing material for the District Office Re-roof Project and will begin installation as soon as weather permits.

Staff continues design of 2011 and 2012 projects, Josh Wilson Road Pipeline, and is scheduled to meet on Thursday, November 17 to review and prioritize proposed CIP projects for 2012 and 2013.

Skagit County Public Works has notified the District that they want to perform road shoulder work along the south shoulder of Josh Wilson Road, just west of Pulver Road, in conjunction with our project. An interlocal agreement has been drafted and sent to the County for review.

The District Christmas Dinner is scheduled for December 10, 2011, to be held at the Burlington Eagles Club. Social Hour begins at 5:00 PM, Dinner at 6:00 PM catered by Mark's On Pine. The District's own Randy Lowe and his newly formed band will begin performing at 7:00 PM.

Commissioner Robertson asked about the Sinnes Road development; Engineering Manager Sidhu replied that WHPacific engineers continue design of the Sinnes Road Development

Project. Engineering staff have had discussions with the developer's engineer regarding proposed tank site and possible easement. Manager Powell stated that the developer has been informed that a regional system will be required for the project.

Operations Manager Ostergaard reported that the District pumped 130 MG for the month to date from the Skagit River and took in 36 MG from Gilligan, 5 MG from Mundt and outflow totaled 6.3 MG average per day. Commissioner Roberson asked if any water is being taken from Turner Creek or Salmon Creek; Operations Manager Ostergaard replied that there is not much water from Salmon, but the District should soon start taking water from Turner Creek. Commissioner Robertson asked to schedule discussion next quarter regarding Salmon Creek. The Construction Crew is finishing up work on Northern and put down close to 100 tons of asphalt in the last few days.

IT Manager Chrysler reported that Inspector Campeau is gathering information regarding poles for the fiber grant and he is working with Environmental Services Coordinator Elsom on permitting issues. He stated that the computer vendor will be back at the District on December 5.

Community Relations Manager Tate reported that the District sign was reinstalled on November 11.

Under Miscellaneous, Manager Powell stated that the Commission has copies of a Skagit Council of Governments (SCOG) news release. Commissioner Cook stated that the District will receive a certificate of recognition from Ric Boge, SCOG Resource Conservation Manager at the November 16 SCOG Board Meeting for a 5.1% reduction in gross energy. Manager Powell stated that he would attend the SCOG meeting in Commissioner Cook's absence.

Under Commissioner Comments, Commissioner Littlefield reported on his attendance at the Public Utility Risk Management Services (PURMS) meetings November 9 as well as the PURMS audit exit conference. He stated he would be attending WA PUD Association meetings this week as well. Commissioner Robertson stated that he would also be attending WA PUD Association meetings this week.

Having no further business to come before the Board, Commissioner Cook moved for adjournment. The motion passed and the meeting of November 15, 2011 was adjourned at 4:54 PM.

ATTEST

Robbie Robertson, President

Jim Cook, Secretary

Al Littlefield, Vice President