

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

May 24, 2016

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 May 24, 2016.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Al Littlefield, President; and Jim Cook, Vice President; and Robbie Robertson, Secretary. Also in attendance were: George Sidhu, Engineering Manager/Interim General Manager; Mike Fox, Operations Manager; Kevin Tate, Community Relations Manager; Sally Saxton, Senior Accountant/Acting Finance Manager; Cathy Langlow, AP Clerk/Deputy Auditor; Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Greg Prothman, President Prothman, Curt Tronsdal, Terri Cook, Brandon Stone, Skagit Valley Herald, Mike Newman. District Employees: Larry Saunders, Chris Shaff, Bill Trueman, Krista Lewis, Mike Benton.

Commissioner Robertson led the Pledge of Allegiance.

Commissioner Robertson moved to approve the Minutes of the May 17, 2016 Commission meeting as sent. Commissioner Cook stated that he abstained regarding approval of the vouchers on May 17 and asked that the Minutes be revised; Clerk of the Board Carpenter replied that unless Commissioner Cook requests that the record reflect his abstention, the Minutes will simply reflect that the motion passed. The motion passed as revised.

Commissioner Robertson moved to approve payment of Voucher Approval No. 2676 - Voucher Nos. 6302-6389 (\$156,718.50) 05/24/16. Commissioner Cook commented that the Vouchers include \$35,600 for attorney bills and asked if this was a budgeted item; Commissioner Robertson replied that \$27,700 of the attorney fees were for bond counsel review of the recent loan and bond issue with Skagit Bank, which will save the District approximately \$1.2 million over the cost of a normal bond issue. Interim Manager Sidhu stated that Foster Pepper is the District's bond counsel and the bill reflected their fees for the bond review. Commissioner Cook abstained. The motion passed.

Under Old Business, Manager's Report, Interim General Manager Sidhu reported the following:

- Assistant Engineering Manager Handzlik, IT Manager Chrysler and Human Resource Manager White are out on personal leave.
- A new warehouse pole building will be out for proposals tomorrow and a recommendation for award will be presented a meeting in the near future.
- A Task Order for KBA construction services appears under New Business on today's agenda for the Josh Wilson Road, Higgins Airport Way to Walker Road Pipeline and Fiber and Old Hwy 99 to Tinas Coma Reservoir Fiber project which will advertise on June 3. A recommendation to award will be presented to the Commission following receipt of bids.
- Crews are wrapping up the roundabout at Curtis and Jameson Streets in Sedro-Woolley. Crews will move to Clear Lake to complete two projects, one on Cedar Street and one near the Clear Lake School, which will be timed with the ending of the school year.

Operations Manager Fox reported that tank inspection continues and the Potlatch and Big Lake tanks are next. Commissioner Littlefield asked how the work is going; Operations Manager Fox replied it is going well. Commissioner Littlefield also asked if the WTP is still pumping from the river; Operations Manager Fox replied yes.

Community Relations Manager Tate reported that he gave a rain barrel presentation at the Mount Vernon Library to a full house. Commissioner Littlefield asked how many rain barrels have been sold; CR Manager Tate replied approximately 50 which equates to \$11,000 in revenue. He stated that next week a school group from Centennial

Elementary will tour the WTP and there will be a summer youth program at Judy Reservoir as well.

Senior Accountant/Acting Finance Manager Saxton reported that the Annual Financial Report is in the final review stage will be submitted as reviewed. She stated that IT Manager Chrysler asked her to report that the Cayenta go live date is going to happen as scheduled. Commissioner Cook asked if all the modules are complete; Senior Accountant/Acting Finance Manager Saxton replied that general ledger and work management were the last two modules completed to meet the go live date.

Under New Business, Interim Manager Sidhu presented Task Order No. 1 under the Agreement for Professional Services with KBA, Inc., for construction management services for the Josh Wilson Road, Higgins Airport Way to Walker Road, Pipeline and Fiber and Old Hwy 99 to Tinas Coma Reservoir Fiber Project. Commissioner Robertson moved to approve Task Order No. 01 as presented. The motion passed.

Under New Business, Interim Manager Sidhu stated that last week Human Resource Manager White presented the General Manager Interview Plan as recommended to her by Prothman at the last meeting. The Commission requested that Bill McDonald of Prothman attend the meeting today; however, he is still on vacation. Greg Prothman is here to answer any questions. Mr. Prothman stated that what was presented was the standard process that they recommend which is one panel made up of the Commission and two panels consisting of a manager, staff member, and two to three representatives from various stakeholders and one facilitator for each panel. Discussion ensued regarding various aspects of the proposed interview process and what the consultant will provide. Mr. Prothman ultimately suggested that the Commission each submit five names to him by Wednesday and he will put together the panels and facilitators.

Under Miscellaneous, Commissioner Littlefield stated that May 31 is the fifth Tuesday of the month and follows a Monday holiday and asked if there is a motion to cancel. Interim Manager Sidhu stated that there is a meeting on June 7 prior to the General Manager interviews. Commissioner Robertson moved to cancel the meeting of May 31, 2016. The motion passed.

Under Audience Comments, Curt Tronsdal commented on the General Manager Interview process, ag community and his own interest in participation, and Commissioner candidate participation. He also commented on inline power generators for District waterlines. Discussion ensued regarding previous District research and obstacles regarding the process.

Mike Newman commented on the scheduled executive session, vouchers, and an email from a District staff member.

Connie Munsey, Anacortes, commented on the General Manager interview process and appreciation for having audience comments on the agenda.

Ryan Dales commented on Doug Streeter's report regarding the District's accounting process and internal control review and the transmission line project.

Commissioner Littlefield thanked the audience for their comments.

Under Commissioner Comments, Commissioner Cook stated that he has copies of the 2015 Annual Report from the Skagit Council of Governments (SCOG) Board. Commissioner Cook stated he has chosen not to run for re-election and it is now someone else's turn in government.

At this time, President Littlefield recessed the regular meeting to go into executive session per *RCW 42.30.110 (1) (i)*. Attorney Gilbert stated that the executive session would last 20-30 minutes and is informative only. Commissioner Littlefield stated that there would be no action following the executive session. The meeting was recessed at 5:22 PM and the executive session convened at 5:23 PM.

President Littlefield reconvened the regular meeting of the Commission at 5:42 PM.

Having no further business to come before the Board, Commissioner Robertson moved for adjournment. The motion passed and the meeting of May 24, 2016 was adjourned at 5:43 PM.

ATTEST

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Al Littlefield, President

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Robbie Robertson, Secretary

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Jim Cook, Vice President