PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 03/12/19
2. Approval of Minutes 03/05/19 Commission Meeting
3. Approval of Vouchers 03/12/19

TREASURER’S REPORT January 2019

AUDIENCE COMMENTS

OLD BUSINESS
4. Manager’s Report
5. Quarterly Report – Operations

NEW BUSINESS
6. Motion for Removal of Capital Assets - Action
7. Safety Practice & Procedure #3002 - Discussion
8. Interlocal Agreement with Del Mar Community Services, Inc. - Potential Action

MISCELLANEOUS

COMMISSIONER COMMENTS

ADJOURNMENT

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

March 5, 2019

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 March 5, 2019.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Eron Berg, President; Al Littlefield, Vice President and Joe Lindquist, Secretary. Also in attendance were: George Sidhu, General Manager; Peter Gilbert, Attorney, Mark Handzlik, Engineering Manager, Sally Saxton, Treasurer and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Peter Folkins and George Jakotich (New Ventures Group), and Jason Graham; District Employees: Mike Fox, Kevin Tate, Mark Semrau, Brian Henshaw, Mike Demers, Bill Trueman, Courtney Shilling, Wendy LaRocque and Luis Gonzalez.

Commissioner Berg led the Pledge of Allegiance.

Commissioner Lindquist moved to approve the Consent Agenda for March 5, 2019

1. Approval of Agenda 03/05/19
2. Approval of Minutes 02/26/19 Commission Meeting
3. Approval of Vouchers 03/05/19
   No. 28470-Voucher Nos. 14877-14927, Payroll Check Nos. 25990-26071 ($936,642.75)
4. Project Acceptance
   LaQuinita Hotel (Burlington)
   Plat of Arbor Glen Trail Road (Sedro-Woolley)

The motion passed.

OLD BUSINESS

5. Reopen Hearing for Jason Graham
   Attorney Gilbert reviewed the hearing information to date and referenced his memo regarding same. Commissioner Berg indicated that staff will make comments and then Mr. Graham. Engineering Manager Handzlik stated that he and Mr. Graham have had a chance to look at the problem, discuss each other’s concerns, and have tentatively reached a mutual solution. He requested that the continuation of the hearing be postponed for 30 days so that Mr. Graham can install a reduced pressure backflow assembly (RPBA). Commissioner Berg asked Mr. Graham if he agreed; Mr. Graham replied yes. The hearing was continued until the meeting of April 9.

   Mr. Graham commented on the District’s cross-connection control program and requested that the Commission review its policy; Commissioner Berg replied that they would take his feedback under consideration.

6. Manager’s Report
   Manager Sidhu reported on the following items:
   • Updated meeting and work session schedule
03/12  Regular Meeting 4:30 PM  
03/19  Work Session – Commissioner Orientation (Finance) 4:30 PM  
03/26  Regular Meeting 4:30  
04/02  Work Session – Commissioner Orientation (Engineering) 4:00 PM  

- Staff met with the Del Mar Community Service board on Friday to discuss an interlocal agreement to assist with after-hours call out and technical services, similar to the Agreement the District has with the Town of Lyman. A draft agreement has been prepared and will be brought forth at the next meeting for review.

Treasurer Saxton presented the Status of Budget for the 4th Quarter of 2018.

Under New Business:

7. Recommendation to Award Real Estate Services—New Ventures Group —**Action**  
Manager Sidhu stated that the Commission authorized him to negotiate directly with New Ventures Group and page two of the memo in your packet outlines the tasks and phases of the proposed contract. Attorney Gilbert stated that there have been some minor revisions to the contract. Discussion ensued regarding various aspects of the contract and revisions. Commissioner Lindquist moved to enter into an agreement with New Ventures Group with modifications. Commissioner Berg restated the motion to enter into an agreement with New Ventures Group for real estate consulting services in the amount of $92,500 to support Driftmier Architects in the facility needs assessment with minor adjustments to paragraph 4 of the buyer’s agreement. The motion passed.

8. SkagitNET LLC Banking Resolution No. 19-01 —**Action**  
Commissioner Littlefield moved to approve Resolution No. 19-01 concerning SkagitNET LLC Banking and amending the operating agreement. The motion passed.

**MISCELLANEOUS**

**Per Governance Policy Section 7.2.2; Commission obligation to disclose any conflicts of interest as defined in Chapter 42.23 RCW**  
Commissioner Lindquist stated his employer underwrites securities; however, it is not an issue at this time, but will notify the Commission if a conflict arises.

Under Commissioner Comments, Commissioner Lindquist reported he would be attending WA PUD Association (WPUDA) new Commissioner training next week.

Commissioner Littlefield reported he would be attending WPUDA meetings next week as well.

Commissioner Berg asked why voucher approval is not included in the digital meeting packet; Manager Sidhu replied it was a Commission preference not to include them in the digital packet. Commissioner Berg disagreed with past practice and in favor of transparency asked the Commission if they agreed; Commissioners Lindquist and Littlefield indicated they were in favor of listing the voucher approval in the digital packet. Clerk of the Board Carpenter was asked if there would be an issue with posting them with the packet; Clerk of the Board Carpenter replied no; however, she was not familiar with the timing and completion of the vouchers from AP Clerk Langlow.
Commissioner Berg requested that voucher approval be added to the packet published online.

Having no further business to come before the Board, Commissioner Berg adjourned the meeting of March 5, 2019 at 5:18 PM.

Respectfully submitted:

_____________________________________________________
Kim Carpenter
Clerk of the Board
## PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
### TREASURER REPORT
#### AS OF JANUARY 31, 2019

### Balance of District Funds

<table>
<thead>
<tr>
<th>Fund Segment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue Fund</td>
<td>$7,400,449</td>
</tr>
<tr>
<td>Capital Project Fund</td>
<td>0</td>
</tr>
<tr>
<td>Construction Fund</td>
<td>$4,589,450</td>
</tr>
<tr>
<td>System Development Fund</td>
<td>$3,634,481</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$1,356,826</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>$1,449,215</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$18,430,420</strong></td>
</tr>
</tbody>
</table>

### Investment of District Funds

<table>
<thead>
<tr>
<th>Fund Segment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Govt Investment Pool</td>
<td>$15,468,631</td>
</tr>
<tr>
<td>Cash</td>
<td>$461,789</td>
</tr>
<tr>
<td>Govt Agencies/ Securities</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$18,430,420</strong></td>
</tr>
</tbody>
</table>

### District Fund Segments

- General Revenue Fund
- Capital Project Fund
- Construction Fund
- System Development Fund
- Debt Service Fund
- Bond Funds
- Local Govt Investment Pool

### Rates of Investment Interest Received

- FNMA
- LGIP
- RFC
- FNMA

### Market Value vs. Face Value of Government Securities

- Fed Natl Mtg Assn (mat 10/19)
- Resolution Funding Corp (mat 7/20)
- Face Value
- Fed Natl Mtg Assn (mat 8/19) $500,000

### Investment of District Funds Graph

- Cash
- Govt Agencies/ Securities
- Local Govt Investment Pool
- Fed Natl Mtg Assn (mat 10/19)
- Resolution Funding Corp (mat 7/20)
- Face Value
- Fed Natl Mtg Assn (mat 8/19) $500,000
## Resources:

### External Revenue:
- **Water Customer Receipts**
  - YTD 2018: 1,662,364
  - YTD 2017: 1,662,364
  - YTD 2016: 24,833,720
- **System Development Fees**
  - YTD 2018: 122,305
  - YTD 2017: 122,305
  - YTD 2016: 1,595,000
- **Capital Contributions**
  - YTD 2018: 98,493
  - YTD 2017: 98,493
  - YTD 2016: 1,599,500
- **Grants**
  - YTD 2018: 0
  - YTD 2017: 0
  - YTD 2016: 0
- **LUD Assessments, Interest, Penalties**
  - YTD 2018: 6,296
  - YTD 2017: 6,296
  - YTD 2016: 238,000
- **Investment Income**
  - YTD 2018: 13,750
  - YTD 2017: 9,785
  - YTD 2016: 7,232
- **Non-Operating Revenues**
  - YTD 2018: 33,770
  - YTD 2017: 33,770
  - YTD 2016: 269,774

### Debt Proceeds:
- **Debt Proceeds - DWSRF Loan Draws**
  - YTD 2018: 0
  - YTD 2017: 1,112,100
  - YTD 2016: 0
- **Debt Proceeds - Dept. of Ecology Loan**
  - YTD 2018: 0
  - YTD 2017: 0
  - YTD 2016: 0
- **Debt Proceeds - Bonds**
  - YTD 2018: 0
  - YTD 2017: 4,000,000
  - YTD 2016: 0

### Transfers from Other Funds:
- YTD 2018: 132,367
  - YTD 2017: 0
  - YTD 2016: 267,689

### Total Revenue:
- YTD 2018: 1,940,744
  - YTD 2017: 0
  - YTD 2016: 9,785

## Uses:

### Operating Expenditures:
- **Operations and Maintenance**
  - YTD 2018: 838,184
  - YTD 2017: 838,184
  - YTD 2016: 12,674,367
- **Utility and Excise Taxes**
  - YTD 2018: 81,834
  - YTD 2017: 81,834
  - YTD 2016: 1,190,000

### Capital Expenditures:
- **Capital Projects**
  - YTD 2018: 100,734
  - YTD 2017: 40,452
  - YTD 2016: 141,186

### Debt Service Payments:
- **Interest Expense**
  - YTD 2018: 132,367
  - YTD 2017: 132,367
  - YTD 2016: 630,930
- **Federal Tax Credit for 2009B Bonds**
  - YTD 2018: 0
  - YTD 2017: 0
  - YTD 2016: 64,048
- **Principal Payments**
  - YTD 2018: 0
  - YTD 2017: 0
  - YTD 2016: 2,759,045

### Transfers to Other Funds:
- YTD 2018: 267,689
  - YTD 2017: 132,367
  - YTD 2016: 400,056

### Total Expenditures:
- YTD 2018: 1,420,808
  - YTD 2017: 0
  - YTD 2016: 132,367

### Increase (Decrease) in Fund Balance:
- YTD 2018: 519,936
  - YTD 2017: (30,668)
  - YTD 2016: 129,537

## Services sold:
- **ERU's**
  - YTD 2018: 25
  - YTD 2017: 30
  - YTD 2016: 26
- **Services**
  - YTD 2018: 23
  - YTD 2017: 26
  - YTD 2016: 25
- **Re-Activations (under 10 years)**
  - YTD 2018: 2
  - YTD 2017: 6
  - YTD 2016: 10
- **Re-Activations (over 10 years)**
  - YTD 2018: 0
  - YTD 2017: 0
  - YTD 2016: 0

## Notes:

For the one month ending January 31, 2019

<table>
<thead>
<tr>
<th>Resources:</th>
<th>YTD 2018</th>
<th>YTD 2017</th>
<th>YTD 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>1,662,364</td>
<td>1,662,364</td>
<td>24,833,720</td>
</tr>
<tr>
<td>Restricted</td>
<td>122,305</td>
<td>122,305</td>
<td>1,595,000</td>
</tr>
<tr>
<td>Debt Reserve</td>
<td>98,493</td>
<td>98,493</td>
<td>1,599,500</td>
</tr>
<tr>
<td>Bond Sinking</td>
<td>0</td>
<td>0</td>
<td>6,296</td>
</tr>
<tr>
<td>Bond Reserve</td>
<td>0</td>
<td>0</td>
<td>6,296</td>
</tr>
<tr>
<td>Debt Proceeds - DWSRF Loan Draws</td>
<td>0</td>
<td>1,112,100</td>
<td>0</td>
</tr>
<tr>
<td>Debt Proceeds - Dept. of Ecology Loan</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Debt Proceeds - Bonds</td>
<td>0</td>
<td>4,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Total Debt Proceeds</td>
<td>0</td>
<td>5,112,100</td>
<td>0</td>
</tr>
<tr>
<td>Transfers from Other Funds</td>
<td>132,367</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,940,744</td>
<td>0</td>
<td>9,785</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>838,184</td>
<td>838,184</td>
<td>12,674,367</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>100,734</td>
<td>40,452</td>
<td>141,186</td>
</tr>
<tr>
<td>Debt Service Payments</td>
<td>132,367</td>
<td>630,930</td>
<td>91,474</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>267,689</td>
<td>132,367</td>
<td>400,056</td>
</tr>
<tr>
<td>Increase (Decrease) in Fund Balance</td>
<td>519,936</td>
<td>(30,668)</td>
<td>129,537</td>
</tr>
<tr>
<td>Services sold:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERU's</td>
<td>25</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Services</td>
<td>23</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>Re-Activations (under 10 years)</td>
<td>2</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Re-Activations (over 10 years)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
### SKAGIT PUD DEBT REPAYMENT AMOUNTS
AS OF JANUARY 31, 2019

<table>
<thead>
<tr>
<th>Senior Lien Bond Debt</th>
<th>Department of Ecology Loan Debt</th>
<th>Public Works Trust Fund Loan Debt</th>
<th>Drinking Water State Revolving Fund Loan Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coupon Rates</strong></td>
<td><strong>Current Rate</strong></td>
<td><strong>Interest Rates</strong></td>
<td><strong>Interest Rates</strong></td>
</tr>
<tr>
<td>20098 BAB</td>
<td>2.1% - 3.79%</td>
<td>2016 Gilligan Cr Proper 2.65%</td>
<td>2001 SRD 0.50%</td>
</tr>
<tr>
<td>2016 Revenue</td>
<td>2.65% - 10.00%</td>
<td>Oct 2008 $1,748,849</td>
<td>2002 WTP Controls 0.50%</td>
</tr>
<tr>
<td>2017 Revenue</td>
<td>2.65% - 10.00%</td>
<td></td>
<td>2012 Josh Wilson Rd 0.25%</td>
</tr>
<tr>
<td><strong>Maturity Date</strong></td>
<td><strong>Bag Bal</strong></td>
<td><strong>Maturity Date</strong></td>
<td><strong>Bag Bal</strong></td>
</tr>
<tr>
<td>Jul 2029</td>
<td>$3,860,000</td>
<td>Jul 2021 $10,000,000</td>
<td>Oct 2021 $1,803,360</td>
</tr>
<tr>
<td>Jul 2036</td>
<td>$3,600,000</td>
<td></td>
<td>Oct 2021 $704,070</td>
</tr>
<tr>
<td>Jul 2037</td>
<td>$4,200,000</td>
<td></td>
<td>Oct 2021 $84,619</td>
</tr>
<tr>
<td>2018 Total Debt Repayment:</td>
<td></td>
<td></td>
<td>Oct 2021 $1,778,480</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Year</strong></th>
<th><strong>Principal</strong></th>
<th><strong>Interest</strong></th>
<th><strong>Interest Rate</strong></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>660,997</td>
<td>383,541</td>
<td>2.65% - 3.79%</td>
<td>$3,309,422</td>
</tr>
<tr>
<td>2020</td>
<td>681,015</td>
<td>365,842</td>
<td>2.65% - 3.79%</td>
<td>$3,330,963</td>
</tr>
<tr>
<td>2021</td>
<td>703,905</td>
<td>344,087</td>
<td>2.65% - 3.79%</td>
<td>$3,314,039</td>
</tr>
<tr>
<td>2022</td>
<td>720,832</td>
<td>322,318</td>
<td>2.65% - 3.79%</td>
<td>$2,598,995</td>
</tr>
<tr>
<td>2023</td>
<td>748,079</td>
<td>300,038</td>
<td>2.65% - 3.79%</td>
<td>$1,913,271</td>
</tr>
<tr>
<td>2024</td>
<td>770,094</td>
<td>277,424</td>
<td>2.65% - 3.79%</td>
<td>$1,904,727</td>
</tr>
<tr>
<td>2025</td>
<td>793,555</td>
<td>252,985</td>
<td>2.65% - 3.79%</td>
<td>$1,895,805</td>
</tr>
<tr>
<td>2026</td>
<td>816,816</td>
<td>228,368</td>
<td>2.65% - 3.79%</td>
<td>$1,888,506</td>
</tr>
<tr>
<td>2027</td>
<td>840,433</td>
<td>203,015</td>
<td>2.65% - 3.79%</td>
<td>$1,876,826</td>
</tr>
<tr>
<td>2028</td>
<td>869,002</td>
<td>177,332</td>
<td>2.65% - 3.79%</td>
<td>$1,871,768</td>
</tr>
<tr>
<td>2029</td>
<td>893,763</td>
<td>149,889</td>
<td>2.65% - 3.79%</td>
<td>$1,861,143</td>
</tr>
<tr>
<td>2030</td>
<td>563,508</td>
<td>122,084</td>
<td>2.65% - 3.79%</td>
<td>$1,495,138</td>
</tr>
<tr>
<td>2031</td>
<td>578,648</td>
<td>106,944</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2032</td>
<td>593,045</td>
<td>91,647</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2033</td>
<td>610,153</td>
<td>75,439</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2034</td>
<td>626,547</td>
<td>59,045</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2035</td>
<td>643,381</td>
<td>42,211</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2036</td>
<td>660,599</td>
<td>24,993</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2037</td>
<td>267,064</td>
<td>7,176</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2038</td>
<td>71,988</td>
<td>1,067</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
<tr>
<td>2039</td>
<td>0</td>
<td>0</td>
<td>2.65% - 3.79%</td>
<td>$1,487,195</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Change from previous month:</strong></th>
<th><strong>$132,367</strong> Bond interest</th>
</tr>
</thead>
</table>

| **Total Principal Outstanding:** | **$30,778,326** |
| **Total Interest Outstanding:** | **$3,333,539** |
| **Total Debt Repayment:**       | **$36,111,865** |

**2018 Weighted Interest Rate:** 1.58%
March 7, 2019

TO: George Sidhu, P.E., General Manager
Commissioners

FROM: Brian Henshaw, Finance Manager

SUBJECT: Recommendation for Removal of Capital Assets from Fixed Asset Ledger
Surplus to the District’s Needs

Requested Action:
Retire asset numbers 248, 253, and 255 from the fixed asset ledger.

Background:
Per our Fixed and Tagged Asset Policy #1022, capital assets that are surplus to the District’s needs may be removed from the fixed asset ledger by motion and approval of the Commission.

<table>
<thead>
<tr>
<th>Fixed Asset Number</th>
<th>Description</th>
<th>Purchase Year</th>
<th>Amount</th>
<th>Reason for Removal</th>
<th>Method of Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>248</td>
<td>Chevy Pickup Silverado</td>
<td>2013</td>
<td>$30,899.90</td>
<td>End of Economic Life</td>
<td>Sale/Auction</td>
</tr>
<tr>
<td>253</td>
<td>Ford Pickup F250</td>
<td>2014</td>
<td>$33,568.81</td>
<td>End of Economic Life</td>
<td>Sale/Auction</td>
</tr>
<tr>
<td>255</td>
<td>Nissan Pickup Frontier</td>
<td>2015</td>
<td>$26,163.64</td>
<td>End of Economic Life</td>
<td>Sale/Auction</td>
</tr>
</tbody>
</table>
March 7, 2019

TO: George Sidhu, P.E. - General Manager
FROM: Jay Sedivy, Safety/Risk Coordinator

SUBJECT: Review of District Safety Practice & Procedure #3002

Requested Action:
No action required.

Background:
District Policy #1026 Safety Requirements and Commitment to Safety was revised at the Board meeting on January 22, 2019, and it outlines the creation of Safety Practice and Procedures (SP&P) to better outline and administer the District’s overall safety program.

SP&P No. 3002 was created to ensure compliance with Washington Administrative Code (WAC) 246-823 for having a relevant bloodborne pathogen and exposure control plan. The goal of this SP&P is to minimize or eliminate occupational exposure to infectious materials in the workplace by having District employees follow universal precautions.

The attached SP&P is presented for Commission review and comment.

Fiscal Impact:
None at this time.
Purpose
This Safety Practice and Procedure (SP&P) ensures compliance with WAC 296-823 and ensures the District has a relevant exposure control plan. The purpose of this SP&P is to provide District employees with the information necessary to eliminate or minimize occupational exposure to bloodborne pathogens.

Safety Practice and Procedure
The District shall provide all means possible to keep its employees safe from potentially infectious materials in the workplace. Employees must adhere to the following plan.

Key concepts:
- District personnel are not expected to handle potentially infectious materials as part of their normal duties
- All potentially infectious materials will be approached utilizing Universal Precautions
- Unprotected contact with potentially infectious materials is not permitted under any circumstances
- District employees are expected to use 911 and other means to contact local response agencies to get help properly disposing of found potentially infected materials on public property – or to notify private land owners when such materials are found on private property.
- The District Safety Coordinator is responsible for reviewing this SP&P on an annual basis; and shall seek the input of the District Safety Committee before changes are implemented

Hazard Analysis
Almost all District employees have been determined to have a small chance of encountering potentially infectious materials in their workplace. And, most District employees are certified in basic first aid and CPR skills. However, performing first aid or CPR are considered secondary duties for all District employees. Skagit PUD is not considered a public response agency.

Because the primary exposure for District employees comes from the secondary responsibility to perform first aid and CPR, Skagit PUD does not offer preventative Hepatitis B vaccines. Under exemption 2 of WAC 296-823-13005, Skagit PUD will offer such vaccines as part of the follow-up to any exposure incident and is described in the pertinent section of this policy.

Work Practices and Controls
Practices and controls include the use of Universal Precautions and PPE, proper handwashing procedures, and other hygienic practices.
Universal Precautions is an approach to infection control where all human blood and certain human bodily fluids are assumed to be infectious for HIV, Hepatitis B Virus, Hepatitis C virus and other bloodborne pathogens. All employees are required to use Universal Precautions when they encounter potentially infectious materials.

An exposure control practice that directs District employees to have personnel from other agencies contacted to handle and dispose of potentially infectious materials shall be used.

As a public agency, the District does need to ensure that such materials are not a hazard to public health. To do this, District employees should contact the local agency responsible for removing potentially infectious materials. The following contacts shall be used:

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Agency</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skagit County</td>
<td>Skagit County Solid Waste</td>
<td><a href="mailto:litter@co.skagit.wa.us">litter@co.skagit.wa.us</a> or (360) 416-1573</td>
</tr>
<tr>
<td>Swinomish Tribe</td>
<td>Swinomish Police</td>
<td>(360) 466-7237 or 911</td>
</tr>
<tr>
<td>Upper Skagit Tribe</td>
<td>Upper Skagit Police</td>
<td>(360) 856-1544 or 911</td>
</tr>
<tr>
<td>Samish Tribe</td>
<td>Skagit County Sheriff</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>City of Mount Vernon</td>
<td>Mount Vernon Police</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>City of Burlington</td>
<td>Burlington Police</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>City of Sedro-Woolley</td>
<td>Sedro-Woolley Police</td>
<td>(360) 855-0111 or 911</td>
</tr>
<tr>
<td>Town of Concrete</td>
<td>Skagit County Sheriff, East Detachment</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Town of Hamilton</td>
<td>Skagit County Sheriff, East Detachment</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Town of La Conner</td>
<td>Skagit County Sheriff, La Conner Precinct</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Town of Lyman</td>
<td>Skagit County Sheriff, East Detachment</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Marblemount</td>
<td>Skagit County Sheriff, East Detachment</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Rockport</td>
<td>Skagit County Sheriff, East Detachment</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Alger</td>
<td>Skagit County Sheriff</td>
<td>(360) 428-3211 or 911</td>
</tr>
<tr>
<td>Skagit PUD property</td>
<td>Safety Coordinator</td>
<td>(360) 848-4475</td>
</tr>
<tr>
<td>Private property</td>
<td>Land owners/managers</td>
<td>Various</td>
</tr>
</tbody>
</table>

Personal Protective Equipment (PPE) and barrier equipment shall be supplied at no cost to the employee and used properly by employees. Most of these items can be found in District buildings, vehicles, and stored in the warehouse and are intended to protect District personnel who are using their first aid and CPR skills – not to provide PPE for handling and disposing of found potentially infectious materials such as used needles. Determination of need and purchase of such items must be made within each work group and those decisions need to fit within the scope of this policy. Employees will be trained in the proper use of these items. This includes items such as:

- Disposable gloves
- Blood/body fluid clean-up kits that include gloves, face shields, aprons and biohazard disposal bags
- Eye protection
- CPR barriers
- Disinfectant

Proper handwashing is an important method of preventing the spread of potentially infectious materials. After conducting any tasks where contact with potentially infectious materials may have occurred, hands should be washed with a mild soap and warm water for at least 20
to 30 seconds. If handwashing facilities are not available, disinfectants and hand sanitizing solutions may be used until the hands can be properly washed.

Proper disinfection of exposed materials can be accomplished with bleach solution or use of germicidal solutions. Examples of materials that must be cleaned after they have touched potentially infectious materials may include waste pickup tools, counters, or floors.

Training
The District shall train all employees (regardless of risk of exposure) initially and annually. This training shall, at a minimum, cover the following:

- Information about this SP&P
- Epidemiology, symptoms, and modes of transmission of bloodborne pathogens
- Use and limitations of controls, work practices, and PPE
- PPE use, location, removal, handling, decontamination, and disposal
- Information regarding what to do and who to contact in a situation involving potentially infectious materials
- An explanation of what to do if an exposure occurs
- An explanation of the signs, labels, and colors associated with potentially infectious materials and wastes
- The use and effectiveness of Hepatitis B vaccines
- An opportunity to ask questions about all elements of the program and training

Exposure Reporting and Follow-Up
All exposures to potentially infectious materials shall be investigated and documented. A true exposure has occurred when PPE or barriers fail; a person is stuck by a potentially infected sharp object; or it is possible that potentially infectious materials have come into contact with broken skin or the mucous membranes. When this occurs, the following steps shall be taken:

- Immediate medical evaluation at a local treatment facility shall be obtained. For most District exposures during work hours, Skagit Regional Clinics shall provide this service. Otherwise, local hospital emergency rooms can be used for after-hours services. The facility rendering care shall be responsible for following Skagit County public health regulations for source testing, consent and reporting. This evaluation may include vaccines against Hepatitis B and other pathogens, and/or testing for the presence of pathogens or antibodies. Such tests and vaccines will be provided at no cost to the employee.
- The District Safety Coordinator shall work with the medical provider to ensure that post-exposure documentation is completed.
- The employee, employee’s supervisor, and the District Safety Coordinator shall ensure an incident report is filed and describes the exposure incident, the practices followed, the PPE used, the location of the incident, and any other information relevant to the exposure.

Recordkeeping
Training records shall be maintained for all District employees for the duration of their employment, or for at least three years – whichever period is longer. Training records are not considered protected information and shall be kept in paper format in the employee record, or in electronic format in the District’s shared computer drives.
Exposure records shall be kept confidentially in the employee’s record, or in a shared computer drive that is permission and password protected. These documents shall be kept by the District for the duration of the employee’s term of employment plus 30 years.

<table>
<thead>
<tr>
<th>Former Title/Policy #:</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date:</td>
<td></td>
</tr>
<tr>
<td>Revision Date:</td>
<td></td>
</tr>
</tbody>
</table>

General Manager Signature: Date:
March 11, 2019

TO: Commission

FROM: George Sidhu, P.E., General Manager

SUBJECT: Review of Agreement with Del Mar Community

Requested Action:
No action required.

Background:
The Del Mar Community located on Fidalgo Island is a homeowner's association that owns and operates its own Group A water system using water purchased from the City of Anacortes. They would like to enter into an agreement with the District to provide technical, operational and after-hours services in the event their water distribution manager is out of town or otherwise unavailable.

The District has similar agreements currently in place with the Town of Lyman and the Swinomish Tribe, where similar services are available at equipment and labor rates sufficient to meet our costs, including administration and overhead.

The attached agreement is presented for Commission review and comment.

Fiscal Impact:
None at this time.

kac
AGREEMENT FOR SERVICES
BETWEEN DEL MAR COMMUNITY SERVICE, INC.
AND PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

THIS SERVICE AGREEMENT (the “Agreement”) is made and entered into by and between the Del Mar Community Service, Inc. (“Del Mar”) and Public Utility District No. 1 of Skagit County, Washington (“District”). The above-described entities are collectively referred to herein as the “Parties,” or individually as a “Party.”

PURPOSE: The purpose of this agreement is to provide a framework under which the District may provide materials, equipment, and personnel to assist the Del Mar Community with the installation of new water service connections, emergency repairs to failed or damaged system infrastructures, and additional technical services as requested.

RECITALS

• The District is authorized to operate water systems pursuant to Title 54 RCW and employs certified water system operators for its water systems in Skagit County.

• Del Mar owns and operates a Group A Water System, which is the water system serving the Del Mar community in Anacortes, Washington.

• Del Mar provides an emergency 24-hour phone service to its community members for water system issues (the “Hotline”).

• Del Mar employs a Water Distribution Manager (“WDM”) to take and respond to calls on the Hotline and provide emergency and other services.

• When the WDM is off duty or unavailable, Del Mar will provide/implement an answering system to forward appropriate issues to the District. If the issue is forwarded, the District is willing to provide Del Mar's water system with temporary operators (“Crew”) and equipment to meet Del Mar's needs as provided herein until the WDM or a Del Mar Community Board member releases the crew. A Crew typically consists of a Foreman, two Construction Workers and a dump truck, backhoe & trailer, crew truck, or other equipment as required.

• Emergency Repairs

  i. From time to time Del Mar has a need for emergency equipment and personnel to provide or assist with emergency repairs to failed or damaged system infrastructure.
ii. The District is willing to provide Del Mar with certified water system operators, equipment, and materials on an as needed basis at a reimbursement rate equal to District cost, including overhead and administrative fees, for labor, equipment, materials, tools, and incidentals, including any overtime hours incurred to reasonably meet the needs of Del Mar and in accordance herewith. These rates are subject to change based upon the Labor Agreement between the District and Teamsters Local #231.

iii. Del Mar is willing to pay for all expenses incurred by the District for such services as tracked with a Customer Job Order (CJO) plus taxes, overhead and administration fees.

• Technical Assistance

i. From time to time Del Mar has a need for technical assistance with operations, maintenance, and construction activities.

ii. The District is willing to provide certified water system operators and technical staff on an as needed basis including any overtime hours incurred to reasonably meet the needs of the District and Del Mar and in accordance herewith. These rates are subject to change based upon the Labor Agreement between the District and Teamsters Local #231.

iii. Del Mar is willing to pay for all expenses incurred by the District for such services as tracked with a Customer Job Order (CJO) plus taxes, overhead and administration fees.

• The Parties desire to enter into this agreement for the District to provide Del Mar with services related to technical services and emergency and call-out services, on an as-needed basis.

NOW, THEREFORE, in light of the foregoing Recitals, which are incorporated herein as part of the agreement of the Parties, and the mutual terms, conditions, and covenants set forth below, the Parties agree as follows:

**District's Obligations.**

• **Emergency and Call-Out Services.** The District will take and respond to calls as directed by Del Mar and provide Crew resources and equipment to meet Del Mar's emergency and call-out service needs; provided, however, the services are subject to the availability of crews and equipment, and the operational needs of the District's Facilities will take precedence over any work requested. The District will provide emergency and call-out services,
based on a two hour minimum during a regular work week (Monday through Friday), on week-ends, and after regular business hours (8 a.m. to 3:30 p.m.) to Del Mar as needed upon request.

i. When the District renders emergency and/or call-out services under this Agreement, the District will cease rendering such services when directed by the WDM or a Del Mar Board member. Del Mar will not be responsible for any expenses incurred by the District or other amounts charged by the District for work performed after the WDM directs the District to cease rendering services except related to demobilization.

- **Work Order.** The District will create a Work Order to track all time and material expenses incurred by the District for any assistance requested by Del Mar. Rates to Del Mar for labor, including overtime, equipment, and materials shall be those set forth in Exhibit A, or at the District's current rates for labor and equipment. Material costs will reflect current purchase price through District vendors. If labor rates increase above those listed on Exhibit A, such increases will take effect 30 days after written notice to Del Mar.

- **Overhead and Administration Fees.** Details on overhead and markup expenses are provided in Exhibit A. Fringe benefits are included in the District’s labor rates and warehouse handling expenses will be added for any materials removed from the District’s warehouse for use on a project. The District will also add a markup for administration costs to each invoice that is billed to Del Mar.

- **Invoice.** The District shall provide an itemized invoice to Del Mar for services rendered based on actual expenditures incurred on the Work Order plus taxes and overhead and administration fees.

- **District Employees.** District personnel involved in this Agreement shall remain District employees paid from District funds with reimbursement from Del Mar.

**Del Mar’s Obligations.**

- **Overtime.** Del Mar acknowledges that the District's water system operators or Crew are also providing service to District Facilities and therefore, depending on the needs of the System and the District's Facilities, overtime may be incurred and Del Mar agrees to reimburse the District for all overtime incurred for work performed under this agreement.

- **Reimbursement.** Del Mar shall reimburse the District within 30 days of receipt of each invoice. Del Mar agrees to pay actual costs incurred on the Work
Order plus taxes, overhead and administration fees. Any estimates provided by the District are not binding and Del Mar is responsible for all costs of the work regardless of the accuracy of any estimate that may have been provided by the District prior to the start of work.

- **Insurance.** Del Mar shall provide liability insurance coverage for the duration of this Agreement for its officers, agents and employees' activities while they are involved in the performance of this Agreement in an amount not less than one million dollars ($1,000,000). The District's Auditor shall be provided proof of such insurance within thirty (30) days of the execution of this Agreement and the District will be named as an additional insured in respect to this Agreement.

- **Indemnification.** Del Mar shall indemnify, defend, and hold harmless the District and any and all of the District's officers, principals, agents and employees from any liability, loss, damage, cost, charge or expense, whether direct or indirect, and whether occasioned by injury or loss to persons or property to which the District or said other indemnities may be put or subject by reason of any act, action, neglect, error, omission or default under this Agreement or otherwise on the part of Del Mar or any of its officers or employees. Del Mar agrees to indemnify, defend, and hold harmless the District from any and all claims by Del Mar's customers for interruption of service.

  i. Del Mar’s defense and indemnity obligations hereunder do not extend to liabilities, losses, damages, costs, charges, expenses, claims or lawsuits resulting from the negligence of the District and any and all of the District's officers, principals, agents and employees. If the liability, loss, damage, cost, charge, expense, claim or lawsuit is caused by or results from the concurrent negligence of the District's officers, principals, agents and employees and the Del Mar’s officers, principals, agents and employees, this indemnity provision shall be enforceable only to the extent of negligence of Del Mar’s officers, principals, agents and employees.
Organization/Administration.

- General Manager (or designee) shall be the Administrator of this Agreement for the District insofar as it relates to the coordination and implementation of the emergency services.

- Del Mar's Board of Director (or designee) shall be the Administrator of this Agreement for Del Mar insofar as it relates to agreed upon services.

- Factors Beyond the District’s Control. The District will not be responsible for any failure to perform its obligations under this Agreement to the extent such performance is prevented or delayed by an event and/or circumstance that is beyond the District’s control, not caused or contributed to by the fault or negligence of the District and could not have been prevented by the exercise of reasonable diligence by the District.

- Term and Effective Date of Agreement. This Agreement shall be effective on the date it is fully executed by the Parties. This agreement may be terminated upon sixty (60) days written notice by either Party.

- Disputes. The validity and interpretation and execution of this agreement and the performance of and rights accruing under this agreement, are all to be governed by the laws of the State of Washington. Venue for any arbitration proceeding or action to enforce an arbitration award or any other action relating to this agreement shall be in Skagit County, Washington. Each Party expressly waives its right to a jury. In the event it is necessary for either Party to utilize the services of an attorney to enforce any of the terms of this Agreement, such enforcing Party shall be entitled to compensation for its reasonable attorneys' fees and costs. In the event of litigation regarding any of the terms of this Agreement, the substantially prevailing Party shall be entitled, in addition to other relief, to such reasonable attorneys' fees and costs as determined by the court.

- Independent Contractor. The District is an independent contractor with respect to all activities associated with this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the Parties. The District and its employees shall not be entitled to any benefits afforded Del Mar's employees. The District shall be solely responsible for withholding federal income tax and associated employment related taxes from wages paid to its employees.

- Notices. Any notices shall be effective if personally served upon the other Party or if mailed by registered or certified mail, return receipt requested, to
the following addresses, or such other address as a Party may designate in writing and shall be deemed given on the date of mailing:

TO THE DISTRICT: Public Utility District No. 1 of Skagit County  
ATTN: General Manager  
1415 Freeway Drive  
Mount Vernon, WA 98273

TO DEL MAR: Del Mar Community Service, Inc.  
ATTN Water Distribution Manager  
1004 Commercial Ave. #1111  
Anacortes, WA 98221

or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

- **Remedies.** In the event of default of any provision of this Agreement, the non-defaulting Party shall have all rights and remedies existing at law including the right to recover monies paid and wrongfully expended, and to seek other damages allowed by law.

- **Binding Effect.** This Agreement and all rights associated therewith shall be binding upon and inure and extend to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

- **Amendments.** Except as otherwise set forth herein, this Agreement may not be modified, amended or terminated except by the written agreement of all parties.

- **Waiver.** A waiver by either Party of any covenant, term or condition of this Agreement must be in writing. Such a waiver will not affect the waiving party’s rights with respect to any other or further breach.

- **Construction.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek the advice of counsel with respect to this Agreement is the sole responsibility of each Party. This Agreement will not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement

- **Assignment.** Neither Parties may not assign this Agreement without the written consent of the other.
• **Entire Agreement.** This Agreement contains the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior Agreements or understandings between the Parties with respect thereto.

• **Authority.** The individuals executing this Agreement on behalf of the Parties represent and warrant to the other Parties that they have the authority to bind the Party on whose behalf they execute this Agreement.

• **Counterparts.** This Agreement may be signed in counterparts. Electronic transmission of any signed original document, and retransmission of any signed electronic transmission shall be the same as delivery of an original document.

IN WITNESS WHEREOF, the Parties have executed this Agreement this ___ day of ___________________, ______.

<table>
<thead>
<tr>
<th>Public Utility District No. 1 of Skagit County:</th>
<th>Del Mar Community Service, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>By:</td>
<td>By:</td>
</tr>
<tr>
<td>Its:</td>
<td>Its:</td>
</tr>
<tr>
<td>Dated:</td>
<td>Dated:</td>
</tr>
</tbody>
</table>

F:\CLIENTS A-H\Del Mar Community Service, Inc\Service Agreement - Skagit PUD_12_20_18.docx
Agenda Item #8

Exhibit "A"

TO AGREEMENT FOR SERVICES
BETWEEN DEL MAR COMMUNITY SERVICE, INC.
AND PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

<table>
<thead>
<tr>
<th>Equipment Hourly Rate</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pickup</td>
<td>$22.79</td>
</tr>
<tr>
<td>Dump Truck</td>
<td>$41.28</td>
</tr>
<tr>
<td>Trailer</td>
<td>$12.46</td>
</tr>
<tr>
<td>Backhoe</td>
<td>$31.53</td>
</tr>
<tr>
<td>Vactor Truck</td>
<td>$92.99</td>
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</table>

<table>
<thead>
<tr>
<th>Labor Hourly Rate</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Manager</td>
<td>$96.38</td>
</tr>
<tr>
<td>Operations Manager</td>
<td>$98.08</td>
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<tr>
<td>Project Manager</td>
<td>$74.87</td>
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<tr>
<td>Engineering Tech</td>
<td>$61.15</td>
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<td>GIS Technician</td>
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<tr>
<td>Construction Foreman</td>
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<tr>
<td>Distribution Foreman</td>
<td>$68.25</td>
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<tr>
<td>Lab Analyst</td>
<td>$67.09</td>
</tr>
<tr>
<td>Construction Worker</td>
<td>$64.32</td>
</tr>
</tbody>
</table>

* After Hours Call Out - 2 Hour Minimum
** Parts overhead of 22%
*** Administrative Fee of 6% Added to all invoices