PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 10/08/19
2. Approval of Minutes 09/24/19 Commission Meeting
3. Ratification of Vouchers 10/01/19
4. Voucher Approval 10/08/19
5. Project Acceptance – BayView Edison Road, Tamman Water Line Extension (Mount Vernon)

AUDIENCE COMMENTS

OLD BUSINESS
6. Manager’s Report
7. Quarterly Report – Engineering

NEW BUSINESS
8. Security Improvements Contract, Quality Controls Corporation - Action

2020-2025 RATE HEARING – Presentation – 5:00 p.m.

2020 BUDGET HEARING

MISCELLANEOUS

COMMISSIONER COMMENTS

EXECUTIVE SESSION – 20-30 Minute Duration
Review Performance of a Public Employee – Per RCW 42.30.110(1)(g)

ADJOURNMENT
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 24, 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; Sally Saxton, Treasurer, Mark Handzlik, Engineering Manager, Peter Gilbert, Attorney, and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Les Walker, Dale Ragan; District Employees: Mike Fox, Mike Demers, Luis Gonzalez, Brian Henshaw, Kathy White, Mark Semrau, Kevin Tate, Sharon Mataya, Sam Shipp and Jay Sidivy.

Commissioner Berg led the Pledge of Allegiance.

Commissioner Lindquist moved to approve the Consent Agenda for September 24, 2019 as presented.

1. Approval of Agenda 09/24/19
2. Approval of Minutes 09/10/19 Commission Meeting
3. Ratification of Vouchers 09/17/19
   No. 2882 – Voucher Nos. 16447-16504, Payroll Check Nos. 27797-27877 ($1,461,394.38)
4. Voucher Approval 09/24/19
   No. 2883 – Voucher Nos. 16505-16548, Payroll Check Nos. M00567-M00597 ($1,221,672.47)
5. Project Acceptance
   Sundquist Drive, Lot 5 Development (Mount Vernon)
   Jones Estates, East Jones Road (Sedro-Woolley)
   Woodside Division 8 & 9 (Mount Vernon)
   Bay Ridge Business Park Log 1G (Mount Vernon)

The motion passed unanimously.

TREASURER’S REPORT August 2019

CUSTOMER NOTIFICATION SOFTWARE - Demonstration
Nathan Russell, Everbridge, presented an abbreviated presentation regarding their software via conference call and computer projection and indicated that they currently have clients that use their system the way Skagit PUD would. A brief discussion ensued regarding various aspects of the presentation including Commission questions for Mr. Russell.

AUDIENCE COMMENTS – None
Under Old Business:

6. Manager Sidhu presented a Manager’s Report which included:
   - Little Mountain Road Project – Communication Plan Open House is tentatively scheduled for October 10 from 5:30-7:30 PM at Hillcrest Lodge in Mount Vernon, which will be finalized upon confirmation. A second open house is being scheduled in the Big Lake Area in early November.
   - Met with Cameron Bailey and Joe Timmons, the northwest regional representative for the governor's office today to discuss the Little Mountain Road Project to position the District for support for the project.
   - The Exit Conference with the State Auditors is scheduled for October 8 at 3:30 PM. Commissioner Berg will attend.
   - Working with Finance Manager Henshaw on bringing the 2020 Budget to the Board on October 1. The Commission will receive the budget via email prior to the Budget and Rate Hearings on Tuesday, October 8.
     Regular meetings are scheduled for October 8 & 22 and work sessions are scheduled for October 15 & 29 at 4:00 PM.
   - This is Clerk of the Board Carpenter’s last meeting. Congratulations and a round of applause were given. Clerk of the Board Carpenter thanked everyone for the congratulations.

7. Quarterly Report – Customer Service/Community Relations
   Community Relations Manager Tate presented the quarterly report for Customer Service and Community Relations, including updates regarding the following:
   - Online Bill Payment
   - Bulk Water Fill Stations
   - Billing Clerk Position - interviews scheduled for next week.
   - Meters
   - Personnel Changes
   - WTP Tours
   - Rain Barrels and Thirst Buster
   - Customer Satisfaction Survey Results
   Discussion ensued regarding various aspects of the information presented.

8. Execution of Easement Acquisition – Judy to Mount Vernon Transmission Line – **Discussion**.
   Manager Sidhu stated that the Commission has a memo providing a summary regarding the easement acquisition and no action is required today. He stated the memo was provided for informational purposes. Discussion ensued regarding various aspects of the process to date.
Under New Business:

9. Agreement for Professional Services – Altus Traffic Management LLC
   Task Order No. 2 – On Call Traffic Control Services – Action
   Manager Sidhu stated he is requesting authorization to execute Task Order #2 for a
   variety of tasks into next year. Commissioner Lindquist moved to authorize the
   General Manager to execute Task Order No. 2 for On Call Traffic Control Services
   with Altus Traffic Management, LLC, in the amount of $199,863.00. The motion
   passed unanimously.

Under Commissioner Comments, Commissioner Littlefield stated he would be attending
the WA PUD Association (WPUDA) Water Workshop in Leavenworth. Commissioner
Berg stated he would be attending as well.

At this time, President Berg recessed the regular meeting to go into executive session per
RCW 42.30.110.(1)(g) (Review Performance of a Public Employee) for an approximate
duration of 30 minutes. The meeting was recessed at 5:38 PM. Commissioner Berg
stated that there would be no action following the executive session.

The executive session convened at 5:40 PM.

President Berg reconvened the regular meeting of the Commission at 6:00 PM.

Having no further business to come before the Board, Commissioner Littlefield moved to
adjourn the meeting of September 24, 2019 at 6:01 PM. The motion passed
unanimously.

Respectfully submitted:

______________________________
Kim Carpenter
Clerk of the Board
October 8, 2019

Board of Commissioners
Public Utility District No. 1 of Skagit County
Post Office Box 1436
1415 Freeway Drive
Mount Vernon, WA 98273-1436

RE: Project Acceptance

Name of Project: BayView Edison Road, Tamman Water Line Extension
Reference: C.O. # 5012, Project # 3730
Location: Mount Vernon
Developer: Richard Tamman
Contractor: TRICO

Gentlemen:

The District has approved the plans and specifications and has inspected the installation of the new water plant within the above project. The Engineering Department has received satisfactory pressure and bacteriological test results. All documentation for this project has been completed.

I recommend that the Commission of the District accept this project.

Respectfully submitted,

Mark C. Handzlik, P.E.
Engineering Manager

cmp

Attachments

cc: George Sidhu, P.E., General Manager
    Michael E. Demers, Engineering Technician
October 2, 2019

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

FROM: Ben Hansen, Network Systems Administrator

SUBJECT: Security Improvements as part of DOH Security Mandates Program

Requested Action:
Authorize the General Manager to sign the attached statement of work and enter into a contract with Quality Controls Corporation for security improvements in the amount of $50,800.

Background:
As part of the District’s annual program to complete network and physical security improvements at the water treatment plant and our remote sites, there is a requirement for additional hardware and programming required to consolidate alarming for the Water Distribution Operators.

IT and Distribution worked together to change the standard design of our existing and future security systems. The design change focused on how alarms were delivered to Distribution staff. The consensus was that it was more efficient to eliminate 3rd party monitoring contracts with ABSCO, and analog phone lines from Frontier. This scope of work includes the hardware and programming changes necessary to implement the desired alarm delivery changes. Moving forward, we will seek to leverage pre-existing broadband connections & Win911 software to deliver notifications to cellular devices.

The District selected QCC from our Consulting Services Roster and used them on multiple occasions in the past and has found them to have exceptional technical staff. QCC has assisted us several integrations for both Distribution and WTP systems. Since they are familiar with both the systems, it made sense to have them help us with our alarming needs.

Fiscal Impact:
Funding for this project will come from Line Item 12 of the 2019 Capital Budget titled DOH Security Mandates – WTP & Remote Sites (Program).
Quotation

October 3, 2019  Quote Number: Q3479A

To:         Skagit County PUD
            Mike Fox, Operations Manager
            Ben Hansen, Network Systems Administrator

Project:    Pump Station Site Intrusion Alarm SCADA Integration

Reference:  Site walk on 3/15/19 to the following sites:
            Appalussa/Alger Booster, Alger/Cimeron Booster, Alger Well, Bayview Ridge
            Tank, 9th and Highland Tank, Cascade View Ridge 1, Cascade View Ridge 2,
            Cascade View Ridge 3, Cascade View Ridge 4

Terms:      Net 30
FOB:        Lynnwood, WA
Freight:     Prepaid and allowed

This quote is valid for 60 days.

QCC is pleased to provide quotation for the above referenced project. Quality Controls Corp. (QCC)
provides materials, FOB Lynnwood, WA. QCC’s quoted price does not include tax, or the cost to
bond this project.

Please call me with any technical questions or me if you have any questions concerning the pricing
on this quotation.

Sincerely,

James Cross
Pricing

Item 1 – Site security SCADA Integration
   Engineering and programming services as outlined below: $ 12,100.00

Item 2 – PLC Upgrade for Alger Well Site
   Hardware, Engineering and programming services as outlined below: $ 21,450.00

Item 3 – PLC Upgrade for Bayview Ridge Tank Site
   Hardware, Engineering and programming services as outlined below: $ 17,250.00

Clarifications and Exclusions

1. QCC does NOT provide the following unless specifically included in our bill of material:
   • Pipe, tubing, valves or fittings between the instrument and the process.
   • Conduit, wire or cable not integral to instrument or control panels supplied by QCC.
   • Mounting brackets, stanchions, supports or mounting pads not an integral part of the instrument.
   • Labor to install the equipment.
   • The Cost, (if due to local union regulations), to have local craftsman make adjustments or wiring modifications to our equipment during start-up and calibration.
   • Any material or services not in our quoted sections.
October 2, 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 number 144 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>144</td>
<td>Case Backhoe</td>
<td>1992</td>
<td>$59,420.53</td>
<td>End of Economic Life</td>
<td>Sale/Auction</td>
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