The Regular Meeting was convened by President Kathleen Vaughn at 1:30 p.m. in the Commission Meeting Room. Those attending were Sidney Logan, Vice President; Tanya Olson, Secretary; Acting CEO/General Manager Tom DeBoer; Interim General Counsel Kristin Hall; Assistant General Managers Glenn McPherson and Brant Wood; Chief Information Officer Dean Galvez; other District staff; members of the public; Clerk of the Board Melissa Collins; and Deputy Clerks of the Board Jenny Rich and Lela Wall.

EXECUTIVE SESSION

The Regular Meeting recessed at 1:32 p.m., and reconvened into Executive Session at 1:33 p.m. to discuss current or potential litigation, under the terms set forth in the Open Public Meetings Act. It was anticipated the Executive Session would last approximately 15 minutes, with no public announcements. Those in attendance were Commissioners Kathleen Vaughn, Sidney Logan, Tanya Olson, Acting CEO/General Manager Tom DeBoer; Interim General Counsel Kristin Hall; other District staff; and Clerk of the Board Melissa Collins. The Regular Meeting recessed immediately upon conclusion of the Executive Session at 1:39 p.m.

RECONVENE REGULAR MEETING

The Regular Meeting was reconvened by President Kathleen Vaughn at 1:46 p.m. in the Commission Meeting Room. Those attending were Sidney Logan, Vice President; Tanya Olson, Secretary; Acting CEO/General Manager Tom DeBoer; Interim General Counsel Kristin Hall; Assistant General Managers Glenn McPherson and Brant Wood; Chief Information Officer Dean Galvez; other District staff; members of the public; Clerk of the Board Melissa Collins; and Deputy Clerks of the Board Jenny Rich and Lela Wall.

* Items Taken Out of Order

** Non-Agenda Items

Changes to the agenda were as follows: Add Item 4B Consideration of a Motion for Defense and Indemnification of an Employee.

1. COMMENTS FROM THE PUBLIC

Steven Keeler, Edmonds, provided a handout at places, and made a part of the packet and spoke about climate change data tools, referencing the U.S. Climate Reference Network (USCRN).

David Chan, Everett, commented on the hiring of a new CEO/General Manager, carbon tax and the effects on ratepayers, and suggested the Board hold evening meetings.
2. CONSENT AGENDA

A. Bid Awards, Professional Services Contracts and Amendments

Public Works Contract Award Recommendations Over $25,000:
Request for Proposal No. Doc1355007761 with Interwest Construction, Inc.
Request for Proposal No. Doc1368747229 with Potelco, Inc.
Formal Bid Award Recommendations $60,000 and Over:
Recommend Rejection of Request for Quotation No. Doc1329280026
Professional Services Contract Award Recommendations $200,000 and Over:
None
Miscellaneous Contract Award Recommendations $200,000 and Over:
None
Cooperative Purchase Recommendations:
Contracts:
Purchase Order No. 4500038334 with Pape Machinery
Amendments:
None
Sole Source Purchase Recommendations:
None
Emergency Declarations, Purchases and Public Works Contracts:
None
Purchases Involving Special Facilities or Market Condition Recommendations:
None
Formal Bid and Contract Amendments:
Public Works Contract No. CW2225245 with Wilson Construction Company
Contract Acceptance Recommendations:
None

Commissioner Vaughn requested a tour of the District’s Beverly Park Substation, upon completion of the project.

B. Consideration of Certification/Ratification and Approval of District Checks and Vouchers

A motion unanimously passed approving Agenda Item 2A – Bid Awards, Professional Services Contracts and Amendments; and 2B - Certification/Ratification and Approval of District Checks and Vouchers.
3. PUBLIC HEARING

A. Consolidation of the Warm Beach Water System

President Vaughn opened the public hearing.

Principal Engineer Karen Heneghan facilitated a presentation on the status of the Warm Beach Water Association (WBWA) water system merger with the District's Kayak water system.

Ms. Heneghan noted that, since the initial Commission meeting presentation on July 10, 2018, a postcard invitation for this Public Hearing was sent to the Warm Beach Water Association customers.

The following citizens provided comments related to the consolidation:

David Chan, Everett, inquired about the return investment and requested a cost estimate of the merger. Assistant General Manager Generation, Power, Rates & Transmission Management Tom DeBoer responded that a cost estimate would be posted on the District website.

Cheryl Keller, Camano Island, with the Warm Beach Community Association, made a comment that was inaudible on the recording.

Steven Keeler, Edmonds, asked if the Warm Beach Residents were on septic systems, and if so, whether the District was getting involved in the issue of point source pollution, by supplying water to those residents. Commissioner Vaughn said that there were 600 members on septic systems. Dave Ridgeway, with the Warm Beach Water Association, responded with ways septic issues are being addressed. Assistant General Manager Water Utility Brant Wood spoke about protection plans and testing to protect the water quality.

David Chan, Everett, asked questions regarding the project budget and financial liability.

The next steps included Board consideration of five Resolutions on August 7, 2018; the Closing Date for Ownership Transfer on September 12, 2018; Design Improvements in 2019; and Constructional Improvements from 2020-2022.

There being no further questions or comments from the public, the public hearing was closed.
4. ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consideration of a Resolution to Authorize the CEO/General Manager to Execute First Amendments to the District’s Power Purchase Agreements with Hay Canyon Wind, LLC

A motion unanimously passed approving Resolution No. 5861 to authorize the CEO/General Manager to execute First Amendments to the District’s Power Purchase Agreements with Hay Canyon Wind, LLC.

**B. Consideration of a Motion for Defense and Indemnity of an Employee

A motion unanimously passed approving a request of District employee Suellen Clark for the District to provide defense and indemnification of her in the matter of Donaldson vs. Snohomish County Public Utility District No. 1, Snohomish County Superior Court No. 18-2-05617-31 on the terms set forth in the Confidential Memorandum from Assistant General Counsel to the Boards of Commissioners and Interim CEO/General Manager, dated July 19, 2018.

5. COMMISSION BUSINESS

A. Commission Reports

Commissioner Olson requested subjects for inclusion during the next regular updates of the following topics: (1) Federal issues dealing with the Administration or regulatory agencies, regarding Public Power’s position on proposed changes to the Endangered Species Act (ESA) and the impact on the rate payers; (2) The Federal Energy Regulatory Commission (FERC) Cyber Incident Reporting Order 848. Commissioner Vaughn mentioned it would be good to know what position the District is considering to take on it. (3) A general update on the Department of Energy (DOE) and the impact of the proposed reorganizations of the DOE and the Interior on power market agencies and (4) The Alliance for Transportation Electrification and how it pertains to the District. Commissioner Vaughn requested information on Electric Vehicle (EV) charging stations.

Commissioner Vaughn reported on an Energy Northwest (ENW) Participants Review Board meeting.

6. GOVERNANCE PLANNING

A. Governance Planning Calendar

There were no changes to the Governance Planning Calendar.
ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of July 24, 2018, adjourned at 3:28 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

Approved this 1\textsuperscript{st} day of October 2018.

Secretary

President

Vice President