The Regular Meeting was convened by President Kathleen Vaughn at 11:00 a.m. in the Commission Meeting Room. Those attending were Sidney Logan, Vice President; Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; other District staff; members of the public; Clerk of the Board Melissa Collins; and Deputy Clerks of the Board Allison Morrison and Lela Wall.

* Items Taken Out of Order
**Non-Agenda Items

1. Commission Business

A. Discussion of the Reporting Relationship of the Clerk of the Board

Commissioner Olson facilitated a discussion on her proposed realignment of the reporting relationship of the Clerk of the Board. The reporting relationship would realign from the Board of Commissioners to the CEO/General Manager. Ms. Olson mentioned this realignment as an opportunity for improved efficiency and communication, and to help assimilate the Clerk function and the Board function into the organization.

Commissioner Vaughn and Commissioner Logan spoke in favor of the realignment, as a way for the Clerk of the Board to able to work and communicate more directly with District staff.

Commissioner Olson presented a request, and the Board concurred, that General Counsel prepare a resolution from the Board’s recommendation for the Afternoon Session, with the change effective January 1, 2019. Ms. Olson noted that there was to be no change to the structure of the Board office, only the reporting relationship of the Clerk, and any substantive changes to the Clerk’s job description would be in consultation with the Board.

The following member of the public commented on the proposed resolution:

Rebecca Wolfe, Edmonds, asked about any potential negative consequences of the proposal and said that she would like more thought given to it.

CEO/General Manager John Haarlow commented that he thought the change would facilitate a team environment and better alignment.
EXECUTIVE SESSION

The Regular Meeting recessed at 11:21 a.m. and reconvened in Executive Session at 11:24 a.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 20 minutes, with no public announcements. Those in attendance were Commissioners Kathleen Vaughn, Sidney Logan, Tanya Olson; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Other District staff; and Clerk of the Board Melissa Collins. The Regular Meeting recessed immediately upon conclusion of the Executive Session at 11:35 a.m.

RECONVENE REGULAR MEETING

The Regular Meeting was reconvened by President Kathleen Vaughn at 1:30 p.m. in the Commission Meeting Room. Those attending were Sidney Logan, Vice President; Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Teresa D’Alessio (Interim), 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 Allison Morrison and Lela Wall.

* Items Taken Out of Order
**Non-Agenda Items

Changes to the agenda were as follows: Add item 5F Settlement of a Claim and add item 6D Consideration of a Resolution Changing the Reporting Relationship of the Clerk of the Board and Senior Manager, Office of the Commission, and Amending Resolution Nos. 5086 and 5732.

2. COMMENTS FROM THE PUBLIC

Shawn Landden, Everett, spoke of the benefits of Advanced Metering Infrastructure (AMI) Smart Meters.

3. CONSENT AGENDA

A. Approval of Minutes for the Regular Meeting of October 16, 2018, and the Regular Meeting of November 6, 2018

B. Bid Awards, Professional Services Contracts and Amendments

   Public Works Contract Award Recommendations Over $25,000:
   Request for Proposal No. Doc1502375611 with Asplundh Tree Expert, LLC
   Formal Bid Award Recommendations $60,000 and Over:
   Recommend Rejection of Request for Quotation No. Doc1501216804
   Request for Quotation No. Doc1521372662 with Busby International, Inc.
   Professional Services Contract Award Recommendations $200,000 and Over:
   Professional Services Contract No. CW2235869 with USIC Locating Services, LLC
   Miscellaneous Contract Award Recommendations $200,000 and Over:
None
Cooperative Purchase Recommendations:
Contracts:
Outline Agreement Number: 4600002393 with Nelson Petroleum
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:
Miscellaneous Contract No. 65673 with ARCOS, LLC
Miscellaneous Contract No. 67671 with Open Access Technology International, Inc.
(OATI)
Miscellaneous Contract No. 82064 with State of Washington – Washington Department of
Fish and Wildlife
Professional Services Contract No. 73269 with Golfarb & Huck Roth Riojas, PLLC
Professional Services Contract No. CW2223661 with Pratt, Day & Stratton, PLLC
Professional Services Contract No. CW2224026 with Orrick Herrington & Sutcliffe, LLP
Contract Acceptance Recommendations:
Public Works Contract No. CW2229964 with IMCO General Construction, Inc.

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

D. Consideration to Prequalify Contractors as Bidders for Electrical Line Work for the District
   During 2019

E. Consideration of a Resolution Approving Amendment No. 5 to the Collective Bargaining
   Agreement Between the Public Utility District No. 1 of Snohomish County and the
   International Brotherhood of Electrical Workers, Local No. 77, for the Period of April 1, 2017,
   Through March 31, 2020

A motion passed approving Agenda Item 3A – Approval of Minutes for the Regular Meeting
of October 16, 2018, with Commissioner Olson abstaining.

Amended pages 1 and 2 for the Regular Meeting Minutes of November 6, 2018, were provided
at places, by reference made a part of the packet.

A motion unanimously passed approving Agenda Items 3A – Approval of Minutes for the
Regular Meeting of November 6, 2018, as amended; 3B – Bid Awards, Professional Services
Contracts and Amendments; 3C - Certification/Ratification and Approval of District Checks
and Vouchers; 3D – Consideration to Prequalify Contractors as Bidders for Electrical Line
Work for the District During 2019; and 3E - Resolution 5881 approving Amendment No. 5 to
the Collective Bargaining Agreement Between the Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the period of April 1, 2017, through March 31, 2020

4. PUBLIC HEARING

A. Disposal of Surplus Property – 1st Quarter 2019

President Vaughn opened the public hearing.

There being no questions or comments from the public, the public hearing was closed.

Based on staff’s recommendation that the items are no longer necessary or useful to the District, a motion unanimously passed approving those listed on the Exhibits A and B of the Surplus Property Recommendation Report be declared surplus and be sold for high bid or disposed of according to policy in the first quarter of 2019.

B. Consideration of a Resolution Adopting the 2019 Budget for Public Utility District No. 1 of Snohomish County, Washington

President Vaughn opened the public hearing.

Chief Financial Officer Glenn McPherson provided a brief presentation with further information, as requested by the Board, on the District’s Operating Reserves.

There being no questions or comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5882 adopting the 2019 Budget for the Public Utility District No. 1 of Snohomish County, Washington.

C. Consideration of a Resolution Ordering, Approving, Ratifying, and Confirming the Construction and Installation of the Plan or System of Additions to the District’s Water Utility, as Adopted on November 20, 2018, and Applicable to the Local Utility District Hereinafter Described, Forming Local Utility District No. 61 of Snohomish County, Washington, and Confirming the Final Assessment Roll

President Vaughn opened the public hearing.

There being no questions or comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5883 ordering, approving, ratifying, and confirming the construction and installation of the plan or system of additions to the District’s Water Utility, as adopted on November 20, 2018, and applicable to the Local Utility District hereinafter described, forming Local Utility District No. 61 of Snohomish County, Washington, and confirming the final assessment roll.
5. ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consideration of a Motion Accepting the Financial Planning and Budgeting Monitoring Report

A motion unanimously passed accepting the Financial Planning and Budgeting Monitoring Report.

B. Consideration of a Resolution Authorizing the CEO/General Manager to Execute Amendment No. 1 to the Power Purchase Agreement Between the District and Qualco Energy Cooperation

A motion unanimously passed approving Resolution No. 5884 authorizing the CEO/General Manager to execute amendment No. 1 to the power purchase agreement between the District and Qualco Energy Cooperation.


A motion unanimously passed approving Resolution No. 5885 creating the District’s pilot rate schedule, “Supplemental Rate for Voluntary Bundled Renewable Energy”.

D. Consideration of a Resolution Authorizing Execution of a Lease Amendment for Property Located at 2500 Hewitt Avenue in Everett, Washington

An amended Exhibit A was provided at places, by reference made a part of the packet.

A motion unanimously passed approving Resolution No. 5886 authorizing execution of a lease amendment for property located at 2500 Hewitt Avenue in Everett, Washington, as amended.

E. Consideration of a Resolution Authorizing the CEO/General Manager to Execute a Reliability Coordinator Services Agreement Between the District and California Independent System Operator Corporation

A motion unanimously passed approving Resolution No. 5887 authorizing the CEO/General Manager to execute a reliability coordinator services agreement between the District and California Independent System Operator Corporation.

**F. A motion unanimously passed approving a settlement with the City of Everett regarding the District’s lawsuit arising from an August 29, 2013, flooding event in accordance with the terms and conditions set forth in the December 12, 2018, confidential memorandum from the Assistant General Counsel to the CEO/General Manager.**
6. COMMISSION BUSINESS

A. Commission Reports

Commissioner Logan attended an exit interview for the draft audit of I-937 (Renewable Act) compliance and the accountability audit.

B. Consideration of Election of Commission Officers for the Year 2019

A motion unanimously passed electing Commission Officers for the year 2019 as follows: Sidney Logan, President; Tanya Olson, Vice-President; and Commissioner Elect Rebecca Wolfe, Secretary.

*C. Consideration of a Resolution Recognizing Kathleen Vaughn for her Service as Commissioner for Public Utility District No. 1 of Snohomish County

The resolution was provided at places, by reference made a part of the packet.

Commissioners Olson and Logan read the resolution into the record.

Commissioner Vaughn expressed her thanks and appreciation for twenty-four years of service as Commissioner and for the District staff. The Commissioners presented Ms. Vaughn with a framed copy of the Resolution and other tokens of appreciation.

A motion passed approving Resolution No. 5888 recognizing Kathleen Vaughn for her service as Commissioner for Public Utility District No. 1 of Snohomish County.

**D. Consideration of a Resolution Changing the Reporting Relationship of the Clerk of the Board and Senior Manager, Office of the Commission, and Amending Resolution Nos. 5086 and 5732

The resolution was provided at places, by reference made a part of the packet.

Commissioner Olson read the resolution into the record.

Rebecca Wolfe, Edmonds, spoke in opposition to the resolution being signed without the public having seen it.

A motion unanimously passed approving Resolution No. 5889 changing the reporting relationship of the clerk of the board and senior manager, Office of the Commission, and amending Resolution Nos. 5086 and 5732.
7. GOVERNANCE PLANNING

A. Adoption of the 2019 Governance Calendar

A motion passed adopting the 2019 Governance Planning Calendar, with Commissioner Vaughn abstaining.

**EXECUTIVE SESSION

The Regular Meeting recessed at 2:52 p.m. and reconvened in Executive Session at 2:53 p.m. to review the performance of a public employee, under the terms set forth in the Open Public Meetings Act. It was anticipated the Executive Session would last approximately 60 minutes, with no public announcements. Those in attendance were Commissioners Kathleen Vaughn, Sidney Logan, Tanya Olson; and Clerk of the Board Melissa Collins. The Commission immediately adjourned the Regular Meeting upon conclusion of the Executive Session.

ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of December 18, 2018, adjourned at 3:35 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

Approved this 8th day of January 2019.

Signed

Rebecca J. Wolfe
Secretary

President

Vice President

Kathleen Vaughn