

MINUTES OF THE MEETING OF THE COMMISSION

February 23, 2016

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 8:00 a.m. by Commissioner Mike Murphy. Said meeting was open to the public and notice thereof had been given as required by law. Those present included Commissioner Paul Kenner, Commissioner Jeff McClure and Legal Counsel Jon Sitkin. Staff: Steve Jilk, General Manager; Ann Grimm, Administrative Assistant; Annette Smith, Director of Finance; Brian Walters, Director of Utility Operations; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Duane Holden, Manager of Construction and Facilities; Fred Disch, Water Systems Supervisor; Jon Littlefield, Electric System Supervisor; Alec Strand, Project Manager; Paul Siegmund, Manager of Automation and Technology; Mike Macomber, IT/SCADA Technician; and Lew Gaskill, Accountant I.

Public attending: Carol Perry and Max Perry, Citizens;
Rick Maricle, Phillips66;
Robin Dexter, Environmental Working Group

◆ Public Comment

Max Perry remarked about what his wife Carol said at the last meeting in regards to the donkey basketball game that occurred over the weekend at a local school – the event drew as much opposition/protests as it did for supporters. Perry said sometimes protests are good advertisements.

Commissioner Murphy thanked Mr. Perry for his comments.

◆ Approval of the Meeting Minutes and Claims

The Commissioners were presented with the Minutes of the Regular Meeting held February 9, 2016, and the following Claims of February 23, 2016:

VENDOR NAME	AMOUNT
APPLIED DIGITAL IMAGING	167.40
ARBITRAGE GROUP INC.	2,000.00
BHAM WHATCOM CHAMBER OF COMM & INDUSTRY	320.00
BONNEVILLE POWER ADMINISTRATION	766,916.00
CESCO NEW CONCEPT CHEMICAL PRODUCTS	97.68
CLEARING UP: NEWSDATA SERVICE	1,388.80
COMCAST	115.97
EDGE ANALYTICAL LABORATORIES	118.00
ELECTRIC POWER SYSTEMS - EPS	19,088.28
FASTENERS, INC	20.67
FERNDALE ACE HARDWARE	120.15
GENEVA CONSULTING	840.00
HACH COMPANY	102.81
HARDWARE SALES, INC.	2,550.65
INDUSTRIAL SUPPLY, INC	631.78
INTERNAL REVENUE SERVICE	14,191.81
IVOXY CONSULTING LLC	6,000.00
KCDA PURCHASING COOPERATIVE	136.09
NOOKSACK SALMON ENHANCEMENT ASSOCIATION	16,000.00
NORTH COAST ELECTRIC COMPANY	412.03
NORTHWEST FENCE, INC	1,842.33
PACIFIC SURVEY & ENGINEERING	4,622.75
PARAMOUNT SUPPLY COMPANY	77.80
PAYROLL	156,666.56
PAYLOCITY	123.30
PLATT ELECTRIC SUPPLY CO	7,526.55
PLATTS	2,434.88
POTELCO, INC	5,399.69
PUD #1 OF WHATCOM COUNTY	141.60
PUGET SOUND ENERGY, INC	225.16
RICOH USA FINANCIAL SVC	152.18
SOFTWIRED	95.00
SOUND SHREDDING & RECYCLING	104.00
STAR RENTALS	325.28
TYLER TECHNOLOGIES-INCODE	383.10
UTILITIES UNDERGROUND LOCATION	14.19
WA FEDERAL VISA CARD MEMBER SERVICES	10,164.05
WA ST DEPT OF REVENUE	74,064.09

WESTERN CONFERENCE OF TEAMSTERS	5,995.00
WESTERN ELECTRICAL SERVICES, INC	2,786.75
WHATCOM COUNTY TREASURER	570.75
WHATCOM GUTTER COMPANY	483.72
GRAND TOTAL	\$ 1,105,416.85

ACTION: Commissioner Kenner motioned to approve the Minutes of the Regular Meeting held February 9, 2016, and the Claims of February 23, 2016. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Presentation of Proposed Water Main Extension to Supply Grandview Fire System**

Background: The Grandview Fire Protection Water System is in need of sufficient and reliable water supply. As such, District staff has been considering several alternatives for improving the Grandview system:

- 1) Construct above ground water storage tank(s) within the Grandview/Northgate Business Parks area;
- 2) Construct above ground storage tank(s) and combine the Grandview Potable and Fire Water Systems;
- 3) Interconnection fire distribution system with City of Ferndale Water Main at Enterprise or Grandview Roads;
- 4) Interconnection fire distribution system with the PUD's 24" line at Aldergrove and Malloy Roads;

ROM Cost Estimates range from \$1.4 million to \$2.4 million.

The preferred alternative is to construct a 16" diameter water main that would interconnect with the PUD's Aldergrove Road/Industrial Water Line and the Grandview System Fire Water Distribution Line. This estimated cost is \$1.9 million, less than storage tank alternatives. Walters said that this alternative eliminates the reliance on ground water supply from the well(s); assures water quality and sufficient water flow rate and quantity, and supports the potential/eventual expansion of the City of Ferndale's Water Supply System into the Grandview area. In 2010, the City of Ferndale annexed some of the Grandview property and development has not occurred as anticipated.

Walters presented a slide show of the proposed route, indicating areas of clearance, easements and various obstructions like railway lines and busy intersections.

In regards to the alternative suggestions, the most expensive route is to connect with the existing City of Ferndale water system. The storage tank option would be filled from the ground water and constructed at the most highest point in the area; however it does not address fire flow pressure requirements, which can vary from sprinkler systems and hydrant systems. For the option of connecting the potable and fire systems, backflow preventions would need to be in place, creating additional costs.

The City of Ferndale has a 12" water line which goes out Portal Way to Enterprise Road; however, there is possibly not enough pressure and would need a pumping station to move water further along. After meeting with City officials, the alternative to connect to the City's line is feasible and the City recommended to upsize the line to 16" from 12" which could be more compatible with the City's system, should the District choose to eventually connect to Ferndale's existing system. The cost estimate, to connect with the City of Ferndale at Enterprise Road is lower, but does not include costs that the City would incur to make other system improvements.

Commissioner Murphy asked about a line along Vista Road, which would almost be a straight shot to Delta Tech Business Park. Jilk responded that Vista Road is actually a longer route and the goal is to improve fire flow for the entire area of Grandview/I-5/Delta Business Parks. However, staff will take another look at the Vista route to be certain.

As the project begins to ramp up, more firm costs and pre-designs will be taken to the County to be considered for Economic Development Investment (EDI) funding. Use of EDI funds is critical and to support additional development in the PUD Grandview/I-5/Northgate/Delta Tech Park areas as that development will not occur if sufficient fire suppression systems are not in place. This project would need at least 50% funding in the form of a grant.

Commissioner Murphy is interested in running the line along Vista Road, which seems like a shorter distance and installing hydrants along the line, which would benefit as many people as possible. Jilk replied that the PUD does not have the responsibility to put in hydrants – it is up to the County and City. If the water main runs along Aldergrove to Brown Roads, the District will decide whether or not to install hydrants and what agency should pay for them.

The District will proceed in working with Pacific Surveying and Engineering to firm up cost estimates and begin on the preliminary design work.

ACTION: For information only. No action request of or taken by the Commission.

◆ **Manager's Report**

Water Quality Testing Unit

The District is working with the Environmental Protection Agency (EPA) and the Lummi Nation to connect a water quality testing unit which will be provided by the Environmental Protection Agency at Water Plant 1. The unit will provide 24-hour monitoring and automatic testing, and data collection. An agreement which will cover liability and installation should be ready for Commission approval on March 22.

Local Climate Change Presentation

Jilk and Commissioner Murphy attended a presentation last week by Bob Mitchell, professor of Geology at WWU, on climate change, depreciation of glaciers and stream flows. Both indicated it was well presented with a high level degree of technical information. With data from the 1950s, Mitchell presented scenarios for the future years: 2025, 2050 and 2075, that indicates more flooding potential, less snowpack on average, higher temperatures and snow pack on the higher peaks, could create low stream flows. Although there is a slight growth in the glaciers in the near term that growth is thin layered and will impact stream temperature (with less glacial melt), which could result downstream in water flow and streambed changes. Rises in sea level in combination with extreme low flow could have a possible impact on Water Plant 1 operations.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:59 a.m.



President/Commissioner



Secretary/Commissioner

Commissioner