

## MINUTES OF THE MEETING OF THE COMMISSION

August 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, and Legal Counsel Jon Sitkin. Staff: Steve Jilk, General Manager; Ann Grimm, Administrative Assistant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Brian Walters, Director of Utility Operations; Duane Holden, Manager of Construction and Facilities; Annette Smith, Director of Finance; Alec Strand, Project Manager; Lew Gaskill, Accountant I.

Public attending: Rick Maricle, Phillips66  
Carole Perry, Citizen  
Dave Olson, Citizen

◆ **Public Comment**

No comments made.

◆ **Approval of the Meeting Minutes and Claims**

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

| VENDOR NAME                             | AMOUNT                |
|---|-----------------------|
| APPLIED INDUSTRIAL TECHNOLOGIES, INC    | 125.77                |
| BONNEVILLE POWER ADMINISTRATION         | 737,800.00            |
| CDW/COMPUTER DISCOUNT WAREHOUSE         | 2,971.90              |
| COMCAST                                 | 115.96                |
| CRABTREE, DEVIN                         | 159.48                |
| CULLIGAN NORTHWEST                      | 73.35                 |
| EDGE ANALYTICAL LABORATORIES            | 20.00                 |
| ELECTRIC POWER SYSTEMS - EPS            | 7,931.00              |
| FERNDALE ACE HARDWARE                   | 65.57                 |
| INTERNAL REVENUE SERVICE                | 13,899.98             |
| IVERSON EARTHWORKS                      | 5,434.85              |
| MANAGEMENT SERVICES NW                  | 8,680.84              |
| MOTION INDUSTRIES, INC                  | 61.14                 |
| NORTHWEST MOWING & GARDENING            | 1,672.29              |
| PACIFIC SURVEY & ENGINEERING            | 3,001.88              |
| PAYROLL                                 | 154,829.90            |
| PAYLOCITY                               | 125.40                |
| PITNEY BOWES RESERVE ACCOUNT            | 500.00                |
| PUBLIC UTILITY RISK MANAGEMENT SERVICES | 8,499.89              |
| PUD #1 OF WHATCOM COUNTY                | 13.66                 |
| PUGET SOUND ENERGY, INC                 | 143.34                |
| RAGAN COMMUNICATIONS                    | 29.95                 |
| RICOH USA FINANCIAL SVC                 | 152.18                |
| ROHLINGER ENTERPRISES                   | 4,750.20              |
| SMITH MECHANICAL                        | 898.78                |
| WA FEDERAL VISA CARD MEMBER SERVICES    | 1,357.69              |
| WA ST DEPT OF REVENUE                   | 73,935.53             |
| WESTERN CONFERENCE OF TEAMSTERS         | 5,709.00              |
| <b>GRAND TOTAL</b>                      | <b>\$1,032,959.53</b> |

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

◆ **Approve District's Medical/Dental/Vision Insurance Plan Renewal – September 2016**

Background: The District has received the health insurance plan renewal rate information for our medical, dental, prescription drug and vision coverage for non-union employees and Commissioners.

This year we were able to receive quotes from Regence Blue Shield and Washington Dental Service; and we researched the Association of Washington Cities' anticipated rate increases as well with the possibility of rejoining their Benefits Trust. Due to new Affordable Care Act requirements and mandates, Regence is offering a brand new suite of products and the District's current Regence plan will no longer be offered:

- *Regence Employee Choice Platinum 250 Plan* – Similar plan with a higher out-of-pocket expense
- *Regence Employee Choice Platinum 500 Plan* – Similar plan with a higher deductible
- *Regence Gold 500* – A higher deductible, including higher co-insurance rates and co-pays.
- Assoc. of WA Cities – Medical and Dental Rates not published yet; however anticipating a higher increase in premiums than the District’s Regence offerings
- Washington/Delta Dental Service *Premier Enhanced Plan* – A slight increase in premiums

There are cost saving options for the District with the medical plans as noted above which would result in increased cost sharing for District employees: A higher deductible or a lower co-insurance cost. Last year, the District experienced a -9.0% rate decrease for the *Regence Employee Choice Platinum Plus* plan (period Sept. 1, 2015 – Aug. 31, 2016). The District received a 5% rate increase last year for the *Delta Premier Enhanced Plan*, and to remain with the same dental plan, the District will experience a 2.1% increase with no changes to the overall plan.

This is a recommendation to renew the District’s medical/vision/dental insurance plans for non-bargaining employees and Commissioner to select:

- Regence Employee Choice Platinum 250 Plan
- Washington/Delta Dental Service Premier Enhanced Plan

This change will be effective September 1, 2016 and because the increase is less than the amount budgeted for the remaining four months, the District will not experience an overall budget change due to the change in premium. The District currently covers 18 employees, 17 spouses and 21 child/children units, and 3 Commissioners, 3 spouses and 3 child/children units. Premiums are age-based. Because of a reduction in dependents covered, and the age of employees and dependents will be lower in the 2016 – 2017 renewal year (Sept 1 – August 31) the District will actually experience a small decrease in premium costs. These reductions will begin taking place in November.

Commissioner McClure commented that he is pleased that the District is managing health care coverage well within reasonable limits.

**ACTION:** Commissioner McClure motioned to approve the renewal of the District’s medical/dental/vision insurance plans for non-bargaining employees and Commissioners: *Regence Blue Shield Employee Choice Platinum 250 Plan*, and the *Delta/Washington Dental Service Premier Enhanced Plan*, effective September 1, 2016, and authorize the General Manager to sign on behalf of the District. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Manager’s Report**

City of Blaine Energy Conservation Credits

Blaine has approached the District for consideration of transferring some of the District’s Energy Conservation Credits from BPA to the City of Blaine, as a sponsor for low-income weatherization projects. The program, advantageous to many households will be managed by the Opportunity Council. Walters added the amount of the District’s Conservation Credits is a direct result of the District’s sale of energy to Phillips 66 refinery, and otherwise would not be possible, and that Phillips66 be credited for supporting the projects and keeping the money within Whatcom County. BPA’s plan includes a wide variety of programs and the criteria of Blaine’s program matches up with BPA guidelines to assist the residential sector and saving energy use.

Blaine would like to submit an ongoing yearly request to the District for an ‘annual contribution’ of \$50,000 per year, however the District will continue on a year-to-year basis depending on the results of the program. A formal submission for the transfer of credits will be presented at the next Commission Meeting on September 13, 2016.

Commissioner Murphy thanked Maricle and Phillips 66 for all that they contribute to Whatcom County and making projects like this feasible.

◆ **Public Records Request – Legal Counsel Update**

Legal Counsel Sitkin updated the Commissioners on the very large public disclosure request that the District received in July. The first installment of documents was paid for and picked up last week, and staff is in the process of finalizing the second and final installment of documents, including the electronic files and an exemption log. Sitkin added that the District is ahead of the timeline to complete the request and staff members Ann Grimm and Rebecca Schlotterback have done a great job of retrieving and tracking the document process. Almost 3,000 pages of documents have been copied for the request.

Some documents were labeled confidential and/or subject to mediation, however, Sitkin determined that a mediation exemption wouldn’t apply to a mediation agreement dated prior to January 1, 2006 and would likely not survive judicial scrutiny based upon the law in effect at the time of the mediation agreements were executed. (On January 1, 2006, the legislature changed the law related to an exemption from disclosure for records related to a mediation based upon a mediation agreement signed after January 1, 2006.)

There were 17 documents noted on the final exemption log that will not be released as they are considered and identified as Attorney Client Privilege documents – RCW 42.56.070 and RCW 5.60.060 - Contains attorney client communications; reflects legal advice.

◆ **Approve Resolution No. 711 – In Appreciation of Rick Maricle, Phillips66**

The District’s customer representative from Phillips 66 (formerly BP, Tosco, and ConocoPhillips) is Rick Maricle. Maricle will retire from Phillips 66 at the end of September after representing the PUD’s refinery customer for 23 years and 39 years in total at Phillips66. Commissioners Murphy and McClure thanked Maricle for his outstanding service to the District and presented Resolution No. 711 honoring Maricle upon his retirement. Resolution No. 711 expressed the Commissioners’ sincere appreciation for his valued relationship to the District since 1993. Maricle is famous for attending almost every Commission meeting throughout the years. Maricle served the District “...most capably with the interests of the PUD always foremost, and gave generously of his time and talents in performing the duties of his job as the District’s Engineer Extraordinaire...”

McClure presented Maricle with a framed copy of the signed resolution and collage of photographs depicting the original refinery substation in 1954 and today. Commemorative photos were taken and all congratulated and applauded Rick’s accomplishments.

**ACTION:** Commissioner McClure motioned to approve Resolution No. 711 honoring Rick Maricle upon his retirement after 39 years as Energy and Models Engineer at Phillips 66 and 23 years as “Engineer Extraordinaire” to the District. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:24 a.m.

  
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President/Commissioner

  
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Secretary/Commissioner

\_\_\_\_\_  
Commissioner

