

MINUTES OF THE MEETING OF THE COMMISSION

February 10, 2015

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; Annette Smith, Director of Finance; Brian Walters, Director of Utility Operations; Duane Holden, Manager of Construction and Facilities; Alec Strand, Project Manager; Mike Macomber, IT-SCADA Technician; and Lew Gaskill, Accountant I.

Public attending: Greg Brown and Carole Perry citizens.
Tom Perry, Murray, Smith and Associates

◆ **Public Comment**

No comments made.

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

The Commissioners were presented with the Minutes of the meeting held January 27, 2015 and the following Claims of February 10, 2015:

VENDOR NAME	AMOUNT
3-D CORPORATION	1,050.00
APPLIED DIGITAL IMAGING	67.00
BAY CITY SUPPLY	213.27
BELLINGHAM HERALD	525.62
CARL'S MOWER & SAW, INC	189.46
CHMELIK SITKIN & DAVIS	5,650.56
CORNERSTONE MANAGEMENT, INC.	20,026.22
CULLIGAN NORTHWEST	84.35
EDGE ANALYTICAL LABORATORIES	19.00
FERNDALE ACE HARDWARE	104.85
FERNDALE LUBE	69.40
FRONTIER	765.70
GUARDIAN SECURITY SYSTEMS, INC	462.00
HARDWARE SALES, INC.	202.85
HAWLEY'S AUTO SUPPLY	180.49
HEALTH PROMOTIONS NORTHWEST	90.00
HYTEC ROOFING INC	657.64
INDUSTRIAL SUPPLY, INC	40.65
JOHN DEERE FINANCIAL	214.07
MCMASTER-CARR SUPPLY CO	46.37
MIS TRAINING INSTITUTE	1,705.00
MIXTEC NORTH AMERICA	5,794.00
MURRAY SMITH & ASSOCIATES	5,899.18
NORTHWEST FENCE, INC	17,956.75
NORTHWEST MOWING & GARDENING	16.71
PLATT ELECTRIC SUPPLY CO	3,260.04
PUD #1 OF WHATCOM COUNTY	120.00
PUGET SAFETY EQUIPMENT COMPANY	81.38
REGENCE BLUE SHIELD	37,215.43
REISNER DISTRIBUTION, INC	993.39
SANDERSON SUPPLY	82.07
SPECIALTY ENGINEERING, INC	74.31
SSC - SANITARY SERVICE COMPANY	595.60
THATCHER COMPANY OF MONTANA	18,093.33
TYLER TECHNOLOGIES-INCODE	9,235.96
UTILITIES UNDERGROUND LOCATION	16.80
VERIZON WIRELESS	1,030.92
WASHINGTON DENTAL SERVICE	2,435.15
WASHINGTON TEAMSTERS WELFARE	9,306.90
WESTERN FLUID COMPONENTS	166.12
XEROX CORPORATION	106.67
GRAND TOTAL	\$ 144,845.21

ACTION: Commissioner Kenner motioned to approve the Minutes of the meeting held January 27, 2015 and the Claims of February 10, 2015. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Call for Special Meeting on February 27, 2015 – Strategic Planning Workshop #1**

Background: At the January 27, 2015 Commission meeting, Legal Counsel Sitkin presented additional information on the Strategic Plan process to address capital planning, operational planning, and policy direction for the District. The Commission discussed available meeting times and it was determined that the morning of Friday, February 27 would work best, and to hold the first workshop at an off-site location to be determined. Because the workshop has been scheduled on a day other than a regular Commission meeting, a Special Meeting will need to be called and appropriate legal notice as required by law. The meeting location has been confirmed and the workshop will take place at the Blaine Boating Center, at Blaine Harbor, on Friday, February 27, 2015 from 8:00 a.m. until noon.

ACTION: Commissioner Kenner motioned to call the Special Meeting for the purposes of holding the Strategic Planning Workshop #1 on February 27, 2015 at the Blaine Boating Center from 8:00 a.m. until noon. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Approve Resolution No. 692 – Establishing a Separate Stormwater Maintenance Reserve Fund**

Background: The District completed CIP E-14, the Refinery Substation Redesign Project, and is now in the process of closing out the required permits for both the Army Corps of Engineers (ACOE) and Whatcom County (County). Resolution No. 634, previously approved by the Commission, established a Project Reserve Fund. Once established, the Fund serves as a guarantee to the permitting agencies that the District has sufficient capital set aside to complete future maintenance work associated with the wetland (critical area) mitigation required for the project. Resolution No. 634 established this Fund in the amount of \$60,000.

Walters explained that although all of the work performed in the critical area was accomplished under the Joint Aquatic Resources Permit Application (JARPA) process, Resolution No. 634 didn't specifically identify the exact maintenance activities to be funded by the \$60,000. Whatcom County is now requiring that the District separately identify a portion of the total fund amount to be set-aside specifically for maintenance activities associated with the storm water treatment system, which was constructed as part of the project. Whatcom County requires a minimum of \$7,650 be utilized for such purpose. This amount is formulated based on the valuation of the facility. The ACOE requests the funding and monitoring of the site remain for five (5) years and the County requests three (3) years monitoring. At the end of the duration, the money will be "released" from the reserve account.

Two bioswales constructed for storm water treatment in the critical area also come under the County's building permit. The intent of the total fund for Resolution No. 634 captures the two permits' requirements both for ACOE and the County. However, the County Engineering Department does not accept the reserve fund established under Resolution No. 634, without express language dedicating \$7,650 specifically to stormwater maintenance.

Approval of Resolution No. 692 will result in the establishment of two distinct project reserves:

1. Whatcom County Commercial Building Permit COM2011-00117 reserve is \$7,650, specifically for stormwater facility maintenance.
2. ACOE Permit NWS 2011-878 reserve is then by default \$52,350, which will be used specifically for wetland mitigation maintenance.

As such, District staff recommends that the Commission approval Resolution No. 692 establishing a Stormwater Maintenance Reserve Fund in the amount of \$7,650. This amount is a subset and not an addition to the total amount of \$60,000 established previously under Commission Resolution No. 634. There is no fiscal impact to the District as Resolution No. 634 has already established the Reserve Fund in the total amount of \$60,000.

ACTION: Commissioner Kenner motioned to approve Resolution No. 692 establishing a Stormwater Maintenance Reserve Fund in the amount of \$7,650, which is inclusive of, but identified separately from the existing Total Project Reserve Fund, Resolution No. 634. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Approval of Murray, Smith and Associates Task Order No. 26 – Douglas Road Isolation Valve Improvements**

Background: The District has limited isolation valves in its raw water distribution system. Valves are located at the two treatment plants, the intertie, and one other on the Aldergrove Road main, which the District installed in 2013. The Douglas Road main does not have any isolation valves from Plant 1 to Cherry Point. The District staff recommends that the District install one isolation valve on the Douglas Road main east of the intertie. The installation of this isolation valve is identified in the District's Water Supply Comprehensive Plan and included in the District's 2015 Capital Budget, CIP No. RW-22. Based on the findings of the District's Water Supply Comprehensive Plan, discussions with District staff, and MSA's understanding of the services desired, MSA has determined a Scope of Work for engineering services to assist the District in installing an isolation valve on the Douglas Road transmission main. Task Order No. 26 will allow for the design and construction assistance of the isolation valve improvements.

The Commission recently approved an extension of MSA's Professional Engineering Services Agreement – Amendment No. 2 in December, 2014, to extend the agreement until June 30, 2015. Further, by approving Task Order No. 26, the Commission also approves MSA doing additional new work for the District during 2015. The District is in the process of issuing an RFQ for Engineering Services but in consideration of the timeliness of getting this valve installed, staff recommends using MSA for engineering services on this project. MSA provided engineering services for the installation of the isolation valve on the District's Aldergrove line and as such, staff feels that MSA can be most efficient in providing same services on this project.

Commissioner Murphy inquired if the project will be costly. Jilk said the isolation valve is relatively inexpensive but installation can be expensive. There are very few construction companies that are experienced with high pressure water lines.

Because there is no way currently to isolate the line, staff recommends approval of Task Order No. 26. The project and expenditures are included in the District's approved 2015 CIP Budget.

ACTION: Commissioner Kenner motioned to approve Task Order No.26 for MSA for Engineering Services associated with the District's CIP Project RW-22 (Douglas Road Isolation Valve Installation) for a budget amount not to exceed \$25,828 and authorize the District's General Manager to execute the task order. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Manager's Report**

Security Fence Update

In addition to the fence update from the last meeting, Jilk informed the Commission that all three substations' fencing now include privacy slats to increase security and aesthetics. A new fence to be built along the open field to the west of the administration building will be six feet high, black coated chain link fence. This fence will continue the fence built as part of the Plant 2 upgrade and terminate at Trigg Road. A project to improve the Trigg Road entrance and improve security at that location is being planned.

Mt. Baker Foothills Broadband Update

After a conference call last week with the Foothills Broadband group, the project may be put on hold. Discussions with local broadband and cellular companies to engage in a public/private partnership on the project determined there was little interest from the private sector to complete the "middle mile" of broadband for the Mt. Baker Foothills area. There was also no response from a request distributed to 35 companies which are capable of building the tower needed for service. There is now high speed internet service from Kendall to Glacier along the Mt Baker Highway, however, this leaves several other areas in the Foothills still under-served. At this point, the group indicates there may not be a need to utilize the EDI funds allocated from the County to the Foothills for the broadband project at this time. There will be a report forthcoming from the Mt Baker Foothills Broadband working group with a recommendation on the use of the EDI funds.

◆ Plant 2 Basement Flooding

Commissioner Murphy asked for an update on the basement flooding at Plant 2 last week. Walters reported that fortunately, the facility was only down for one day. A six-inch PVC pipe inside connected to an outside fire hydrant burst and consequently about 4 feet of water filled the basement and several pieces of equipment including compressors, sensors and chemical pumps were under water. It appears that all equipment but one chemical pump will be salvageable. Holden said that Paul Siegmund and Tony Gambini were first on the scene and deserved a big thank you for their quick thinking and for safely securing the area.

Murphy asked if the PVC pipe will be replaced. Walters said the pipe will be replaced with ductile iron pipe and also an actuator to activate and open a valve for draining. Additional water sensors will be installed and all electrical outlets have been replaced. Murphy thanked staff for their fast response to safely remedy the situation.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:32 a.m.



President/Commissioner



Secretary/Commissioner

Commissioner