

## MINUTES OF THE MEETING OF THE COMMISSION

March 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 Jeff McClure. Said meeting was open to the public and notice thereof had been given as required by law. Those present included Commissioner Mike Murphy 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, Contracts and Regulatory Compliance Manager; Alec Strand, Project Manager; Mike Macomber, IT-SCADA Technician; and Lew Gaskill, Accountant I.

Public attending: Greg and Karen Brown, citizens.  
Rich Maricle, Phillips66; Darrell Gray, Nooksack Salmon Enhancement Association

◆ **Public Comment**

None made.

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

The Commissioners were presented with the Minutes of the Meeting held February 25, 2015, Minutes of the Special Meeting held February 27, 2015, and the following Claims of March 10, 2015:

VENDOR NAME	AMOUNT
3-D CORPORATION	1,050.00
BELLINGHAM HERALD	1,112.58
BELLINGHAM LOCK & SAFE, INC	474.16
BHAM WHATCOM CHAMBER OF COMM & INDUSTRY	320.00
BRULANDS DRILLING & BORING INC	21,646.10
CARL'S MOWER & SAW, INC	20.37
CARLSON STEEL WORKS, INC	45.65
CHMELIK SITKIN & DAVIS	7,568.60
CORNERSTONE MANAGEMENT, INC.	7,633.42
CULLIGAN NORTHWEST	78.85
DELTA DENTAL SERVICE	2,435.15
FASTENERS, INC	287.74
FEDERAL EXPRESS	4.53
FERNDALE ACE HARDWARE	100.66
FERNDALE CITY OF	408.31
FERNDALE LUBE	110.60
FERNDALE READY MIX AND GRAVEL, INC	1,517.60
FRONTIER	765.84
HD FOWLER CO, INC	459.13
HEALTH PROMOTIONS NORTHWEST	90.00
IVERSON EARTHWORKS	7,386.79
JOHN DEERE FINANCIAL	969.23
LAW SEMINARS INTERNATIONAL	830.00
MORTIMER, TOM	1,657.77
NORTHWEST FENCE, INC	23,273.25
P&P EXCAVATING, LLC	4,200.04
PARAMOUNT SUPPLY COMPANY	51.63
PEDERSON BROTHERS, INC	108.50
PLATT ELECTRIC SUPPLY CO	3,094.97
PORTAL WAY FARM & GARDEN	143.46
POTELCO, INC	106,542.55
REGENCE BLUE SHIELD	37,215.43
REISNER DISTRIBUTION, INC	990.36
RICOH USA	232.59

SHERWIN WILLIAMS PAINT	225.46
SIEGMUND, PAUL M	373.75
SPECIALTY ENGINEERING, INC	3,401.65
SSC - SANITARY SERVICE COMPANY	527.84
STAR RENTALS	141.32
STEEL RIVER PIPING & FABRICATION	1,692.60
STREMLER GRAVEL, INC	10,117.63
UTILITIES UNDERGROUND LOCATION	20.73
VERIZON WIRELESS	1,303.84
WA ST DEPT TRANSP-NW REGION	36.94
WASHINGTON TEAMSTERS WELFARE	9,306.90
WHATCOM COUNTY TREASURER	570.73
XEROX CORPORATION	106.67
<b>GRAND TOTAL</b>	<b>\$260,651.92</b>

**ACTION:** Commissioner Murphy motioned to approve the Minutes of the Meeting held February 24, 2015, the Minutes of the Special Meeting held February 27, 2015, and the Claims of March 10, 2015. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Nooksack Salmon Enhancement Association Presentation/Update on Habitat Restoration and Potential Projects for 2015**

Background: Since 2012, the District has approved requests for funding from the Nooksack Salmon Enhancement Association (NSEA). The funding has supported the Washington Conservation Corps (WCC) Crew work on habitat restoration on various streams throughout Whatcom County and Nooksack River tributaries. NSEA regularly provides project reports to the Commission at the completion of the projects each year.

NSEA Project Manager Darrell Gray presented an overview on the projects where District funding was utilized to support the WCC crew. The new WCC crew started on October 1, 2014 and is supervised by a Department of Ecology employee. The five crew members are paid minimum wage under a one year contract. This is the fourth year that the PUD has provided funding to help support the WCC crew and Gray said that NSEA had met their specific goals for 2014. Photographs of the crew's work including before-and-after scenarios from various project sites were featured.

An overview of NSEA's 2014 projects that the District help support included:

Creek	Project
Anderson Tributary	Replaced barrier culvert with bridge and weir.
Bertrand Creek	Installed two large wood debris (LWD) structures.
California Tributary	Replaced old bridge with new one, removed upstream and downstream culverts.
Deer Creek	Replaced barrier culvert with new bridge.
Landing Strip Creek	Riparian planting.
Macaulay Creek	Riparian planting.
Maple Creek	Replaced falling bridge with new foot bridge.
Middle Fork (multiple)	Installed nine total LWD structures, re-sloped and planted stream bank.
Nooksack	Riparian planting.
North Fork	Riparian planting.
Silver Creek	Replaced barrier culvert with new bridge.
Squalicum Creek	Replaced barrier culvert with new bridge.
Terrell Creek (multiple)	Installed new bridge, 12 LWD structures and 300 yards of stream gravel; Removed barrier culvert and installed new bridge, two LWD structures and spawning gravel. Riparian planting and blackberries removed.
Prior Projects Preservation	Includes seasonal maintenance for multiple riparian planting project sites.

Gray said that a survey completed in by NSEA 2004-2005 called out 1,860 sites that were ranked in terms of restoration by the number of upstream habitat. Those sites with larger habitats were restored first; ones with fewer habitats are further down the priority list. Over 70 sites have been restored to date. NSEA is working with private land owners to improve or restore salmon habitat on some 900 culverts in the County. These lowland streams are home to the Coho salmon.

A few of the current NSEA projects involved work on agriculture land. Some of the issues with creek restoration on agriculture/farm land include (lack of) shading. The Conservation Reserve Enhancement Program (CREP) is a voluntary program that pays landowners rent, a signing bonus and the costs for establishing buffers along creeks, ditches & wetlands. Participants will receive annual rental payments in return for land that is removed from production and grazing, under a 10 or 15 year agreement. The CREP program pays for wooded buffers and/or a combination of hedgerows, filter strips, and wetland restoration. Native plant buffers improve fish and wildlife habitat, increase stream stability, and contribute to improved water quality.

Projects for 2015 will include fish passage projects, channel modification, blackberry and weed control and plantings to create more shade for salmon habitat. NSEA will work with 18 land owners along some 13 creeks and tributaries for various projects. NSEA will also be working with the District to possibly help solve issues surrounding the Grandview fire pond and California Creek flow in the area. Potential work may include dredging and re-sloping of the creek banks, as well as beaver dam maintenance. More survey work will be done and Gray will meet at a later time with the District to determine beneficial outcomes for both the District and fish/wildlife habitat.

NSEA acknowledged they are very fortunate to have the WCC crew each year and NSEA appreciates the PUD's support. Gray has provided a detailed project list and schedule for 2015 for the Commission to consider the funding request at a future meeting.

**ACTION:** No requested action of the Commission at this time. Information only.

◆ **Manager's Report**

The Smell of Success: Meet the Poop Powered Bus

An article from NBC news distributed to the Commissioners cites a bio-bus from England that seats 40 and runs on "biomethane gas generated through the treatment of sewage and food waste that is unfit for human consumption. Similar "methane" production occurs in Whatcom County at dairies.

Washington Legislature Update

There are two bills Jilk is following related to renewables:

**HB 1998** and **SB 5424**- Allowing public utility districts to produce and sell renewable natural gas: Public utility districts are authorized to produce renewable natural gas and utilize the renewable natural gas that they produce for internal operations and for sale. Public utility districts are not authorized to own or operate natural gas distribution pipeline systems used to serve retail customers. Interconnection pipes that connect a public utility district's production facilities to gas transmission pipelines are considered production facilities and are not considered distribution pipeline systems used to serve retail customers. "Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic materials in landfills, wastewater treatment facilities, and anaerobic digesters.

This bill has passed through the Senate, giving PUDs the authority to process renewable natural gas and is pending in the House. Senator Erickson was one of the sponsors. Jilk noted that the H.W. Hill Landfill located near Roosevelt, WA, is one of the largest landfills in the country. Klickitat PUD operates the gas to energy project and can produce approximately 26 megawatts of power. The State of Washington considers landfill gas plants "green" power producers and future carbon reduction will require more renewable energy sources. As such, the District is continuing its work with Western Washington University's Vehicle Research Institute exploration on powering vehicles with bio fuels and the bills in the legislature provide the specific authority for PUDs to generate, distribute and sell "renewable natural gas made from methane.

Pilot Program with State Department of Health Update

The District and the State DOH are now working on a scope of work and set of deliverables for an Interlocal Agreement for a two-year pilot program to offer ongoing services to local water systems. This program would provide funding for services to be identified by DOH and the District and provided by the District. Discussions with Clark Halvorson, DOH Director of Drinking Water, and the County Department of Health to identify ways that this funding could support the PUD and County Health working together in support of Group B systems. The PUD and the State DOH will be working together to draft a scope of work and a set of deliverables to be included in any agreement between the State DOH and the PUD to initiate the program. Jilk indicated the program could begin as early as July of 2015.

Commissioner Murphy inquired whether the District will assist with actual projects or feasibility studies. Jilk replied the District will provide technical assistance and help on items such as help on applying for grants – and although the program will not be "project" specific, the District will act more as a local resource to help smaller systems make decisions or give direction. Cutbacks in local and state funding have created a shortage of staffing to help meet local needs. The District's experience in watershed planning and water supply issues can provide programmatic assistance.

An outline is being drafted and should be ready by the end of May. Commissioner McClure asked for an update in the development of the "scope of work" for the project. Jilk will update the Commissioners as the scope of work and list of deliverables is completed and the Commission will be asked to approve any agreement with the State DOH for the project.

Karen Brown asked about the cataloguing of water rights and do the rights go back to the State? Schlotterback stated that it is the Department of Ecology which handles water rights, not the Department of Health. Discussions between the Department of Health and WPUDA on how to better assist PUDs have determined that taking care of existing local problems, meet the local needs without taking ownership is a priority. This proposed project to be funded by State DOH will be a pilot on how this relationship between PUD's and the State DOH can work.

Notice of Water for Fire Availability Form

Jilk is working with the Fire Marshal on the County's Notice of Water for Fire Availability form. A new form is being discussed to include additional information such as distance to nearest hydrant and flow test certification. On a side note, Jilk will be meeting on Friday with the County to assist with the fire flow section of the County's Coordinated Water System Plan update.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 9:04 a.m.

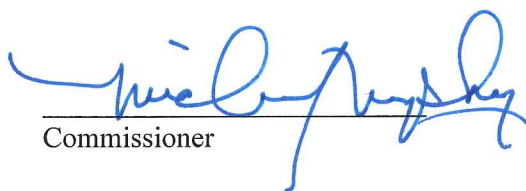


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President/Commissioner

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Secretary/Commissioner



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Commissioner