

MINUTES OF THE MEETING OF THE COMMISSION

February 24, 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 Paul Kenner and Legal Counsel Rich Davis. 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; Rebecca Schlotterback, Contracts and Regulatory Compliance Manager; Alec Strand, Project Manager; Fred Disch, Water System Supervisor; Mike Macomber, IT-SCADA Technician; and Lew Gaskill, Accountant I.

Public attending: Greg and Karen Brown, Max and Carole Perry citizens.
Rich Maricle and Paul Sterner, Phillips66

◆ **Public Comment**

Carol Perry thanked the Commission for their in-depth discussion (at the last meeting) where factors of principle weighed in on the decision making process and not emotions. She appreciated that the Commissioners could make a decision on a proposed item based on the principle of the matter and not let emotions override.

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

The Commissioners were presented with the Minutes of the meeting held February 10, 2015 and the following Claims of February 24, 2015:

VENDOR NAME	AMOUNT
AIR COMPRESSOR SERVICE	3,439.27
ARBITRAGE GROUP INC.	2,000.00
BAY CITY SUPPLY	227.22
BONNEVILLE POWER ADMINISTRATION	624,209.00
BRIDGEVIEW AUTO PARTS	115.18
CESCO NEW CONCEPT CHEMICAL PRODUCTS	82.71
CLEARING UP: NEWSDATA SERVICE	1,367.10
COMCAST	115.96
EDGE ANALYTICAL LABORATORIES	19.00
ESRI	1,627.50
FERNDALE ACE HARDWARE	58.88
FERNDALE TRUE VALUE HARDWARE	8.68
HARDWARE SALES, INC.	1,072.48
HD FOWLER CO, INC	3,898.90
INDUSTRIAL SUPPLY, INC	66.42
INTERNAL REVENUE SERVICE	11,584.16
IVERSON EARTHWORKS	9,890.86
KCDA PURCHASING COOPERATIVE	167.15
MANAGEMENT SERVICES NW	1,421.35
MCMASTER-CARR SUPPLY CO	126.87
PAYROLL	151,426.92
PLATT ELECTRIC SUPPLY CO	7,041.84
PLATTS	2,240.00
PORTAL WAY FARM & GARDEN	163.34
PUD #1 OF WHATCOM COUNTY	1,674.85
PUGET SAFETY EQUIPMENT COMPANY	251.74
PUGET SOUND ENERGY, INC	100,586.69
RDS - RECYCLING & DISPOSAL SERVICE	13.18
RICOH USA FINANCIAL SVC	152.18
SHERWIN WILLIAMS PAINT	206.29
TYLER TECHNOLOGIES-INCODE	364.86
WA FEDERAL VISA CARD MEMBER SERVICES	5,630.79
WA ST DEPT OF REVENUE	71,938.59
WESTERN CONFERENCE OF TEAMSTERS	5,786.00
WESTERN FLUID COMPONENTS	99.37
WHATCOM JANITORIAL	1,170.00
YEAGER'S SPORTING GOODS	43.47
GRAND TOTAL	\$1,010,288.80

ACTION: Commissioner Kenner motioned to approve the Minutes of the meeting held February 10, 2015 and the Claims of February 24, 2015. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Special Presentation**

Background: Working on a project for his Lynden High School metal shop class, Matthew Jilk has spent the past few months on the design, fabrication and painted finish of a piece metal artwork. Inspired to do the piece by Steve Jilk (grandfather), the artwork includes a water droplet within the design. The younger Jilk presented it to the Commissioners this morning and explained that the project was completed with a piece with sheet metal, and welding processes used. The Commission thanked Matthew Jilk for the job well done and noted that the piece will proudly be displayed at the PUD Administration office.

ACTION: No Action requested or taken.

◆ **Authorize Application for Washington Department of Health Grants (Consolidation Feasibility Studies)**

Background – Whatcom PUD has been working, at the request of local water associations and the State Department of Health, to consider funding options to assist water associations to deal with water quality and operations issues that these water associations face. The way the State DOH funding programs are established these technical/consolidation study funds can be appropriated only to Public Utilities, generally, Cities, Water Districts and PUD's, and the PUD has agreed to administer grants of this nature in the past in a way to assist these water associations find solutions to the challenges they face by working with the DOH. In this manner the State DOH has identified two systems that are dealing with management and technical issues and could benefit from consolidating their systems into adjoining larger systems.

Jilk explained there are two systems which may be good candidates for consolidation: Mountain View Water Association has about 100 connections and is currently using well water that has nitrate contamination and water rights issues. Mountain View is located partially within the City of Ferndale and can possibly be connected via interties, and may be able to transfer the ground water rights. Wahl Road Water Association has about 30 connections and is located near the Deer Creek Water Association service area. Consolidation with Deer Creek via interties and additional infrastructure is possible.

By agreeing to apply for and, if offered, accept the grants, the PUD can provide these technical and operational assistance funds to identify and develop the most feasible approach to consolidating these systems with the assistance of Dave Olson/Cornerstone Management. By working with State DOH and the local associations in this manner it can make the difference between these associations maintaining their independence and providing safe drinking water to the community.

If the PUD applies for and receives these grants it will not negatively impact the District's budget as all costs incurred by the District will be reimbursed through the DOH grant.

ACTION: Commissioner Kenner motioned to authorize District staff to apply to the State Department of Health for two Technical Assistant/Consolidation grants to support the following water associations in Whatcom County in meeting water quality and operations issues: the Mountain View Water Association and the Wahl Road Water Association. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Manager's Report**

Pilot Program with State Department of Health

The District and the State DOH are having discussions to fund 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. Jilk spoke with Clark Halvorson, DOH Director of Drinking Water, to secure funding for this program. Jilk has also met with 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. It could possibly begin later in 2015.

Farmhouse Gang

"The Farmhouse Gang" is the working name for the North Sound Connecting Communities, a coalition of concerned citizens, elected officials and professional staff of transportation agencies from Washington's five northwestern-most counties: Whatcom, Skagit, Island, San Juan and northern Snohomish. The Farmhouse Gang strives to develop better ways for people to move through the region by using all available modes in an effective and smoothly functioning network that does not rely solely on the automobile. The Farmhouse Gang is committed to identifying solutions to regional transportation challenges and – using regional partnerships – implementing those solutions through the establishment of new and/or the improvement of existing transportation services in the North Sound region.

Jilk said the District has been invited to join the group, with representation either from an elected official or staff member. The next Farmhouse Gang meeting is scheduled for May 1.

Special Meeting

Commissioner McClure reminded all of the Special Meeting, this Friday, February 27 at 8:00 a.m., located at the Blaine Boating Center in Blaine Harbor. This is the first workshop for the District's Strategic Planning Process and is expected to last four hours. Public comment will be taken at the end of the workshop.

- ◆ **Executive Session:** Jilk requested an Executive Session to discuss potential water rights litigation. Jilk stated no formal action will be expected to either be taken or asked of following the Executive Session. He estimated the time for Executive Session to be approximately 15 minutes. There being no further business for the regular meeting, the Commission adjourned at 8:22 a.m. to Executive Session.

At 8:40 a.m. Jilk requested an additional 30 minutes will be needed for Executive Session.

- ◆ **Executive Session Adjourn**
There being no further business for the Executive Session, the Commission reconvened to the regular meeting at 9:08 a.m.
- ◆ **Adjourn**
There being no further business for the regular meeting, the Commission adjourned the regular meeting at 9:10 a.m.



President/Commissioner

Secretary/Commissioner



Commissioner