

MINUTES OF THE MEETING OF THE COMMISSION

August 26, 2014

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, Commissioner Mike Murphy and Legal Counsel Seth Woolson. Staff: Steve Jilk, General Manager; Ann Grimm, Administrative Assistant; Annette Smith, Director of Finance; Duane Holden, Manager of Construction and Facilities; Paul Siegmund, Manager of Automation and Technology Services; Lew Gaskill, Accountant I; Alec Strand, Project Manager; Fred Disch, Water Systems Supervisor.

Public attending: Rick Maricle, Phillips66; Greg and Karen Brown, Well Caucus and Citizens.

◆ **Public Comment**

None made.

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

The Commissioners were presented with the Minutes of the regular meeting held August 12, 2014 and the following Claims of August 26, 2014:

VENDOR NAME	AMOUNT
3-D CORPORATION	417.73
AIR COMPRESSOR SERVICE	826.12
AMERICAN WATER WORKS	339.00
BONNEVILLE POWER ADMINISTRATION	608,455.00
COMCAST	86.00
EDGE ANALYTICAL LABORATORIES	19.00
FERNDAL ACE HARDWARE	66.19
FERNDAL LUBE	91.20
FERNDAL TRUE VALUE HARDWARE	15.15
GUARDIAN SECURITY SYSTEMS, INC	120.00
HACH COMPANY	115.14
HAGGEN, INC	47.38
HARDWARE SALES, INC.	310.98
HD FOWLER CO, INC	2,348.93
INTERNAL REVENUE SERVICE	11,435.62
JOHN DEERE FINANCIAL	86.29
KCDA PURCHASING COOPERATIVE	989.38
MURRAY SMITH & ASSOCIATES	665.00
CESCO NEW CONCEPT CHEMICAL PRODUCTS	131.23
NORTHWEST PROFESSIONAL SERVICES	662.00
PAYROLL	149,485.27
PLATT ELECTRIC SUPPLY CO	1,209.94
PORTAL WAY FARM & GARDEN	19.00
PROBUILD - OSO LUMBER	27.26
PUD #1 OF WHATCOM COUNTY	3,791.18
PUGET SOUND ENERGY, INC	443.56
RICOH USA FINANCIAL SVC	152.18
SPECIAL-T STRIPING & SIGN COMPANY	167.40
SSC - SANITARY SERVICE COMPANY	405.26
TRUE GREEN LAWN SERVICE	14,162.25
UNIVAR USA, INC	1,523.43
UTILITIES UNDERGROUND LOCATION	33.63
WA FEDERAL VISA CARD MEMBER SERVICES	11,963.75
WA ST DEPT OF REVENUE	63,389.77
WESTERN CONFERENCE OF TEAMSTERS	5,544.00
WESTERN ELECTRICITY COORDINATING COUNCIL	182.00
WESTERN REFINERY SERVICES	5,366.26
WILLIAM SCOTTSMAN	4,980.14
GRAND TOTAL	\$890,073.62

ACTION: Commissioner Kenner motioned to approve the Minutes of the regular meeting held August 12, 2014 and the Claims of August 26, 2014. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Resolution No. 681 – Cancellation of Warrant**

Background – The vendor, Baker Septic Tank Pumping was paid via credit card after services were completed. When the District received the invoice from the vendor, it was not noted that the invoice was already paid in full. As such, a duplicate Warrant was issued and now needs to be cancelled. Baker Septic Tank Pumping has not received or tendered the Warrant and the District has requested that the County cancel Warrant No. 950122 in the amount of \$385.17. There is no fiscal impact to the District.

ACTION: Commissioner Murphy motioned to approve Resolution No. 681, Authorizing Cancellation of a Duplicate Warrant. Commissioner Kenner second the motion. Motion passed unanimously.

◆ **Manager's Report**

Final Amendment to Contract for RW-1

Jilk distributed a copy of the final amendment of the construction agreement with Stellar J Corporation for the Water Treatment Plant 2 Redesign Project. Over the course of several weeks, District staff met with Legal Counsel Rich Davis and Stellar J Corporation to discuss liquidated damages for failure to complete the project on time. There were several change orders and outstanding claims which amounted to approximately \$57,000 and was later reduced to \$35,000. The District agreed remove a few items from the list and agreed to pay for about half (\$17,000). Jilk reported there are a few pending issues that mostly involve warranties on products through the suppliers. He said he feels very positive about the final sign-off of the agreement. The overall cost of all of the change orders is just under 2.5% of the original project contract. Even though more time than anticipated was used of the engineering assistance, to keep costs, over original contract, low we are still very pleased with the project. The BPA Energy Credits to be applied for the work will be approximately \$160,000.

Kenner asked if Jilk was pleased with the contractor. Jilk replied yes, in terms of good, quality work from SJC employees. However, timelines, finish work and oversight of the subcontractors was evident of the of management deficiency from the start as there were several transitions in supervision and project management. Jilk said had it not been the qualifications and project leadership under the District's Construction and Facilities Manager, Duane Holden the completion of the project would not have been nearly as successful.

Commissioner McClure inquired about the operational status of the new SCADA system. Jilk said there are some fine tuning applications to be completed and the next step in the operational status will be to bring Water Treatment Plant 1 up-to-date with new SCADA equipment. Jilk suggested that a SCADA presentation by Paul Siegmund (Manager of Automation and Technology Services) in the upcoming weeks to explain how the systems works and is integrated with the District's electric system would be interesting and beneficial. The SCADA system has made significant advances thanks to Siegmund and his team. Commissioner Murphy added that today's SCADA equipment is very impressive.

Budget Workshop Meeting

Jilk reminded the Commissioners that at the next regular meeting on September 9th, we will hold a workshop session on the upcoming budget specifically for Commissioner input to development of the 2015 budget.

Ribbon Cutting Ceremony/Open House for Water Treatment Plant 2

The Open House is tentatively rescheduled to October 14. This will give staff extra time to have everything prepared including installation of some equipment which was delayed. More details coming soon.

WRIA 1 Planning Unit Meeting

Jilk plans to attend the Planning Unit meeting tomorrow night. He distributed a copy of the agenda and past minutes for Commissioners' review.

Commissioner McClure brought attention to some upcoming September events:

South Lake Samish Feasibility Study Presentation – Dave Olson, Cornerstone Management, has been working with South Lake Samish residents and the Department of Health on a feasibility study to explore possible sources of water, service area, infrastructure requirements and water rights necessary for a community water system at the south end of Lake Samish. Study facilitator Olson and members from DOH presented findings of the feasibility study to the community (which McClure attended). McClure has requested Olson give an overview at the September 9th regular Commission Meeting.

Department of Health Grants – Jilk added that he received a phone call from Derek Pell (DOH) regarding the PUD's application of the grants for the two other water association consolidations: (1) The Roederland Water Association with Skookum Chuck Water Association; and (2) Central City Water Association with the City of Ferndale. The DOH has approved the applications and will be formally notifying the District of the grants for PUD Commission approval. The goal is to have the consolidation finished by June 30, 2015.

Nooksack Tribe Study on Climate Change

The Nooksack Tribe was recently awarded a two-year grant to study the impact of climate change in the Nooksack River basin. Nooksack Tribe Water Resources Program Manager Oliver Grah plans to attend the September 23rd Commission meeting to present an overview of the study and some of the findings to date.

Whatcom Water Weeks Kick-Off

Water Weeks will begin in Whatcom County with the OysterFest event on Saturday, September 6 at Bellewood Acres. Activities during the week of September 15 will showcase the maritime and fishing economy of Whatcom County and the critical connection between a healthy watershed and a thriving working waterfront.

WPUDA Water Workshop Reminder

The annual workshop will be held on September 24 – 26, 2014 at the Swinomish Casino and Lodge in Anacortes.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:19 a.m.



President/Commissioner



Secretary/Commissioner



Commissioner