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2017 BOARD OF COMMISSIONERS

Paul D. Kenner, President

Jeffrey L. McClure, Vice President

Michael J. Murphy, Secretary

PUBLIC UTILITY DISTRICT No. 1 *of Whatcom County*

Agenda for the Regular Meeting of July 25, 2017 8:00 a.m. at the PUD Office

1. Public Comment
2. Approval of Meeting Minutes held July 11, 2017
3. Approval of Claims for July 25, 2017
4. Award of Bid for 2017 Plant No. 2 West Settling Pond Cleaning Project
5. Approve District's Medical/Dental/Vision Insurance Plan Renewal (Sept. 2017 – Aug. 2018)
6. Project Overview: Fiber Optic Infrastructure
7. Manager's Report
8. Executive Session: Potential Litigation per RCW 42.30.110(1)(i)
9. Adjourn

Next Commission Meetings

August 8 and August 22, 2017 – Regular Meetings

*All meetings begin at 8:00 a.m. at PUD Administration Office -
1705 Trigg Road, Ferndale, WA unless other location announced.*

PUD #1 of Whatcom County • (360) 384-4288

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MINUTES OF THE MEETING OF THE COMMISSION

July 11, 2017

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 Paul Kenner. Said meeting was open to the public and notice thereof had been given as required by law. Those present included Commissioner Jeff McClure and Legal Counsel Jon Sitkin. Staff: Steve Jilk, General Manager; Ann Grimm, Administrative Assistant; Brian Walters, Assistant General Manager; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Duane Holden, Director of Utility Operations, Jon Littlefield, Electric Systems Supervisor; Annette Smith, Director of Finance; Aaron Peterson, IT/SCADA Tech; and Traci Irvine, Accountant I.

Public attending: Carole and Max Perry, Citizens
Dave Olson, Citizen

◆ **Public Comment**

Carole Perry said they attended the Bellingham City Council meeting last night. Discussion was on the new Whatcom County Jail and the majority of the public comment, according to Perry was against voting for the new jail and those who commented were of the student population. Perry said she doubted the students were aware of the some 20 years of studies that were undertaken on building a new facility. The Council ended up voting in favor of the new jail and the County Executive commented that millions of dollars spent, due to a delay in the vote for a new jail, were a waste of time and energy, not to mention the terrible waste of revenue. Perry said it is difficult to see the hardship and seeing is believing – she and Max Perry toured the current jail and were appalled at the conditions. Perry said it is interesting to watch from a citizen’s point of view.

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

The Commissioners were presented with the Minutes of the Meeting June 27, 2017 and the following Claims of July 11, 2017:

VENDOR NAME	AMOUNT
3-D CORPORATION	1,284.27
ASSOC EARTH SCIENCES, LLC	2,195.00
CESCO NEW CONCEPT CHEMICAL PRODUCTS	1,864.77
CHMELIK SITKIN & DAVIS	4,241.50
CORNERSTONE MANAGEMENT, INC.	4,075.02
CULLIGAN NORTHWEST	62.35
DISCOUNT FENCE	1,087.00
DLT SOLUTIONS, LLC	1,109.51
EAGLE-EYE AERIAL SOLUTIONS, LLC	1,400.00
EDGE ANALYTICAL LABORATORIES	1,724.00
FERNDALE ACE HARDWARE	299.10
FERNDALE CITY OF	187.89
FERNDALE LUBE	60.71
FERNDALE TRUE VALUE HARDWARE	3.62
FRONTIER	1,360.27

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GENEVA CONSULTING	717.50
GLOBAL TELECOM ENGINEERING & CONSTRUCTION	2,332.75
HARDWARE SALES, INC	185.19
HD FOWLER CO, INC	238.57
HEALTH PROMOTIONS NORTHWEST	90.00
HEWLETT PACKARD CO	8,984.06
IVOXY CONSULTING LLC	1,219.54
KCDA PURCHASING COOPERATIVE	165.65
MASSMUTUAL RETIREMENT SVCS LLC	10,558.33
MORTIMER, TOM	1,537.50
NORTH COAST ELECTRIC COMPANY	9,676.36
NORTHWEST MOWING & GARDENING	830.78
PLATT ELECTRIC SUPPLY CO	29.36
PROBUILD - OSO LUMBER	36.44
PUBLIC UTILITY RISK MANAGEMENT SERVICES	2,374.16
PUGET SOUND ENERGY, INC	8,063.95
REGENCE BLUE SHIELD	35,552.43
REISNER DISTRIBUTION, INC	1,110.78
RICOH USA	24.89
SPECIAL-T STRIPING & SIGN COMPANY	167.40
SSC - SANITARY SERVICE COMPANY	356.98
STAR RENTALS	138.27
STORAGE BATTERY SYSTEMS, LLC	22,424.81
STREMLER ENTERPRISES LLC	1,249.00
SURETY PEST CONTROL	119.58
TEAMSTER LOCAL #231	399.00
TRUE GREEN LAWN SERVICE	1,793.55
UNITED WAY OF WHATCOM COUNTY	315.00
VERIZON WIRELESS	1,534.87
WASHINGTON DENTAL SERVICE	2,853.65
WASHINGTON TEAMSTERS WELFARE	9,747.90
WATERHOUSE ENVIRONMENTAL SERVICES CORP	16,430.98
WHATCOM COUNTY ADMINISTRATIVE	4,000.00
WHATCOM JANITORIAL	1,250.00
WILLANDS TECH-AUTO	155.01
XEROX CORPORATION	141.96
GRAND TOTAL	\$167,761.21

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ACTION: Commissioner McClure motioned to APPROVE THE MINUTES OF THE MEETING HELD JUNE 27, 2017 and the CLAIMS OF JULY 11, 2017. Commissioner Kenner second the motion. Motion passed unanimously.

◆ **Manager's Report**

Upcoming Symposiums

There are two upcoming symposiums relating to water/natural resources systems and water supply issues in which Commissioners will want to note on their schedules. The first event, "Baker to Bay Symposium" on September 20-21, 2017, will be held at the Ferndale Events Center. The keynote speaker for day one will be Jim Waldo, a water rights attorney out of Seattle. Day one will feature talks and discussion on community perspectives, challenges and solutions, and state of the ecosystem; Day two information will be shared on science, research and the application of knowledge that will help reconcile human and ecosystem needs and strategies for resource management and ecosystem recovery. More information is available at the Whatcom Watershed Information Network www.whatcomwin.org.

The second event is planned for early November (date TBD) and will focus on water supply issues and tentatively discuss the outcome of the Legislature on the Hirst and Foster cases. The planned keynote speaker is former Washington State Director of Department of Ecology, Jay Manning. More information including location and time is forthcoming.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:12 a.m.

Paul D. Kenner, President

Michael J. Murphy, Secretary

Jeffrey L. McClure, Commissioner

Memo

To: Commissioners Kenner, McClure and Murphy
From: Alec Strand, Project Manager
Date: July 25, 2017
Re: Award of Bid for the 2017 Plant No. 2 West Settling Pond Cleaning Project.

Requested Action: AWARD BID TO IVERSON EARTH WORKS LLC FOR THE 2017 PLANT NO. 2 WEST SETTLING POND CLEANING PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE CONTRACT.

Background: The District has developed a Capital Improvement Project list for work to be completed in 2017. On this list is the cleaning and excavation of the District's Plant No. 2 West Settling Pond, extraordinary maintenance project (RW-M-2) in 2017. Due to the significant amount of sediment that the clarification process produces, the settling ponds need to be cleaned and excavated on an annual basis. The District rotates the cleaning/excavating process through the four ponds on annual schedule.

On July 18, 2017 the District received and publicly read aloud two (2) bids submitted for this project. Engineers Estimate for project is \$124,000.00 not including tax. Totals do not include tax. The results are as follows:

<u>Contractor</u>	<u>Bid Total</u>
Carman's Construction...	\$165,716.00
Iverson Earth Works LLC.....	\$105,882.00
<i>Engineer's Estimate</i>	<i>\$124,000.00</i>

Fiscal Impact: This project is budgeted for in the 2017 Capital Improvement Projects Budget.

Recommended Action: AWARD BID TO IVERSON EARTH WORKS LLC FOR THE 2017 PLANT NO. 2 WEST SETTLING POND CLEANING PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE CONTRACT.

Memo

To: Commissioners Kenner, McClure and Murphy
From: Stephan Jilk
Date: July 25, 2017
Re: Medical/Dental/Vision Insurance Plans Renewal

Requested Action – Approve the District’s Medical/Dental/Vision Insurance Plans renewal with Regence BlueShield and Delta/Washington Dental beginning September 1, 2017.

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, Kaiser Permanente, and Delta/Washington Dental Service; and we researched the Association of Washington Cities’ anticipated rate increases as well with the possibility of rejoining their Benefits Trust. Here is a summary of the options quoted that we have to consider:

- Option A** Continue with the *Regence Employee Choice Platinum 250 Plan*
Charges are calculated on age-banded rates. For 2018, the renewal with updated ages will increase **4.71%**. All costs and charges within the *250 Plan* stay the same. Last year the District moved to this plan and experienced a 4% rate increase.
- Option B** Change to the *Kaiser Permanente VisitsPlus Platinum*
Kaiser Permanente merged with Group Health Cooperative. This plan would require employees and Commissioners to choose a Primary Care Physician and Specialists referrals *within* the Kaiser (GHC) network. Any non-network services are not covered. Annual deductibles are the same as the Regence 250; however, there are some differences in out-of-pocket expenses such as office visits and lab/X-Ray services. Changing to the Kaiser Plan would result in a decrease in rates by 8.46%.
- Assoc. of WA Cities** Their Regence plans are anticipated to increase **7 to 10%**, Kaiser Plans are anticipated to increase **8 to 10%**, and there is no increase for their Delta/Washington Dental Plans. The District would need to reapply this month, with the City of Blaine’s sponsorship in order to qualify. As noted last year, the AWC medical plan has higher co-pays and deductibles, and the Out-of-Pocket Maximum is \$3,000 (individual)/\$6,000 (family).

Delta Dental Service Stay with the same plan we have now with a **1.6%** increase. Last year the District experienced a rate increase of 2.1%.

As noted, there are cost saving options for the District which would result in increased cost sharing for District employees – a lower coinsurance cost, higher copays. Last year, the District experienced a 4.0% rate increase for the same plan period (September 1, 2016 to August 31, 2017).

The District received a 2.1% rate increase from Washington Dental last year. To remain with the current dental plan, the District will experience a 1.6% increase, with no change in the overall plan.

After receiving our current Regence Medical and Delta Dental plans renewal information and reviewing the other options noted above, the District's medical plan renewal is reflecting a 4.71% increase along with a 1.6% increase in our dental premium has resulted in an overall 4.5% increase in our premiums beginning September 1. I am recommending that we renew with Regence with the *Regence Employee Choice Platinum 250 Plan* and renew with Delta Dental under the existing plan. The total monthly premium beginning coverage on September 1, 2017, will be \$41,328.32 for the same plans.

This change will be effective September 1, 2017 and because the increase is slightly 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 15 employees, 3 Commissioners, 17 spouses and 22 children. Any changes in the age or number of employees/dependents covered by these plans, during the plan year, September 1, 2017 to August 31, 2018, will impact the premium because that is how the premium is based.

Fiscal Impact – Because the increase is less than the amount budgeted for, the District will not experience an overall budget change due to the change in premiums for the last four months of this year. When the budget was developed last year, a projected rate increase of 5% was slated for the remainder of 2017.

Recommended Action –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, 2017, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT.