

## MINUTES OF THE MEETING OF THE COMMISSION

April 10, 2018

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 Jon Sitkin. Staff: Steve Jilk, General Manager; Ann Grimm, Administrative Assistant; Annette Smith, Director of Finance; Rebecca Schlotterback, Manager of Contracts and Compliance; Duane Holden; Director of Utility Operations; Paul Siegmund, Manager of Automation and Technology; Alec Strand, Project Manager; Mike Macomber, IT/SCADA Technician; and Traci Irvine, Accountant I.

Public attending: Dave Olson, Citizen  
Rick Maricle, Citizen  
Carole Perry, Citizen  
Max Perry, Citizen

### ◆ Public Comment

None made.

### ◆ Approval of the Meeting Minutes and Claims

The Commissioners were presented with the Minutes of the Meeting of March 27, 2018 and the following Claims of April 10 2018:

VENDOR NAME	AMOUNT
3-D CORPORATION	297.83
AMAZON BUSINESS	191.02
APERTURE ELECTRICAL	8,624.52
BRIM TRACTOR COMPANY	178.03
CARLSON STEEL WORKS, INC	143.27
CELTIC CLEANER, INC.	1,025.33
CESCO NEW CONCEPT CHEMICAL PRODUCTS	109.57
CORNERSTONE MANAGEMENT, INC.	3,772.10
FASTENAL	216.99
FERNDALE ACE HARDWARE	121.63
FERNDALE TRUE VALUE HARDWARE	24.94
FRONTIER	1,365.37
GATEWAY CONTROLS	868.00
HARDWARE SALES, INC.	240.34
INDUSTRIAL SUPPLY, INC	594.97
JOHN DEERE FINANCIAL	515.23
KCDA PURCHASING COOPERATIVE	156.62
KNOWBE4, INC.	650.00
LYNDEN BOLT	129.97
LYNDEN TRIBUNE	63.00
MASSMUTUAL RETIREMENT SVCS LLC	11,683.33
MILES SAND & GRAVEL	2,186.10
NATIONAL SAFETY, INC.	367.97
NOOKSACK SALMON ENHANCEMENT ASSOC	16,000.00
NORTH COAST ELECTRIC COMPANY	1,771.81
NORTHWEST MOWING & GARDENING	514.54
PITNEY BOWES RESERVE ACCOUNT	500.00
PUBLIC UTILITY RISK MANAGEMENT SERVICES	25,971.21
PUD #1 OF WHATCOM COUNTY	54.00
PUGET SOUND ENERGY, INC	7,465.75
REGENCE BLUE SHIELD	37,571.04
REISNER DISTRIBUTION, INC	2,370.61
RICOH USA	34.96
SSC - SANITARY SERVICE COMPANY	364.05
STERICYCLE ENVIRONMENTAL SOLUTIONS	42.00
SURETY PEST CONTROL	59.79
TEAMSTER LOCAL #231	396.00
UNITED WAY OF WHATCOM COUNTY	371.00
UTILITIES UNDERGROUND LOCATION	25.80
VERIZON WIRELESS	1,476.25
WASHINGTON DENTAL SERVICE	2,762.40
WASHINGTON TEAMSTERS WELFARE	9,747.90

WHATCOM FARMERS CO-OP	45.92
WHATCOM JANITORIAL	1,250.00
<b>GRAND TOTAL</b>	<b>\$142,321.16</b>

**ACTION:** Commissioner Kenner motioned to APPROVE THE MINUTES OF THE MEETING HELD MARCH 27, 2018 AND THE CLAIMS OF APRIL 10, 2018. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Award of Bid: 2018 – 115kV Electric Transmission Line Pole Replacement Small Works Project**

Background – The District has received condition reports from its Electrical Engineering Consultants, Electric Power Systems (EPS) on the condition of its 115kV electric transmission facilities, poles, conductors, insulators etc. as well as the fiber communication lines. EPS has prioritized the maintenance needs and made recommendations to District staff regarding which poles should be replaced first. In addition, the District has received high definition photographs, collected by flying a drone above the pole structures, under a contract with Eagle Eye Aerial Solutions LLC. This Small Works Project was developed from the consideration of the recommendations from EPS and from of what is budgeted for CIP E-6 (115kV Transmission Line Improvements).

Strand said there are a total of 23 individual poles that need to be replaced at this time. Staff identified eight (8) H Frame Structures (19 poles) and four (4) single poles supporting our transmission lines that require total replacement. He noted that the original bid was changed under Addendum No. 1 to remove two of the structures from the Scope of Work due to a Puget Sound Energy (PSE) owned transmission line that crosses below the District’s transmission line in a shared easement near the Dewey Road Substation. Requesting PSE to de-energize this line requires more coordination with PSE in order for them to schedule the outage and District staff plans to request bids from its 2018 Small Works Roster for replacing the two structures in a second pole replacement project at a later date.

The Scope of Work *after* Addendum No. 1 is eight (8) H Frame Structures (19 poles) and four (4) single poles supporting our transmission lines that require total replacement. The Contractor will provide all required labor, select materials and hardware to complete the work.

On April 3, 2018 the District received and publicly read aloud two (2) bids submitted for this project. The Engineer’s Estimate for the project is \$253,000.00, not including tax. Totals below include tax. The results are as follows:

<u>Contractor</u>	<u>Bid Total Including Tax</u>
Michels Power	\$208,443.80
Potelco Inc.	\$220,703.11

Strand indicated that Michaels Power completed the previous two transmission line pole replacement projects and have done a good job. There is no fiscal impact to the District. This project is funded for 2018, as part of the approved Capital Improvement Projects (CIP E-6) Budget.

**ACTION:** Commissioner Kenner motioned to AWARD SMALL WORKS PROJECT TO MICHELS POWER CORPORATION FOR 2018-115KV TRANSMISSION POLE REPLACEMENT WITH A COST NOT TO EXCEED \$208,443.80. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Approval of Resolution No. 737 – Update to Policy for Employment Compensation of Non-Bargaining Unit Employees**

Background: This is a recommendation for the Commission to adopt a resolution amending the District's Employee Compensation Policy to update other factors in determining salary levels or ranges. In 2007, the District established an Employee Compensation Policy. This policy established employee positions, by title, salary ranges for those positions, required an annual review and update of those salary ranges and provided certain authority to the District's General Manager in implementing that policy.

Jilk said the policy change being presented for approval is to allow the General Manager the capability to hire a part time or temporary employee for a position already approved by the Commission, and to consider compensation that is outside of the salary range by not including “regular” benefits such as healthcare, vacation leave and retirement pay incentive. By state law, sick leave benefits are included in certain positions. If a new job position was created, it would have to be approved through the Commission. The request is in response to the temporary need for additional staffing in the electric department currently, and possibly future needs due to retirements or other special situations.

If approved, the "Salary Level" section of the Compensation Policy will be updated to include the proposed:

*Other Factors in Determining Salary Levels or Ranges:  
Proposed salary level or range placements which are contrary to the statement above made as a recognition of special skills, talents, accomplishments or circumstances brought to the job or as a result of special labor market conditions will be reviewed by the General Manager and/or designated staff. Several factors can determine the appropriate range. These include:*

- *Market conditions;*
- *The particular role;*
- *Education, professional training and/or certifications;*
- *Number of years relevant functional and/or industry experience;*
- *Number of staff previously supervised;*
- *Special abilities or national recognition; and,*
- *Part-time and/or temporary employment salary level/salary ranges that do not include additional benefits such as District-covered health insurance, paid holidays, paid vacation and paid sick leave (other than required by law)*

*The General Manager shall have the flexibility of filling such positions which are already approved by the Commission to set salary levels or ranges that are not tied to an hourly rate.*

Commissioner Kenner inquired if the salary ranges were adjusted in the new resolution. Jilk replied that the ranges were not adjusted but they are annualized, and some ranges may have a higher hourly rate by not providing additional compensation benefits (medical, paid vacation, etc.).

There is no fiscal impact to the District as all actions taken by the General Manager to implement the Compensation Program will be within the annual budget as approved by the Commission.

**ACTION:** Commissioner Murphy motioned to ADOPT RESOLUTION NO. 737 - A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY ("DISTRICT") AMENDING THE EMPLOYEE COMPENSATION POLICY FOR THE PURPOSES OF UPDATING OTHER FACTORS IN DETERMINING SALARY LEVELS OR RANGES FOR NON-BARGAINING UNIT EMPLOYEES. Commissioner Kenner second the motion. Motion passed unanimously.

#### ◆ **Manager's Report**

##### WPUDA April Association Meetings

The April meetings for WPUDA will be held at Skagit PUD and Swinomish Casino and Lodge April 18 – 20. Commissioner Murphy is attending and Jilk plans to attend committee meetings on April 19. He will report back at the April 24 Commission Meeting.

##### WPUDA Water Committee Meeting

Jilk attended the WPUDA Committee Meeting on April 5 in Olympia. Among items discussed were federal issues, legislative reports, a briefing on the new Hirst/Foster law, and roundtable discussion on the implementation of ESSB 6091 and how the PUDs are/will be engaged in working with local watersheds on the new law. Also in attendance was Department of Ecology Water Resources Program Manager Mary Verner who presented an update on program policies, legislation and recent court decisions affecting municipal and rural water supply. In a conversation with Verner, Jilk talked about implementation of the Streamflow Restoration Act (ESSB 6091) and the Crown West case discussion and how both impact us here in Whatcom County.

Commissioner McClure inquired if DOH has provided an update to guidance of their interpretation and implementation of the new law for the WRIA's that are affected. Jilk replied that DOH has; however, the requirement of calculating the amount of water – i.e. how many wells to be drilled and how much water is consumed is of concern. The watershed plan must include actions to offset potential impacts to instream flows associated with permit-exempted domestic water use. Prior to adoption of the updated watershed plan, the DOE must determine that the actions identified in the watershed plan, after accounting for new projected uses of water over the next subsequent 20 years, will result in a *net ecological benefit* to the instream resources within the WRIA. DOE is still reviewing and analyzing the guidance documents which are subject to future revision.

##### Dams Spill

Commissioner Murphy inquired about the ruling from last week's Ninth U.S. Circuit Court of Appeals affirmed an order by a U.S. District Court Judge giving the green light to spill more water over dams in the Federal Columbia River Power System and whether this decision would affect the Nooksack River.

The spill is intended to determine if spilling more water will help passage of salmon in the Columbia River Basin. However, too much spill can lead to too much dissolved oxygen in the water which is harmful to fish, create eddies making fish vulnerable to predators and cause erosion and damage to the dams themselves. Determined on certain times of the year, spills create a loss of revenue for hydroelectric operators and the tactics continue to be controversial. Jilk does not see this issue impacting the Nooksack River.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:15 a.m.

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Jeffrey L. McClure, President



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Paul D. Kenner, Secretary



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Michael Murphy, Commissioner