

MINUTES OF THE MEETING OF THE COMMISSION

July 24, 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; Brian Walters, Assistant General Manager; Alec Strand, Project Manager; Rebecca Schlotterback, Manager of Contracts and Compliance; Jon Littlefield, Electric System Supervisor; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; and Traci Irvine, Accountant I.

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

◆ Public Comment

Mrs. Perry inquired if the Commission came to any conclusions following the July 17, 2018 work session updating the District’s Strategic Plan. Perry added that the County Council is meeting again today at 2 PM on Cherry Point amendments. She said the County Council has spent \$150,000 on studies seeking ways to limit industry at Cherry Point and forces against Cherry Point do not quit. People that value the industries need to attend meetings in support of Cherry Point too. Max Perry said he read a story in the agriculture media about the harbor seal population that feeds on salmon is exploding. Most stories, he said, are all about water affecting salmon, and now we are hearing about salmon predators.

Commissioner McClure thanked the Perry’s for their comments. He noted that at the July 17 meeting there was a wide range of conversation from Cherry Point to agriculture. An update is expected within the next several weeks.

◆ Approval of the Meeting Minutes and Claims

The Commissioners were presented with the Minutes of the Meeting of July 10, 2018 and the following Claims of July 24, 2018:

VENDOR NAME	AMOUNT
ALL SEASON SPRAYING	254.98
APPLIED INDUSTRIAL TECHNOLOGIES, INC	422.19
BECKWITH & KUFFEL INC.	15.19
BONNEVILLE POWER ADMINISTRATION	756,605.00
BROWN & KYSAR, INC.	17,182.36
CESCO NEW CONCEPT CHEMICAL PRODUCTS	109.57
COMCAST	91.12
CRABTREE, DEVIN	181.22
CULLIGAN NORTHWEST	107.17
EDGE ANALYTICAL LABORATORIES	44.00
EES CONSULTING	680.00
ELECTRIC POWER SYSTEMS - EPS	20,808.66
EN POINTE TECHNOLOGIES SALES	1,918.54
FASTENAL	76.92
FERNDALE ACE HARDWARE	24.25
GRAINGER	141.31
HARDWARE SALES, INC	60.25
HD FOWLER CO, INC	2,348.70
INTERNAL REVENUE SERVICE	15,272.45
JILK, STEPHAN	17.86
LAPLAUNT, DAVID	286.34
MILLS ELECTRIC	15,242.59
MORTIMER, TOM	3,075.00
MURPHY, MICHAEL J	34.66
NORTH COAST ELECTRIC COMPANY	64.57
NORTHWEST CASCADE, INC.	112.50
PAYLOCITY	133.25
PAYROLL	167,524.03
PLATT ELECTRIC SUPPLY CO	4.70
PUBLIC UTILITY RISK MANAGEMENT SERVICES	17,755.48
PUD #1 OF WHATCOM COUNTY	187.46
PUGET SOUND ENERGY, INC	5,437.68

RH2 ENGINEERING, INC	19,582.63
SOUND WATER SERVICES	2,100.00
WA FEDERAL VISA CARD MEMBER SERVICES	1,086.00
WA ST DEPT OF LABOR & INDUST	50.00
WA ST DEPT OF REVENUE	75,026.48
WATERHOUSE ENVIRONMENTAL SERVICES	16,893.78
WESTERN CONFERENCE OF TEAMSTERS	6,514.75
WHATCOM COUNTY PUBLIC WORKS	175.00
WHATCOM FARMERS CO-OP	62.78
GRAND TOTAL	\$1,147,711.42

ACTION: Commissioner Kenner motioned to APPROVE THE MINUTES OF THE MEETING HELD JULY 10, 2018 AND THE CLAIMS OF JULY 24, 2018. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Award of Bid for 2018 Plant No. 1 South Settling Pond Cleaning Project**

Background: The District has developed a Capital Improvement Project list for work to be completed in 2018. On this list is the cleaning & excavation of the District’s Plant No. 1 South Settling Pond, extraordinary maintenance project (RW-M-2). Due to the significant amount of sediment the clarification process produces, the settling ponds need to be cleaned and excavated on an annual basis.

On July 17, 2018, the District received and publicly read aloud two (2) bids submitted for this project. Engineers Estimate for project is \$125,000.00 not including tax. **Totals below include tax.**

The results are as follows:

<u>Contractor</u>	<u>Bid Total</u>
P & P Excavating LLC.....	\$93,916.80
Iverson Earth Works LLC	\$122,260.32

There is no fiscal impact to the District as this project is budgeted for in the 2018 Capital Improvement Projects Budget.

Commissioner Murphy inquired if there were any beneficial uses for the sediment, citing the City of Lynden’s example of their wastewater sediment, composted, available for public uses such as landscaping or fill. Jilk responded that the City most likely does not make a profit from selling the sediment. Strand added the PUD’s sediment is tested for impurities but because it is glacial silt, it is not suitable for very many uses.

ACTION: Commissioner Murphy motioned to AWARD BID TO P & P EXCAVATING LLC FOR THE 2018 PLANT NO. 1 SOUTH SETTLING POND CLEANING PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE CONTRACT. Commissioner Kenner second the motion. Motion passed unanimously.

◆ **Approval of Amendment No. 1 to Work Order No. 8 for RH2 Engineering**

Background: Services to be provided under this Amendment No. 1 to Work Order No. 8 will be pursuant to the Standard Agreement for Engineering Services, which was executed with RH2 on May 18, 2015 and expires June 1, 2019. The original approved budget under Work Order No. 8 was \$46,980. If the budget increase of \$14,320 identified in Amendment No. 1 is approved by the Commission, then the total budget for the work order will increase to \$61,300.00.

The District seeks to install a new meter capable of measuring flow through a Puget Sound Energy (PSE) 10-inch ductile iron (DI) main that serves PSE’s Point Whitehorn Generating Station. Whatcom PUD’s metering point for water flowing through PSE’s 10-inch line is currently at the Generating Station’s end of the line. The meter has no associated telemetry and therefore cannot be remotely monitored and given the location of the meter, any leaks in PSE’s 10-inch line cannot be detected unless visible at the surface. To address the above issues, District staff want to establish a new meter point near the connection of the PSE 10-inch line to Whatcom PUD’s 24-inch main.

Originally, the District requested that RH2 Engineering, Inc., (RH2) design a vault under and adjacent to Aldergrove Road that would contain a new isolation valve and downstream meter. Power and telemetry would run between D Station and the vault to power a sump pump and controls and provide a signal for measuring flow in the meter. The meter would be a Mag meter capable of measuring low flows, as well as flows typical from historical flow data.

After the initial Work Order No. 8 was executed and RH2 work was initiated, BP Refinery staff expressed concern about truck access into and out of to the refinery on Aldergrove Road during construction of the project. District staff in coordination with RH2 evaluated alternatives to the location selected. A location within the fence at D Station was determined to be a good alternative. Not only would project construction at this location avoid interference with BP truck traffic, but also the site would facilitate better security and maintenance access by District staff. Since the change in location requires additional

design work by RH2, not anticipated under the original scope of work for Work Order No. 8, the amendment to the budget is requested.

Approval of Amendment No. 1 to Work Order No. 8 with RH2 has no financial impact on the District, as the project and expenditures are included in the District's approved 2018 Annual Capital Improvements Project Budget (CIP RW-34). Since the project for PSE's Whitehorn meter upgrade is specific to water delivered only to PSE's plant, the District under its Connection Fees Policy will invoice PSE for the full project cost.

ACTION: Commissioner Kenner motioned to APPROVE AMENDMENT NO. 1 TO WORK ORDER NO. 8 WITH RH2 ENGINEERING INC. (RH2) FOR A BUDGET INCREASE NOT TO EXCEED AMOUNT OF \$14,320 AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE AMENDMENT. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Approval of Amendment No. 1 to Work Order No. 8 for RH2 Engineering**

Background: The District has been and will continue to be actively involved in efforts to improve planning and management of the water resources of Water Resource Inventory Area 1 (WRIA 1). The District will work on projects with the agricultural community, the AG Water Board, Whatcom County, and State and Federal agencies to achieve these planning and management efforts.

The District selected RH2 to provide planning and technical assistance to the District for the projects which include but are not limited to assisting with grant funding applications; assisting with the development of a water exchange program to help alleviate drought impacts experienced in WRIA 1; and, assistance with the preparation of a countywide drought contingency plan and/or drought resiliency plan. The Commission approved Work Order No. 12 Agreement with RH2 on October 27, 2017 in the amount not to exceed \$20,000.00.

RH2 has performed several tasks under Work Order No. 12 and the current budget remaining as of July 1, 2018 is \$1054.40. District staff anticipates more tasks related to the WRIA 1 watershed planning effort and is requesting an additional \$15,000.00 to allow continued assistance by RH2. The total not to exceed amount of \$35,000 will include the total RH2 expenditure to date of \$18,945.50 leaving a balance of \$16,054.40. Jilk said if this amendment is approved, it should cover the work through the remainder of the year.

Approval of the Amendment No. 1 to Work Order 12 with RH2 has no financial impact on the District, as any tasks and expenditures for work by RH2 are included in the District's approved 2018 Budget.

ACTION: Commissioner Kenner motioned to APPROVE AMENDMENT NO. 1 TO WORK ORDER NO. 12 WITH RH2 ENGINEERING, INC. (RH2) TOTAL NOT TO EXCEED THIRTY FIVE THOUSAND DOLLARS (\$35,000) AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE AMENDMENT WITH RH2. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Resolution No. 740 – Declaration of Surplus of District Equipment**

District staff previously identified a 2006 Ford Ranger 4x4 Pickup Truck as requiring replacement due to high miles and increasing maintenance costs. District staff considers the 2006 Ford Ranger to be surplus to the District's needs and that it no longer has any value to the Water Utility's operations. If the Commission makes a formal declaration to surplus the pickup truck, then staff's intent is to sell the vehicle through a local auction company.

In February 2018, the purchase of a new pickup truck for the water utility to replace the one above was approved by the Commission. The new truck, ordered from the Washington State Department of Enterprise Services was delivered last month.

Surplus of the vehicle has no impact on the District's approved 2018 Budget. The District will receive proceeds from the sale of the vehicle less the auctioneer's expenses.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 740 – DECLARING CERTAIN DISTRICT PROPERTY SURPLUS THAT IS INADEQUATE, OBSOLETE OR NO LONGER FUNCTIONAL, AND HAS LITTLE OR NO VALUE TO THE OPERATIONS OF THE DISTRICT'S UTILITIES AND AUTHORIZE DISTRICT STAFF TO UTILIZE THE BEST METHOD (AUCTION, RECYCLE, DISPOSAL, ETC.) TO DISPOSE OF THE DISTRICT PROPERTY. Commissioner Kenner second the motion. Motion passed unanimously.

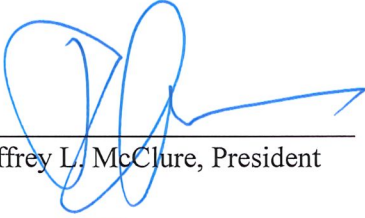
◆ **Manager's Report**

Strategic Plan Work Session

Jilk thought the work session was very beneficial for the Commissioners and staff that attended. Jim Darling (Maul, Foster, Alongi) is working on a set of recommendations to update the Strategic Plan and identified several topics for white papers due by the end of August. McClure agreed that it was a very good meeting.

◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:23 a.m.



Jeffrey L. McClure, President



Paul D. Kenner, Secretary



Michael Murphy, Commissioner