

# DRAFT

## PUBLIC UTILITY DISTRICT No. 1 *of Whatcom County*

### Agenda for the Regular Meeting of September 11, 2018 8:00 a.m. at the PUD Office

1. Public Comment
2. Approval of Meeting Minutes held August 28, 2018
3. Approval of Claims for September 11, 2018
4. Approval of Work Order No. 2 with Western Electrical Services, Inc. for Testing Services Associated with Water Plant No. 2 Low and Medium Voltage Switchgear
5. Approval of Work Order No. 4 with Brown and Kysar, Inc. for Engineering Design and Specification of New Ferndale Pump Substation for Water Plant No. 1
6. Manager's Report
7. Adjourn

**Next Commission Meetings**

*September 24 – 9:00 AM - Special Meeting at Inn at Lynden*

*September 25 and October 9, 2018 – Regular Meetings*

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

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**MINUTES OF THE MEETING OF THE COMMISSION**

**August 28, 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; Rebecca Schlotterback, Manager of Contracts and Compliance; Jon Littlefield, Electric System Supervisor; Alec Strand, Project Manager; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; and Traci Irvine, Accountant I.

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

◆ **Public Comment**

Max Perry said with all of the various meetings they attend, he has become more aware of the total involvement of the PUD in Whatcom County and that the Strategic Plan is important. The Perrys attended a meeting yesterday where they learned that someone was running against incumbent Commissioner Kenner in the upcoming November election. They have watched Atul Deshmane at Planning Commission Meetings. Carol Perry said she remembers a time as a child that the PUD was the force that was going to bring electricity to their part of the world. She was glad to know about PUD history, but unaware about the other candidate. She added that citizenry is so uninformed – just another thought for the [strategic planning workshop] meeting in September.

Commissioner Murphy added that the upcoming strategic planning workshop is an open, public meeting and anyone is welcome to attend. Commissioner McClure thanked the Perrys for their comments.

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

The Commissioners were presented with Minutes of the Meeting of August 14, 2018, and the following Claims of August 28, 2018:

<b>VENDOR NAME</b>	<b>AMOUNT</b>
ASSOC EARTH SCIENCES, LLC	540.00
BHAM TECH COLLEGE	1,675.00
BRIDGEVIEW AUTO PARTS	17.37
CARL'S MOWER & SAW, INC	178.71
CHMELIK SITKIN & DAVIS	4,591.00
COMCAST	91.12
EASYPower LLC	1,129.00
ELECTRIC POWER SYSTEMS - EPS	1,785.00
FEDERAL EXPRESS	41.31
FERNDAL ACE HARDWARE	53.80
HARDWARE SALES, INC	23.51
INTERNAL REVENUE SERVICE	15,010.59
IVOX CONSULTING LLC	2,309.09
KCDA PURCHASING COOPERATIVE	57.76
LENOVO US INC.	1,560.23

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MAUL FOSTER & ALONGI	6,771.44
PACIFIC SURVEY & ENGINEERING	21,952.70
PAYLOCITY	136.64
PAYROLL	164,676.05
PLATT ELECTRIC SUPPLY CO	283.76
PUD #1 OF WHATCOM COUNTY	4,637.98
RH2 ENGINEERING, INC	6,739.53
SD MYERS	1,564.00
SHRED-IT USA	29.96
SML TRUCKING LLC	650.00
WA ASSN OF PUBLIC RECORDS OFFICERS	175.00
WA FEDERAL VISA CARD SERV	1,562.33
WA ST DEPT OF REVENUE	78,606.71
WESTERN CONFERENCE OF TEAMSTERS	6,900.00
ZEE MEDICAL SERVICE	435.61
<b>GRAND TOTAL</b>	<b>\$324,185.20</b>

**ACTION:** Commissioner Kenner motioned to APPROVE THE MINUTES OF THE MEETING HELD AUGUST 14, 2018 AND THE CLAIMS OF AUGUST 28, 2018. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Update of District's Utility Integrated Resource Plan as required by Washington State Department of Commerce**

In 2006, the Washington State Legislature passed a bill requiring every electric utility in the state to prepare an Integrated Resource Plan (the "Plan"). The Plan, which includes a forecast of future electric loads and what energy resources the utility plans to use to meet their electric load requirements. The bill was signed into law by the Governor and became RCW 19.280.

Every two years the State's electric utilities must update their Plans and submit a copy of the Plan to the WA Department of Commerce by September 1. Prior to the submittal, the Plan must be approved by the governing Board of Commissioners of each utility whether public or private. For small utilities with fewer than 25,000 customers, such as the District, the submittal is a single page that lists a forecast of electric loads and balancing resources, including conservation and renewables, that the utility plans on using to meet its forecasted electric loads five to ten years into the future.

Walters said the District's loads are based on the Bonneville Power Administration's (BPA) official load forecast for the same five and ten year periods. Based on this load forecast, the District will not need to purchase any BPA Tier 2 or third party power. Commissioner McClure inquired about BPA's renewables mix. Walters said it is approximately 9%, dominated by wind, some geo-thermals and biomass.

Approval and submittal of the Plan has no financial impact on the District.

**ACTION:** Commissioner Kenner motioned to APPROVE THE 2018 UPDATE TO THE DISTRICT'S INTEGRATED RESOURCE PLAN AND STAFF SUBMITTAL OF PLAN TO THE WASHINGTON STATE DEPARTMENT OF COMMERCE. Commissioner Murphy second the motion. Motion passed unanimously.

◆ **Call for Special Meeting – Strategic Plan Work Session #2 on September 24, 2018**

The first Strategic Planning Process Workshop to update the District's 2017 Strategic Plan was held on July 17, 2018 at the Inn at Lynden's Conference Room. This next workshop will address the subsequent steps in the process and take place again at the Inn at Lynden – Second Floor Conference Room, located at 100 Fifth Street, Lynden, WA. Because the workshop is scheduled on a day other than a regular

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Commission meeting, a Special Meeting will need to be called and appropriate legal notice as required by law. Jilk said that staff is preparing follow-up documents and initiatives from the first session which will be sent out before the September 24 meeting. Jim Darling of Maul, Foster and Alongi will again be facilitating. There is no fiscal impact to the District.

**ACTION:** Commissioner Murphy motioned to CALL FOR A SPECIAL COMMISSION MEETING TO BE HELD ON SEPTEMBER 24, 2018, FROM 9:00 A.M. TO 12:00 P.M, AND BE LOCATED AT THE INN AT LYNDEN'S SECOND FLOOR CONFERENCE ROOM. Commissioner Kenner second the motion. Motion passed unanimously.

### ◆ **Manager's Report**

#### Pacific PUD Thanks

The District received thank you letters from the Commissioners of Pacific County PUD #2 and BPA for the District's transfer of \$45,000 worth of Energy Efficiency Incentive budget to Pacific PUD. Jilk said he realizes that the Commission seeks ways for the District to use these credits; however, it is a "use or lose" situation, and since we do not have any EEI projects currently on the books, the District is able to assist other PUDs or the Cities of Blaine and Sumas in this way.

#### Department of Ecology Water Resources Meeting

Members from WPUDA, Kitsap and Whatcom PUDs met with Department of Ecology (DOE) Water Resource Manager Mary Verner to discuss the future relationship with the Department of Ecology from watershed planning and other water projects related solving the SB6091 (Hirst) and Foster cases. The group would like to develop a closer working relationship with the DOE as they do with the Department of Health, especially on water rights. It was proposed that the group begin meeting quarterly to provide additional clarification around the SB6091 (Hirst) process.

#### Water Leak

Walters updated the Commissioners on a large leak that occurred yesterday afternoon on the Douglas Road main line, just west of Lake Terrell Road. A sub-contractor for Valkyrie Telecom Inc. working on the extension of a fiber line for the District was digging at an angle, striving to reach under the pipeline to continue the line. At approximately 2 p.m., the pipeline was struck and punctured. The Water Crew was able to respond quickly.

Working in coordination with Phillips66 Refinery on how to stop the leak without shutting the line off entirely, the water pressure was lowered and a temporary fix was put into place. The excess water is being diverted through drainage ditches. A permanent repair is planned and will probably take a week or so to complete.

Commissioner Murphy asked Walters to thank the crew from all of the Commissioners, it sounds as though they are doing all that they can to fix the situation; and thanks to Phillips66 Refinery and others for their staff coordination of this emergency joint effort.

#### Drought Contingency Plan/Instream Flows

Commissioner Murphy inquired about the status of the *Drought Contingency Plan* and instream flows, noting his own well is about a foot lower than usual this time of year. Jilk replied that we continue to monitor streamflow using the USGS River Gauge at Ferndale. The level has dropped, flow is now around 1,300 cfs and our take is approximately 22 cfs, so the flow is not an issue for the PUD. What can become a concern is the ability to continue pumping water at the intake when there is low flow at Plant 1 because of the impact on our wet wells at Plant 1. Staff monitors the situation.

The due date for the *Drought Contingency Plan* is the end of September. Staff submitted the draft plan was waiting for a response from the State to make sure that the PUD's plan will integrate with the State's plan. The response was recently received and staff should be able to finish up on time.

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## Water Storage

We have Chuck Lindsay (Associated Earth Sciences) reviewing options and locations of off-river storage for the PUD. A report is to be ready by the end of September.

### ◆ **Executive Session**

Commission President McClure requested an Executive Session pursuant to RCW 42.30.110(i) to allow the Commission to discuss potential litigation regarding PUD water rights with legal counsel.

Commissioner McClure adjourned the Commission Meeting for a five-minute recess and into Executive Session at 8:40 a.m. The estimated time for the Executive Session was thirty minutes. The Commission President indicated that no action is anticipated to occur after the adjournment of the Executive Session.

At 9:10, Commissioner McClure announced there would be an additional 30 minutes for Executive Session. The Commission was in Executive Session for 40 minutes.

### ◆ **Executive Session Adjourn**

There being no further business for the Executive Session, the Commission reconvened to the regular meeting at 9:40 a.m.

### ◆ **Adjourn**

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 9:43 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

AGENDA ITEM # 4  
September 11, 2018

PUBLIC UTILITY DISTRICT NO. 1  
*of Whatcom County*  
1705 Trigg Road • Ferndale, WA 98248  
P: (360) 384-4288 • F: (360) 384-4849

# Memo

**To:** Commissioners Kenner, McClure and Murphy  
**From:** Brian Walters – Assistant General Manager  
**Date:** September 11, 2018  
**Re:** Approve Work Order No. 2 with Western Electrical Services, Inc. for Electrical Equipment Testing at Water Treatment Plant No. 2

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**Requested Action:** Approve Work Order No. 2 with Western Electrical Services, Inc. for electrical equipment testing at Water Treatment Plant No. 2 for a cost not to exceed amount of \$37,037 and authorize the District's General Manager to execute the work order.

**Background:** The medium and low voltage switchgear and associated devices at Water Treatment Plant No. 2 have not been tested since the Plant was re-built in 2012. As part of the District's developing preventive maintenance program, electric operations staff is utilizing contract service providers to assist them with certain maintenance activities requiring specialized technical skills or equipment.

Electrical equipment manufacturers and industry standards typically specify periodic testing intervals for various equipment to assure continued proper operation and/or to identify equipment requiring replacement.

**Fiscal Impact:** Consulting work of this nature has been budgeted. Approval of Work Order No. 2 will have no impact on the District's approved 2018 Budget.

**Recommended Action:** Approve Work Order No. 2 with Western Electrical Services, Inc. for electrical equipment testing at Water Treatment Plant No. 2 for a cost not to exceed amount of \$37,037 and authorize the District's General Manager to execute the work order.

**SCHEDULE A**

**WORK ORDER NO. 2**

**Services for:**

**PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY**

**WATER TREATMENT PLANT NO. 2 ELECTRICAL EQUIPMENT TESTING**

**Performed by:**

**WESTERN ELECTRICAL SERVICES, INC.**

This Work Order No. 2 is issued pursuant to the Standard Agreement for Professional Consulting Services ("Agreement") dated August 14, 2018, between Public Utility District No.1 of Whatcom County ("Whatcom PUD") and Western Electrical Service Inc. ("WES"). Work Order No. 2 is hereby incorporated into the Agreement by this reference.

**Background**

The medium and low voltage switchgear and associated devices at Water Treatment Plant No. 2 haven't been tested since the Plant was re-built in 2012. As part of the District's developing preventive maintenance program, electric operations staff is utilizing contract service providers to assist them with certain maintenance activities requiring specialized technical skills or equipment.

Electrical equipment manufacturers and industry standards typically specify periodic testing intervals for various equipment to assure continued proper operation and/or to identify equipment requiring replacement.

**Scope of Services**

WES's scope of services will be as outlined in the WES Quote (Proposal 60-83952r1) dated August 20, 2018. In general, WES will be performing tests on the medium and low voltage switchgear & associated electrical devices at Water Treatment Plant No. 2. These tests will be conducted in accordance with the equipment manufacturers' specifications and accepted industry standards.

Equipment to be tested includes:

- Switchgear and switchboard assemblies
- Cables
- Circuit breakers
- Protective relays (microprocessor based)
- Metering devices (microprocessor based)

### ***Customer Responsibilities***

- Make all electrical equipment under work scope available to WES personnel during the mutually agreed upon work schedule.
- Schedule and perform switching operations to de-energize equipment on which work will be performed.
- Costs, if any for outages.
- Physically isolate (prior to WES arrival) and reconnect all equipment to be worked on.
- Provide permits if required, to perform work.
- Provide access to all documentation that is available on-site including any previous studies.

### **Deliverables**

WES will provide Final Test Reports within two weeks after the completion of the testing work.

### **Cost for Services**

The total cost not to exceed for the Scope of Services described above for services involving both the medium and low voltage switchgear is **Thirty Seven Thousand Thirty Seven Dollars (\$37,037)** for Work Order No. 2. The cost includes labor, materials, expenses and any applicable taxes. Consultant shall not exceed this amount, without prior approval of Whatcom PUD's Project Manager.

### **Project Schedule**

The services to be provided shall commence upon approval of Work Order No. 2 and Whatcom PUD's authorization to proceed, via mail or e-mail. The Scope of Services under this work order shall be completed no later than November 30, 2018.

**SIGNATURE PAGE**

This Work Order No. 2 is effective as of the date signed by Whatcom PUD's General Manager.

**PUBLIC UTILITY DISTRICT NO. 1  
OF WHATCOM COUNTY**

**WESTERN ELECTRICAL SERVICES, INC.**

By: \_\_\_\_\_

Name: Stephan Jilk

Title: General Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

AGENDA ITEM # 5  
September 11, 2018

PUBLIC UTILITY DISTRICT No. 1  
*of Whatcom County*  
1705 Trigg Road • Ferndale, WA 98248  
P: (360) 384-4288 • F: (360) 384-4849

# Memo

**To:** Commissioners Kenner, McClure and Murphy  
**From:** Brian Walters – Assistant General Manager  
**Date:** September 11, 2018  
**Re:** Approval of Work Order No. 4 with Brown and Kysar, Inc. for Engineering Design and Specification of New Ferndale Pump Substation for Water Plant No. 1

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Pending additional information, this agenda item will be provided prior to the Commission Meeting on September 11, 2018.