

MINUTES OF THE MEETING OF THE COMMISSION

September 11, 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, 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; Duane Holden, Director of Utility Operations; Alec Strand, Project Manager; Mike Macomber, IT/SCADA Technician; and Traci Irvine, Accountant I.

Public attending: Rick Maricle, Citizen
Max Perry, Perry Pallet
Carole Perry, Citizen

◆ Public Comment

Carole Perry inquired about the projected completion date for the Vista Road Pipeline Project. The project is pending a crossing review from WSDOT and then the District will go out for bid. The District hopes for completion by the end of first quarter 2019. Her next question was in regards to the July 17th Strategic Plan work session on the "What's Next 2018 and Beyond – Water Resources Institute a one-stop-shop place for water resources including technical support services, exploring water banking, monitoring water resources, law/policy expertise, etc. Perry said she had a hard time understanding this direction. Jilk responded that staff is working on a concept paper for the next Strategic Plan Work Session (Sept. 24) on what role the PUD should play in water resource management and other topics, and what this 'institute' would look like. More discussion will take place at the September 24 special meeting at the Inn at Lynden's conference room. 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 28, 2018, and the following Claims of September 11, 2018:

VENDOR NAME	AMOUNT
3-D CORPORATION	313.02
BELLINGHAM HERALD	421.20
BRIDGEVIEW AUTO PARTS	19.77
BUD CLARY CHEVROLET	31,152.25
CESCO NEW CONCEPT CHEMICAL PRODUCTS	109.57
CORNERSTONE MANAGEMENT, INC.	6,680.00
CRABTREE, DEVIN	103.44
EES CONSULTING	510.00
FERGUSON ENTERPRISES, INC	13.76
FERNDAL ACE HARDWARE	16.93
FERNDAL CITY OF	406.73
FERNDAL LUBE	91.04
FRONTIER	1,363.69
HD FOWLER CO, INC	165.43
HEALTH PROMOTIONS NORTHWEST	90.00
IVOXY CONSULTING LLC	3,817.77
LENOVO US INC.	7,477.28
MASSMUTUAL RETIREMENT SVCS LLC	10,783.33
MEENDERINCK, LLC	913.08
MORTIMER, TOM	4,375.00
NORTHWEST CASCADE, INC.	112.50
PITNEY BOWES	150.79
PLATT ELECTRIC SUPPLY CO	253.05
PUD #1 OF WHATCOM COUNTY	47.75
PUGET SOUND ENERGY, INC	7,435.72
REGENCE BLUE SHIELD	42,501.30
REISNER DISTRIBUTION, INC	2,289.72

RH2 ENGINEERING, INC	10,802.53
RICOH USA	224.13
SSC - SANITARY SERVICE COMPANY	378.00
STEEL RIVER PIPING & FABRICATION	14,152.74
TEAMSTER LOCAL #231	407.00
TRIANGLE PUMP & EQUIPMENT INC	1,032.65
TRUE GREEN LAWN SERVICE	9,402.55
UNITED WAY OF WHATCOM COUNTY	371.00
UTILITIES UNDERGROUND LOCATION	30.96
VERIZON WIRELESS	1,582.07
WA ST DEPT OF ECOLOGY-CASHIERING	7,504.00
WA ST DEPT TRANSP-NW REGION	1,184.01
WASHINGTON DENTAL SERVICE	2,762.40
WASHINGTON TEAMSTERS WELFARE	9,747.90
WHATCOM FARMERS CO-OP	27.97
WHATCOM JANITORIAL	1,250.00
GRAND TOTAL	\$182,474.03

ACTION: Commissioner Kenner motioned to APPROVE THE MINUTES OF THE MEETING HELD AUGUST 28, 2018 AND THE CLAIMS OF SEPTEMBER 11, 2018. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Approval of Work Order Number 2 with Western Electrical Services, Inc. for Testing Services Associated with Water Plant No. 2 – Low and Medium Voltage Switchgear**

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.

Walters explained that electrical equipment manufacturers and industry standards typically specify periodic testing intervals for various equipment to assure continued proper operation and/or to identify equipment, which may require replacement, and this is part of the District’s preventative maintenance program. Upon completion, the District will receive a report of parts that need replaced or repaired.

There is no fiscal impact to the District as 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. Walters added that a failure in a switchgear would be a far more costly repair than doing preventative maintenance.

ACTION: Commissioner Kenner motioned to 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. Commissioner McClure second the motion. Motion passed unanimously.

◆ **Manager’s Report**

News Releases on Coldstream Farms

Copies of two news articles were distributed about the Coldstream Farms’ clean water membrane technology system and the PUD’s involvement with project. On October 10, the Whatcom Land Trust is hosting the “Business Conservation Leaders Breakfast” with the leadership award going to Coldstream Farms for their responsible agriculture stewardship. An article was featured in the current “Grow NORTHWEST” about the Regenis system and the PUD’s efforts to seek new sources of water and resource protection.

Commissioner McClure inquired where things are at with the Regenis project. It was discussed that the system was installed and testing has begun on the unit and RH2 has completed the application for a discharge (NPDES) permit. Once the permit is approved, the final permitting approval process can take 90 days. Comments from the Department of Fish and Wildlife suggest that they may now require a “Hydraulic Project Approval” (HPA) permit before a construction project or other work activities in or near the watery is constructed. In addition, the Department of Ecology has requested that a mixing zone (areas around treated wastewater discharges where the state allows flexibility in meeting water quality standards) be considered, and how the point of discharge will affect the water quality and how it will impact flow. RH2 is working on putting the budget together for this additional request.

Seeking the water right is an entirely separate process and staff is working with Attorney Tom Mortimer, the Attorney General's Office, and the Department of Ecology. Odds for an offset (for exempt wells in that area) Hirst ruling in the sub basin is not looking favorable; however, a water right downstream for other purposes such as irrigation or water for cities favorable. In support of the Regenis project, the PUD has agreed to pay up to a total of \$50,000 for permitting related tasks regarding discharge of the treated water into water bodies. Jilk hopes this will establish precedence for future projects.

Water Leak Update

Holden updated the Commissioners on a large leak that occurred August 27 on the Douglas Road main line, just west of Lake Terrell Road. A sub-contractor working on the extension of a fiber line for the District while boring struck and punctured the pipe. A temporary fix using extra parts and a saddle-type coupler was put into place to help slow the flow on the approximately 24" long gash without having to shut the line down entirely. Working with Phillips66, plans for a permanent repair were discussed. A new part was fabricated and tested and last Friday a new coupler, temporary repair, was installed. Next, a "line stop was installed, allowing the stop of flow out of the puncture and final repairs completed.

Holden thanked Phillips66 for their assistance and coordination on the repair, as well as A & A Tapping, Steel River Piping and Tom Pullar of P & P Excavating. It was a great show of teamwork and a job well done.

All costs for repairs will be submitted to the contractor doing the boring work for their insurance to pay.

Walters added that his takeaway on the emergency was that the District and/or Phillips66 needs to consider offsite water storage, also adding more isolation valves and potentially add parallel piping for future needs.

It's Water Week

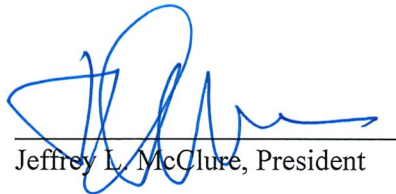
Schlotterback reminded us that Whatcom Water Week starts this weekend with a film festival at the Pickford Cinema and several events in between leading up to the third annual Sea Feast event on September 21-22 which will include food, educational outreach and other activities. Information on all events, times and places is at www.waterweeks.org and will be posted on the District's website.

Next Meeting

Reminder for the Special Commission Meeting scheduled for Monday, September 24, 2018 at 9:00 a.m. and will be located at the Inn at Lynden's meeting room located at 100 Fifth Avenue, Lynden.

◆ **Adjourn**

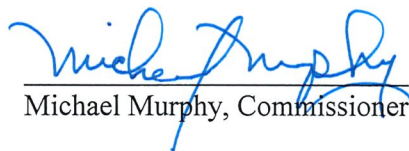
There being no further business for the regular meeting, the Commission adjourned the regular meeting at 8:33 a.m.



Jeffrey L. McClure, President



Paul D. Kenner, Secretary



Michael Murphy, Commissioner