

**MINUTES OF THE REGULAR
MEETING OF THE COMMISSION**

May 12, 2020

1. Call to Order | Pledge of Allegiance

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 and Pledge of Allegiance recited. Said meeting was open to the public and notice thereof had been given as required by law. Those present via teleconference included Commissioner Mike Murphy, Commissioner Jeff McClure, Commissioner Atul Deshmane, Legal Counsel Jon Sitkin, and Legal Counsel Tom Mortimer. Staff attending via teleconference: Steve Jilk, General Manager, Brian Walters, Assistant General Manager; Ann Grimm, Administrative Assistant; Duane Holden, Director of Utility Operations; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Annette Smith, Director of Finance; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; and Traci Irvine, Accountant I.

Public attending via teleconference:

Rich Maricle, Citizen
Lauren Turner, Phillips 66
Max Perry, Citizen
Dave Olson, Citizen

2. Approval of Agenda

No changes made.

ACTION: Commissioner Murphy motioned to APPROVE THE MAY 12, 2020 AGENDA. Commissioner Deshmane second the motion. Motion passed unanimously.

3. Consent Agenda

- a. **Approval of the Meeting Minutes of April 28, 2020 as presented;**
- b. **Approval of the Claims of May 12, 2020:**

VENDOR NAME	AMOUNT
3-D CORPORATION	252.18
BELLINGHAM HERALD	255.00
BRANOM EQUIPMENT	4,832.20
CARL'S MOWER & SAW, INC	28.24
CDW/COMPUTER DISCOUNT WAREHOUSE	6,646.68
CENTRAL WELDING SUPPLY	81.75
CESCO NEW CONCEPT CHEMICAL PRODUCTS	275.52
CORNERSTONE MANAGEMENT, INC.	1,275.00
EAGLE-EYE AERIAL SOLUTIONS, LLC	40,727.50
FERNDALE ACE HARDWARE	9.76
FERNDALE CITY OF	242.79
FRONTIER	1,417.06
GATEWAY CONTROLS	21,276.85
GENERAL PACIFIC, INC.	641.33
GUARDIAN SECURITY SYSTEMS, INC	84.63
HEALTH PROMOTIONS NORTHWEST	90.00
KNOWBE4, INC.	800.19
LITHTEX NW LLC	201.81
MASSMUTUAL RETIREMENT SVCS LLC	11,199.99
NORTHWEST CASCADE, INC.	112.50
NORTHWEST MOWING & GARDENING	514.54
PITNEY BOWES RESERVE ACCOUNT	500.00
PLATT ELECTRIC SUPPLY CO	510.96
PUD #1 OF WHATCOM COUNTY	54.21
PUGET SOUND ENERGY, INC	5,510.98

REGENCE BLUE SHIELD	38,901.73
REISNER DISTRIBUTION, INC	299.08
RH2 ENGINEERING, INC	6,075.48
RICOH USA	191.08
SHRED-IT USA	41.54
SSC - SANITARY SERVICE COMPANY	509.29
TEAMSTER LOCAL #231	508.00
TYLER TECHNOLOGIES-INCODE	1,627.20
UNITED WAY OF WHATCOM COUNTY	420.00
UTILITIES UNDERGROUND LOCATION	15.48
VERIZON WIRELESS	1,739.94
WASHINGTON DENTAL SERVICE	2,768.10
WASHINGTON TEAMSTERS WELFARE	11,875.15
WATERHOUSE ENVIRONMENTAL SERVICES	17,957.70
WILSON ENGINEERING, LLC	8,467.75
GRAND TOTAL	\$188,939.19

ACTION: Commissioner Murphy motioned to APPROVE THE CONSENT AGENDA. Commissioner Deshmane second the motion. Motion passed unanimously.

4. Old Business

None.

5. New Business

a) Approve 2019 Financial Report

Finance Director Smith provided an overview of the 2019 District Financial Report. The District's financial policies conform to the Generally Accepted Accounting Principles (GAAP) and the financial statements have been developed in compliance with the Governmental Standards Board (GASB) Statement 34 – Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments.

Smith explained that while the Annual Report provides extensive information, it does not provide a budget to actual comparison of results. The summary financial statement format closely resembles the budget layout and brings the capital costs into the picture. The Phillips 66 pass-through costs for power, transmission and related taxes have been removed. The resulting statement provides a more relevant comparison between 2019 and 2018 actual results and the 2019 actual results to the 2019 budget. Highlights of the presentation follow.

	2019	2018	Variance 2019-2018	%	2019 Budget	Variance Actual - Budget	%
REVENUE							
1 Service Revenues - Industrial Water	\$ 9,119,155	\$ 9,003,128	\$ 116,027	1%	\$ 9,092,404	\$ 26,751	0%
2 Service Revenues - Irrigation	85,551	102,142	\$ (16,590)	-16%	88,273	(2,722)	-3%
3 Service Revenues - Grandview Utility	252,933	235,558	17,375	7%	243,352	9,581	4%
4 Service Revenues - Electric Utility	2,061,564	2,062,308	(744)	0%	2,061,564	-	0%
5 Misc Revenue	384,890	220,064	164,826	75%	354,939	29,951	8%
TOTAL REVENUE	\$ 11,904,093	\$ 11,623,199	\$ 280,894	2%	\$ 11,840,532	\$ 63,561	1%
EXPENSES							
6 Labor & Benefits	(2,881,620)	(2,836,381)	(45,239)	2%	(2,834,490)	(47,130)	2%
7 O&M Expenses	(1,323,856)	(1,556,532)	232,677	-15%	(1,947,400)	623,544	-32%
8 Administration Expenses	(1,695,952)	(1,863,971)	168,019	-9%	(1,715,563)	19,611	-1%
TOTAL EXPENSES	\$ (5,901,428)	\$ (6,256,884)	\$ 355,456	-6%	\$ (6,497,453)	\$ 596,025	-9%
BUSINESS SERVICES/GRANTS							
9 Business Service Revenue	146,634	205,478	(58,844)	-29%	635,000	(488,366)	-77%
10 Business Service Expenses	(222,372)	(179,547)	(42,826)	24%	(670,000)	447,628	-67%
TOTAL BUSINESS SERVICES	\$ (75,738)	\$ 25,931	\$ (101,669)		\$ (35,000)	\$ (40,738)	
11 INCOME (LOSS) BUDGET	\$ 5,926,927	\$ 5,392,247	\$ 534,680	10%	\$ 5,308,079	\$ 618,848	12%
CAPITAL COSTS							
12 Debt Service	(3,451,862)	(3,448,473)	(3,390)	0%	(3,496,195)	44,333	-1%
13 Transfers for Capital Projects	(4,100,000)	(1,970,269)	(2,129,731)	108%	(1,831,111)	(2,268,889)	124%
TOTAL CAPITAL COSTS	\$ (7,551,862)	\$ (5,418,742)	\$ (2,133,121)	39%	\$ (5,327,306)	\$ (2,224,556)	42%

The lines of the statement are numbered and are discussed in more detail below:

- 1) **Service Revenues – Industrial Water** – Total water consumption for the Cherry Point area slightly increased between 2018 and 2019 (4,280,342,110 gallons to 4,416,769,405 gallons respectively, a 3.2% increase). The 2019 revenues for Industrial Water increased from the

2018 revenues due to a combination of the increase in rates for 2019 and a slight increase in consumption. The 2019 actual revenues were just over budget.

- 2) **Service Revenues – Irrigation** – Water consumption for the Irrigation customers decreased 23% in 2019 compared to 2018. Irrigation revenues are highly contingent upon the amount of rainfall during the year, therefore vary from previous years, and budget more than other services.
- 3) **Service Revenues – Grandview Utility** – Water consumption for the Grandview utility increased by 8% in 2019 compared to 2018. The 2019 revenues for the Grandview utility were above the 2018 revenues due to the increase in consumption and the increase in rates.
- 4) **Service Revenues – Electric Utility** - This line includes Electric service revenues for District services only (O&M, admin, labor, etc.). The pass-through revenues for BPA power, transmission, and tax costs have been removed from this statement. The budget, 2019 and 2018 actual amounts are in line with expectations. Starting in 2017, this revenue includes the internal charge to the Industrial Water Utility for their portion of the General Service charge.
- 5) **Miscellaneous Revenue** – This line includes any miscellaneous income including late fees, interest income, rent, recycle income, and any income for in-house projects. For 2019, the majority of the income came from the interest income and income from work on the Green Apple project. The budget included reimbursement from PSE for the water meter replacement, which has not occurred.

	2019	2018	Variance 2019-2018	%	2019 Budget	Variance Actual - Budget	%
EXPENSES							
6 Labor & Benefits	(2,881,620)	(2,836,381)	(45,239)	2%	(2,834,490)	(47,130)	2%
7 O&M Expenses	(1,323,856)	(1,556,532)	232,677	-15%	(1,947,400)	623,544	-32%
8 Administration Expenses	(1,695,952)	(1,863,971)	168,019	-9%	(1,715,563)	19,611	-1%
TOTAL EXPENSES	\$ (5,901,428)	\$ (6,256,884)	\$ 355,456	-6%	\$ (6,497,453)	\$ 596,025	-9%

	2019	2018	Variance		Budget	Variance	
O&M EXPENSES							
Purchased Power for Water	\$ 608,895	\$ 604,465	\$ 4,430	1%	\$ 639,736	\$ (30,841)	-5%
BPA Credits	(313,310)	(347,780)	34,470	-10%	(285,454)	(27,856)	10%
Chemicals	259,659	237,913	21,746	9%	255,593	4,066	2%
O&M services (includes wtr maint, equip rent)	328,858	232,287	96,571	42%	328,463	395	0%
O&M materials	161,231	122,569	38,662	32%	174,062	(12,831)	-7%
Extraordinary Maintenance							
RWM2 Clean Plant 1 Mud Basins	97,754	103,354	(5,600)	-5%	155,000	(57,246)	-37%
RWM10 Hi Head Pump Rebuild	90,980	130,996	(40,016)	-31%	178,000	(87,020)	-49%
Unplanned Extraordinary Maintenance	68,704	403,331	(334,627)	-83%	-	68,704	0%
Smaller Maintenance Projects	21,085	69,397	(48,312)	-70%	502,000	(480,915)	-96%
	\$1,323,856	\$1,556,532	\$ (232,676)	-15%	\$1,947,400	\$ (623,544)	-32%

- 6) **Labor and Benefits** – This includes all the labor and benefits not associated with capital projects and extraordinary maintenance. There was only a slight increase between 2019 and 2018. The difference between budget and 2019 costs were the over-budgeting of labor to capital projects.
- 7) **O & M Expenses** – This line includes all operating costs, including power costs for the water treatment plants, but excluding power costs passed through to Phillips 66. The 2019 actual costs of \$1,324,000 resulted in an overall decrease from 2018 of \$233,000, with the largest difference in Extraordinary Maintenance. In 2018, the District experienced the Douglas road water line break, which resulted in an initial, unplanned cost of over \$357,000. The difference between 2019 and the budgeted amount is again in Extraordinary Maintenance. The Douglas Road Vault upgrades and D station upgrades were delayed.
- 8) **Administration Expenses** – This category encompasses all the overhead, administrative type of expenses. 2019 expenses decreased \$168,000 from 2018, with the largest decrease in outside services in power regulation charges. In 2018, the District paid a one-time, construction cost share to connect the District with BPA fiber. The decrease in 2019 was partially offset by an increase in engineering costs. The 2019 administration expenses were slightly under budget partially due to the election cost being included in 2018 instead of 2019.

	2019	2018	Variance 2019-2018	%	2019 Budget	Variance Actual - Budget	%
BUSINESS SERVICES/GRANTS							
9 Business Service Revenue	146,634	205,478	(58,844)	-29%	635,000	(488,366)	-77%
10 Business Service Expenses	(222,372)	(179,547)	(42,826)	24%	(670,000)	447,628	-67%
TOTAL BUSINESS SERVICES	\$ (75,738)	\$ 25,931	\$ (101,669)		\$ (35,000)	\$ (40,738)	

BUSINESS SERVICES/GRANTS REVENUE	2019		Variance		2019 Budget		Variance
	Revenue	Expenses			2019 Budget	Variance	
N21873 DOH 2 yr pilot for small Systems	\$ 71,825	\$ 18,752	\$ 53,073	283%	\$ 70,000	\$ 1,825	3%
F16AC0015 Federal Bureau Reclamation	55,786	9,680	46,106	476%	-	55,786	0%
17-08284 WDFW Groundwater WC	19,024	193,940	(174,917)	-90%	100,000	(80,976)	-81%
DOE Mitigation Supply CA Creek	-	-	-	0%	500,000	(500,000)	-100%
BUSINESS SERVICE REVENUE	\$ 146,634	\$ 222,372	\$ (75,738)	-34%	\$ 670,000	\$(523,366)	-78%

9) **Business Service Revenue** – This line includes all of the income from what we term Business Services. The majority of the revenue is from grants the District participates in, but can include outside consulting. 2019 income came from the 2-year pilot project with the Department of Health, the Washington Department of Fish and Wildlife grant for a groundwater study, and from the Federal Bureau of Reclamation. Depending on the grant activity, this amount will fluctuate widely between years. The budget included \$500,000 for a mitigation study on California creek, which did not occur in 2019.

10) **Business Service Expenses** – This line includes the corresponding expenses associated with the Business Services. The difference between the Revenue and Expenses is usually due to the timing of reimbursement.

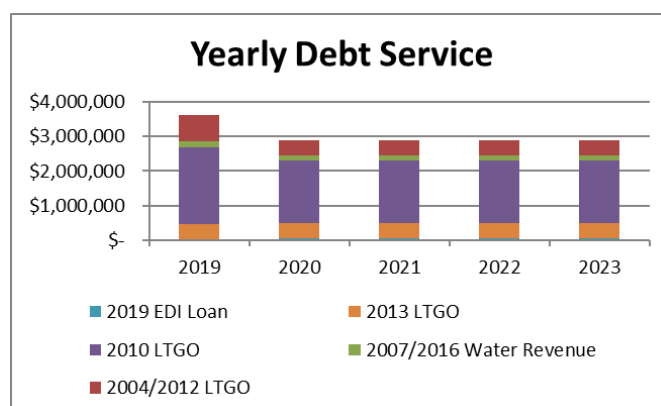
11 INCOME (LOSS) BUDGET	\$ 5,926,927	\$ 5,392,247	\$ 534,680	10%	\$ 5,308,079	\$ 618,848	12%
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11) **Income (Loss) Budget** – This line is the result of revenues minus expenses, but is not a direct reflection of the Operating Income on the Statement of Revenue, Expenses and Changes in Fund Net Position. The Statement of Revenue, Expenses and Changes in Fund Net Position reflects GAAP accounting and non-cash expenses. Line 11 corresponds to the budget and does not include non-cash expenses.

	2019	2018	Variance 2019-2018	%	2019 Budget	Variance Actual - Budget	%
CAPITAL COSTS							
12 Debt Service	(3,451,862)	(3,448,473)	(3,390)	0%	(3,496,195)	44,333	-1%
13 Transfers for Capital Projects	(4,100,000)	(1,970,269)	(2,129,731)	108%	(1,831,111)	(2,268,889)	124%
TOTAL CAPITAL COSTS	\$ (7,725,043)	\$ (5,418,742)	\$ (2,306,302)	43%	\$ (5,327,306)	\$ (2,397,737)	45%

CAPITAL IMPROVEMENT PROJECTS		2019	2018	Variance		Budget	Variance	
IS15	Communications Backbone	226,899	272,917	(46,017)	-17%	300,000	(73,101)	-24%
RW32	Line Extension to Grandview	2,346,565	73,798	2,272,768	3080%	2,778,935	(432,370)	-16%
RW35	VFD Replacement	-	-	-	0%	322,000	(322,000)	-100%
RW37	Water System Easements	56,260	-	56,260	0%	100,000	(43,740)	0%
E6	115kV Transmission Line Improvements	270,670	350,717	(80,047)	-23%	470,159	(199,489)	-42%
E22	Upgrade/Replace Ferndale Substation	424,280	198,107	226,173	114%	3,100,000	(2,675,720)	-86%
	ALL OTHER CWIP	76,675	329,690	(253,015)	-77%	882,690	(806,015)	-91%
		\$ 3,401,350	\$ 1,225,228	\$ 2,176,122	178%	\$ 7,953,784	\$(4,552,434)	-57%

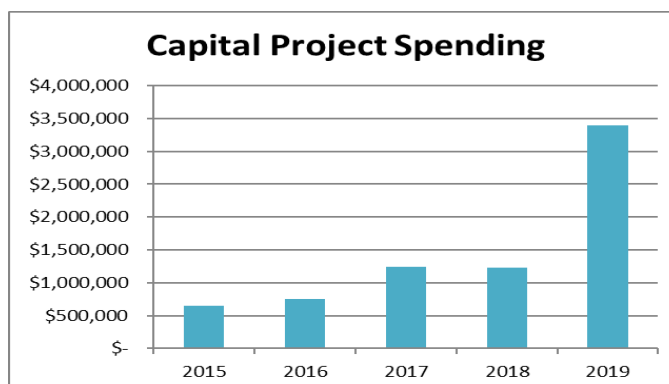
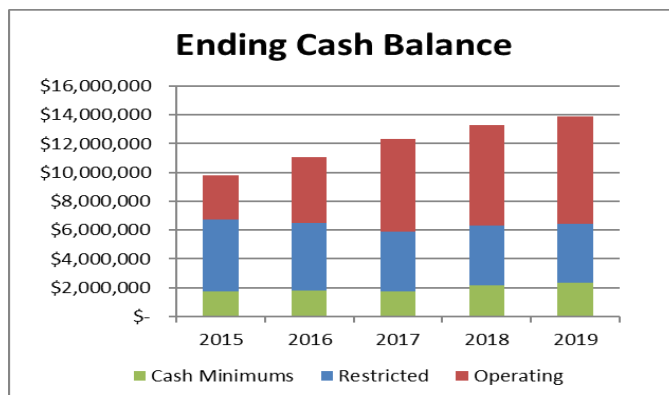
12) **Debt Service** – This is the debt service paid annually. The budget included a payment on the EDI loan. We did not receive the EDI loan proceeds until 2019, so the first payment will be due in 2020.



13) **Capital Transfers** – This is the amount transferred over to the Capital funds for existing and future capital projects. The amount is more than budgeted since there were excess funds in the Operating account.

	2018	2019
BEGINNING CASH BALANCE	\$ 12,326,899	\$ 13,273,977
RECEIPTS	21,253,729	23,181,892
OPERATING EXPENSES	15,456,723	15,520,209
DEBT SERVICE	3,624,700	3,625,043
CAPITAL PROJECTS	1,225,228	3,401,350
ENDING CASH BALANCE	\$13,273,977	\$13,909,267

Includes Reserves



There is no fiscal impact to the District. The Commissioners thank Smith and PUD staff for a job well done on the 2019 Financial Report.

ACTION: Commissioner Deshmane motioned to ACCEPT THE DISTRICT’S 2019 ANNUAL FINANCIAL REPORT AND AUTHORIZE THE SUBMITAL TO THE STATE AUDITOR’S OFFICE. Commissioner Murphy second the motion. Motion passed unanimously.

b) Approve Professional Consulting Agreement with The Energy Authority

Background: Based on load growth on the District’s electric system in 2019, the District’s power purchases from BPA are approaching the Tier 1 allocation amount available from BPA in accordance with the District’s Power Purchase Agreement. Once the allocation amount is exceeded, additional power purchased from BPA will be based on BPA’s short-term market purchase price. This is because the District elected to purchase BPA’s market based power product through BPA’s fiscal year 2024, which ends September 30, 2024. District staff elected to purchase this power product in lieu of buying non-federal power to cover above Tier 1 power allocation requirements. Pricing of the market product is projected to continue to be less than BPA Tier 1 priced power through 2024.

The load growth above has been driven by end-use loads already connected to the District’s electric system (i.e. Refinery and District’s water treatment plants). In addition to this organic growth, District staff over the past couple of years has interacted with several entities, who have and are proposing new industrial facilities to be constructed within the Cherry Point area. All of the inquiries have involved large electric load requirements and connections to the District’s electric system. Given the magnitude of the loads, should any one of the projects proceed, the District would likely need to procure power supply from a non-federal entity source. This would be in addition to the continuing purchase of power from BPA.

One of the main reasons driving the search for non-federal power is that BPA’s policy regarding adding new large single loads (NLSL) above ten average megawatts (10 aMWs) is that the price of power to be supplied would at a NLSL rate which is well above what the District pays for its BPA Tier 1 power.

Another factor driving District staff to assess future power supply needs and the availability and pricing of non-federal power is the expiration of the District's Power Purchase Agreement with BPA on September 30, 2028. Discussions among BPA and its public utility customers have already begun with regard to what the new follow-on agreement might look like and how it would differ from the current contract. Negotiation and document drafting will likely begin in earnest during 2022 with the expectation that new power purchase agreements will be offered and signed prior to BPA's fiscal year 2028.

Given the above factors, District staff has begun reaching out to organizations that provide consulting assistance particularly with regard to public utilities seeking to diversify their power supply portfolios; purchase and manage non-federal power; acquire low carbon and renewable resources; and make transmission arrangements to deliver power to their electric systems.

The Energy Authority (TEA), with main offices in Bellevue, Washington and Jacksonville, Florida, is a non-profit entity owned by seven municipal and state-chartered electric utilities located across the US. Among its 60 public power customers are eight PUDs in this Washington State. As such, District staff contacted TEA because their consulting services offerings are a good match with the District's current and near future electric power supply needs.

Staff recommends that the Commission approve entering into a Professional Consulting Services Agreement (PSA) with The Energy Authority (TEA). The Agreement, as drafted, has an initial term, which would expire on December 31, 2022. Some but not all of TEA's general areas of consulting services which might be provided under the agreement are training on wholesale energy markets and procurement, power supply planning and regulatory market monitoring.

Commissioner Deshmane inquired if choosing TEA would foreclose future options the District might have; and, if TEA would be a firm to advise and inform us with regard to energy efficiency and demand side management. Walters responded no to both questions. Commissioners agreed this would be beneficial and they would like to acquire more education about the power purchasing process as it is a complex and valuable process. When the time comes to reschedule the "Energy Workshop" (postponed in mid-March), perhaps TEA can present this sort of information at the event or in a future scope of work.

There is no impact on the District's 2020 Budget. Any work performed under the Agreement will be expensed against the line item budget for administrative consulting services.

ACTION: Commissioner Murphy motioned to APPROVE PROFESSIONAL CONSULTING SERVICES AGREEMENT WITH THE ENERGY AUTHORITY AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE AGREEMENT SUBJECT TO FINAL STAFF AND LEGAL COUNSEL REVIEW. Commissioner Deshmane second the motion. Motion passed unanimously.

c) Approve Amendment No. 1 to Grant with Washington Department of Fish and Wildlife

Background: The District is a member of the Watershed Management Board (WMB), which includes the City of Bellingham, all small cities in Whatcom County, Whatcom County Government, the Lummi Nation, the Nooksack Indian Tribe and the Washington State Department of Fish and Wildlife (WDFW). The WMB acts as the WRIA 1 Local Integrating Organization (LIO) and is responsible for integrating and coordinating local activities related to the Puget Sound Partnership's (PSP) Puget Sound Action Agenda.

PSP provides LIO's opportunities to fund Near Term Actions on an annual basis. Each LIO (nine total throughout Puget Sound) may submit Near Term Actions for consideration for funding up to \$100,000 total per LIO for the LIO's "priority project". In early 2019, the District, with the support of WMB members, submitted a Near Term Action (NTA) to develop a WRIA 1 Regional Water Supply Plan (RWSP). The NTA was approved by PSP Habitat Strategic Initiative Leads for funding.

The NTA was based on a "Phase 1" scope of work for Strategy 3 of the WRIA 1 Watershed Management Board's 5-Year Work Plan. "Phase 1" is intended to scale the task from a WRIA 1 – wide effort to pilot areas using grant funds through the WDFW for the NTA included in the 2018-2022 Action Agenda for Puget Sound. The NTA total budget submitted for "Phase 1" was \$250,000. The NTA allowed funding is up to \$100,000 annually and the District received notification that it was awarded the \$100,000. The WMB will also leverage other grants and efforts underway that are directly related to Strategy 3, Regional (WRIA-Wide) Water Supply Plan (RWSP).

The purpose of the (RWSP) is to establish a framework to address water supply needs for instream and out of stream uses. The RWSP is integrating existing plans such as the Whatcom County Coordinated Water System Plan with other out-of-stream water uses and instream water needs, and in context with land use, water quality, habitat, and stream flows.

In October 2019, the Watershed Management Team agreed to support the annual \$100,000 funding for the 2020 Near Term Action to be used for continued funding of the RWSP and the District submitted the request to PSP. The District was notified in December 2019 that the funds were approved.

In January 2020, the Commission approved the Grant with Washington for the first \$100,000. The Whatcom PUD staff and WDFW worked on amending the scope of work to reflect the additional \$100,000, which will provide funding to allow the RWSP to incorporate more of a complete plan beyond the three pilot areas. Amendment No. 1 increases the overall grant to a total of not to exceed \$200,000. Schlotterback added that Phase 1 should be finished by the end of the year.

There is no fiscal impact to the District. The District will pass funds from the WDFW grant to sub-contractors who will perform the work.

ACTION: Commissioner Deshmane motioned to APPROVE AMENDMENT NO. 1 TO GRANT WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO SUPPORT DEVELOPMENT OF THE WRIA 1 REGIONAL WATER SUPPLY AND MANAGEMENT PLAN IN THE AMOUNT NOT TO EXCEED \$100,000.00 PENDING FINAL REVIEW BY DISTRICT STAFF/LEGAL COUNSEL AND AUTHORIZE GENERAL MANAGER TO SIGN THE CONTRACT. Commissioner Murphy second the motion. Motion passed unanimously.

d) Approve Professional Services Agreement with Aspect Consulting LLC

As noted in prior agenda item, Amendment No. 1 increased the grant amount with Washington State Department of Fish and Wildlife (WDFW). Phase 1 work requires the use of sub-contractors for several of the NTA Tasks. Because the District is the lead on the NTA, it will manage the agreement(s) with any subcontractors.

A Request for Proposals was released on April 8, 2020 for the Phase 1 work. Submittals were due on April 24, 2020 and the District received three responsive proposals: Aspect Consulting, RH2 and Washington Water Trust.

Proposals were reviewed by the RWSP Staff Work Group consisting of staff from the WMB Board and members of the Ag Water Board. Based on the rankings by the RSWP Staff Group, Aspect Consulting received the highest ranking.

The next step is to develop a detailed Task Order. District staff will work with Aspect Consulting to develop the Task Order, which will be in a not to exceed amount of \$70,044.00. The Task Order will be brought to the Commission for final approval. The work performed by the consultant under the Task Order will result in a Phase 1 Report that will be used to move into the Phase 2 project, which is funded by the \$100,000 that was awarded by WDFW through Amendment No. 1 to the WDFW Grant.

There is no fiscal impact to the District. The District will pass funds from the WDFW grant to sub-contractors who will perform the work.

ACTION: Commissioner Murphy motioned to APPROVE PROFESSIONAL SERVICES AGREEMENT WITH ASPECT CONSULTING, LLC. TO SUPPORT DEVELOPMENT OF PHASE 1 OF THE WRIA 1 REGIONAL WATER SUPPLY AND MANAGEMENT PLAN AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Deshmane second the motion. Motion passed unanimously.

6. General Manager Report

Open Public Meetings Act (OPMA)/COVID-19 Guidelines

Jilk reported that Governor Inslee has extended the OPMA guidelines until May 31. Staff is planning to wait until June to transition back from working remotely, although it is difficult not really knowing what the situation will be like and what the Governors direction will be at that time.

There continues to be no major issues or problems, water demand is slightly up from last year, and he does not anticipate any major changes in water or electricity use through the rest of the year with the exception of Alcoa/Intalco curtailment planned.

7. Commissioners Report

Commissioner McClure met with Joel Swisher, Director of the Institute for Energy Studies (IES) at Western Washington University. McClure thinks there could be a beneficial relationship with the IES, especially in regards to public energy issues. It was suggested that Swisher would be a good participant for the District's upcoming Energy Workshop (date TBA).

Deshmane is reading the book “Fiber” by Susan Crawford. He has also been attending the WPUWA Water Committee Meetings and noted that some of the PUDs are returning to ‘normal’ and are implementing a variety of changes, including surveying the financial impacts due to connection fees and non-payments caused by the pandemic.

8. Executive Session

Commission President Jeff McClure requested an Executive Session pursuant to RCW 42.30.110(1) (i) to discuss potential litigation.

The estimated time for the Executive Session was forty-five (45) minutes. The Commission President indicated that no action was anticipated to occur after the adjournment of the Executive Session. After a five-minute recess, Commissioner McClure adjourned the Commission into Executive Session at 9:40 a.m.

- The Commission held Executive Session on a separate Zoom webinar platform for privacy and security matters meeting open public meeting requirements.
- At 10:30 a.m., the Commission President extended the Executive Session for another twenty (20) minutes.

Executive Session Adjourn

There being no further business for the Executive Session, the Commission reconvened to the regular meeting at 10:49 a.m. and rejoined the regular Commission Meeting webinar platform.

9. Call for Special Meeting (Remote)

Commissioner McClure called for a Special Meeting to be held remotely on Tuesday, May 19, 2020 at 8:00 a.m. to immediately recess into Executive Session to discuss potential litigation per RCW 42.30.110(i). Action may be taken at the end of Executive Session.

10. Adjourn

There being no further business for the regular meeting, the Commission adjourned the regular meeting at 10:53 a.m.

APPROVED on MAY 26, 2020

Jeffrey McClure, President

Michael Murphy, Vice President

Atul Deshmane, Secretary