

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

**July 14, 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 Zoom teleconference included Commissioner Mike Murphy, Commissioner Jeff McClure, Commissioner Atul Deshmane, and Legal Counsel Jon Sitkin. 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; Alec Strand, Project Manager; Jon Littlefield, Electric System Supervisor; 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:

Dave Olson, Citizen  
Lauren Turner, Phillips 66  
Christine Grant, Citizen  
Rick Maricle, Citizen  
Max and Carole Perry, Citizens  
Carryn Vander Griend, PSE  
Kathy Sabel, Citizen

**2. Approval of Agenda**

No changes made.

**ACTION:** Commissioner Murphy motioned to APPROVE THE JULY 14, 2020 AGENDA. Commissioner Deshmane second the motion. Motion passed unanimously.

**3. Consent Agenda**

- a. **Approval of the Meeting Minutes of June 23, 2020 as presented;**
- b. **Approval of the Claims of July 14, 2020:**

<b>VENDOR NAME</b>	<b>AMOUNT</b>
3-D CORPORATION/NP INFO SYSTEMS	252.18
APPLIED DIGITAL IMAGING	9.78
ASPECT CONSULTING LLC	14,167.90
BELLINGHAM HERALD	840.00
CESCO NEW CONCEPT CHEMICAL PRODUCTS	1,232.28
CHMELIK SITKIN & DAVIS	9,688.88
CORNERSTONE MANAGEMENT, INC.	8,157.38
CULLIGAN NORTHWEST	107.18
EDGE ANALYTICAL LABORATORIES	160.00
FASTENAL	116.72
FEDERAL EXPRESS	17.75
FERNDALE ACE HARDWARE	217.15
FERNDALE CITY OF	442.71
HARDWARE SALES, INC.	5.87
HEALTH PROMOTIONS NORTHWEST	90.00
HOMEWARD DESIGNS, LLC	234.00
K ENGINEERS, INC.	405.00
KCDA PURCHASING COOPERATIVE	276.38
MASSMUTUAL RETIREMENT SVCS LLC	11,199.99
MORTIMER, TOM	165.00
NORTHWEST CASCADE, INC.	118.50
NORTHWEST MOWING & GARDENING	514.54
P&P EXCAVATING, LLC	23,842.51
PACIFIC POWER BATTERIES	224.11

PLATT ELECTRIC SUPPLY CO	129.35
PROBUILD - OSO LUMBER	103.30
PUBLIC UTILITY RISK MANAGEMENT SERVICES	19,759.65
PUGET SOUND ENERGY, INC	6,453.11
REGENCE BLUE SHIELD	38,901.73
REISNER DISTRIBUTION, INC	628.80
RH2 ENGINEERING, INC	192.19
RICOH USA	249.62
SHRED-IT USA	38.11
SNAPPER SHULER KENNER, INC	112.08
SPECIAL-T STRIPING & SIGN COMPANY	122.03
SSC - SANITARY SERVICE COMPANY	509.29
STEEL RIVER PIPING & FABRICATION	43,112.95
TEAMSTER LOCAL #231	512.00
TYLER TECHNOLOGIES-INCODE	1,370.71
ULINE, INC.	921.52
UNITED WAY OF WHATCOM COUNTY	420.00
UTILITIES UNDERGROUND LOCATION	25.80
VERIZON WIRELESS	2,635.43
WASHINGTON DENTAL SERVICE	1,384.04
WASHINGTON TEAMSTERS WELFARE	11,875.15
WATERHOUSE ENVIRONMENTAL SERVICES CO	17,820.00
WHATCOM FARMERS CO-OP	27.25
WHATCOM JANITORIAL	1,250.00
WILSON ENGINEERING, LLC	8,152.25
ZIPLY FIBER	1,418.81
<b>GRAND TOTAL</b>	<b>\$230,610.98</b>

Commissioner McClure noted one correction to the Minutes of June 23, 2020, to add “potential” under his second point of budget priorities: *Watershed Management Board – tasks coming up are important; PUD roles; and pending potential adjudication.*”

**ACTION No. 1:** Commissioner Murphy motioned to APPROVE THE CLAIMS OF JULY 14, 2020. Commissioner Deshmane second the motion. Motion passed unanimously.

**ACTION: No. 2:** Commissioner Murphy motioned to APPROVE THE MINUTES OF JUNE 23, 2020 AS CORRECTED. Commissioner Deshmane second the motion. Motion passed unanimously.

#### 4. Old Business

##### a. Review of Policy regarding Commission Meetings during Phase 2 and/or Phase Three Safe Restart, and Open Public Meeting Limitations

Governor Inslee’s Proclamation 20-28 suspended the Open Public Meetings Act (OPMA) to prohibit in-person attendance/gatherings at open public meetings and most recently was extended until August 1, 2020.

At the last meeting, Legal Counsel Sitkin presented different scenarios for the Commission to consider for their open public meetings with regard to the COVID-19 pandemic. He suggested a draft Commission Meeting Policy in the event that the in-person meeting requirements are *not extended*, and Whatcom County remains under either Phase 2 or Phase 3 of the Governor’s Safe Restart Order.

Following direction from the Commissioners discussion, a second draft policy was prepared to formalize established procedures related to in-person public attendance at Commission meetings as such and present at today’s meeting. It was agreed that the District will continue virtual meetings during Phase 2.

During Phase 3, the allowance of in person attendance at the District’s commission meetings shall be consistent with applicable guidelines issued by Governor Inslee’s office. In the absence of specific guidance from Governor Inslee in person, public meetings shall be followed by following minimum requirements:

- a) Virtual attendance options (telephone or internet technology)
- b) No more than \_\_\_ individuals shall be allowed to be in attendance, including employees, commissioners, consultants and public.
  - i. In the event that this maximum number is exceeded then all members of the public shall be excluded, provided that the press shall be allowed to attend. Exceeding a limit of \_\_\_ shall be considered a disrupted meeting under RCW 42.3.050

Commission has delegated to staff to determine how many occupants/chairs/seating arrangements can be allowed in the PUD's meeting room at a safe distance, and then policy will be finalized.

Deshmane commented that he realizes the health concerns about meeting in-person, but feels we run the risk of being more disconnected doing everything online and to keep this in mind. Perhaps staff can think of innovative ideas to maintain greater connection and contact between staff and commissioners – and with the public as well. He feels it is beginning to be a real problem of “not being connected.”

**ACTION:** Commissioner Deshmane MOTIONED TO APPROVE THE POLICY FOR COMMISSION MEETINGS DURING PHASE 2 AND/OR PHASE 3 SAFE RESTART – OPEN PUBLIC MEETINGS LIMITATIONS UPON STAFF MODIFICATION OF NUMBER OF INDIVIDUALS ALLOWED TO BE IN ATTENDANCE. Commissioner Murphy second the motion. Motion passed unanimously.

**b. Approve Special Meeting Agenda (July 21, 2020)**

A special meeting/work session for the Commissioners is planned for Tuesday, July 21, 2020. The work session will present background and current information about broadband and energy, and the PUD's role in Whatcom County as well as to provide an opportunity for discussion and planning ideas for the District.

Jilk has suggested a few minor changes:

There are some added topics/speakers/presentation and two break times included.

**Broadband/Opening** – What is happening with other PUD's and PUD authority, and include a “lessons learned” about what the PUD could have done differently from over 16 years ago.

**Mynd Global** - An investment capital group that has an interested in building fiber networks around the northwest in unserved or underserved areas. They build/operate systems/build customer base, and then sell to public or non-profit agencies to run the business afterwards. Stephen King will present. (10 minutes)

**Hydrogen Project** – Speaker confirmed (10 minutes)

**City of Bellingham** – Renee LaCroix and Eric Johnston regarding the City's Climate Action Goals.

**Port of Bellingham** – Gina Stark and possibly Don Goldberg to discuss what other Ports are doing.

**Port of Skagit/Skagit PUD** – Discussion tomorrow with Port of Bellingham/Port of Skagit and Skagit PUD to finalize their presentation.

**Jon Humphrey** – Has been locally advocating mostly with the City of Bellingham for fiber optics/broadband and has been involved with many public hearings on the subject. Humphrey will also have comments regarding the COVID crisis and serving schools.

The agenda is fairly packed. McClure encouraged speakers to be mindful of the presentation time limits and time for questions and comments. Staff will assist moderating and time keeping. The opportunity for public comment will be during each wrap-up session - questions will be received from the question/answer function (via Zoom technology) and staff will then read to Commissioners for comment.

Due to the COVID situation, Commissioner Murphy will be attending at the District office and Deshmane and McClure plan to attend remotely. Facemasks are required if there is more than one person in the meeting room.

**ACTION:** Commissioner Murphy motioned to APPROVE THE AGENDA WITH MODIFICATIONS AS NOTED FOR THE SPECIAL MEETING ON JULY 21, 2020 FROM 8:30 AM TO 4:30 PM. Commissioner Deshmane second the motion. Motion passed unanimously.

**5. New Business**

**a. Branding**

The District has begun the process of updating the PUD’s identity. It has been over 20 years since the current logo was designed and it is long overdue. Today’s role of the District is evolving and requires a new look for branding and identification. The District’s Strategic Plan Update under *Strategy 6.3* calls to: Re-brand the PUD and undertake an aggressive public outreach program to communicate the agency’s vital community role to the general public, customers, state agencies and local governments.

Designer Heidi Dikeman has been working on concepts. She presented the process of branding and logo design, with options refined. Highlights included:

Hierarchy of Key Words in Logo:	Public Utility District (PUD) and Whatcom
Visual Elements Considered:	Energy, regional markers such as mountains and especially water
Color Palette:	Clean air, water and land
Typography:	Stable, solid/bold with “PUD” as visual foundation, with less attention to “of Whatcom County, as not to be confused with “Whatcom County government”.

Various logos from regional public utility districts were displayed – some are simple, others archaic, some with many colors and shading.

Dikeman explained how Whatcom’s logo begins to take shape in different forms – round, square, waves and lines, bold typography. In addition to the wording, the visual of waves, representing energy, water or mountains can be incorporated as part of the branding and not just in the logo itself. Examples of letterhead, business cards, indoor and outdoor signage, and logo use on clothing, safety vests and mock-ups of District vehicles were shown.

Deshmane suggested finding out how many other PUDs have looked at changing their logos and processes. Staff will contact WPUDA to gather input.

The brand/logo discussion will be revisited at the August 25 meeting and budget priority discussions may bring additional ideas.

**ACTION:** No action requested. Information only.

**b. Approve Standard Professional Surveying and Engineering Services Agreement with Pacific Surveying and Engineering**

In February 2020, the District publicly advertised a Request for Qualifications (“RFQ”) from surveying and engineering firms qualified to provide services to the District. The surveying and engineering and associated consulting services required are related to the District’s water and electric systems. Based on the Statement of Qualifications (“SOQ”) received from responding firms, District staff selected firms that met all the requirements listed in the District’s RFQ and in March 2020, established a roster of these engineering- qualified firms.

Based on the roster qualifications process and the current need for services, staff would like to enter into an agreement with Pacific Surveying & Engineering Inc. (PSE) of Bellingham, WA. Staff recommends executing a Standard Agreement for Professional Engineering Services (“Agreement”) with PSE. The term of the Agreement would be through December 31, 2024. Under the provisions of the Agreement, the District reserves the option to extend the initial term for up to two additional one-year periods. Note that the termination date on the Agreement and Action Memo indicates December 31, 2025 is incorrect. The corrected date of termination is December 31, 2024.

The Agreement, if approved, has no associated budget. Work assigned to PSE and the associated cost for the services to be performed will be through work orders approved by the District’s General Manager or Commission pursuant to District Policy. Once a work order is approved, it will be attached to and incorporated into the Agreement as “Exhibit A”. Each new work order approved thereafter will be an amendment to Exhibit A and the underlying Agreement.

Anticipated work orders implemented under the Agreement will involve consulting services and engineering associated with surveying for the upcoming annual settling pond sediment removal (maintenance project) and Grandview water system improvements. There is no fiscal impact to the District.

**ACTION:** Commissioner Murphy motioned to APPROVE STANDARD AGREEMENT FOR PROFESSIONAL SURVEYING AND ENGINEERING SERVICES WITH PACIFIC SURVEYING AND ENGINEERING INC. AND AUTHORIZE DISTRICT’S GENERAL MANAGER TO EXECUTE THE AGREEMENT. Commissioner Deshmane second the motion. Motion passed unanimously.

**c. Approve Work Order No. 1 with Pacific Surveying and Engineering, Inc.**

As noted above, the Commissioners have approved the Professional Engineering Services Agreement with Pacific Surveying and Engineering, Inc. (PSE) to assist staff in engineering and surveying services.

In the 1990s, the Grandview and Northgate water systems were consolidated and physically connected as a condition for the PUD to take over the systems from the developers. Later, the combined system was expanded to include portions of Portal Way and all of the I-5 Industrial development on the north side of Interstate 5.

During the various consolidations and expansions of the Grandview Water System that have occurred over the years, no facilities have been placed on the south side of Grandview Road west of the Northgate Industrial area. There is now demand for potable and fire water services in this area. Currently, one property owner has specifically requested connection to both the potable and fire water mains. This person previously participated in the LUD formed to fund expansion of a portion of the Grandview Water System and has paid off their LUD assessment obligation, even though facilities have not been constructed along their property fronting Grandview Road.

Whatcom PUD in consultation with PSE has developed the following scope of services to support the extension of the Grandview Water System’s potable and fire mains under Grandview Road from the north to the south side. This will enable the PUD to provide water services to accommodate the one property owner’s request for services and to meet additional demand for services along the south side of Grandview Road west of Northgate to Vista Road. Approval of Work Order No. 1 with PSE has no financial impact on the District’s approved 2020 budget.

Budget for Work Order No. 1:

<b>Task Item .....</b>	<b>Amount</b>
Watermain Design Drawings .....	\$6,070
WSDOT Permitting .....	\$2,040
WSDOT Review.....	\$4,890
Construction Report .....	\$16,070
<b>Total.....</b>	<b>\$29,070</b>

**ACTION:** Commissioner Murphy motioned to APPROVE WORK ORDER NO.1 FOR PACIFIC SURVEYING AND ENGINEERING INC. FOR ENGINEERING SERVICES FOR A COST NOT TO EXCEED BUDGET OF \$29,070 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE WORK ORDER. Commissioner Deshmane second the motion. Motion passed unanimously.

**6. General Manager Report**

Update on working with the Port and Whatcom County – Federal Stimulus Money

The CARES stimulus funding related to COVID-19 brings an opportunity to work with the school districts in the county to find resources for purchasing equipment and connectivity (hotspots) access to the internet for students. Commissioner McClure is working with Councilmember Rudd Browne and others to identify opportunities to use some of the stimulus money allocated to Whatcom County for that purpose. The amount of money identified is about \$3 million. The group indicated this level of request to allocate funding from the total amount of stimulus money of \$12 million; however, Whatcom County is expected to allocate only about a half million from this. Searching for other resources, Gina Stark from the Port has identified a USDA grant that would provide up to \$1 million to supplement the half million expected from the county.

This \$1 million grant requires a 15% local match. PUD Commissioners indicated that they, along with the Port and county will provide the needed local match.

Washington State Public Works Board

Up to \$18 million dollars available for broadband resources in the next 90 days. Jilk is also in discussion with Stark on this funding. Stark plans to submit a formal application through the PWB for another \$2 million to supplement a portion of the educational support. It may also tie in to support the Port’s first segment of their fiber network project. McClure added that of the \$18 million, \$9.1 is available in low-interest loans and \$8.6 is available for grants. There is a three-week window to submit the formal applications and notify local Internet Service Providers (ISP) six weeks in advance. More information is forthcoming.

Sitkin has forwarded to each Commissioner a copy of an interview with Director of Ecology Laura Watson from *The Water Report* publication.

**7. Commissioners Report**

Commissioner Murphy:  
No report.

Commissioner Deshmane:

He appreciates all the work Jilk is doing on the grants and being responsive in a short timeframe is exemplary.

## 8. Public Comment

Rick Maricle: Regarding the meeting policy adopted earlier, people might misinterpret that if too many people show up to attend the meeting that the public may be excluded – the PUD could pack the room with staff and have no space for the public. Sitkin responded that staff would be excused from the meeting beforehand to make room for public attending.

Kathy Sabel: Clarification question on the WRIA 1 Regional Water Supply Plan (PUD is the lead) – is it discussed at PUD meetings and the information is then placed on the WRIA 1 website? Jilk responded that the PUD only provides a link to the WRIA 1 website, on the PUD’s website there is nothing additional on these topics or items worked on by the Watershed Management Board (WMB). Any action that requires a policy position by members of the WMB on the Water Supply Plan would have to be brought back to the individual elected boards like the PUD Commission to set a direction/vote on the planning process. The PUD typically brings updates when we feel it is important for the Commission to be prepared to take or approve a position or policy.

Christine Grant suggested that these recordings be available to the public. She says with the pandemic going on it would be a good idea that the Zoom webinar recording along with written minutes be posted. Grimm replied this is first recorded meeting and a link will be on the website when available.

Carole Perry commented on Commissioner Deshmane’s thoughts about the difficulty of doing things this way (online/Zoom webinar) and that the Commissioners would prefer to meet in-person and that we want to follow the law. When the County presented to take the Phased in approach to a different level, the WCHD Director Erika Lautenbach urged consideration in continuing social distancing guidelines. For the public trying to participate, it is difficult.

Kathy Sable asked that when the PUD returns to meetings in-person, would the Zoom webinar platform continue to be used. Jilk responded that the District has purchased equipment in order to continue in this manner, when/if we go back to in-person meetings. Sitkin added for clarity that if emergency orders are completely lifted and the pandemic gone, the decision to continue has not been formally made, but to continue with the Zoom platform would be the recommendation.

## 9. 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 twenty (20) minutes. The Commission President indicated that no action is anticipated be taken after the adjournment of the Executive Session.

Commissioner McClure adjourned the Commission into Executive Session at 9:32 a.m. with a short recess.

- The Commission held Executive Session on a separate Zoom webinar platform for privacy and security matters meeting open public meeting requirements.

### Executive Session Adjourn

There being no further business for the Executive Session, the Commission reconvened to the regular meeting at 9:52 a.m. and rejoined the Regular Commission Meeting webinar platform.

## 10. Adjourn

**ACTION:** There being no further business for the meeting, Commissioner Deshmane motioned to ADJOURN THE REGULAR MEETING AT 9:54 A.M. Commissioner Murphy second the motion. Motion passed unanimously.

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Jeffrey McClure, President

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Michael Murphy, Vice President

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Atul Deshmane, Secretary

APPROVED JULY 28, 2020