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2021 BOARD OF COMMISSIONERS

*Atul Deshmane, President
Mike Murphy, Vice President
Christine Grant, Secretary*

PUBLIC UTILITY DISTRICT No. 1 *of Whatcom County*

Agenda for the Regular Meeting of February 23, 2021 8:00 a.m. via Zoom Teleconference

1. Call to Order | Pledge of Allegiance
2. Approval of Agenda
3. Consent Agenda
 - a) Approval of the Meeting Minutes of the Special Meeting of February 2, 2021
 - b) Approval of the Meeting Minutes of the Regular Meeting of February 9, 2021
 - c) Approval of Claims for February 23, 2021
4. Old Business
 - a) *The Energy Authority* Presentation #2
 - b) *Update on Governor's Proclamation for Open Public Meetings Act – Counties in Phase 2*
5. New Business
 - a) Approval of Resolution No. 787 – Amend Non-Bargaining Unit Employee's Compensation Policy to Include New Job Descriptions and Salary Ranges: Broadband Services Analyst and Electric Utility Analyst
6. General Manager Report
7. Get to Know You
8. Commissioner Reports
9. Public Comment
10. Executive Session: Potential Litigation RCW 42.30.110(1)
(Separate Executive Session Zoom Platform invite from Legal Counsel)
11. Adjourn

Until further notice: Whatcom PUD's Offices are closed to public access. Due to the **Updated Open Public Meetings Act General Guidance Regarding the COVID-19 Event**, the PUD Meeting Room is not open to the public. All Commissioners will participate via teleconference.

The public meeting can be accessed by internet: <https://us02web.zoom.us/j/83383245126>

Or by telephone: Dial 1 (253) 215 8782 or 1 (346) 248 7799

Webinar ID: 833 8324 5126

Next Commission Meetings

March 9 and 23, 2021 | 8:00 a.m. | Regular Meetings

Access information will be announced - the public may join the meeting by teleconference.

Contact: Ann Grimm, Commission Clerk at (360) 384-4288 x 27 • www.pudwhatcom.org

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MINUTES OF THE SPECIAL MEETING OF THE COMMISSION

February 2, 2021

1. Call to Order | Pledge of Allegiance

The special meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 8:04 a.m. by Commissioner Atul Deshmane. 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 Christine Grant, Commissioner Atul Deshmane, and Legal Counsel Jon Sitkin. Staff attending via teleconference: Steve Jilk, General Manager, Ann Grimm, Executive Assistant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Annette Smith, Director of Finance; Brian Walters, Assistant General Manager; Duane Holden, Director of Utility Operations; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Devin Crabtree, Chief Water Operator; and Jon Littlefield, Electric System Supervisor.

Public attending via teleconference:

Carryn Vande Griend, PSE
David Hostetler, Citizen
Ellyn Murphy, Citizen
Jill McIntyre Witt, Citizen
Lauren Turner, Phillips 66
Sue Gunn, Citizen
Mary Rivkin, Citizen
“RB”

2. Commissioners Work Session to Discuss Energy Resource Management

Commissioner Deshmane suggested each Commissioner list what they would like to discuss on the subject and develop the agenda from the topics.

Deshmane:

- Municipalization Study (raised from the City of Bellingham’s Climate Study and follow up with citizens)
- Community Renewable Energy Projects

Murphy:

- Murphy doesn’t have specific topics

Grant:

- Clean Energy Transformation Act (CETA) Rule Making – is relevant for municipalization conversation
- Current Legislative Bills to consider supporting

Jilk added that at the next two regular Commission Meetings, there are planned presentations from *The Energy Authority* to discuss energy resources and possible policies for consideration.

Deshmane suggested focusing on the CETA policy and municipalization conversations, and then possible renewable energy projects if time allows.

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Municipalization

At the January 12 Commission Meeting, a few public comments were made about public power acquisition and a possible feasibility study. The outcome of the study needs to be determined first. Deshmane came up with a list of actions to consider:

Communitywide:

- 1) City of Bellingham municipalization (taking over electric grid to create its own retail authority)
- 2) City of Bellingham to consider “California model” that would allow the community to have control and focus on their consumption (aggregation)
- 3) City of Bellingham entering into a green-direct program with PSE (citywide)
- 4) PUD municipalizing countywide
- 5) CETA compliance as indicated

Next, have each entity above research the following:

- Cost of Energy
- Jobs Impact
- Broader Economic Development
- Carbon Emissions Footprint
- Connectivity
- Identify a Potential Savings for Laying Aerial Fiber

These could present different options for changing the Whatcom County grid/resource that improves carbon and economic development characteristics for our community.

Jilk asked for clarification on items number four and five; Are these in collaboration with the City of Bellingham, so it is not just the PUD outside of the cities? If the City of Bellingham would go out on its own for a feasibility analysis, it would seem to be more effective to do it jointly. Deshmane responded that countywide would not include the cities of Blaine and Sumas, it would include Bellingham but he was not considering both PUD and City to municipalize. Exactly how these scenarios should be fine-tuned would be a subject for another discussion. Deshmane wants the City to cosponsor the study. It would make sense for the PUD to oversee the study and Bellingham to participate.

Jilk commented that if this was to be a countywide study, and establishment of a countywide utility, he suggests including Blaine and Sumas in the conversation as to how they can benefit or integrate their utilities into a countywide “public utility”. Deshmane would provide a matrix with clarity on potential action and provide to the Commission for later discussion. He would also like to send it to the Bellingham City Council to see if they are willing to provide resources to conduct the study. With collaboration, there is a possibility of utilizing EDI funds for the financing.

Grant has talked about public ownership in the past and she believes the reason why there is discussion in the community is due to a lack of local control, which is a leading reason for municipalization efforts. Many of these have failed because the private investor utilities can provide tremendous resources to prevent municipalization from happening. She suggests being cautious about public ownership because it does not necessarily mean a faster transition to cleaner energy. Nationwide, the trend is not there.

She has been researching the Clean Energy Transformation Act and rule making. The transition over the next few decades is tremendous (it commits Washington to an electric supply free of greenhouse gas emissions by 2045). The other topic she hears a lot about is energy transmission and how there are not adequate transmission resources. She would like to see more energy produced locally to reduce the transmission costs. It is also a good way to produce jobs locally. Her work with utilities has been more on the demand-side of the resource. Grant would like to find a middle path. Performing a feasibility study to look at the many options is a good idea. Two benefits of being a public utility are the grant and

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loan programs available.

Murphy is interested in the benefits of public power; however, he feels it is best to work with those who have interests and find a solution. Hopefully, others will join the effort, instead of saying the PUD will take over the whole county because without the additional support, we will fail. Grant said she has had several people from Bellingham and other communities comment to her on their concerns and needs for power. Most concerns regard the delay in transitioning to clean energy, as it has been perceived and adequate service or performance upgrades that are needed. She suggests a survey for better information on how community members think about it.

Murphy said if the City of Bellingham has the most interest for public power, then perhaps that is where to start. The District needs look at hiring the right people or consulting firm to head up the studies; as current staff is already overloaded. If the City agrees and would be willing to co-fund, then he could see moving ahead.

Because the public is talking about municipalization, Deshmane said it should be discussed. He will prepare a document to send to the Commissioners to address funding/collaboration on the study (City, Whatcom County), and that the voices of the community are heard to give input on the study. He suggested a countywide forum to provide input before a final Request for Qualifications. Grant said it is important that one of the Commissioners communicate with Puget Sound Energy and to have healthy, open dialogue with PSE on where the community wants to go, and in the most economically way. If we don't go that direction, the analysis is needed in order to make a fully-informed decision. Grant offered to be the liaison with PSE.

Deshmane has reviewed the latest Integrated Resource Plan (IRP) from PSE, and it appears that coal use will be reduced and replaced with natural gas production. In regards to ongoing legislation, the push is for *all* utilities toward further electrification.

Grant has been learning more about the rule making process and a lot of information isn't available. One item in the rule making requires investor-owned utilities to work more directly with communities regarding clean energy implementation plans and the Utilities and Trade Commission will have more of a say in the implementation plans in the future. There is a strong equity focus on the Integrated Resource Plan (IRP) to identify communities that have been the most impacted or likely to be highly impacted by climate change and existing energy infrastructure. Hydropower does count under CETA as long as there are no new diversions. This could be an opportunity to look at micro hydro production with the District's existing infrastructure.

There might be a common interest for Snohomish PUD, Whatcom PUD and PSE to meet with the local CETA rule-making process. Nicholas Garcia of WPUDA is very knowledgeable and Deshmane proposed meeting with Garcia first then proceed. Walters commented that Whatcom PUD is subject to meeting the goals of CETA, and we are about six percent short of our power supply that does not meet CETA requirements, and we do have the resources to bid into Snohomish PUD's IRP. Small-scale resources to serve community needs may not meet existing customers' needs, and we may end up serving large loads. Municipalization can take on many different forms. Sitkin added that on January 20, 2021 the UTC approved the IRP for PSE.

Next steps:

Deshmane suggested a meeting on the subject of CETA and rule making. Grant said the process is to determine the vision of the community, how to get there as quick as possible, with the lowest rate. If PSE is ready to be a community partner, show us the current business model and collaborate in every way possible, or the PUD can take its own path. Deshmane suggested an "energy summit" with PSE. Grant will follow up with PSE and Deshmane with Garcia.

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Jilk does not see these as standalone issues. It would be a good approach for Commissioner Grant to reach out to PSE. In addition, at the next two upcoming Commission Meetings, presentations on energy issues are planned by *The Energy Authority*. Perhaps the first meeting in March will be a good opportunity to discuss. There will also be further discussions on broadband and create more demands for public outreach on the Commission and staff's workload to move the discussion forward.

Deshmane will send his document out about municipalization and other study options. Murphy added that he appreciates the subject coming up – and we need to figure out the next step. He has always focused on water issues and appreciates the other Commissioners' knowledge in this arena.

3. **Adjourn**

There being no further business for the special meeting, Commissioner Deshmane adjourned the special meeting at 9:04 a.m.

Atul Deshmane, President

Michael Murphy, Vice President

Christine Grant, Secretary

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MINUTES OF THE REGULAR MEETING OF THE COMMISSION

February 9, 2021

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 8:04 a.m. by Commissioner Atul Deshmane. 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 Christine Grant, Commissioner Atul Deshmane, and Legal Counsel Jon Sitkin. Staff attending via teleconference: Steve Jilk, General Manager, Ann Grimm, Executive Assistant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Annette Smith, Director of Finance; Brian Walters, Assistant General Manager; Duane Holden, Director of Utility Operations; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Jon Littlefield, Electric System Supervisor; Tony Gambini, Substation Technician; Devin Crabtree, Chief Water Operator; and, Traci Irvine Accountant I.

Public attending via teleconference:

Anna Berg, The Energy Authority
Jeff Fuller, The Energy Authority
Todd O'Keefe, The Energy Authority
Carryn Vande Griend, PSE
Dave Olson, Citizen
Rick Maricle, Citizen
Rebecca Chamberlain, Citizen
Jamie Douglass, Citizen
Dan Douglass, Citizen
Ellyn Murphy, Citizen
Joe Beaulaurier, My Ferndale News
David Hostetler, Citizen

2. **Approval of Agenda**

Commissioner Deshmane indicated he would like to add a section under Old Business as 4b to discuss some ideas he has on broadband. **ACTION:** Commissioner Murphy motioned to APPROVE THE AGENDA OF FEBRUARY 9, 2021 AS AMENDED. Commissioner Grant second the motion. Motion passed unanimously.

3. **Approval of Consent Agenda**

Commissioner Grant suggested revising a section of the January 19, 2021 Special Meeting Minutes on page three under PUD's History on Broadband, third paragraph. The section begins "Abandoning the idea of a countywide, public open access network is what Jilk thinks the PUD needs to look at." Grant suggested rewording the sentence to say: *Revisiting the reason why a countywide public open access network failed is what the PUD should look at.* The current sentence structure makes it sound like the PUD should abandon the current effort.

ACTION: Commissioner Grant motioned TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF JANUARY 19, 2021 AS CORRECTED; AND THE CLAIMS OF FEBRUARY 9, 2021. Commissioner Murphy second the motion. Motion passed unanimously.

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4. Old Business

a) Broadband Community Liaison/Advisory

Regarding the City of Bellingham's Broadband Advisory Committee: Sitkin discussed the situation with Jilk and a City Official. The concerns from the City are about the City's Charter and a conflict interest – whose interest would the commissioner be representing? PUD's or City's'?

Sitkin suggested that what has been discussed in the past – the creation of a regional planning board from different public agencies – officials from elected PUD/staff PUD similar with the Port, and City, possibly from County as well, to have a policy board/discussion format to align policies to coordinate strategies, efforts, funding, implementations, etc. so *all* agencies are represented and can collaborate. The PUD has had discussion with Port staff and Port Commissioners over the years about the subject.

Oftentimes agencies elect a legislative official or liaison to another agency. For example, Commissioner for District 1 is largely within the City limits and Port; and another Commissioner could represent the county, etc. Given the many discussions involving the City of Bellingham and the Port, perhaps the PUD should designate a Commissioner to a certain entity, benefiting and creating efficiencies within all agencies in the future. Pursuing a regional planning board may be a good way to focus the broadband strategic planning for Whatcom County.

Deshmane reported on attending the City's Broadband Advisory Committee last Tuesday. The purpose of the meeting was structuring the group on how to move forward. Deshmane asked for confirmation from the other Commissioners that he can/will attend as an Ex Officio member (not as a voting member – which the Commission addressed at the January 19 meeting.) Murphy and Grant agreed for him to continue as Ex Officio.

The update from that meeting: David Roberts will be the facilitator; it will meet twice a month. The goal is focused on affordability and equitability of broadband. Deshmane read the names of the members and related experiences. The first goal will be to write a Request for Proposals. Next meeting is Tuesday, February 16. Deshmane said several voting members want to know why is it a topic of "City only effort" and not "countywide effort". Deshmane is very interested to learn more at where the Port stands.

Jilk inquired about how to manage Brian Walter's appointment to the Ex Officio list. Should Walters participate or if Deshmane continues attending as the PUD representative, then Walters will not be engaged. Deshmane asked when Walters was notified. Jilk replied it was a few weeks before the Commission had the discussion about appointment to the PUD Commissioner be appointed to the Committee as a voting member. Walters was advised he was selected as an Ex officio member.

Deshmane did not recall being informed if Walters had been asked to attend and he had no knowledge of it. Deshmane had a meeting with Fleetwood, he shared the list of members with Deshmane. He is glad to know Walters was approached. According to the letter written to the City, it noted that Deshmane would be the attendee; and if the City approves two members, Walters is on the list. Jilk wants to communicate to staff and the City on who will be representing the PUD.

Murphy remember the discussion and summarized what happened. He thinks one representative from the PUD to attend the Committee meetings is fine. Grant agreed. Having an elected person at the meetings makes sense. Many things that Deshmane brought up relate with conversations she had with the Port since the last meeting; i.e. a countywide solution vs. city-wide. The outcome of the City's Broadband Advisory Committee is to make recommendations to the City Council on how to move forward and what level of engagement to be involved.

Grant's conversation with Gina Stark (Port) and Jilk regarded the status of the Interlocal Agreement and request for EDI funding. She also reached out to Port Commissioner Michael Sheppard and reviewed

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their studies related to broadband. In her opinion, it doesn't make sense for the PUD to pay for one of the segments of the backbone; rather, form an Interlocal Agreement and partner on the shared. One of the missing pieces is what is the end goal that the PUD wants? We need to have a goal and an end-vision. A countywide vision for *gigabit* internet that is accessible and affordable. The next steps should be to create an Interlocal Agreement with the Port – to work together on a shared goal, the broadband analyst job coming onboard to the PUD; and a \$75,000 budget for planning: Mapping, and Return on Investment (ROI) is also underway. The PUD should brand an initiative with a name to move forward.

Deshmane said one gig of speed is a realistic goal for a target, using existing or potentially buried conduit to reduce costs, and without using more electricity. Murphy is concerned about the State speed goals and timeframe will take a long time. Grant would like to start working on a goal, and a good start is the Port's backbone fiber plan.

Murphy asked how the new PUD broadband analyst would work with the Port. Jilk replied that the Interlocal Agreement (IA) is already established regarding the feasibility study. The PUD can review the IA and amend/broaden as necessary as to be accomplishments on a higher level, for an opportunity staff from the PUD to work with staff at the Port to implement and bring back suggestions their respective Boards. It makes a solid statement to the community that the PUD is committed to moving the project forward.

In summary:

- 1) Establish a Goal Statement: PUD alone or PUD/Port? Commissioner Grant will take this on and work on a draft.
- 2) Interlocal Agreement Draft: Sitkin is in the process of drafting an IA and suggests a meeting with Port Commissioner Sheppard, Commissioner Grant, Executive Director Rob Fix and Jilk to further discuss what it should contain, with an implementation strategy, and then report back to work on draft IA.
- 3) Staff Position – Jilk will present more information later in today's meeting.
- 4) Study Contents/Scope/Funding – Grant will discuss with Stark regards to scope study, an outline and other identifiers. Economic competitiveness, and the importance of speed testing and some representative numbers should be included.

Jilk suggests the drafted IA should be reviewed *before* producing the first draft of a goal statement; Grant will review and draft a goal statement. The next EDI meeting is in March; however Jilk said he believes it is more important to have the IA in place prior to the request for funding – i.e. having everything prepared and in line with the Port, prior to making an application. In consideration of other funding opportunities as Commissioner Grant has suggested, it would be more effective to come out with a focused vision and then gather the funding available.

Flexibility in the IA and goals may evolve, goals and the responsibilities of new staff person as it relates to fiber and broadband. Sitkin added that the IA doesn't have to include all the specifics; it can set the structure for the two entities to work together to develop strategies, tasks, etc., to act as more of an overall guidance agreement.

Other Broadband Topics

Deshmane said there are a few community groups that want to take advantage of fiber that is going nearby their neighborhoods and work out arrangements to tap in and create local loops. There are about six areas outside of Blaine and Sumas that are interested. Perhaps there is an opportunity for PUD staff and possibly Port staff, to be supportive of these small groups. Is this something the Commission would be willing to explore? Grant has also talked to the same people – one is Jamie Douglass. Grant said hiring the broadband services analyst is the first step, and these small fiber loops may be something this employee can research. Deshmane will follow up with Douglass and others.

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Jilk noted the Grays Harbor PUD article in the recent WPUA Friday Facts. They are researching fiber efforts as well. We have asked for a copy of their RFP to review. GH is looking at east Harbor County areas to create a long term plan on how to best serve customers and roles their PUD should take, and form a business plan.

Idea for Naming the Effort

A hummingbird was the brand identification used for InfiNet all those years ago. There was no number associated, especially in terms of speed, just to infinity...

5. a) Approve Professional Consulting Agreement with Electric Power Systems, Inc.

Background – In 2018, EPS began design for an extension of the PUD fiber optic communications backbone, to extend fiber to the Intalco Substation on Alcoa property. EPS has designed three other fiber projects for the PUD. It is the desire of PUD Operations staff to extend the District’s fiber optic communications backbone to all of the existing facilities. For this extension, new easements had to be acquired from Alcoa, which in turn delayed the project substantially. Project Manager Strand explained that because of the time it has taken to acquire the easements, the original agreement with EPS expired. This fiber extension also involves crossing a number of fuel pipelines. The route of the fiber design has changed three times to minimize fuel pipeline crossings. In order to complete the project, a new agreement must be approved with EPS to extend the time to complete the project. For various cybersecurity reasons, this fiber line is used only for District communications.

The 2021 Budget includes sufficient funds to cover work to be performed by EPS under the PSA. The Agreement, if approved, has no associated budget. Work to be assigned to EPS and the associated cost for the services to be performed will be through the use of 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.

Grant mentioned possible connectivity pilot project with BP Refinery, once our fiber is extended to D Station, near BP.

ACTION: Commissioner Murphy motioned to APPROVE A PROFESSIONAL CONSULTING SERVICES AGREEMENT (“PSA”) WITH ELECTRIC POWER SYSTEMS, INC. (EPS) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE PSA. Commissioner Grant second the motion. Motion passed unanimously.

The Commission recessed at 9:40 a.m., for a five minute break so Commissioner Deshmane could feed his chickens.

b) The Energy Authority Presentation

District staff has been 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) is one of the consulting firms contacted by District staff last year. Subsequently, the District with Commission approval entered into a Professional Consulting Services Agreement with TEA. Following execution of the Agreement, staff then worked with TEA in developing a scope of services and budget, which formed the basis of the first work order. Work Order No.1 was approved and executed on May 12, 2020.

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The scope of services under the work order included general consulting services, development of workshop style slide presentations, and a summary white paper addressing outstanding issues. To date, TEA has developed and presented three workshops for staff. On February 9, TEA will present the first workshop/slide presentation for the Commission. The second workshop is scheduled for March 23rd.

The first workshop for the Commission focused on the District's Power Sales Contract with BPA and different approaching to acquiring additional energy resources to serve the utility's forecast load growth. Highlights included:

Energy Authority

Who is TEA?

The Energy Authority (TEA) is a nonprofit portfolio management, energy trading and advanced analytics firm that has operated in wholesale energy markets across the U.S. since August 1997.

> 60 Publicly Owned LSEs served across the U.S.	> 30,000 MW Generation all fuel types dispatched	> 27M MWh of electricity sold and scheduled in 2019	> 200K Transactions executed annually for benefit of clients
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200+ total employees



West Operations Center in Bellevue, WA



Corporate Headquarters in Jacksonville, FL

Regional Expertise



Current BPA Load Following Portfolio Management Clients

- Klickitat PUD
- Umatilla Electric Co-op

Current BPA Slice/Block Portfolio Management Clients

- Benton PUD
- Franklin PUD
- Grays Harbor PUD
- Pacific PUD
- Lewis PUD
- Cowlitz PUD
- Clark PUD
- Emerald People's Utility District

BPA Contract Background

- BPA and region "dialogued" to define post-2011 power products and long-term contract during the 2004-2008 period.
- Goal was to secure benefits of Federal Base System for public power for next 20 years and preserve its value for this region.
- Contract linked to new Tiered Rates Methodology (TRM):
 - Intended to establish a predictable and durable construct to tier BPA's rates
 - Utilities allocated maximum amount of BPA power (Contract High Water Mark) it could purchase at cost (Tier 1 Rate) for contract term.
 - Load growth above this level customer to plan for.
 - TRM effective with new contracts.
- BPA Regional Dialogue Power Sales contracts executed with ~135 customers in late 2008; TRM finalized Fall 2009.
- Contract term October 2012 through September 2028.



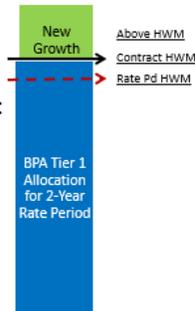
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BPA's Product Offerings

Load-Following Product	Block Product	Slice Product
<ul style="list-style-type: none">BPA plans for and provides firm power to meet utility's actual retail load every hour of the year.BPA uses power from the Federal Base System (Tier 1 System).When the Tier 1 System experiences periods of deficits, BPA makes market purchases; during periods of surplus, BPA makes market sales that offset its costs.	<ul style="list-style-type: none">BPA supplies a planned block of energy each month to help meet utility's forecast load.Same amount of Block energy provided every hour of the monthMonthly amounts vary depending on the utility's historical load profile.Handful of BPA's customers with large owned resources contract for Block only product.	<ul style="list-style-type: none">Supplies varying amounts of firm power the utility uses to serve its retail customers; includes hourly scheduling rights to that power.Commonly combined with the Block Product.Hourly Slice is tied to the variable output and capability of the Federal System (Tier 1 System), after BPA's obligations, within Federal system operating constraints.Utility has responsibility to make purchases if needed during periods of deficit and make market sales during periods of surplus.

BPA Power Contract and Rates Framework

- Whatcom PUD's BPA Contract High Water Mark is 27.23 aMW.
- The Contract HWM is the **maximum amount** of power the PUD can purchase from the BPA "Tier 1 System" at cost.
- Every two years under the TRM, BPA determines:
 - Sum of customers' loads (some up, some down)
 - Size of Tier 1 System to meet these loads (fluctuates)
 - Establishes Rate Period HWM for the next two-year BPA rate period
- Rate Period HWM process is how:
 - BPA determines revenue requirement (sets rates)
 - BPA allocates Tier 1 System costs and credits through rates (flows to customers' monthly power bills)
 - Signals Above HWM amount utility needs to plan for



Approaches to serving new load growth – Market and Renewable Resources Examples

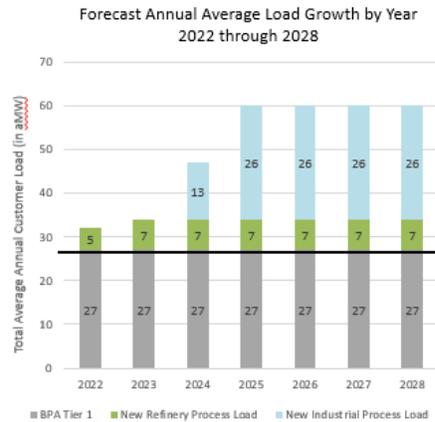
Planning to Serve New Growth

- Many utilities with the BPA Load Following product have worked through procuring new resources to meet their above HWM need.
- Most common approaches:
 - Elect BPA Tier 2 Service
 - Advance notice required (by Sep 30, 2021 for 2024-2028 period)
 - Less flexible than other options; two windows to adjust quantity needed
 - Acquire resource(s)
 - Wholesale market purchase(s) or product(s)
 - Utility owned/developed resource(s)
 - Power purchase agreement (market products or renewable resource)
 - Any combination of the above

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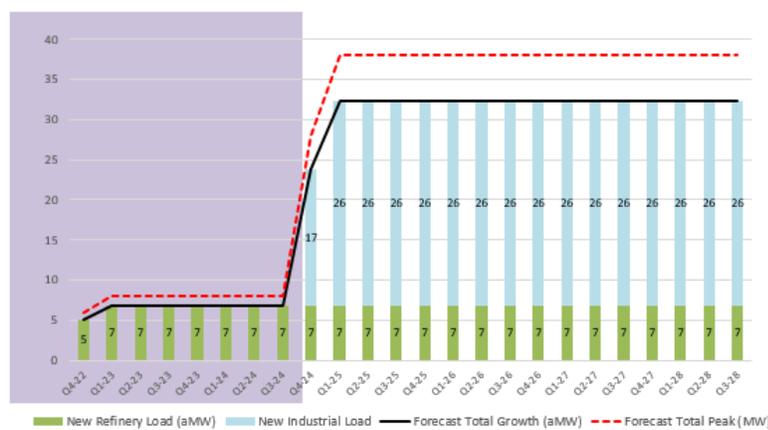
Current Projections

- PUD's load served by BPA's Tier 1 System at 27 aMW; includes 1 aMW of Water Plant load in Puget Sound Energy's service area (served by BPA).
- New refinery process load of ~5aMW anticipated beginning Q4-2022.
- Potential for new industrial load anticipated late 2024.



Fine tuning the future (forecast) rate load is a collaborative and speculative process – Walters has spent a lot of time in discussion with BPA. Many utilities have experienced load growth and are using a variety of other resources (which are not BPA Tier 2).

Example #1: Serving Above HWM Load with “Market” under BPA LF Contract



Option A: Power Purchase Agreement

- Competitive market products with varying term lengths available through power purchase agreements (PPAs).
- Sellers understand BPA's requirements to serve above HWM load and will accommodate for a \$ fee.
- Cost adder for renewable attributes, specifying a resource.
- **Fine print:**
 - Any purchase must be scheduled and tagged (daily, hourly).
 - New transmission service may be required for delivery.
 - Ancillary services costs apply (\$).
 - May desire product be “shaped” to match changes in seasonal load, serve peak periods (\$).
 - BPA can levy Unauthorized Increase Charge if scheduling is incorrect.

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Option B: Renewable Resource (Wind)

- Wind PPA's typically sell output "as-produced."
- Prices today lower than compared to early 2000's.
- PPA term typically longer term than market product (15 vs 3-5 years).
- More complex if multiple off-takers of a single project.
- Other costs/challenges:
 - Wind must be converted to flat block to meet BPA requirements (~\$10-\$20/MWh adder)
 - BPA Transmission charges to integrate or "follow" wind at ~\$5/MWh
 - BPA assesses penalties if forecast error more than 3 consecutive hours
 - Renewables curtailed in some seasons; produce low/no output during cold/heat
- Additionally:
 - Requires a Scheduling Agent to forecast, schedule and tag daily/hourly output.
 - Transmission service required.
 - Imbalance costs assessed to compensate BPA for "filling in" differences between scheduled and actual metered output.

Example #2: Serving a New Large Single Load (NLSL)

- **BPA's requirements are challenging**
 - "NLSL" is a new single load larger than 9.99 aMW in a single calendar year (phasing load growth is best approach).
 - If utility requests BPA serve the load, then BPA's New Resources (NR) rate applies.
 - Current average rate is \$79.80/MWh.
- **BPA also requires:**
 - 1. Resource Shaping Service**
 - Large penalty for under delivery during on peak hours (\$14,000/MW).
 - Large penalty for under delivery during month (\$80/MWh).
 - Smaller penalties for over delivery during month (6-16% below market).
 - 2. Transmission Curtailment Service**
 - Protects from penalties in event transmission path is curtailed.

Benefits and Risks associated with Pursuing New Resources

#1: Mitigates BPA Risks and Requirements

- Advance notice required to elect BPA Tier 2 service; some ability to adjust, less flexible.
- New Large Single Load policy may trigger if new load is greater than 9.99 aMW and occurs in single year; significant costs.

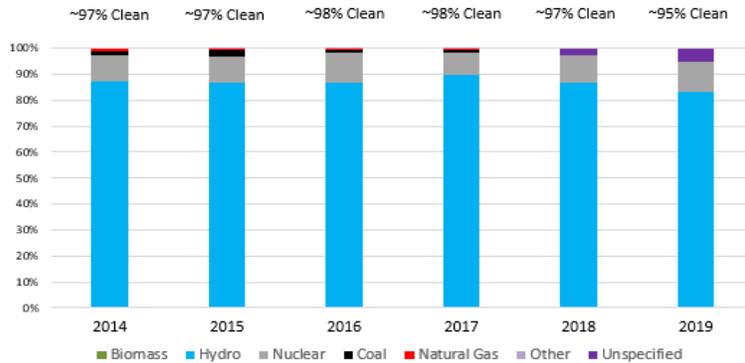
#2: Retain local control

- Allows ability to chart own course during period of rapid industry change
 - ✓ Planning flexibility re: timing of new additions
 - ✓ Can accelerate or decelerate depending on timing and size of need
- Essential to develop utility strategy to comply with Washington's new Clean Energy Transformation Act
- Tailor resources to meet individual customer need
 - ✓ Customers typically bottom-line focused
 - ✓ Desire renewable, carbon free portfolios

Walters added that customers want power products offered by BPA that will coincide with their green energy goals. It will be very challenging to meet these obligations and requirements of the customers.

DRAFT

Snapshot of Whatcom PUD's Historical Fuel Mix



Source data: WA State Department of Commerce at <https://www.commerce.wa.gov/growing-the-economy/energy/fuel-mix-disclosure/>

- INTRODUCES NEW STANDARDS FOR ELECTRICITY SECTOR
 - Clean Energy Implementation Plans for larger utilities by January 1, 2022
 - Whatcom PUD submitted its 10-year plan in December 2020
 - Removes all coal from rate base by Jan 1, 2026
 - Demonstration of 100% Carbon Neutral by Jan 1, 2030
 - Demonstration of 100% Clean Energy by Jan 1, 2045
- Introduces new complexities and risk for utilities including non-compliance penalties.
- In 2021 more legislation expected to reduce emissions economy wide and encourage electrification.

Energy Authority

Roadmap of Key Milestones

- Whatcom PUD has several resource decisions to navigate in the coming months.
- Near- and longer-term decisions are just around the corner.
- Taking time to develop a general resource strategy and principles can help provide a framework to guide future decisions.



Summary

- Planning for future load growth isn't simple, but it is doable.
- Viable options exist to serve above HWM loads and new large single loads.
- Others have successfully navigated this same path.
- New customers' wants and needs combined with new regulatory policies make it essential to have a roadmap and strategy.

Next Steps

- Next Workshop Topic on February 23:
 - Policy basics and delegation of authority
 - Portfolio risk management

DRAFT

- Policies and procedures to support Board policy
- Roles and responsibilities and limits
- Overview of Portfolio Management
 - Activities performed when managing a portfolio
 - Staffing impacts and other considerations

The Districts works in close proximity with Phillips 66 to discuss power sources and supply. The main decision to be made is whether or not we will go with BPA for Tier 2 power or an outside resource. Also, what choices the PUD needs to make and how the new resource portfolio will be managed. The September deadline gives the District time to create a strategy and think things through.

Commissioners thanked The Energy Authority team for the presentation.

6. General Manager's Report

Legislative Report – Highlights

Washington Public Utility Districts Association: Reporting on 83 bills ranging from telecom, water, economic development, to energy supply. Washington Water Utility Council is monitoring about 71 bills all related to water/water rights/water banking. Jilk will report back later this week with more information for Commissioners' support on two key bills:

HB 1460 – Closing the Digital Divide with an Excise Tax (for PUDs it provides another funding source to expand broadband services). WPUDA is supporting this bill.

SB 5175 – Codifies (puts into law) the requirement for Community and Economic Revitalization Board to provide loans and grants for broadband services. This requirement is not currently codified and there has been much discussion for CERB funding for broadband. WPUDA is supporting this bill.

SB 5383 – Opposing: Sponsored by Senator Wellman which would allow internet retail service providers (private telecoms) to *override* authority over elected governing bodies (such as PUDs) if they can document service already exists. Deshmane wanted to make a motion immediately in support of opposing this bill. Grant does not agree with this move is because of who the bill sponsors are. For example, she wants to understand better why Senator Lovelett is one of the co-sponsors of the bill (Anacortes municipal fiber project).

SB 5110 – Sponsored by Senator Erickson, relating to promoting greater access to the internet by modifying permitting, taxation, and other standards for telecommunications companies and facilities; It gives a PUD the authority to combine broadband into existing utilities. WPUDA stance is that PUDs do not need this nor do they want it. It could decrease transparency and accountability - to combine broadband into the other utilities that a PUD operates. Jilk will follow-up with WPUDA to ensure an accurate report.

SB 5060 – Concerning the preservation of water rights for farmland and economic development.

SB 5381 – Concerning culverts/fish passage barriers, provides a streamlining opportunity to get these projects moving ahead.

Deshmane asked for a placeholder on future agendas to discuss in-depth legislative topics. Or consider holding another special meeting next week to focus on the legislative topics. Grant is available but realizes it creates additional time and work for staff. Jilk sees no issues for the delegation in Olympia or key members if we hold off for a week to support or oppose legislative topics. Grant will reach out to the sponsors of the bills for more information and provide back to Jilk for distribution.

DRAFT

Next meeting topics:

- The Energy Authority's second presentation and a discussion on broadband;
- A recommendation to establish two new job positions: Energy Resource Analyst and Broadband Services Analysts. Drafts of these positions have been sent out and Jilk has asked for comments by the end of the week;
- Discussion regarding process of recruitment for replacement General Manager;
- A review of PUD Initiatives and Strategic Plan on broadband, renewable energy, and water issues related to the 2021 budget and upcoming 2022 budget;
- Establishing the "community services group"

Get-to-Know You

This is an opportunity for staff members to introduce themselves to the Commission. This week, Brian Walters introduced himself with a brief description of his current work as Assistant General Manager at the PUD and other positions within the almost 20 years at the PUD and prior experience, hobbies and outdoor interests.

Commissioner Deshmane also took the time to introduce himself, his work history and shared his personal hobbies and interests.

7. Commissioner Reports

Grant – Sending good luck to the operations team for the upcoming cold weather forecasted and hopefully the frazil ice will stay away, stay warm and stay safe. Thanks to Annette and everyone that worked on the Bond Sale, and she has been in touch with folks at WPUDA and if HB 1336 moves out of the House and is assigned to a committee in the Senate, she has offered to testify.

Murphy – Has been working on water issues with WPUDA and met with Dave Olson for updates on Whatcom County water topics. He has also been meeting with Jilk on strategic planning efforts.

Deshmane – In regards to the District's Per Diem Compensation Policy, Deshmane noted that he has attended meetings over the last few months in relation to watershed planning, the Port of Bellingham (fiber and broadband) Watershed Improvement District meetings and many others.

Grant asked about her reporting process. A discussion regarding upcoming meeting reports aren't always necessary as Sitkin explained. The District's policy that was adopted in 2018 clearly identifies the purpose of Commissioner's attendance at certain meetings and there is an annual cap (number of meetings and total dollar amount). Jilk explained that the issue was brought to our attention at our last State Audit (not specific to Whatcom PUD) but with other PUDs in the state not meeting the cap limits or identifying the purpose of attending meetings. Our Commission adopted the policy, it was brought up at our last audit, and we want to make sure that we follow the intent and what our policy states. The policy was recirculated to the Commissioners via email today.

8. Public Comment

Jaime Douglass – Is here with his son Dan, and supports the "Gigabit Whatcom" broadband approach Commissioner Grant discussed. He has extensive experience in large scale projects and his son has a degree in cybersecurity/IT. They are trying to establish neighborhood local loops, and currently working on one in Blaine. A project like this allows to *learn by doing* on a small-level start. The Douglass's are offering their help and background/experience should the PUD seek community interaction on this. It is a way to come up with a way to get everyone connected in Whatcom County and doesn't just involve the Port, PUD, County, Comcast, Wave, etc. This is one of the many projects working on the effort, they hope the PUD will take advantage the resources to solve this problem. A meeting is scheduled March 1st with Deshmane to continue the conversation.

D R A F T

Rick Maricle – Commended the Commission for not taking precipitous action on a bill pending in the legislature before having a chance to review it. Regarding SB 5383, it should be noted that an Internet Service Provider can only object if they (ISP) already serve that area or have construction going on in the area; they wouldn't be able to do a "blanket objection" to the PUD or something similar.

9. Adjourn

There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 12:22 p.m.

Atul Deshmane, President

Michael Murphy, Vice President

Christine Grant, Secretary

Memo

To: Commissioners Deshmane, Grant and Murphy
From: Brian Walters – Assistant General Manager
Date: February 23, 2021
Re: Information Regarding *The Energy Authority* (TEA) Workshop Presentation No.2

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.

Given the above, District staff has been 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.

TEA and Workshop Presentations: The Energy Authority (TEA) is one of the consulting firms contacted by District staff in 2020. Subsequently, the District with Commission approval entered into a Professional Consulting Services Agreement with TEA. Following execution of the Agreement, staff then worked with TEA in developing a scope of services and budget, which formed the basis of the first work order. Work Order No.1 was approved and executed on May 12, 2020.

The scope of services under the work order included general consulting services, development of workshop style slide presentations, and a summary white paper addressing outstanding issues. To date, TEA has developed and presented three workshops for staff. On February 9, TEA presented the first workshop/slide presentation for the Commission.

The slide presentation at the first workshop focused on the District's Power Sales Contract with BPA and different approaches to acquiring additional energy resources to serve the utility's forecast load growth.

Second Slide Presentation

The second workshop and slide presentation will focus on policies, which the Commission will need to consider that will support the District's efforts to acquire new energy resources and manage a diverse power supply portfolio that includes both federal and non-federal power supply from a variety of generating sources. Such policies include contract and pricing risks, counterparty credit worthiness, resource portfolio rate structures. Also to be discussed will be District staffing and third parties services required for both the resource acquisition and portfolio management phases.

Memo

To: Commissioners Deshmane, Grant and Murphy

From: Stephan Jilk

Date: February 23, 2021

Re: Approval of Resolution No. 787 – Amend the *Policy for Employee Compensation for Administrative Employees*

Requested Action: ADOPT RESOLUTION NO. 787 – A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE *POLICY FOR EMPLOYEE COMPENSATION FOR ADMINISTRATIVE EMPLOYEES* FOR THE PURPOSES OF ADDING NEW POSITIONS AND SALARY RANGES FOR THOSE POSITIONS.

Background: This is a recommendation for the Commission to adopt a resolution amending the District’s *Policy for Employee Compensation for Administrative Employees* (Exhibit A). This policy provides guidelines for establishing a methodology for updating and setting salary ranges for all non-bargaining unit employee positions, establishing employee positions and job descriptions for all positions, and information on additional benefits and compensation as offered by the District.

Resolution No. 787 will update the following sections of the *Policy for Employee Compensation for Administrative Employees*:

1) Position Titles and Yearly Salary Ranges List.

I am proposing to add two new administrative staff positions. In response to the District’s Strategic Planning effort in terms of community broadband services and at the Commissions’ request, this is a proposal to add the position of Broadband Services Analyst. This position will focus on the District’s activities related to expanding access to high speed broadband services for public agencies, residents, and businesses within the greater Whatcom County community in a manner that facilitates accomplishment of the District’s strategic goals.

The second position is an Electric Utility Analyst: This position will assist the District’s Assistant General Manager in supporting District electric utility system planning and operations. This position will perform studies and analyses regarding integrated resource planning, power supply, transmission, wholesale rates, power and transmission cost estimating and after the fact reconciliation.

- 2) This is a recommendation for Commission approval of the recommended salary ranges for the two new positions. A set of proposed (and current) salary ranges is listed as Exhibit “B” in Resolution No. 787. The General Manager establishes individual salaries as he/she implements the *Policy for Employee Compensation for Administrative Employees* established and approved by the Commission.
- 3) The proposed job descriptions for “Broadband Services Analyst” and “Electric Utility Analyst” are listed as Exhibit “C”.

Amending the Policy, establishing the two new positions and setting the associated salary ranges for the new positions will allow the General Manager to fill these two positions.

Fiscal Impact: All actions taken by the General Manager to implement the *Policy for Employee Compensation for Administrative Employees* will be within the annual budget as approved by the Commission. These two positions are budgeted for in the 2021 budget.

Recommended Action: ADOPT RESOLUTION NO. 787 – A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE *POLICY FOR EMPLOYEE COMPENSATION FOR ADMINISTRATIVE EMPLOYEES* FOR THE PURPOSES OF ADDING NEW POSITIONS OF BROADBAND SERVICES ANALYST AND ELECTRIC UTILITY ANALYST AND SALARY RANGES.

RESOLUTION NO. 787

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE *POLICY FOR EMPLOYEE COMPENSATION FOR ADMINISTRATIVE EMPLOYEES* FOR PURPOSES OF ADDING NEW JOB DESCRIPTIONS AND SALARY RANGES FOR THOSE DESCRIPTIONS

WHEREAS, RCW 54.12.090 authorizes the Board of Commissioners of the District (the “Commission”) to create positions and fix salaries; and

WHEREAS, the Commission finds it in the best interest of the District to annually review the policy for administering a compensation program “Policy for Employee Compensation of Administrative Employees” attached hereto as “Exhibit A” for the Administrative Employees (non-bargaining unit) of the District; and

WHEREAS, RCW 54.16.100 authorizes the General Manager to recommend to the Commission compensation of the Administrative Employees (non-bargaining unit), including salaries; and

WHEREAS, the General Manager has reviewed the organization of the District and the positions and salary ranges required to efficiently manage and achieve the goals of the District; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Whatcom County as follows:

I

The *Policy for Employee Compensation for Administrative Employees* of the Commission of the Public Utility District No.1 of Whatcom County attached hereto as Exhibit “A”, is amended for the purpose of adding two job descriptions/title positions and amending the annual salary ranges for the Administrative Employees of the District; and

II

The titles of all positions have been established and all position titles added to the *Position Titles and Yearly Salary Ranges List* for District Administrative Employees, attached hereto as Exhibit “B” (the “Salary Ranges List”). The positions of “Broadband Services Analyst” and “Electric Utility Analyst” have been added to the Position Titles List, and respective job descriptions are attached hereto as Exhibit “C”; and

III

The salary ranges for the positions of “Broadband Services Analyst” and “Electric Utility Analyst” are included and set forth in the attached *Salary Ranges List for District Administrative Employees* have been reviewed and established in accordance with the *Policy for Employee Compensation for Administrative Employees*; and

IV

Effective February 23, 2021, the position titles shown on the attached *Salary Ranges List for District Administrative Employees* are hereby authorized and classified in the salary range shown and supersede any previous lists.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting thereof, held this 23 day of February 2021.

**Public Utility District No. 1
of Whatcom County**

Atul Deshmane, President/Commissioner

Michael Murphy, Vice President/Commissioner

Christine Grant, Secretary/Commissioner

Public Utility District Number 1 of Whatcom County

Policy for Employee Compensation of Administrative Employees

Purpose: This policy provides guidelines, responsibilities and authorities for the administration of the compensation for District Administrative (non-bargaining unit) Employees. This policy is subject to change, from time to time, by the Commission. This program is designed to promote, attract, and maintain a skilled workforce for the District.

The administration of this policy, where practicable, is to encourage career and professional development within the workforce. One of the goals of this policy is to reward increasing levels of responsibility and overall knowledge of the utility business. Demonstrated ability to incorporate the knowledge and experience to the benefit of the District will be a consideration in addressing compensation. To accomplish this, the District's compensation program is designed to strive for the following:

- 1. Encourage the recruitment, retention and motivation of qualified employees.** *The District seeks to compensate employees consistent with industry wages and the local economy.*
- 2. Comply with Federal and State Laws and Equal Employment Opportunity standards.** *The District compensates its employees in accordance with all applicable local, state and federal laws regarding race; color, religion; gender; marital status; national origin; citizenship status; age; sensory, mental or physical disability; disable or Vietnam-era veteran, or any other status protected by law.*
- 3. Identify other employment/compensation benefits for District Administrative Employees.** *The total measure of compensation will normally take into consideration all benefits enjoyed by employees inclusive of, but not limited to, salary, health insurance and benefits, personal leave, deferred compensation and retirement plans.*

Requirements

This policy shall apply to District Administrative Employees under the direction and supervision of the General Manager. The General Manager is charged with the administration of this policy, but is not covered by this policy. The terms and conditions of employment for the General Manager are determined by Contract with the Board of Commissioners.

At Will Employment

Public Utility District No. 1 of Whatcom County retains the *at will* status for all District Administrative Employees. As such, the employment relationship can be terminated at any time, with or without cause, by the District or the employee. No District representative has the authority to enter into any agreement for employment for a specified period of time or make any representations or agreement contrary to *at will* employment unless specifically authorized in writing by the Board of Commissioners.

Salary Administration

The compensation of the District's Administrative Employees is subject to availability of budgeted funds. As part of the annual budgeting process, the Commission will review and approve, at the Commission's discretion, funds to be allocated for total compensation, which includes salaries, all other compensation related expenses, and all benefit plans (medical, dental, vacation, retirement, and personal leave).

Salary Range

The Commission will establish a salary range for each District Administrative Employee position in accordance with this policy. Each salary level will list the yearly salary range within which the salary paid must fall, except as otherwise provided herein.

Industry Salary Comparison

The salary range will be reviewed annually and may be adjusted by the Commission utilizing as a guide both the most applicable Consumer Price Index, the Washington Public Utility Districts Association's

Salary, Wage and Benefit Survey, and the District's Collective Bargaining Agreement wage schedule as reference. Internal equity is a factor to be considered by the District when assessing comparable levels of responsibility while addressing variations in local and regional labor markets.

The General Manager or his designee shall procure annually or at least every two years, salary schedules of equivalent jobs in utilities and other comparable industries to determine the appropriateness of the District's salaries. Based on this review, and/or other factors such as cost of living and/or inflation, the General Manager will submit for approval a revised schedule of salary ranges to the Commissioners.

Salary Level

Each administrative job is placed in an existing salary level by evaluation of the job description. Normally, the level of salary compensation falls within a range for each position at the District. Placement within the range is subject to case-by-case analysis of the individual and factors including, but not limited to, level of experience, education, knowledge of job, knowledge of utility business, ability to efficiently perform duties and level of responsibility.

Each District Administrative Employee's salary will be determined by the General Manager in conjunction with District lead managers/supervisors using the salary ranges set by the Commission.

Other Factors in Determining Salary Levels or Ranges

Proposed salary level or range placements which are contrary to the statement above made as a recognition of special skills, talents, accomplishments or circumstances brought to the job or as a result of special labor market conditions will be reviewed by the General Manager and/or designated staff. Several factors can determine the appropriate range. These include:

- Market conditions;
- The particular role;
- Education, professional training and/or certifications;
- Number of years relevant functional and/or industry experience;
- Number of staff previously supervised;
- Special abilities or national recognition; or
- Part-time and/or temporary employment salary level/salary ranges that do not include additional benefits such as District-covered health insurance, paid holidays, paid vacation and paid sick leave (other than required by law).

The General Manager shall have the flexibility of filling such positions which are already approved by the Commission to set salary levels or ranges that are not tied to an hourly rate.

Salary Adjustments

Changes within a range will normally occur on January 1 of each year or at other times deemed appropriate by the supervisor and approved by the General Manager. Salary increases of any nature are at the discretion of the District and no employee is entitled to any adjustment until approved by the General Manager.

Individual salary adjustments may occur throughout the year as appropriate for

- Cost of living adjustments;
- Increases for employees in new positions or entry level of the ranges;
- Change in responsibility or demonstrated competencies within the position;
- Change of position;
- Performance; or
- Other special circumstances as may occur.

Voluntary Transfer/Demotion

Voluntary transfers to a job with a lower salary level or demotions because of inadequate performance or other valid reasons may result in a salary reduction to a point within the new salary ranges.

Fair Labor Standards Act

It is the intent of the District to fully comply with applicable laws, including the Fair Labor Standards Act.

Each administrative position will be classified as exempt or non-exempt from overtime. Job descriptions will reflect the classification.

Personal Leave

Accrual rates and beginning balances for personal leave may be adjusted as determined by the General Manager within the limitations described below. Adjustments outside the following limitations require Commission review and prior approval. Adjustments within the following limitations are determined by the General Manager.

- The base pay for the individual must remain within the salary range;
- The adjustment for any individual in the budget year will be limited to 10%;
- The total adjustments for all subject employees within a budget year shall be limited to the annual budget approved by the Commission;
- Personal leave accrual rate up to the standard accrual rate based on years of relevant experience.

As new positions are created or substantively changed, salary ranges will be determined by the Commission. Job descriptions may be reviewed every two years or whenever significant changes occur to the duties or responsibilities of the position. New or updated job descriptions may be addressed when filling vacancies or promoting staff members.

Additional Benefits and Other Compensation:

Health Care

Exempt and Non-exempt employees will be provided with health care coverage consisting of medical, dental, vision and employee assistance programs. Specifics of these benefits may change from year to year. See the HR Administrator for additional information.

Vacation Benefits

Employees begin to accrue vacation benefits upon the date of hire. Once employees successfully complete their 90-day introductory period, they are eligible to begin to use accrued vacation time based on prorated benefit eligibility. For additional information, please see “Time Off and Benefits” in the Employee Handbook.

Vacation Schedule for District Administrative Employees

<i>Year</i>	<i>Annual Accrual</i>	<i>Monthly Accrual</i>
1	88 hours	7.33 hours
2	88 hours	7.33 hours
3	96 hours	8.00 hours
4	112 hours	9.33 hours
5	128 hours	10.66 hours
6	128 hours	10.66 hours
7	136 hours	11.33 hours
8	144 hours	12.00 hours
9	152 hours	12.66 hours
10	168 hours	14.00 hours
11	176 hours	14.66 hours
12	192 hours	16.00 hours
13	208 hours	17.33 hours
14	224 hours	18.66 hours
15	240 hours	20.00 hours
16	248 hours	20.66 hours
17	256 hours	21.33 hours
18	264 hours	22.00 hours
19	272 hours	22.66 hours
20	280 hours	23.33 hours

Sick Leave Benefits

Employees shall receive a maximum of 12 days (96 hours) of paid sick leave per calendar year accrued at a rate of 8 hours per month. Sick leave benefits are based on prorated benefit eligibility. For additional information, please see “Time Off and Benefits” in the Employee Handbook.

Policy for Leave without Pay

If an employee requests time away from work, the employee may request leave without pay for up to 80 hours in a 12-month period. Requests for unpaid leave must be approved by the immediate supervisor and the General Manager. Upon approval by the General Manager, employees will not be required to use any accrued vacation and floaters before receiving unpaid leave. If approved by the General Manager, the employee’s health benefits can be maintained during the unpaid leave. However, vacation time, floating holidays and sick leave hours will not be accrued during the unpaid leave.

Floater (in lieu of Holidays)

Employees shall receive a maximum of 12 days (96 hours) “floating” paid holidays per calendar year accrued at a rate of 8 hours per month based on prorated benefit eligibility. For additional information, please see “Time Off and Benefits” in the Employee Handbook.

Deferred Compensation Program

Employees covered by this policy may be eligible to participate in 401a or 457k deferred compensation program consistent with all state and federal regulations and receives District contribution in lieu of the District’s contribution to the Washington Public Employees Retirement System (PERS). Such benefit shall be set annually by the Commission and is currently set at 8.7% of the employee’s base salary.

Separation of Employment

District Administrative Employees: Since employment with the District is “at will”, both the employee and the District have the right to terminate employment at any time, with or without cause or advance notice, and without compensation except for time actually worked and accrued benefits, if any. Whether termination is voluntary or involuntary, employees will receive their final pay on the next regularly schedule payroll date following the employee’s last day worked.

1. Vacation and Floating Holidays: All accrued vacation and floating holiday leave benefits will be paid at one-hundred percent (100%) at time of termination.
2. Sick Leave Benefits: Any accrued sick leave benefits will be cashed out at the following schedule based on years of service:
Greater than 20 years – at fifty percent (50%) of the unused balance at time of termination
Sixteen to 20 years – at forty percent (40%) of the unused balance at time of termination
Less than 16 years – at twenty-five percent (25%) of the unused balance at time of termination
3. Death: If the employee dies while employed by the District, the employment is terminated immediately. Upon such termination, the employee will receive his/her final paycheck, plus all accrued but unused benefits as noted above in item 1; and, any accrued sick leave benefits will be cashed out at one hundred percent (100%) of the unused balance at time of termination due to death.

EFFECTIVE: February 23, 2021
PROPOSED Resolution No. 787; Feb. 23, 2021
Superseded Resolution Nos. 777, 761, 752, 744, 737, 734,
720, 716, 702, 695, 687, 675, 663, 550, 560.

RESOLUTION NO. 787
EXHIBIT B

**POSITION TITLES and YEARLY SALARY RANGES LIST
for
DISTRICT ADMINISTRATIVE EMPLOYEES**

Position Title		2021 Approved Range		2021 PROPOSED Range	
		Low	High	Low	High
Assistant General Manager	2020 Approved: \$125,000 - \$150,000	No Change			
Utility Operations - Director	2017 Approved: \$105,000 - \$120,000	No Change			
Finance - Director		\$95,000	\$120,000		
Electric System Supervisor**		\$95,000	\$110,000		
Automation & Technology - Manager		\$90,000	\$110,000		
Substation Technician II*		\$80,000	\$97,000		
Substation Technician I*		\$75,000	\$95,000		
Contracts & Regulatory Compliance - Manager		\$75,000	\$95,000		
New	Broadband Services Analyst	New		\$75,000	\$95,000
New	Electric Utility Analyst	New		\$75,000	\$115,000
	Executive Assistant	\$68,000	\$78,000		
	Project Manager	\$65,000	\$85,000		
	IT/SCADA Tech (M)	2020 Approved: \$65,000 - \$78,000			
	IT/SCADA Tech (P)	\$65,000	\$78,000		
	Accountant I	\$45,000	\$60,000		
	Accountant II	\$45,000	\$60,000		
OPEN POSITIONS					
	Manager - Construction & Facilities	-	-		
	Assistant Finance Director	-	-		
	Process and Control Engineer	-	-		
	Water System Supervisor	-	-		

* Substation Technician (I and II) are hourly paid positions. Salary range is stated in annualized hours (2,080) hours without overtime or special pay.

** Electric System Supervisor is a hourly paid positions. Salary range is stated in annualized hours (2,080) hours without overtime or special pay.

PUBLIC UTILITY DISTRICT NO. 1 of Whatcom County

Job Title:	Broadband Services Analyst	Department:	Administration
Reports To:	Assistant General Manager	Status:	Exempt
Salary Range:	\$75,000 to \$95,000	Position Type:	FTE
SUMMARY			
Assist the District's Assistant General Manager in supporting the District's Community Services group's activities related to expanding access to high speed broadband services for public agencies, residents, and businesses within the greater Whatcom County community in a manner that facilitates accomplishment of the District's strategic goals.			
Supervision Received:			
Perform duties under the general supervision of the District's Assistant General Manager.			
Supervision Provided:			
No supervisory responsibilities currently.			
Essential Duties and Responsibilities:			
<ul style="list-style-type: none"> • Assist the design, development, and pricing of District wholesale services provided to retail telecommunications service providers and other entities. • Assist in the development of business plans, staffing plans, policies, procedures related to the provision of existing and new telecommunications services by the District. • Develop and implement pilot projects to test the District's ability to deliver new telecommunications services. • Develop relationships with other public agencies and governmental bodies within Whatcom County for the purpose of facilitating high speed broadband communications deployment through joint efforts: staffing, cost sharing, project funding, etc. • Develop and conduct studies to determine areas of the County which are either not served or underserved with respect to access to high speed broadband services. • Prepare applications for funding in response to County, State, and Federal <i>Request for Proposals</i> for grants and loans related to telecommunications studies and facilities. • Participate in District Commission meetings and workshops and conduct presentations for Commissioners, customers and the general public, as directed. • Assist in developing, implementing, and managing strategic initiatives related to telecommunications services, consistent with the District's Strategic Plan. • Responsible for special projects, as assigned by Assistant General Manager, including team inter-departmental projects. • Must be available to work non-routine and emergency shifts including nights, weekends, holidays and other periods, as required during District emergency operations events. • Perform other duties as assigned by the Assistant General Manager. 			
Qualifications:			
To perform this job successfully, an individual must be able to perform each essential duty as defined by the District. Ability to develop creative solutions that involve policy complexity and various stakeholders. The requirements listed both above and below are representative of the knowledge, skill, and/or ability that the Community Broadband Analyst must possess to adequately perform their responsibilities. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.			
Education and/or Experience			
Bachelor's degree (B.S., B.A.) in a science, technology, engineering, telecommunications, computer networking, information technology, or related field obtained from a college or university is a minimum requirement. Equivalent combination of education and experience directly related to or including the requirements and duties as outlined above may be considered. Experience working for a municipal government or utility fiber network division or private telecommunications provider developing fiber network infrastructure would be considered relevant experience. Enthusiasm for making broadband service more accessible, and equitable in Whatcom County.			
Language Skills:			
<ul style="list-style-type: none"> • Ability to read, analyze, and interpret general business, scientific and technical journals, technical procedures, legal documents, survey descriptions, maps, and governmental regulations. • Fluent in the English language with the ability to communicate clear and concise written and verbal instructions and information to coworkers, customers and others. 			

<ul style="list-style-type: none"> • Ability to write routine reports and correspondence as well as speak effectively while working with District customers, staff or supervising contractors. • Ability to effectively prepare and present general and technical information and respond to general and technical questions from the General Manager, Commission, employees, customers, governmental agencies, vendors, and the public. • Ability to meet and work with the public effectively and courteously, when required. 			
Mathematical Skills:			
Ability to work with and understand mathematical and financial concepts such as probability and statistical inference and the ability to apply other mathematical concepts such as fractions, percentages, ratios, and proportions to solve and/or prepare solutions for the improvement of the District's operations.			
Reasoning Ability:			
<ul style="list-style-type: none"> • Ability to define problems, collect data, establish facts, and draw valid conclusions. • Ability to interpret an extensive variety of technical instructions in mathematical and financial analyses. 			
Other Skills and Abilities:			
<ul style="list-style-type: none"> • Knowledge of equipment, facilities, materials, methods, and procedures used in deploying • Proficient in a variety of computer software including but not limited to MS Office and Internet browsers. 			
Certificates, Licenses, Registrations:			
<ul style="list-style-type: none"> • Must possess a valid Washington State Driver's License with driving record free from serious or frequent violation. • Must be able to obtain security and safety clearances required to gain access into Whatcom PUD's customer facilities and electric substations, i.e. Transportation Worker Identification Credential (TWIC). 			
Physical Demands			
<p>The physical demands described herein are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions required by this position.</p> <p>While performing the duties of this job, the employee is regularly required to use hands and fingers to handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee is frequently required to stand, talk and hear. The employee is occasionally required to walk, sit, climb, balance, stoop, kneel, crouch, crawl and/or smell.</p> <p>Specific vision abilities required by this job include close visions, distance vision, color vision, peripheral vision, depth perception and the ability to adjust focus.</p>			
Work Environment			
<p>The work environment characteristics described herein are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions required by this position.</p> <p>While performing the duties of this job, the employee occasionally works in outside weather conditions, works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions and vibrations. The employee occasionally works in high, precarious places and is occasionally exposed to fumes, dust or airborne particles, toxic or caustic chemicals and the risk of electrical shock.</p> <p>The noise level in the work environment is usually loud in plant or field settings and moderately quiet in office settings.</p>			
HR/OFFICE USE:			
Reviewed By:	Stephan Jilk, General Manager	Date:	February 23, 2021
Approved By:	COMMISSION – Resolution No. ____	Date:	

Public Utility District No. 1 of Whatcom County

Job Title:	Electric Utility Analyst	Department:	Administration
Reports To:	Assistant General Manager	Status:	Exempt
Salary Range:	\$75,000 - \$115,000	Position Type:	FTE
SUMMARY			
Assist the District's Assistant General Manager in supporting District electric utility system planning and operations in a manner that facilitates accomplishment of the District's strategic goals.			
Supervision Received:			
Perform duties under the general supervision of the District's Assistant General Manager.			
Supervision Provided:			
No supervisory responsibilities.			
Essential Duties and Responsibilities:			
<ul style="list-style-type: none"> • Perform studies and analyses regarding integrated resource planning, power supply, transmission, wholesale rates, power and transmission cost estimating and after the fact reconciliation. • Evaluate, revise and update load and/or generation forecasts as required. • Prepare and/or assist in the preparation of periodic statistical reports and analysis on power and transmission use and costs. • Maintain data bases on District electric system power, transmission capacity and ancillary services contract purchases. • Coordinate with customers on end-use generation projects, including renewable energy alternatives. • Manage special projects and specific District initiatives, as directed by Assistant General Manager. • Perform complex professional analytical work related to planning, evaluating, procuring, administering, and managing the risks associated with the District's energy resources. • Assist in the development and implementation of complex preventative, detective, and compensating electric regulatory compliance controls and best practices for electric utility operations. • Participate in District Commission meetings and workshops and conduct presentations for Commissioners, customers and the general public, as directed. • Assist in developing, implementing, and managing strategic initiatives related to electric utility operations, consistent with the District Commission's Strategic Plan. • Responsible for special projects, as assigned by Assistant General Manager, including team inter-departmental projects. • Must be available to work non-routine and emergency shifts including nights, weekends, holidays and other periods, as required during District emergency operations events. • Perform other duties as assigned by the Assistant General Manager. 			
Qualifications:			
To perform this job successfully, an individual must be able to perform each essential duty as defined by the District. The individual must have the desire and ability to develop creative solutions in situations that involve policy complexity and various stakeholders. An enthusiasm for continuing to procure and develop clean energy due to the District's obligations under CETA and District strategic objectives. The requirements listed both above and below are representative of the knowledge, skill, and/or ability that the Electric System Analyst must possess to adequately perform their responsibilities. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.			

Education and/or Experience

Bachelor’s degree (B.S., B.A.) in a science, technology, engineering, mathematics or related field obtained from a college or university is a minimum requirement. Equivalent combination of education and experience directly related to or including the requirements and duties as outlined above may be considered. Experience working in a regulatory compliance, auditing, cyber security, or power management capacity would be considered relevant experience.

Language Skills:

Ability to read, analyze, and interpret general business, scientific and technical journals, technical procedures, legal documents, survey descriptions, maps, and governmental regulations.

Fluent in the English language with the ability to communicate clear and concise written and verbal instructions and information to coworkers, customers and others.

Ability to write routine reports and correspondence as well as speak effectively while working with District customers, staff or supervising contractors.

Ability to effectively prepare and present general and technical information and respond to general and technical questions from the General Manager, Commission, employees, customers, governmental agencies, vendors, and the public.

Ability to meet and work with the public effectively and courteously, when required.

Mathematical Skills:

Ability to work with and understand mathematical and financial concepts such as probability and statistical inference and the ability to apply other mathematical concepts such as fractions, percentages, ratios, and proportions to solve and/or prepare solutions for the improvement of the District’s operations.

Reasoning Ability:

Ability to define problems, collect data, establish facts, and draw valid conclusions.

Ability to interpret an extensive variety of technical instructions in mathematical and financial analyses.

Other Skills and Abilities:

Knowledge of equipment, facilities, materials, methods, and procedures used in electric utility system operations and maintenance.

Proficient in a variety of computer software including but not limited to MS Office and Internet browsers.

Certificates, Licenses, Registrations:

Must possess a valid Washington State Driver’s License with driving record free from serious or frequent violation.

Must be able to obtain security and safety clearances required to gain access into Whatcom PUD’s customer facilities and electric substations, i.e. Transportation Worker Identification Credential (TWIC).

Physical Demands

The physical demands described herein are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions required by this position.

While performing the duties of this job, the employee is regularly required to use hands and fingers to handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee is frequently required to stand, talk and hear. The employee is occasionally required to walk, sit, climb, balance, stoop, kneel, crouch, crawl and/or smell.

Specific vision abilities required by this job include close visions, distance vision, color vision, peripheral vision, depth perception and the ability to adjust focus.

Work Environment

The work environment characteristics described herein are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions required by this position.

While performing the duties of this job, the employee occasionally works in outside weather conditions, works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions and vibrations. The employee occasionally works in high, precarious places and is occasionally exposed to fumes, dust or airborne particles, toxic or caustic chemicals and the risk of electrical shock.

The noise level in the work environment is usually loud in plant or field settings and moderately quiet in office settings.

HR/OFFICE USE:

Reviewed By:	Stephan Jilk, General Manager	Date:	Feb. 23, 2021
Approved By:	COMMISSION – Resolution No.	Date:	

