

**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.

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

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.

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.

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:



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.

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

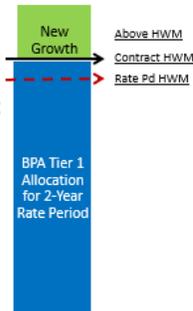


BPA's Product Offerings

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 month Monthly 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



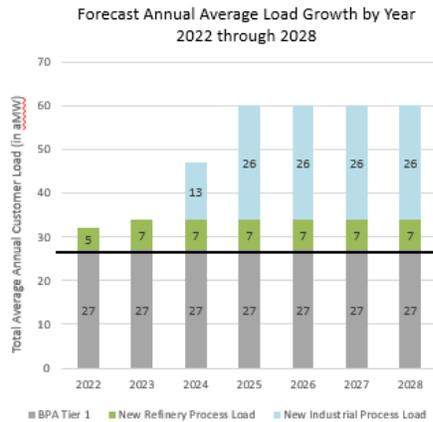
Approaches to serving new load growth – Market and Renewable Resources Examples

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

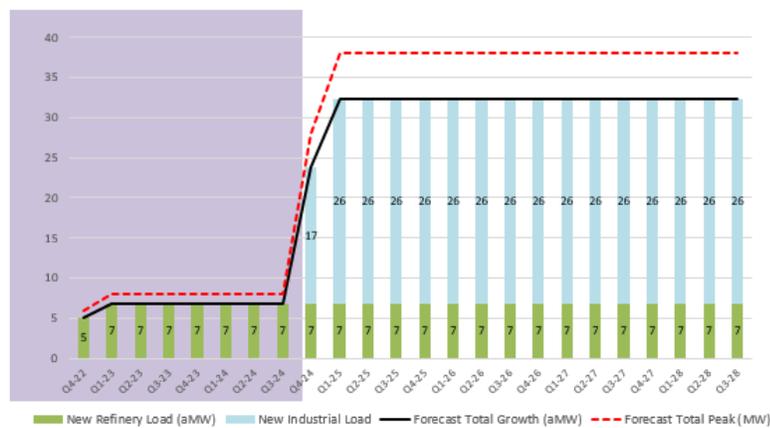
Current Projections

- 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.

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

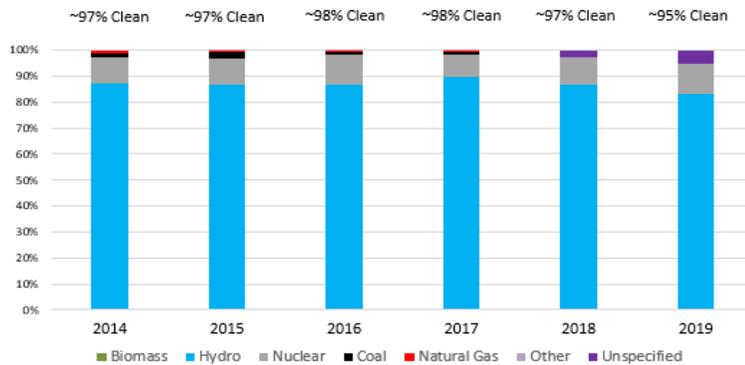
- Advance notice required to elect BPA Tier 2 service; some ability to adjust, less flexible.
- New Large Single Load policy may trigger if new load is greater than 9.99 aMW and occurs in single year; significant costs.

#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.

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.

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

- 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.

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.

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

APPROVED: FEBRUARY 26, 2021