

**MINUTES OF REGULAR
MEETING OF THE COMMISSION**

March 23, 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 8:01 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; Alec Strand, Project Manager; Devin Crabtree, Chief Water Operator; Jon Littlefield, Electric System Supervisor; and, Traci Irvine Accountant I.

Public attending via teleconference:

Dave Olson, Citizen
Lauren Turner, Phillips 66
Jack Wellman, Puget Sound Energy

2. Approval of Agenda

Item No. 7 – Getting to Know You has been removed.

ACTION: Commissioner Murphy motioned to APPROVE THE AGENDA OF MARCH 23, 2021 AS AMENDED. Commissioner Grant second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

ACTION: Commissioner Murphy motioned to APPROVE THE CONSENT AGENDA OF MARCH 23, 2021: THE MINUTES OF THE REGULAR MEETING OF MARCH 9, 2021 AND CLAIMS OF MARCH 23, 2021. Commissioner Grant second the motion. Motion passed unanimously.

Claims of March 23, 2021:

VENDOR NAME	AMOUNT
BONNEVILLE POWER ADMINISTRATION	746,162.00
BROWN & KYSAR, INC.	26,844.00
CDW/COMPUTER DISCOUNT WAREHOUSE	4,200.00
CENTRAL WELDING SUPPLY	81.75
COMCAST	194.92
CULLIGAN NORTHWEST	113.97
EDGE ANALYTICAL LABORATORIES	20.00
FERNDALE ACE HARDWARE	19.51
FERNDALE CITY OF	194.57
GATEWAY CONTROLS	1,304.40
GENEVA CONSULTING	4,753.50
HARDWARE SALES, INC	259.42
INDUSTRIAL SUPPLY, INC	165.72
INTALCO ALUMINUM CORPORATION	3,500.00
INTERNAL REVENUE SERVICE	15,595.15
K ENGINEERS, INC.	1,222.50
KCDA PURCHASING COOPERATIVE	79.59
MURRAYSMITH	1,552.50
NOOKSACK SALMON ENHANCEMENT ASSOCIATION	20,000.00
NORTHWEST CASCADE, INC.	118.50
NW PUBLIC POWER ASSOCIATION	250.00
PACIFIC SURVEY & ENGINEERING	1,315.00
PAYLOCITY	146.88
PAYROLL	167,456.34
PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	204.49
PLATT ELECTRIC SUPPLY CO	1,484.86
PUD #1 OF WHATCOM COUNTY	17.52
PUGET SOUND ENERGY, INC	1,028.77
REISNER DISTRIBUTION, INC	357.61
SMITH MECHANICAL	247.02
SQUARE D/SCHNEIDER ELECTRIC	6,760.67
ULINE, INC.	470.14
WA FEDERAL VISA CARD MEMBER SERVICES	29,050.56

WA ST DEPT OF REVENUE	73,282.56
WESTERN CONFERENCE OF TEAMSTERS	7,819.50
WHATCOM FARMERS CO-OP	36.81
ZEE MEDICAL SERVICE	118.24
GRAND TOTAL	\$1,116,428.97

4. Old Business

a) Energy Policies Development Update and Discussion

Walters reported that the District may be able to wait a year to fully develop policies guiding new energy resource development and acquisitions. The Ruby Flats (solar site) analysis is going slower than anticipated. The power purchase agreement for the energy output from the solar project will not be completed until this fall and likely will be after the BPA Power Sales Contract modification decision is due in September. The District will have another opportunity to modify Exhibit C to the contract next year.

Among the core elements of an energy resource development and acquisition policy to be developed by the District is a risk management policy. Such policy would address among other things: who makes new energy resource decisions; level of financial risk exposure District is willing to carry; and level of reserves needed to cover potential risk exposure. Staff will be working on a draft Risk Management Policy. Walters will ask The Energy Authority (TEA) for sample risk policies to review.

ACTION: No action requested or taken. Information only.

b) Governor’s Open Public Meetings Requirements (COVID-19) Update

Sitkin presented an update on the *Governor’s Open Public Meetings Requirements* during COVID. Governor Inslee announced that many regions would advance into Phase 2 of his Healthy Washington - Roadmap to Recovery. Effective February 14, 2021, the whole state had advanced to Phase 2.

Under Phase 2, Governor Inslee had modified the suspension of Open Public Meetings Act (“OPMA”) requirements applicable to public agencies.

Effective March 22, 2021, Governor Inslee announced that all counties within the state will advance to Phase 3 of his Healthy Washington - Roadmap to Recovery. More specific guidance as to in-person meetings subject to the OPMA are likely to be released in the near future. The conditions determining which phase Whatcom County remains in will be reviewed every 2-3 weeks by the State of Washington.

Because the District has physical constraints due to extremely limited space in its Commission Meeting Room and no current capability for an overflow attendance viewing area, the District would be unable to meet the Governor’s Phase 3 OPMA requirements. Legal Counsel recommends that the Commission continue to meet via teleconference platform and review again as the situation evolves.

ACTION: No action taken. Information only.

c) General Manager Appointment Process

Deshmane has begun to research the process with two placement agencies. Depending levels of support, and service from an outside firm in which the Commission is seeking, Deshmane suggested the following to (1) use a facilitator to assist the Commission in setting the “position profile” and then consider hiring a search firm to assist the District in choosing a new GM; (2) Hire a search firm to assist the District setting the “profile” and in selecting a new GM; or (3) having staff and Commission conduct the search/selection process. Jilk has suggested the use of a facilitator to help developing the “profile” as the first step. Commission asked Jilk to come back with a recommendation on a facilitator.

d) Open Positions Update

Jilk advised that he believes the market for the Broadband Analyst position is quite competitive.

5. a) Approval of Northwest Intergovernmental Energy Supply (NIES) Specific Resource Investigation (SRI) Agreement for Ruby Flats Solar Project

Background: The Northwest Intergovernmental Energy Supply (NIES) organization is a utility member organization consisting of municipal, cooperative, and public utility district members. NIES’s purpose is to investigate, acquire, and help manage on behalf of its participating members new energy resources. NIES provides consulting, contract, and oversight services on behalf of its members. On January 26, 2021, the District’s Commission approved two agreements with NIES: (1) Northwest Intergovernmental Energy Supply Membership Agreement (NIES) and (2) Joint Resource Planning and Acquisition Agreement (JRPAA).

Since the beginning of the year, a subset of NIES members, including the District, have been evaluating whether to pursue an energy output purchase from a proposed new solar project now called the Ruby Flats Solar Project. The participating members have concluded discussions on what the scope of the due diligence investigation of the project should entail. In order to proceed with the investigation, those members electing to move forward must execute in accordance with the JRPAA Agreement a Specific Resource Investigation Agreement (SRI).

The key provisions Walters has noted in the SRI Agreement to review are the following:

- Section 2.2 - Initial SRI Costs
- Section 2.3 – Completion SRI Costs
- Section 2.4 – Member’s Allocated Share
- Section 2.8 – Member’s Voting Rights
- Section 2.9 - Member’s Fixed Purchase Amount
- Section 6.1 – Termination Date
- Exhibit A – Member’s Initial SRI Costs

For the District, the maximum cost exposure is \$5,000. The energy resource share is 2 aMWs. Section B under the exhibit identifies each remaining member’s cost share and resource share for the Completion phase of the SRI. Under the contract structure, it has been anticipated that after the Initial Investigation, one or more participating members may want to drop out or change the energy resource amounts for which the utility may want to obligate itself for. At the end of the Initial phase, the budget and resource amounts will be adjusted for the Completion phase.

Therefore, for those members still wanting to move forward, there will be an amendment to Exhibit A (work order) requiring either the District’s General Manager or Commission to approve pursuant to the District’s Policy.

There is no fiscal impact to the District if the SRI Agreement is approved. There are sufficient administrative funds in the approved 2021 Budget to accommodate the SRI budget obligation.

ACTION: Commissioner Grant motioned to APPROVE NORTHWEST INTERGOVERNMENTAL ENERGY SUPPLY’s SPECIFIC RESOURCE INVESTIGATION AGREEMENT AND AUTHORIZE DISTRICT’S GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

b) Approve Resolution No. 788 – Amending Administrative Employees Compensation Policy
Resolution No. 788 will update the following sections of the *Policy for Employee Compensation for Administrative Employees*: (1) Amend the Job Description for Project Manager; and (2) Amend the Salary Range for Project Manager as set forth in the Position Titles and Yearly Salary Ranges List.

In response to the District’s Strategic Planning effort in terms of planning and oversight of capital projects, infrastructure and facility maintenance, the District is now setting the requirements of a Bachelor Degree in Electrical or Civil Engineering, Construction Management or equivalent, and a minimum of five years managing construction projects, or combination thereof. This position will focus on the District’s capital projects related to electric, fiber and water facilities.

There is no 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. The amended Project Manager’s salary range is budgeted for in the 2021 budget.

ACTION: Commissioner Grant motioned to ADOPT RESOLUTION NO. 788 – 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 AMENDING A JOB DESCRIPTION AND SALARY RANGE. Commissioner Murphy second the motion. Motion passed unanimously.

c) Approve Resolution No. 789 – Cancellation of Warrant
The District issued a request for a Warrant on the basis of an invoice received from Tenable, Inc. and now needs to be cancelled. Following the Commission’s authorization of the issuance of the Warrant #1120102, dated January 19, 2021 was sent via U.S. Mail to the Vendor and never received. The District has requested that the County cancel Warrant No. 1120102 in the amount of \$12,533.92. A new warrant will not be issued. The invoice was paid via credit card. There is no fiscal impact to the District.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 789 AUTHORIZING CANCELLATION OF WARRANT NEVER RECEIVED. Commissioner Grant second the motion. Motion passed unanimously.

d) Approve Resolution No. 790 – Regarding Road to Recovery Phase 3 – Open Public Meetings Act Requirements
As noted above under Section 4b, Resolution No. 790 sets forth a policy intended to serve as guidance for the District, and its staff and officials, as it begins to transition back to in-person public meetings during Phase 2 of the Governor’s Healthy Washington – Roadmap to Recovery, and in anticipation of Phase 3.

Key Points:

- During Phase 2, it is required that the District host its public meetings remotely.
- During Phase 2, the District elected to hold its public meetings entirely via remote methods without any in-person component.
- The District will comply with all the requirements of Proclamations 20-28 et. seq. and specifically all remote public meetings subject to RCW 42.30 and will:
 - provide an option(s) for the public to attend the proceedings through, at minimum, telephonic access, and may also include other electronic, internet, or other means of remote access, and,
 - provide the ability of all persons attending the meeting to hear each other at the same time.

Updates to COVID-19 Regulations:

- Regulations and guidance regarding compliance with COVID-19 and the OPMA are frequently updated and are swiftly evolving with the State's emergency response plans.
- It is the Board of Commissioner's intent that the District follow and implement all Phase 2 or Phase 3 state and local OPMA regulations and guidance, as applicable, as they are issued, and update and/or amend this policy, as necessary.
- In the event the proclamations and guidance referenced in this policy become outdated or no longer apply, the District General Manager and Commission should consult with legal counsel regarding amendment, modification or updates hereto.

This Resolution shall continue in full force and effect until terminated by law or by further Resolution of the Commission and may be reviewed as a regular agenda item on the Commission's agenda at the request of any Commissioner until such time as this Resolution is terminated.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 790 REGARDING ROAD TO RECOVERY PHASES 2 AND 3; RETENTION OF VIRTUAL MEETING WITHOUT IN PERSON COMPONENT AUTHORITY. Commissioner Grant second the motion. Motion passed unanimously.

6. General Manager's Report

Special Meetings Topics

Jilk suggested the Commission might want to consider some future special meetings in order for staff to update them on topics such as water, water resources, watershed planning, legislative update on adjudication and grants regarding the Water Supply Plan (Phase 1) and Outreach Education program. A second special meeting or work session could be on energy related issues in May or June.

Northwest Washington Fair Farming for Life Exhibit

As the exhibit and floorplan begins to take shape, Jilk will be working on the agreement with Farming For Life to meet the requirements set by the Commission for the expenditure of the funds allocated in the 2021 budget.

Micro Grid

There is a possibility of the District's involvement in a micro grid project in the county on Lummi Island. Jilk and Commissioner Grant will update the Commission at a later meeting as the discussion continues.

Legal Counsel Update

Sitkin reported that Peter Ruffato, former attorney for the City of Bellingham will be joining the firm of Chmelik, Sitkin and Davis at the end of April. He brings many years of experience in Municipal and Public agency legal matters.

7. Commissioner Reports

Murphy:

- Attended the WPUDA Board Meeting and Nominating Committee. WPUDA is hoping to return to in-person meetings for their larger events.
- Energy Northwest's regular, planned shut-down is coming soon and their CEO is retiring in June.
- NWPPA article shows that Grant County PUD's fiber project has resulted in a 63% increase in new customers.

Grant:

- Grant testified in support of HB 1336 with several other PUD representatives on March 11.
- On March 12, the WPUDA Telecom Committee met to discuss the Senate Bill 5383 version of HB 1336, and ways the two key bills could be merged into one.

Deshmane:

- Also attended the WPUDA Telecom Committee meeting; encouraged all to sign up for the Telecom Workshop (May 19-20).

- There is a new source of federal funding to support connectivity for tribes and other public agencies
- Energy Northwest is considering working with Noanet to build on the idea of fiber optics and electric smart grids.
- Northwest Public Power Conservation Council has a draft report on Loss of Load Probability.
- Today is PUD Day on the Hill (opportunity for PUDs to talk with their legislators)
- WPUDA Water Committee discussion regarding Skagit PUD and Canyon Hydro working on a low carbon solution with funding provided by Puget Sound Energy and Transalta.

8. Public Comment

None made.

9. Executive Session

Executive Session requested pursuant to RCW 42.30.110(1) (i) to discuss potential litigation. The estimated time for Executive Session was one and a half hours. The Commission President indicated that no action was anticipated be taken after the adjournment of the Executive Session. After a short recess, the Commission adjourned to Executive Session at 11:00 a.m.

- The Commission held Executive Session on a separate Zoom webinar platform under Open Public Meeting Act requirements.

Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting webinar platform at 12:30 p.m.

10. Adjourn

There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 12:31 p.m.

Atul Deshmane, President

Michael Murphy, Vice President

Christine Grant, Secretary

Commission Clerk Note: Video recordings of the Whatcom PUD Commission Meetings are available online at the following link on the PUD’s Website: <https://www.pudwhatcom.org/the-commission/2021-agendas-packets-meeting-minutes-recordings/>

APPROVED: APRIL 13, 2021
