PUBLIC UTILITY DISTRICT No. 1
of Whatcom County

Agenda for the May 25, 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 Regular Meeting of May 11, 2021
   b) Approval of Claims for May 25, 2021
4. Old Business
   a) General Manager Appointment Process Update:
      1) Approve Professional Services Agreement with Leeward Strategies
      2) Approve Professional Services Agreement with Prothman
   b) Broadband Program Development Update
5. New Business
   a) Approve Interlocal Agreement with Jefferson County PUD and Transfer of BPA Energy Efficiency Incentive Funding
   b) Approve Interlocal Agreement with Grays Harbor County PUD and Transfer of BPA Energy Efficiency Incentive Funding
   c) Approve 2022 Draft Budget Development Schedule
   d) Approve Resolution No. 792 – Amend Administrative Employees Compensation Policy
   e) Approve Work Order No. 16 – RH2 Engineering, Inc.
6. General Manager Report
7. Commissioner Reports
8. Public Comment
9. 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 on the Zoom platform.

The public meeting can be accessed by internet: https://us02web.zoom.us/j/83174251920

Or by telephone: Dial 1 (253) 215 8782 or 1 (346) 248 7799
Webinar ID: 831 7425 1920

Next Commission Meetings
June 8 & 22, 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
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; Jon Littlefield, Electric System Supervisor; Devin Crabtree, Chief Water Operator; and, Traci Irvine Accountant I.

Public attending via teleconference:
Dave Olson, Citizen
Debbie Ahl, Citizen
Lauren Turner, Phillips 66
Jack Wellman, Puget Sound Energy
Rick Maricle, Citizen
Scott Wallace, Citizen
Josh Edwards, Citizen
Caryn Vande Griend, Puget Sound Energy

2. Approval of Agenda
No changes made.

3. Approval of Consent Agenda

Claims of May 11, 2021:

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<th>VENDOR NAME</th>
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<td>ASPECT CONSULTING LLC</td>
<td>3,376.46</td>
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<td>BELLINGHAM HERALD</td>
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<td>CENTRAL WELDING SUPPLY</td>
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<td>GRANICH ENGINEERED PRODUCTS, INC.</td>
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<td>KNOWBE4, INC.</td>
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4. **Old Business**

   **a) General Manager Appointment Process Update**

Sitkin presented a summary of options for the Commission to consider regarding the recruitment of a new General Manager. The first task of an informational meet and greet discussion opportunity with Prothman were provided to each Commissioner.

The next task is the development of a description of the skills and related requirements for the General Manager’s (GM) position. This will involve a revisit of the existing Strategic Plan to conduct a high-level prioritization and/or refinement of the existing strategic initiatives to inform what skills and experience the Commission seeks in a new GM, as well as inform the 2021 budget process for the 2022 budget. The two possible alternative actions are as follows:

**Alternative 1**: Retain an individual to assist the Commission in a revisit of the existing Strategic Plan as noted above, then develop a job description and anticipated salary range. One such candidate to assist is Jim Darling, Leeward Strategies. Mr. Darling participated in the original Strategic Plan effort and subsequent updates. Darling could provide the facilitation of the strategic initiative refinement and potentially Sitkin’s office or George Caan of WPUDA could assist to develop a job description and/or salary range.

**Alternative 2**: Retain the Prothman Company based upon their scope of work.
The Commission discussed they would prefer to work with Darling to revisit strategic initiatives and coordinate with Prothman for the recruitment effort.

**ACTION Item No. 1:** Commissioner Grant motioned to DIRECT DISTRICT LEGAL COUNSEL TO DEVELOP A CONTRACT BASED UPON ALTERNATIVE NO. 1 (LEEWARD STRATEGIES) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE CONTRACT. Commissioner Murphy second the motion. Motion passed unanimously.

**ACTION Item No. 2:** Commissioner Murphy motioned to DIRECT LEGAL COUNSEL TO DEVELOP A CONTRACT BASED UPON ALTERNATIVE NO. 2 (PROTHMAN COMPANY) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE CONTRACT. Commissioner Grant second the motion. Motion passed unanimously.

**b) Broadband Program Development Update**

NoaNet: Jilk is working with NoaNet to deliver an amendment to their proposal to provide certain broadband services to reflect how they would help the PUD interact with the Port – what can the PUD bring to the table and support the Port. Jilk will plan to bring this to the May 25 meeting.

Job Opening: The Broadband Services Analyst position remains open and we are in discussion with a few applicants. Based on the experience and credentials from one candidate, Jilk feels this person could help build a good business model and support the PUD in its efforts.

Port of Bellingham: Grant and Jilk recently met with Gina Stark and Don Goldberg from the Port of Bellingham. The purpose was to take stock of where things are at with the broadband effort - from the past few years to where things are going in the future. She feels a commitment to the Port/PUD and public involvement in broadband/fiber infrastructure improves broadband services.

There will be grants available and working together could maximize resources. Many grants will require match funding. The Port is moving ahead with the backbone and middle-mile segments. They have no interest in providing retail broadband or building the “last mile”. If public funds are used, the fiber should be available to everyone. The Governor has yet to sign the two PUD retail-authority broadband bills (HB1336 or SHB5383).

In regards to back-end services, how will infrastructure be maintained after it is built? The PUD already knows how to maintain fiber because of its own SCADA network. How to include operations and maintenance costs, are still undetermined yet. Grant feels that as a partnership, the Port/PUD can be competitive for the grant funds that will become available. Grant hopes for a relationship that will provide the most benefits for the community.

The next step will be for Jilk to work with Sitkin and Stark to develop a draft Interlocal Agreement and to develop a timeline on when the parties will decide who does what.

City of Bellingham Broadband Advisory Group: At last week’s meeting, Deshmane presented information from the PUD’s Special Meeting last July on “broadband lessons learned” and to explore where things go from here – to begin a process to develop broadband policy and strategy. The Port’s plan was to build fiber backbone from Bellingham to Glacier with a dedicated public line. They have now decided to use WAVE from Bellingham to Deming, and then build the line from Deming to Glacier. As a result, there will most likely be ongoing exploration with existing internet service providers. When all the agencies (public and private sector) work together, public infrastructure can be improved for telecommunications.
Murphy supports broadband all across Whatcom County, but is the Port interested in going to one area only? What about other underserved areas, especially ones with families and school-aged children who really need broadband? He wants to be successful in the PUD’s achievement of the goal but is not hearing “how” it will be accomplished and what the plan is. Deshmane said construction of the backbone is most important and then how to identify going beyond the backbone. Deshmane doesn’t know how to accomplish it either. He suggested a study to map out and identify underserved areas. Grant said the Port has already mapped out approximately eight segments and are constantly updating their models. If the Port isn’t asking for help with construction, what can the PUD bring to the table? The line from Deming to Glacier is not engineered yet, nor are the other segments according to Deshmane. Jilk added that NoaNet can provide engineering and design services. If the Port wants to contract with NoaNet (or similar entity), the PUD could contract with NoaNet to provide other services such as looking at last mile and operations and maintenance. These should be done together and is a benefit in terms of a partnership with the Port.

The Commission needs to set a concrete vision on what role the PUD should be playing in the development of a countywide network. Take a look at what the Port is doing and what Commissioners feel the Port is not doing would help the PUD reach its goals. Outside resources and additional staff that both the PUD and Port require could be determined based on certain needs. Grant hopes for retail authority if/when the Governor signs the bills and believes it would give the PUD more access to federal funds. More analysis is needed. She feels retail authority would help the community the most and doesn’t want to lose sight of this.

Murphy is in favor of contracting with NoaNet. Grant wants to revisit NoaNet services after the Broadband Services Analyst position is determined – a lot of the work can be done in-house and build relationships within the community. Murphy is concerned about hiring the analyst in terms of the cost of hiring and benefits, and longevity of the position given the PUD doesn’t have a solid plan. Deshmane suggested giving it more time to consider on how the pieces will all fit together. Sitkin added that the cities of Blaine and Everson have received requests for franchise from ISPs to build facilities in their respective jurisdictions, although a franchise request to actual build out can take several years. The effect of the new legislation is that the private service providers are beginning to come to understand the dynamics of the market.

Jilk suggested if the PUD is successful at hiring the analyst, this staff member would have the capability and time capacity to provide considerations and resources to formulate and recommend decisions to work with the Port, NoaNet, ISPs and others. Jilk said the timing of the discussion with Jim Darling and focus on priorities/initiatives of the Strategic Plan, moving ahead with the hiring process of a new General Manager, and Broadband Analyst will help us move forward, hopefully within the next 60 days. An update will be provided at the May 25 meeting.

5. a) Approve Change Order No. 1 – Mills Electric

Background: The purpose of the project is to install a new air compressor serving the Plant No. 1 intake facility. In winter months when weather conditions generate cold temperatures and wind creates frazil ice, the small ice particles can severely impact water treatment operations and crew must rent a unit which is placed outside and subject to harsh conditions. The new air compressor will be installed inside a building at Plant No.1 to eliminate this problem.

Strand explained this is a change in Scope: Capital improvement project CIP RW-28, awarded in October 2020, was to purchase a new air compressor; however, the use of equipment standardization measures for this bid was not implemented. As such, the contractor submitted a Rogers Machinery brand air compressor. PUD Operations staff are most familiar with Gardner Denver brand air compressors. The Plant No. 2 Intake facility has Gardner Denver air compressors performing the same function that the new Plant No. 1 air compressor will serve for this project. PUD Staff and the engineer have requested that the
contractor submit on the Gardner Denver Model EAY99J Electra Saver 400 compressor provided in the bid documents under PUD equipment standardization.

The difference in cost for Change Order No. 1 is the result of a credit for removing the Rogers Machinery Compressor and additional costs for the Gardner Denver model as well as piping modifications serving cooling water to the compressor. The adjusted total cost of the Contractor’s original bid and Change Order No. 1 is below the Engineer’s Estimate:

<table>
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<tr>
<th>Description</th>
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<tr>
<td>Mill’s Bid total (no tax)</td>
<td>$640,495.00</td>
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<td>Change Order No. 1 (no tax)</td>
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<td>Engineer’s Estimate (no tax)</td>
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Staff recommends approving Change Order No. 1 for the Air Compressor for Water Treatment Plant No.1 Intake Facility Project Bid to Mills Electric. The project is funded in the 2021 Capital Improvement Projects Budget. There is no fiscal impact.

**ACTION:** Commissioner Murphy motioned to APPROVE CHANGE ORDER NO. 1 TO MILL’S ELECTRIC FOR THE AIR COMPRESSOR AT WATER TREATMENT PLANT NO. 1 INTAKE FACILITY PROJECT AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE CHANGE ORDER.

6. **General Manager’s Report**

**Broadband/Telecom Workshop**

Being presented by WPUDA is scheduled for next week. Deshmane and Grant are planning to attend.

**Legislative Update**

SHB1016 was passed and signed by the Governor. It will now recognize June 19 (Juneteenth) as a holiday for state employees. A survey from WPUDA inquired whether PUD’s will recognize the holiday. Jilk will bring it back for Commission consideration after input is received.

**Farming for Life**

Jilk is meeting with the designer for the new exhibit at Northwest Washington Fair Grounds. He will have more information in an upcoming meeting regarding the PUD’s participation. A contract/agreement will need to be approved prior to the PUD’s first contribution, due in July.

7. **Commissioner Reports**

**Grant:**

- Spoke with Maia Bellon to discuss water rights adjudication and the next steps.
- Spoke with Jim Darling regarding revisiting the District’s strategic planning efforts.
- Spoke with Sonja Prothman regarding the General Manager recruitment process.
- Met with Theresa Taylor regarding Lummi Nation economic development and broadband efforts.
- Spoke with Rhys Roth from the Center for Sustainable Infrastructure in regards to the April 27 Commission meeting discussion about economic development possibilities at Cherry Point.

**Murphy:**

- Also spoke with Maia Bellon.
- Having several conversations in the community about broadband opportunities.
- Has discussed the threat of a potential drought with farmers in Whatcom/Skagit counties region. Jilk said that our farmers depend on surface water use for irrigation, created from snowpack and snowmelt. The Governor’s Water Supply Group is predicting (April – September) near normal to
above normal streamflow for most of the state where rivers are dominated by snowmelt. The below normal streamflows are appearing where streamflows are more influenced by rainfall. Farmers depending on water from the Nooksack main stem with non-permanent water rights are concerned.

Deshmane:
- Attended Watershed Improvement Districts meetings – investigating possibilities for piped-in water for irrigation and identifying other methods such as water storage.
- Attended the City of Bellingham Broadband Advisory Group meeting as noted earlier and their openness to the private sector internet service providers. The countywide mapping exercise would allow all to benefit/collaborate on the public/private project.

8. Public Comment
No comments made.

9. Executive Session: Executive Session requested pursuant to RCW 42.30.110(1) (i) to discuss potential litigation and the General Manager’s performance evaluation (RCW 42.30.110(g). The estimated time for Executive Session was 45 minutes. 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 10:20 a.m. The Commission held Executive Session on a separate Zoom webinar platform under Open Public Meeting Act requirements.
- At 11:30 a.m. Executive Session was extended for an additional thirty (30) minutes.
- At 11:58 a.m. Executive Session was extended for an additional fifteen (15) minutes.

Executive Session Adjourn:
There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting webinar platform at 12:18 p.m.

10. Adjourn
There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 12:19 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/
Memo

To: Commissioners Deshmane, Grant, and Murphy
From: Jon Sitkin, Legal Counsel
Date: May 25, 2021
Re: Consulting Services Agreement with Leeward Strategies for Facilitation of Review of Strategic Planning Goals and Preparation of Job Description for General Manager

**Requested Action:** Approval of Consulting Services Agreement with Leeward Strategies (Jim Darling). A copy of the contract and scope of work with fees are attached.

**Summary Background:** The Commission has authorized the development of a contract with Jim Darling’s firm, Leeward Strategies, to assist the Commission in defining its near- and longer-term priorities in the review of the District’s current strategic plan. This was viewed as necessary to inform the Commission as to the attributes it is looking for in a new General Manager. Part of the task assigned to Leeward Strategies will be to prepare a draft Job Description for review and approval by the Commission.

**Fiscal Impact:** None.

**Recommended Action:** Motion: Move to approve the Consulting Services Agreement with Leeward Strategies and authorize the General Manager to execute the same.
May 19, 2021
Project No. (2021-06)

Steve Jilk
General Manager
Whatcom County PUD #1
1705 Trigg Road
Ferndale, WA 98248

Jon Sitkin
General Counsel: PUD #1
Chmelik, Sitkin and Davis
1500 Railroad Ave.
Bellingham, WA 98225

Re: Support for Whatcom County PUD #1 Strategic Assessment

Dear Steve and Jon:

Leeward Strategies LLC, (LS), appreciates the opportunity to submit this proposal to assist the Whatcom County PUD #1 in a review of its strategic direction. This Strategic Assessment is being undertaken in advance of the PUD’s initiation of a selection process to retain a successor General Manager. The selection process is scheduled to begin in mid-July 2021, so time is of the essence in completing the Strategic Assessment. The target completion date is early July.

The current Strategic Plan 2025 was adopted in 2019. Since the Plan’s adoption two new commissioners have been elected to the agency’s board and with the pending transition in leadership the PUD has identified the need to:

- Review and re-affirm or revise the priorities (goals, and strategies) in Strategic Plan 2025.
- Identify any new priorities, including a preliminary evaluation of the capacity to pursue those priorities.
- If there are new or different priorities, chart a recommended course to further consider those priorities in the context of the PUD’s overall workload.

**SCOPE OF WORK**

**Task 1: Strategic Assessment**

The purpose of Task 1 is to determine the extent of the alignment between PUD Commissioners, as well as between the Commission and the PUD management team regarding the near- and longer-term priorities of the district. The work will assess the concurrency of priorities; explore any new priorities; conduct a preliminary...
evaluation of the PUD’s staff and financial capacity to pursue any new priorities; and recommend a go forward strategy to further embrace any new priorities.

This evaluation of priorities is being undertaken within the context of identifying, selecting, and retaining a successor general manager. The PUD, appropriately, desires to ensure that the successful candidate has the necessary skills and experience to lead the agency based on its priorities as well as be fully transparent to potential candidates as they determine their interest in joining the PUD management team.

The work will be conducted through a series of initial interviews as well as a review of existing PUD plans and keystone documents. Initial interviews will be with the PUD’s individual Commissioners, General Manager, and key staff identified by the PUD.

Follow up interviews will be conducted, as necessary, with individual Commissioners and the General Manager to further refine the initial findings. The work anticipates the need for additional discussion with the management team to evaluate the capacity to undertake any new priorities.

The culmination of Task 1 would be a presentation to the Commission through a virtual power point presentation format that summarizes the findings of the Strategic Assessment and go forward recommendations.

**Deliverables:** Power Point Presentation with Findings and Recommendations

Draft Job Description for General Manager

**Estimated Task Fee:** $9,000 - 12,000

**Task 2:** Support selection of the successor General Manager

The purpose of Task 2 is to provide ‘on call’ support to the PUD when, and if requested, as it initiates and completes the selection of a successor General Manager. The PUD will be utilizing a professional search firm to guide the selection process. The selection firm may need support in preparing background documents, analyzing candidate skills against PUD needs, and the like.

**Deliverables:** Support as requested which may include document review

**Task Fee:** $3,000-4,000

**ASSUMPTIONS**

- The PUD will provide LS with documentation, reports, policies, and the like as requested by LS to further the work.
- The PUD will schedule the internal interviews for Task 1. The Task 1 fee assumes there will be up to 14 remote interviews conducted by phone, Zoom or the like.
- LS will provide a digital copy of power point presentations and a PDF copy of technical memorandums.
- All work will be performed virtually.
Budget & Schedule

The estimated cost to perform the proposed work for Task 1 and Task 2 is $12,000 to $16,000. The work in Task 2 will be performed as requested by the PUD and its selection consultant. This cost estimate does not represent a lump sum. LS bills for time and materials. Jim Darling’s hourly rate is $190/hour.

LS will begin work immediately upon receiving authorization to proceed. This proposal is valid for 60 days.

After you have reviewed this submittal, please indicate your approval of the proposal by signing below and returning the document to me as electronic or hard copy. Please retain a copy for your records.

Sincerely,

Jim Darling

Leeward Strategies

Date Approved: _______________________

By: ______________________________________________________

Steve Jilk
General Manager

Whatcom County PUD#1
STANDARD AGREEMENT
FOR PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT ("Agreement") is made and entered into this ______ day of ____________, 2021, by and between the WHATCOM COUNTY PUBLIC UTILITY DISTRICT NO. 1, P.O. Box 2308, 1705 Trigg Road, Ferndale, WA 98248, and LEEWARD STRATEGIES, having an address of 6740 N. Catalina Ave., Tucson, AZ 85718 hereinafter called "Consultant," to provide the Services generally as set forth in the scope of work attached hereto as Exhibit A (the “Services”)

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants set forth herein, the parties agree as follows:

1. Scope of Services. The Services to be provided by the Consultant in consideration of the fees as set forth in Exhibit A. As noted elsewhere herein, this scope of services provides for and allows changes to be made to certain tasks, or tasks added by way of written addendum to this Agreement.

2. Schedule. The schedule for the performance of the Services is set forth in Exhibit A, attached hereto.

3. Termination. This Agreement may be terminated by either party immediately upon written notice should one party fail to perform in accordance with its terms through no fault of the other. In the event the party that fails to perform is the Consultant, the determination of "fail to perform in accordance with its terms" shall be in the sole judgment of the District. In the event the District terminates Consultant, then Consultant shall be compensated for the satisfactory services it has performed up to the date of termination, less any damages suffered by the District due to such unsatisfactory services; provided, however, (i) that Consultant shall not receive compensation for that portion of the services which is not in compliance with this Agreement and (ii) in no event shall such reimbursement exceed the Maximum Fee.

3.1 Further, this Agreement may be terminated by the District at its convenience at any time for any reason whatsoever, at the sole discretion of the District, immediately upon written notice. In the event of such termination, Consultant shall receive compensation based on the completion of work as a percentage of the Services to be completed Services. In no event shall such reimbursement exceed the Maximum Fee.

3.2 In the event of termination either for cause or for convenience of the District, Consultant agrees that its sole legal and equitable remedy shall be payment of the compensation set forth above.

4. Compensation and Payment. The Consultant shall be compensated on the basis as set forth in Exhibit A, attached hereto, however, that this Agreement is limited to a total expenditure of $12,000.00 for Task 1 and $4,000.00 for Task 2 as set forth in Exhibit A (the “Maximum Fee”). The Consultant shall obtain the prior written approval of the District for any charges for additional services by the Consultant, the additional services of others retained by Consultant, or the furnishing of additional supplies, materials or equipment. The Consultant
shall not be entitled to compensation for any such additional charges incurred in violation of this paragraph.

4.1 The District shall review and consider for approval all bills submitted two weeks prior to a regularly scheduled meeting of the District Commissioners. After approval of the Consultant’s statement of bill, the District shall forward the approval to the District Treasurer for payment in the normal course of events. In no event shall the District be charged interest on payments due under this Agreement. The District shall not be obligated to pay for services deemed unsatisfactory.

5. Compliance With Laws. All Federal, State and local laws applicable in the rendering of the services by the Consultant shall be complied with in all respects by the Consultant, as shall all rules and regulations of the District and any other governmental agency. The Consultant shall register, as required by RCW 23B.15.010, to do business in the State of Washington and provide proof of the same to the District.

6. Project Management. The District's legal counsel may at any time issue written directions within the general scope of this Agreement. If any such direction causes an increase or decrease in the cost of this Agreement or otherwise affects any other provision of this Agreement, the Consultant shall immediately notify the District's legal counsel in writing and take no further action concerning those written directions until such time as the parties have executed a written change order. No additional work shall be performed, or charges incurred unless and until the District approves in writing the change order and the increased cost thereof. Any work done in violation of this paragraph shall be at the sole expense of the Consultant.

7. Conflict of Interest. Consultant covenants that it presently has no interest and shall not acquire an interest, directly or indirectly, which would conflict in any manner or degree with its performance under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or any of its subcontractors.

8. Insurance. Consultant shall procure and maintain during the term of this Agreement the following insurance:

   a. Comprehensive general liability policy covering all claims for personal injury (including death) and/or property damage arising out of Consultant’s services. The limits of liability shall be not less than One Million Dollars ($1,000,000) for each occurrence and in the aggregate unless the District General Manager approves in writing a lesser limit.

   8.1 The foregoing insurance policies shall name the District as an additional insured. Consultant shall provide two (2) certificates of insurance and, if requested, copies of any policy to District. Receipt of such certificate or policy by the District does not constitute approval by the District of the terms of such policy. Furthermore, the policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to the District except upon forty-five (45) days prior written notice from the insurance company to the District; (iii) contain an express waiver of any right of subrogation by the insurance company against District and District’s elected officials, employees, or agents; (iv) expressly provide that the insurance proceeds of
any loss will be payable notwithstanding any act or negligence of Consultant which might otherwise result in a forfeiture of said insurance; and (v) in regard to physical property damage coverage, expressly provide that all proceeds shall be paid jointly to the District and Consultant.

8.2 If Consultant fails to procure and maintain the insurance described above, District shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Consultant shall pay to District upon demand the full amount paid by District, or the District may offset such premiums against amounts to be paid to Consultant.

9. **Indemnification.** Consultant shall indemnify and hold the District harmless from and against all costs and losses, and all claims, demands, suits, actions, payments and judgments, arising from personal injury or otherwise, brought or recovered against the District by reason of any negligent act or omission of Consultant, its directors, officers, agents or employees in execution or guarding of the work, including any and all expenses, legal or otherwise, incurred by the District or its representatives in the defense of any claim or suit.

10. **Confidentiality.** Any reports, documents, questionnaires, records, information or data given to or prepared or assembled under this Agreement which the District requests to be kept confidential shall not be made available by the Consultant to any individual or organization without prior written approval of the District, except as may be ordered by a court of competent jurisdiction. The provisions of this section shall survive the expiration or earlier termination of this Agreement. No reports, records, questionnaires, software programs provided by the District or other documents produced in whole or in part by the Consultant under this contract shall be the subject of an application for copyright by or on behalf of the Consultant.

11. **Property of District.** All work products are and shall remain the property of the District whether the Project for which they are made is executed or not. The Consultant assumes no liability for any use of the work product other than that originally intended for this Project. The Consultant shall retain originals and reproducible copies shall be provided as requested by the District. Upon completion of the work, the originals of all work product shall be delivered to the District.

12. **Electronic Transmission.** All electronically transmitted output must be compatible with existing District software and must be accompanied by at least one (1) copy of written reports. Consultants shall check with the District for software application and system compatibility.

13. **Subconsultants.** Contractor shall any subconsultants without the prior written approval of the District.

14. **Discrimination.** In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or being handicapped, a disadvantaged person, or a disabled or Vietnam era veteran. The Consultant shall take affirmative action to ensure that applicants are employed, and the employees are treated during employment without regard to, their race, color, religion, sex, national origin, age, marital status, or being handicapped, or disadvantaged person, or disabled or Vietnam era veteran.
15. **Understanding of Agreement.** Each party acknowledges that such party has read this Agreement and understands its contents, that such party has had the opportunity to have this Agreement reviewed by an attorney of such party’s choice, and that such party either has consulted with an attorney or voluntarily has chosen not to consult with an attorney before signing this Agreement.

16. **Litigation/Arbitration.** In the event either party herein finds it necessary to bring an action against the other party to enforce any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Agreement by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding shall be paid all costs and attorneys’ fees incurred by the other party, and in the event any judgment is secured by such prevailing party all such costs and attorneys’ fees of collection shall be included in any such judgment. In the event of any dispute arising between the parties to this Agreement, any such dispute shall be submitted to binding arbitration as provided herein. The parties shall select an independent and unbiased arbitrator who is not affiliated directly or indirectly with either party within ten (10) days after any party demands arbitration. If the parties fail to select or cannot agree upon an arbitrator within this time, then they shall make application to the Superior Court of Whatcom County, pursuant to RCW 7.04 et seq., for an order appointing an arbitrator. Such application may be made at any time after the ten (10) day period has expired. Upon application to the court for an arbitrator, the Court shall select an arbitrator who shall render his/her decision no later than sixty (60) days after his/her appointment. If the arbitrator requests a hearing prior to rendering his/her decision, such hearing shall be held in Whatcom County, Washington within thirty (30) days of the arbitrator’s appointment. The arbitrator’s decision shall be binding on both parties. Each party shall bear its own expenses associated with the arbitration but shall share equally the costs of the arbitrator. RCW Chapter 7.04A and Rules 5.2 through 5.4 of the Mandatory Arbitration Rules for Superior Court (“MAR”) shall govern the arbitration. In the event of any inconsistencies between the Binding Arbitration Clause, RCW Chapter 7.04A, and MAR 5.2 through 5.4, the terms of the Binding Arbitration Clause shall take precedence over RCW Chapter 7.04 and MAR 5.2 through 5.4; and RCW Chapter 7.04A shall take precedence over MAR 5.2 through 5.

17. **Notices.** All notices, demands, requests, consents and approvals which may or are required to be given by any party to any other party hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

**District:** Whatcom County Public Utility District No. 1  
Attention: Jon Sitkin, District General Counsel  
1500 Railroad Ave.  
Bellingham, WA 98225

**Consultant:** Leeward Strategies  
c/o Jim Darling, Principal  
6740 N. Catalina Ave.,  
Tucson , AZ 85718

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt
or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

18. **Amendment.** No modification, termination or amendment of this Agreement may be made except by written agreement signed by all parties, except as provided herein.

19. **Waiver.** No failure by any of the foregoing parties to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any party hereto, by notice and only by notice as provided herein, may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other party hereto. No waiver shall affect or alter this Agreement, and each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

20. **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

21. **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

22. **Neutral Authorship.** Each of the provisions of this Agreement has been reviewed and negotiated and represents the combined work product of all parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

23. **Governing Law.** This Agreement and the right of the parties hereto shall be governed by and construed in accordance with the laws of the State of Washington.

24. **Time of Performance.** Time is specifically declared to be of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

25. **Entire Agreement.** The entire agreement between the parties hereto is contained in this Agreement and the exhibits hereto, and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. This Agreement may be amended only by written instrument executed by the parties subsequent to the date hereof. The Consultant specifically understands that no District employees other than the project manager or his/her supervisors are authorized to direct the work of the Consultant.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.
DISTRICT:

WHATCOM COUNTY PUBLIC UTILITY DISTRICT NO. 1

By: ________________________________  
Title: General Manager  
Date signed: ________________________

CONSULTANT:

______________________________________________
By: Jim Darling  
Title: Principal  
Firm's EIN: 604741565  
Date signed: May 19, 2021
Memo

To: Commissioners Deshmane, Grant, and Murphy
From: Brian Walters – Assistant General Manager
Date: May 25, 2021
Re: Approve Interlocal Agreement with Jefferson County PUD and the Transfer of $100,000 in BPA EEI Budget Listed in Exhibit A to the Agreement

Requested Action – APPROVE INTERLOCAL AGREEMENT WITH JEFFERSON COUNTY PUD AND THE TRANSFER OF $100,000 OF THE DISTRICT’S BPA EEI PROGRAM BUDGET AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE AGREEMENT IMPLEMENTING THE TRANSFER.

Background – Public Utility District No.1 of Jefferson County (“Jefferson PUD”) has exhausted its BPA EEI budget for BPA’s current two year rate period FY 2020-21. Jefferson PUD has requested that the District transfer $100,000 of the District’s remaining EEI budget for the current BPA rate period to Jefferson PUD. The District’s existing Interlocal Agreement with Jefferson PUD, which has previously enabled the transfer of BPA EEI budget has expired. In order to proceed with a new transfer of EEI Budget to Jefferson PUD, a new Interlocal Agreement must be executed between the District and Jefferson PUD.

The transfer of BPA EEI budget from one party to the other is memorialized in Exhibit A to the Agreement. Future transfers agreed to by the parties (either to or from Jefferson PUD) will be accomplished by Amendments to Exhibit A, as long as the Interlocal Agreement remains in effect.

If the transfer is approved, the District will still have sufficient remaining BPA EEI Program Budget to cover any potential District sponsored energy efficiency projects for the remainder of BPA’s 2020-21 rate period, which ends September 30, 2021. The District will then receive another budget allocation for BPA’s following rate period, which begins October 1, 2021.

Fiscal Impact – If approved, Exhibit A and the budget transfer described therein will have no direct fiscal impact on the District’s 2021 Annual Budget.

Recommended Action – APPROVE INTERLOCAL AGREEMENT WITH JEFFERSON COUNTY PUD AND THE TRANSFER OF $100,000 OF THE DISTRICT’S BPA EEI PROGRAM BUDGET AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE AGREEMENT IMPLEMENTING THE TRANSFER
INTERLOCAL AGREEMENT  
BETWEEN  
PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY  
AND  
PUBLIC UTILITY DISTRICT NO.1 OF JEFFERSON COUNTY  
FOR SHARING OF  
ELECTRIC SYSTEM RELATED SERVICES

THIS INTERLOCAL AGREEMENT (the “Agreement”) is made this______ day of May 2021, between Public Utility District No. 1 of Whatcom County, a Washington municipal corporation (hereinafter “Whatcom PUD”), and Public Utility District No.1 of Jefferson County, a Washington municipal corporation (hereinafter “Jefferson PUD”). Whatcom PUD and Jefferson PUD are jointly referred to herein as (the “Parties”) and individually as (“Party”).

WHEREAS, Whatcom PUD and Jefferson PUD are authorized to engage in the provision of electric energy supply and services to wholesale and retail customers; and

WHEREAS, Whatcom PUD and Jefferson PUD are authorized to construct and operate facilities necessary to generate, transmit, and/or distribute electric energy within their respective service areas; and

WHEREAS, the Parties have a common interest in sharing resources, when feasible, for the cost-effective delivery of electric energy related services to their respective customers; and

WHEREAS, the Parties are both power supply and transmission customers of the Bonneville Power Administration; and

WHEREAS, it is in the public interest for the Parties as public entities to work in a cooperative manner; and

WHEREAS, the Parties desire to enter into this Agreement under the terms and conditions of Chapter 39.34 RCW (entitled the Interlocal Cooperation Act);

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Whatcom PUD and Jefferson PUD agree as follows:

1.0 PURPOSE.

The purpose of this Agreement is to establish procedures whereby the Parties can combine, share, and use their respective skills and assets, thereby expediting their respective receipt and delivery of electric energy and related services to customers within their respective service areas. The cooperative efforts enabled by this Agreement are intended to reduce the cost of electric system planning, construction, and operation over what would otherwise be achieved if the Parties acted independently. Further, this Agreement enables a sharing of benefits available to each Party as a wholesale customer of the Bonneville Power Administration (“BPA”).
2.0 DECISIONS.

All decisions under this Agreement shall be by consensus of the Parties, subject to the financial, technical, and legal limitations of both Parties. In the event that the Parties are unable to agree upon a means of undertaking any proposed action pursuant to this Agreement, then either Party shall have the unilateral right to reject such means, without contributing additional time or other resources to the further negotiation thereof.

3.0 GENERAL SCOPE OF SERVICES.

The services to be provided under this Agreement are limited in scope to the transfer from either Party to the other of a portion of either Party’s BPA conservation budget, also referred to as the EEI budget. Such budget is determined by BPA through a rate setting process and allocated among each of BPA’s power supply customers for each two year BPA power rate period. The allocated budget is available to customers to reimburse them for a portion of the cost of qualifying conservation (i.e. energy efficiency) programs and projects customers implement.

3.1 EXHIBIT A – TRANSFERS

Any transfer of BPA conservation funds as agreed to by the Parties shall be as described on Exhibit A, attached hereto and incorporated herein by this reference. Any revision to the transfer amount and/or conditions on such transfers shall be by amendment to Exhibit A.

4.0 COMPENSATION FOR SERVICES.

For the scope of services described above, there is no compensation by either Party to the other.

5.0 TERM.

This Agreement shall commence as of the date entered in the above first paragraph of this Agreement and shall continue until day 31 of the month of December 2023 unless either Party terminates this agreement by providing written notice to the other Party, not less than 30 days prior to the date such party desires the termination of the Agreement to become effective. Either Party may require that the terms and conditions of this Agreement be re-negotiated by providing written notice to the other Party, not less than 30 days prior to the date such party desires the modification to the Agreement to become effective. A notice of re-negotiation shall not be a notice of termination; however, nothing prevents a party from delivering both a notice of re-negotiation and a notice of termination.

If the Agreement is terminated, in accordance with the provisions of this section 5, then the Parties agree to negotiate in good faith to unwind the obligations entered into under this Agreement. If the Parties cannot agree to a resolution of the obligations entered into within ninety days of the termination date of this Agreement, then the Parties agree to submit to binding arbitration, as set forth in Section 9.7 below.

6.0 CONTACT PERSONS.

The following persons, referred to as Contact Person(s), are responsible for the administration of this Agreement for each Party and have the authority to execute Task Orders on behalf of their Party under this Agreement:
For Whatcom PUD: General Manager
For Jefferson PUD: General Manager

or such other persons as may be specified from time to time in writing by either Party.

7.0 RELATIONSHIPS OF THE PARTIES, RELEASE AND INDEMNIFICATION.

The Parties agree that they are each independent public entities operating pursuant to the terms and conditions of this Agreement. No agent, employee, or representative of a Party to this Agreement shall be deemed to be an agent, employee, or representative of any other party for any purpose. To the extent permitted by law, each Party remains solely and entirely responsible for the acts of its respective staff performing services for the other Party under this Agreement.

7.1 Release by Jefferson PUD. To the extent permitted by law, Jefferson PUD hereby releases Whatcom PUD, its successors and assigns, Directors, Commissioners, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with Whatcom PUD and its employees’ performance under this Agreement.

7.2 Release by Whatcom PUD. To the extent permitted by law, Whatcom PUD hereby releases Jefferson PUD, its successors and assigns, Directors, Commissioners, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with Jefferson PUD and its employees’ performance under this Agreement.

7.3 Indemnification. Each Party, as an indemnitor, agrees to protect, defend, hold harmless, and indemnify each other Party from and against all third party claims, suits, and actions arising from the intentional or negligent acts or omissions of such indemnitor, its agents, or employees in the performance of this Agreement.

8.0 EXTENT OF AGREEMENT AND MODIFICATIONS.

This Agreement, together with the Exhibits and Addenda as may be added upon approval of both Parties, contains all of the terms and conditions agreed upon by the Parties. The Parties agree that there are no understandings, oral or otherwise, modifying or adding to this Agreement. No amendments, changes, or modification of this Agreement shall be valid or binding upon either Party unless such amendment, change, or modification be in writing and executed by both Parties.

9.0 MISCELLANEOUS PROVISIONS.

9.1 No waiver. The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party’s right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

9.2 Applicable Law. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Washington, except to the extent such laws may be preempted by the laws of the United States of America.
9.3 **Governing Law and Venue:** The Parties agree that any dispute shall be governed by the laws of the State of Washington, and any proceeding in law or in equity shall be brought in Whatcom County, State of Washington, or such other place as both Parties may agree to in writing.

9.4 **Standards.** The Parties and the Parties’ employees and agents will adhere to applicable professional and ethical standards and will perform all work in a manner consistent with generally accepted skill and care and prudent utility practice for the type of work undertaken.

9.5 **Neutral Authorship:** Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of the Parties. No presumption or other rules of construction, which would interpret the provisions of this Agreement in favor of or against the party preparing the same, shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

9.6 **Entire Agreement.** This Agreement sets forth the entire Agreement and supersedes any and all prior Agreements of the Parties with respect to the subject matters hereof.

9.7 **Arbitration:** The Parties mutually covenant to work cooperatively to timely resolve any dispute that may arise between the Parties concerning this Agreement. However, if the Parties cannot mutually settle a dispute, the dispute or claim shall be submitted to binding arbitration. The Parties agree that the arbitration shall be governed by the rules and procedures outlined in RCW 7.04 et.seq. and the Whatcom County Mandatory Arbitration Rules, and that the Parties will jointly stipulate to an arbitrator. In the event that the Parties are unable to agree to an arbitrator, the Parties agree that the Presiding Judge of Whatcom County Superior Court may appoint the arbitrator. The prevailing Party as determined by the arbitrator shall be entitled to reasonable attorneys’ fees and costs.

9.8 **Notices:** All notices, demands, requests, consents, and approvals which may, or are required to be given to any party or any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage paid to:

Public Utility District No.1 of Whatcom Co: General Manager  
Whatcom PUD  
1705 Trigg Road  
Ferndale, WA 98248

Jefferson County Public Utility District No.1: General Manager  
Jefferson PUD  
310 Four Corners Road  
Port Townsend, WA 98368
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives all as of the day and year first above written.

PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY

___________________________________________  Date
Stephan Jilk
General Manager

ATTEST:

___________________________________________

PUBLIC UTILITY DISTRICT NO.1 OF JEFFERSON COUNTY

___________________________________________  Date
Kevin Streett
General Manager

ATTEST:

APPROVED AS TO FORM:

___________________________________________
Joel Paisner
Legal Counsel
EXHIBIT A

BPA EEI BUDGET TRANSFERS

This Exhibit A is attached to and by this reference incorporated into the Interlocal Agreement between Public Utility District No.1 of Whatcom County (“Whatcom PUD”) and Public Utility District No.1 of Jefferson County (“Jefferson PUD”) (collectively referred to as the “Parties”).

1.0  Budget Transfer – BPA Rate Period (FY 2020-2021)

Subject to Bonneville Power Administration (“BPA”) approval, Whatcom PUD and Jefferson PUD agree for each Party’s respective BPA two year Rate Period (FY 2020-2021) as follows:

Whatcom PUD and Jefferson PUD agree to request that BPA transfer ONE HUNDRED THOUSAND DOLLARS ($100,000) of BPA’s Energy Efficiency Incentive (EEI) program budget funds for Rate Period (FY 2020-2021), which were previously allocated to Whatcom PUD, to Jefferson PUD. This transfer does not involve any actual monetary payment by Whatcom PUD to Jefferson PUD, nor is Whatcom PUD obligated to make any payment to Jefferson PUD. Rather, it is a joint request to BPA to re-allocate a portion of the BPA EEI program budget funds allocated to Whatcom PUD for BPA Rate Period (FY 2020-2021) to Jefferson PUD.

2.0  Conditions on Transfer

For this specific transfer of BPA EEI program budget from Whatcom PUD to Jefferson PUD, there are no conditions on the transfer with the exception of BPA prior approval.

3.0  Amendments to Exhibit A

Should either Party request any future BPA EEI program budget transfers from the other Party and such Party agrees, then it shall be by amendment to this Exhibit A, pursuant to written agreement of the Parties.
IN WITNESS WHEREOF, the Parties have caused this EXHIBIT A to the AGREEMENT to be executed by their duly authorized representatives all as of the day and year written above.

PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY

____________________________________  ____________________
Stephan Jilk  
General Manager  Date

ATTEST:

____________________________________

PUBLIC UTILITY DISTRICT NO.1 OF JEFFERSON COUNTY

____________________________________  ____________________
Kevin Streett  
General Manager  Date

ATTEST:

____________________________________
May 4th, 2021

RE: EEI Transfer Request

Dear Mr. Walters,

Jefferson County PUD requests a bi-lateral transfer of $100,000 in EEI funding from Whatcom PUD. The funding, if granted, will be used to fulfill commitments to Jefferson County contractors and customers wishing to take part in residential and commercial incentive programs. The demand for energy efficiency incentives in Jefferson County has exceeded our funding allotment for the current rate period. We have asked our large commercial customers to wait until the next period but wish to continue to accommodate our residential and small business customers through the summer months. The $100,000 in additional funding provided by Whatcom PUD, if granted, should enable us to continue assisting our ratepayers in their efforts to improve the efficiency of their homes and businesses until the next funding allotment from BPA is released.

Jefferson County PUD’s board and staff greatly appreciate Whatcom PUD’s continued willingness to assist our efforts to reduce energy demand in WA state. Let us know if you need any additional information.

Best Regards,

Will O'Donnell
Communications Director, EEI program Coordinator
Jefferson County PUD

Kevin Streett
General Manager
Jefferson County PUD
Memo

To: Commissioners Deshmane, Grant, and Murphy  
From: Brian Walters – Assistant General Manager  
Date: May 25, 2021  
Re: Approve Interlocal Agreement with Grays Harbor County PUD and the Transfer of $100,000 in BPA EEI Budget Listed in Exhibit A to the Agreement

Requested Action – APPROVE INTERLOCAL AGREEMENT WITH GRAYS HARBOR COUNTY PUD AND THE TRANSFER OF $100,000 OF THE DISTRICT’S BPA EEI PROGRAM BUDGET AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE AGREEMENT IMPLEMENTING THE TRANSFER.

Background – Public Utility District No.1 of Grays Harbor County (“Grays Harbor PUD”) has exhausted its BPA EEI budget for BPA’s current two year rate period FY 2020-21. Grays Harbor PUD has requested that the District transfer $100,000 of the District’s remaining EEI budget for the current BPA rate period to Grays Harbor PUD. The District currently does not have an Interlocal Agreement with Grays Harbor PUD. In order to proceed with a new transfer of EEI Budget to Grays Harbor PUD, a new Interlocal Agreement must be executed between the District and Grays Harbor PUD.

The transfer of BPA EEI budget from one party to the other is memorialized in Exhibit A to the Agreement. Future transfers agreed to by the parties (either to or from Grays Harbor PUD) will be accomplished by Amendments to Exhibit A, as long as the Interlocal Agreement remains in effect.

If the transfer is approved, the District will still have sufficient remaining BPA EEI Program Budget to cover any potential District sponsored energy efficiency projects for the remainder of BPA’s 2020-21 rate period, which ends September 30, 2021. The District will then receive another budget allocation for BPA’s following rate period, which begins October 1, 2021.

Fiscal Impact – If approved, Exhibit A and the budget transfer described therein will have no direct fiscal impact on the District’s 2021 Annual Budget.

Recommended Action – APPROVE INTERLOCAL AGREEMENT WITH GRAYS HARBOR COUNTY PUD AND THE TRANSFER OF $100,000 OF THE DISTRICT’S BPA EEI PROGRAM BUDGET AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE AGREEMENT IMPLEMENTING THE TRANSFER.
INTERLOCAL AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY
AND
PUBLIC UTILITY DISTRICT NO.1 OF GRAYS HARBOR COUNTY
FOR SHARING OF
ELECTRIC SYSTEM RELATED SERVICES

THIS INTERLOCAL AGREEMENT (the “Agreement”) is made this______ day of May 2021, between Public Utility District No. 1 of Whatcom County, a Washington municipal corporation (hereinafter “Whatcom PUD”), and Public Utility District No.1 of Grays Harbor, a Washington municipal corporation (hereinafter “Grays Harbor PUD”). Whatcom PUD and Grays Harbor PUD are jointly referred to herein as (the “Parties”) and individually as (“Party”).

WHEREAS, Whatcom PUD and Grays Harbor PUD are authorized to engage in the provision of electric energy supply and services to wholesale and retail customers; and

WHEREAS, Whatcom PUD and Grays Harbor PUD are authorized to construct and operate facilities necessary to generate, transmit, and/or distribute electric energy within their respective service areas; and

WHEREAS, the Parties have a common interest in sharing resources, when feasible, for the cost-effective delivery of electric energy related services to their respective customers; and

WHEREAS, the Parties are both power supply and transmission customers of the Bonneville Power Administration; and

WHEREAS, it is in the public interest for the Parties as public entities to work in a cooperative manner; and

WHEREAS, the Parties desire to enter into this Agreement under the terms and conditions of Chapter 39.34 RCW (entitled the Interlocal Cooperation Act);

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Whatcom PUD and Grays Harbor PUD agree as follows:

1.0 PURPOSE.

The purpose of this Agreement is to establish procedures whereby the Parties can combine, share, and use their respective skills and assets, thereby expediting their respective receipt and delivery of electric energy and related services to customers within their respective service areas. The cooperative efforts enabled by this Agreement are intended to reduce the cost of electric system planning, construction, and operation over what would otherwise be achieved if the Parties acted independently. Further, this Agreement enables a sharing of benefits available to each Party as a wholesale customer of the Bonneville Power Administration (“BPA”).
2.0 DECISIONS.

All decisions under this Agreement shall be by consensus of the Parties, subject to the financial, technical, and legal limitations of both Parties. In the event that the Parties are unable to agree upon a means of undertaking any proposed action pursuant to this Agreement, then either Party shall have the unilateral right to reject such means, without contributing additional time or other resources to the further negotiation thereof.

3.0 GENERAL SCOPE OF SERVICES.

The services to be provided under this Agreement are limited in scope to the transfer from either Party to the other of a portion of either Party’s BPA conservation budget, also referred to as the EEI budget. Such budget is determined by BPA through a rate setting process and allocated among each of BPA’s power supply customers for each two year BPA power rate period. The allocated budget is available to customers to reimburse them for a portion of the cost of qualifying conservation (i.e. energy efficiency) programs and projects customers implement.

3.1 EXHIBIT A – TRANSFERS

Any transfer of BPA conservation funds as agreed to by the Parties shall be as described on Exhibit A, attached hereto and incorporated herein by this reference. Any revision to the transfer amount and/or conditions on such transfers shall be by written amendment to Exhibit A approved by the Board of Commissioners of each Party unless a Party has specifically delegated that authority to its General Manager.

4.0 COMPENSATION FOR SERVICES.

For the scope of services described above, there is no compensation owed by either Party to the other.

5.0 TERM.

This Agreement shall commence as of the date entered in the above first paragraph of this Agreement and shall continue until day 31 of the month of December 2023 unless either Party terminates this agreement by providing written notice to the other Party, not less than 30 days prior to the date such party desires the termination of the Agreement to become effective. Either Party may require that the terms and conditions of this Agreement be re-negotiated by providing written notice to the other Party, not less than 30 days prior to the date such party desires the modification to the Agreement to become effective. A notice of re-negotiation shall not be a notice of termination; however, nothing prevents a party from delivering both a notice of re-negotiation and a notice of termination.

If the Agreement is terminated, in accordance with the provisions of this section 5, then the Parties agree to negotiate in good faith to unwind the obligations entered into under this Agreement. If the Parties cannot agree to a resolution of the obligations entered into within ninety days of the termination date of this Agreement, then the Parties agree to submit to binding arbitration, as set forth in Section 9.7 below.

6.0 CONTACT PERSONS.

The following persons, referred to as Contact Person(s), are responsible for the administration of this Agreement for each Party and have the authority to execute Task Orders on behalf of their Party under this Agreement:
For Whatcom PUD: General Manager
For Grays Harbor PUD: General Manager

or such other persons as may be specified from time to time in writing by either Party.

7.0 RELATIONSHIPS OF THE PARTIES, RELEASE AND INDEMNIFICATION.

The Parties agree that they are each independent public entities operating pursuant to the terms and conditions of this Agreement. No agent, employee, or representative of a Party to this Agreement shall be deemed to be an agent, employee, or representative of any other party for any purpose. To the extent permitted by law, each Party remains solely and entirely responsible for the acts of its respective staff performing services for the other Party under this Agreement.

7.1 Release by Grays Harbor PUD. To the extent permitted by law, Grays Harbor PUD hereby releases Whatcom PUD, its successors and assigns, Directors, Commissioners, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with Whatcom PUD and its employees’ performance under this Agreement.

7.2 Release by Whatcom PUD. To the extent permitted by law, Whatcom PUD hereby releases Grays Harbor PUD, its successors and assigns, Directors, Commissioners, officers, employees, agents, and representatives from any and all claims, losses, injuries, harm, liabilities, damages, costs, charges and expenses including all reasonable and necessary attorney’s fees incurred in connection with Grays Harbor PUD and its employees’ performance under this Agreement.

7.3 Indemnification. Each Party, as an indemnitor, agrees to protect, defend, hold harmless, and indemnify each other Party from and against all third party claims, suits, and actions arising from the intentional or negligent acts or omissions of such indemnitor, its agents, or employees in the performance of this Agreement.

8.0 EXTENT OF AGREEMENT AND MODIFICATIONS.

This Agreement, together with the Exhibits and Addenda as may be added upon approval of both Parties, contains all of the terms and conditions agreed upon by the Parties. The Parties agree that there are no understandings, oral or otherwise, modifying or adding to this Agreement. No amendments, changes, or modification of this Agreement shall be valid or binding upon either Party unless such amendment, change, or modification be in writing and executed by both Parties.

9.0 MISCELLANEOUS PROVISIONS.

9.1 No waiver. The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party’s right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

9.2 Applicable Law. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Washington, except to the extent such laws may be preempted by the laws of the United States of America.
9.3 **Governing Law and Venue:** The Parties agree that any dispute shall be governed by the laws of the State of Washington, and any proceeding in law or in equity shall be brought in Thurston County, State of Washington, or such other place as both Parties may agree to in writing.

9.4 **Standards.** The Parties and the Parties’ employees and agents will adhere to applicable professional and ethical standards and will perform all work in a manner consistent with generally accepted skill and care and prudent utility practice for the type of work undertaken.

9.5 **Neutral Authorship:** Each of the provisions of this Agreement has been reviewed and negotiated, and represents the combined work product of the Parties. No presumption or other rules of construction, which would interpret the provisions of this Agreement in favor of or against the party preparing the same, shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

9.6 **Entire Agreement.** This Agreement sets forth the entire Agreement and supersedes any and all prior Agreements of the Parties with respect to the subject matters hereof.

9.7 **Arbitration:** The Parties mutually covenant to work cooperatively to timely resolve any dispute that may arise between the Parties concerning this Agreement. However, if the Parties cannot mutually settle a dispute, the dispute or claim shall be submitted to binding arbitration. The Parties agree that the arbitration shall be governed by the rules and procedures outlined in RCW 7.04A et.seq. and the Thurston County Mandatory Arbitration Rules, and that the Parties will jointly stipulate to an arbitrator. In the event that the Parties are unable to agree to an arbitrator, the Parties agree that the Presiding Judge of Thurston County Superior Court may appoint the arbitrator. The prevailing Party as determined by the arbitrator shall be entitled to reasonable attorneys’ fees and costs.

9.8 **Notices:** All notices, demands, requests, consents, and approvals which may, or are required to be given to any party or any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage paid to:

**Public Utility District No.1 of Whatcom County:**
General Manager
Whatcom PUD
1705 Trigg Road
Ferndale, WA  98248

**Public Utility District No.1 of Grays Harbor County:**
General Manager
Grays Harbor PUD
P.O. Box 480
2720 Sumner Avenue
Aberdeen, WA  98520
9.9 Statutory Notice. Pursuant to RCW 39.34.040, following execution, this Agreement will be listed on the websites respectively of both Whatcom PUD and Grays Harbor PUD.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives all as of the day and year first above written.

PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY

____________________________________________________________
Stephan Jilk
General Manager

ATTEST:

____________________________________________________________
PUBLIC UTILITY DISTRICT NO.1 OF GRAYS HARBOR COUNTY

____________________________________________________________
Schuyler Burkhart, P.E.
General Manager

APPROVED AS TO FORM:

____________________________________________________________
Angel Rains
General Counsel
EXHIBIT A

BPA EEI BUDGET TRANSFERS

This Exhibit A is attached to and by this reference incorporated into the Interlocal Agreement between Public Utility District No.1 of Whatcom County (“Whatcom PUD”) and Public Utility District No.1 of Grays Harbor County (“Grays Harbor PUD”) (collectively referred to as the “Parties”).

1.0 Budget Transfer – BPA Rate Period (FY 2020-2021)

Subject to Bonneville Power Administration (“BPA”) approval, Whatcom PUD and Grays Harbor PUD agree for each Party’s respective BPA two year Rate Period (FY 2020-2021) as follows:

Whatcom PUD and Grays Harbor PUD agree to request that BPA transfer ONE HUNDRED THOUSAND DOLLARS ($100,000) of BPA’s Energy Efficiency Incentive (EEI) program budget funds for Rate Period (FY 2020-2021), which were previously allocated to Whatcom PUD, to Grays Harbor PUD. This transfer does not involve any actual monetary payment by Whatcom PUD to Grays Harbor PUD, nor is Whatcom PUD obligated to make any payment to Grays Harbor PUD. Rather, it is a joint request to BPA to re-allocate a portion of the BPA EEI program budget funds allocated to Whatcom PUD for BPA Rate Period (FY 2020-2021) to Grays Harbor PUD.

2.0 Conditions on Transfer

For this specific transfer of BPA EEI program budget from Whatcom PUD to Grays Harbor PUD, there are no conditions on the transfer with the exception of BPA prior approval.

3.0 Amendments to Exhibit A

Should either Party request any future BPA EEI program budget transfers from the other Party and such Party agrees, then it shall be by amendment to this Exhibit A, pursuant to written agreement of the Parties.
IN WITNESS WHEREOF, the Parties have caused this EXHIBIT A to the AGREEMENT to be executed by their duly authorized representatives all as of the day and year written above.

PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY

____________________________________  ____________________________
Stephan Jilk                                      Date
General Manager

ATTEST:

____________________________________

PUBLIC UTILITY DISTRICT NO.1 OF GRAYS HARBOR COUNTY

____________________________________  ____________________________
Schuyler Burkhart, P.E.                          Date
General Manager

ATTEST:
Memo

To: Commissioners Deshmane, Grant, and Murphy  
From: Annette Smith, Director of Finance  
Date: May 25, 2021  
Re: Approval of 2022 Budget Development Schedule


Background: Below is the proposed schedule for the 2022 budget:

<table>
<thead>
<tr>
<th>2022 BUDGET SCHEDULE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Work Session to discuss budget parameters for 2022</td>
<td>September 14, 2021</td>
</tr>
<tr>
<td>Draft 2022 Budget presented to Commission</td>
<td>October 26, 2021</td>
</tr>
<tr>
<td>Customer Meetings on Draft 2022 budget</td>
<td>November 1-3, 2021</td>
</tr>
<tr>
<td>Revised budget presentation, Public Hearing on 2022 budget</td>
<td>November 23, 2021</td>
</tr>
<tr>
<td>2022 Budget/Rates approved</td>
<td>December 14, 2021</td>
</tr>
</tbody>
</table>

The proposed schedule allows time for:
- Work Session by the Commission before adopting the final budget and rates;
- Meetings with the different customer groups;
- A Public Hearing and a Commission Meeting/Work Session that allows for public/customer input to the Commission for the 2022 Budget and rate setting process.

Fiscal Impact: This will determine the budget approach and schedule for next year.

Memo

To: Commissioners Deshmane, Grant and Murphy
From: Stephan Jilk
Date: May 25, 2021
Re: Approval of Resolution No. 792 – Amend the Policy for Employee Compensation for Administrative Employees

Requested Action: ADOPT RESOLUTION NO. 792 – 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 POSITION TITLE AND SALARY RANGE

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. 792 will update the following section of the Policy for Employee Compensation for Administrative Employees to amend the Broadband Services Analyst position’s title and salary range.

1) Position Titles and Yearly Salary Ranges List
   The job description of the Broadband Services Analyst will remain the same. Because of the education/skills upgrade requirement of the position, I am proposing to amend the position title and salary range for the position.

   This is a recommendation for Commission approval of the change in title for the position to Broadband Program Manager and establish the salary range for the Position at $90,000 to $110,000. The proposed and current salary range is listed as Exhibit “B” in Resolution No. 792.

   The General Manager establishes individual salaries as he/she implements the Policy for Employee Compensation for Administrative Employees established and approved by the Commission.

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 amendment to the Project Manager’s salary range is budgeted for in the 2021 budget.

Recommended Action: ADOPT RESOLUTION NO. 792 – 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 THE POSITION TITLE AND SALARY RANGE FOR THE BROADBAND PROGRAM MANAGER POSITION.
RESOLUTION NO. 792

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 AMENDING THE POSITION TITLE AND SALARY RANGE FOR BROADBAND SERVICES ANALYST POSITION

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 amending one job description/title position’s annual salary range 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 position title of Broadband Services Analyst has been updated to Broadband Program Manager; and the respective salary range has been amended and is attached hereto as Exhibit “B”; and

III

The salary range for the position of “Broadband Program Manager” is included and set forth in the attached Salary Ranges List for District Administrative Employees (Exhibit “B”) has been reviewed and established in accordance with the Policy for Employee Compensation for Administrative Employees; and

IV

Effective May 25, 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 25th day of May 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Accrual</th>
<th>Monthly Accrual</th>
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</thead>
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<tr>
<td>1</td>
<td>88 hours</td>
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<tr>
<td>20</td>
<td>280 hours</td>
<td>23.33 hours</td>
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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.

Floaters (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.
## POSITION TITLES and YEARLY SALARY RANGES LIST
for
DISTRICT ADMINISTRATIVE EMPLOYEES

<table>
<thead>
<tr>
<th>Position Title</th>
<th>2020 Approved Range Low</th>
<th>2020 Approved Range High</th>
<th>2021 Proposed Range Low</th>
<th>2021 Proposed Range High</th>
<th>Change</th>
<th>2021 Approved Range Low</th>
<th>2021 Approved Range High</th>
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</thead>
<tbody>
<tr>
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<td>$95,000 - $120,000</td>
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<td>Electric System Supervisor**</td>
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<td>Automation &amp; Technology - Manager</td>
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<td>Broadband Program Manager</td>
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<tr>
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<td>Accountant I</td>
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</table>

**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.
Memo

To: Commissioners Deshmane, Grant and Murphy  
From: Brian Walters – Assistant General Manager  
Date: May 25, 2021  
Re: Approve Work Order No. 16 for RH2 Engineering, Inc.

**Requested Action:** APPROVE WORK ORDER NO. 16 BETWEEN THE DISTRICT AND RH2 ENGINEERING INC. (RH2) FOR A TOTAL COST NOT TO EXCEED AMOUNT OF $85,064 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN AND EXECUTE THE WORK ORDER.

**Background:** The District executed a new Standard Agreement for Professional Engineering Services with RH2 (Agreement) on October 20, 2020. Under a prior Agreement, RH2 completed Phase 1- Engineering Design Alternatives for upgrading the District’s Industrial Water System point of delivery facility for service to the BP Refinery. RH2’s scope of services under Phase 1 was completed under Work Order No.4, which was executed November 24, 2015 and work completed in 2016.

Based on the engineering study and technical report completed by RH2 under Work Order No. 4 and in consultation with BP staff, District staff selected a design alternative for upgrading D Station. This alternative was modified to accommodate a potential future micro turbine installation for generating electrical power.

The accompanying Work Order No. 16 and RH2’s detailed Scope of Services document describe the major tasks to be undertaken and the deliverables to be produced by RH2. The Scope of Services represents Phase 2 of the engineering work for the D Station reliability upgrades.

District staff recommends that the Commission approve this Work Order No. 16. BP Refinery’s management team in consultation with District staff has indicated that BP supports this work to be performed. The District will coordinate with BP operations staff regarding the timeline for the project’s implementation.

**Fiscal Impact:** The approved 2021 Annual Budget includes a CIP budget line item (RW-M-7) budget for work associated with D Station improvements. There is no budget impact as a result of approval of Work Order No.16.

**Recommended Action:** APPROVE WORK ORDER NO.16 BETWEEN THE DISTRICT AND RH2 ENGINEERING INC. (RH2) FOR A TOTAL COST NOT TO EXCEED AMOUNT OF $85,064 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN AND EXECUTE THE WORK ORDER.
EXHIBIT A

WORK ORDER NO.16

Services for:

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

D Station Flow and Control Improvements
Phase 2 – Engineering Design and Services During Bidding

Performed by:
RH2 ENGINEERING, INC

This Work Order No.16 is issued pursuant to the Standard Agreement for Professional Engineering Services (“Agreement”) dated October 13, 2020, between Public Utility District No.1 of Whatcom County (“Whatcom PUD”) and RH2 Engineering Inc. (“Engineer”). Work Order No.16 is hereby incorporated into the Agreement by this reference.

Background

Public Utility District No. 1 of Whatcom County (Whatcom PUD) retained RH2 Engineering, Inc., (RH2) to prepare alternatives for improving flow rates and control to better manage the supply of industrial-grade water to the BP Refinery (Refinery) at Cherry Point. D Station is located on a utility easement adjacent to the Refinery. Facilities at D Station include a surge tank to mitigate water hammer and a ball valve that Whatcom PUD staff throttles to maintain and adjust flow rates. Adjustments are regularly performed, either manually or via a remotely operated actuator for the purpose of maintaining two (2) Refinery-owned storage reservoirs (open to atmosphere ponds) at a monitored water level to assure sufficient supply to meet the refinery’s on-site water demands.

At D Station, Whatcom PUD’s Aldergrove Road 24-inch water transmission line is reduced through a 16-inch ball valve for flow rate control. The ball valve is throttled by a remote controlled modulating actuator. Flow rates are adjusted, either manually on-site or remotely via supervisory control and data acquisition (SCADA) monitoring and signal control, based on pond surface levels as determined by two (2) level sensor indicators. The piping downstream of the throttled ball valve is a 20-inch by 18-inch three-way wye and one (1) 18-inch pipe with an approximate 2,000-foot run to the two storage reservoirs. This pipe is on Refinery property and owned by BP. The pipe on BP property may not be 18-inch its entire length and may connect to a manifold with smaller diameter pipe at the reservoirs.

Current condition flow rates are as follows:

- 5,500 to 6,000 gallons per minute (gpm), 7.9 to 8.6 million gallons per day (MGD) – average daily flow.
- 8,750 gpm, 12.6 MGD flow capacity would support delivery of BP Refinery’s current contractually specified operating demand, which is the maximum delivered flow rate.
• 8,300 gpm – maximum flow delivered, as might be observed during a BP petroleum tank “hydroing” event.

• 10,000 gpm – estimated maximum flow delivered during Refinery emergency (fire) event. Refinery water demand was greater during event, as the level of BP’s storage reservoirs could not be maintained, indicating more was needed to meet fire demand.

• 12,500 gpm, 18.1 MGD is the full water contract demand, which BP has reserved and may request. Whatcom PUD has a minimum of one (1) year to respond to the request and specify what system improvements would be required to meet the request.

• 7,500 gpm, 10.8 MGD – as recorded in June 2015, during a BP Refinery “hydroing” event.

• 500 gpm – low flow – during Refinery turnarounds.

The BP Refinery’s actual industrial water demand has been decreasing over time as a result of process changes and water conservation. Therefore, increasing water flow delivery capability at D Station to match BP’s contract reserved maximum contract demand (12,500 gpm) is not currently required. However, designing improvements at D Station to accommodate a future capacity increase would be beneficial.

Whatcom PUD desires that RH2 conduct a feasibility study to review the existing mechanical and control design at the D Station facility and to identify alternatives to increase flow, improve control of flow rate, replace the insertion mag meter, improve efficiency, and increase redundancy that supports reliability and maintenance outages.

Scope of Services

The following are the major task groups comprising RH2’s Scope of Services:

Task 1 – Project Management, Data Gathering, and Review

Objective: Manage the project, gather construction record data and PUD and BP requirements for the design.

Task 2 – 60-Percent Design

Objective: Develop the minimum alternative to 60-percent design.

Task 3 – 90-Percent Design

Objective: Further design plans to 90-percent completion, provide technical specifications, and update cost estimate. Update PUD-provided construction contract specifications (front-ends) for bidding purposes.

Task 4 – Permitting

Objective: Confirm required permits. Prepare and submit compliance documentation, as needed.

Task 5 – Bid-Ready Plans, Specifications, and Cost Estimate

Objective: Further design plans, specifications, and cost estimate to bid ready. Deliver to plan center.

Task 6 - Services During Bidding

Objective: Assist the PUD during the project bidding and construction contracting phases.

The detailed Scope of Services for RH2 as agreed to by Whatcom PUD is included with this work order for review.

Cost for Services

The total cost not to exceed for the Scope of Services described above is EIGHTY-FIVE THOUSAND SIXTY FOUR DOLLARS ($85,064) for Work Order No.16 It includes labor, materials, expenses and applicable taxes. Engineer shall not exceed this amount, without prior approval of Whatcom PUD’s Project Manager. A breakdown of the total cost for services is included for review. Exhibit B is the Fee Estimate. Exhibit C is RH2’s 2021 Schedule of Rates.

Project Schedule

Once the work order is approved and Whatcom PUD’s project manager authorizes RH2 to commence work. It is anticipated that with approval of this work order that RH2 will commence its services during June 2021. Construction and Commissioning of the project is anticipated by the end of 2021. The schedule for this Work Order No.4 may be modified as agreed to by Whatcom PUD and RH2.
SIGNATURE PAGE

This Work Order No.16 is effective as of the date signed by Whatcom PUD’s General Manager.

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

By: _________________________
Name: Stephan Jilk
Title: General Manager
Date: ________________

RH2 ENGINEERING INC

By: _________________________
Name: 
Title: 
Date: ________________
Public Utility District No. 1 of Whatcom County
2020 Agreement for Professional Engineering Services

Work Order No. 16
EXHIBIT A – Detailed Scope of Services
D Station – Flow and Control Improvements
Phase 2 – Design and Services During Bidding

Performed by RH2 Engineering, Inc.
May 2021

Background
Public Utility District No. 1 of Whatcom County (PUD) retained RH2 Engineering, Inc., (RH2) to prepare alternatives for improving flow rates and control to supply British Petroleum’s (BP) Refinery at Cherry Point (Refinery) with industrial-grade water. D Station is located on a utility easement adjacent to BP’s Refinery and includes a surge tank to address water hammer and a ball valve the PUD throttles to maintain and adjust flow rates to keep two (2) BP-owned storage reservoirs (open to atmosphere ponds) full to ensure sufficient supply to meet the Refinery’s on-site water demands.

At D Station, the PUD’s Aldergrove Road 24-inch water transmission line is reduced through a 16-inch ball valve for flow rate control. The ball valve is throttled by a remote-controlled modulating actuator. Flow rates are adjusted, either manually onsite, or remotely via supervisory control and data acquisition monitoring and signal control, based on pond surface levels as determined by two (2) level sensor indicators. The piping downstream of the throttled ball valve is a 20-inch by 18-inch three-way wye and one (1) 18-inch pipe with an approximate 2,000-foot run to the two (2) storage reservoirs. This pipe is on BP Refinery property and owned by BP. The pipe on BP property may not be 18 inches its entire length and may connect to a manifold with smaller diameter pipe at the reservoirs.

Current condition flow rates are as follows:

- 5,500 to 6,000 gallons per minute (gpm), 7.9 to 8.6 million gallons per day (MGD) – average daily flow.
- 8,750 gpm, 12.6 MGD flow capacity would support delivery of BP Refinery’s current contractually specified operating demand, which is the maximum delivered flow rate.
- 8,300 gpm – maximum flow delivered, as might be observed during a BP petroleum tank hydroing event.
• 10,000 gpm – estimated maximum flow delivered during Refinery emergency fire event. Refinery water demand was greater during the fire, as the level of BP’s storage reservoirs could not be maintained, indicating more was needed to meet fire demand.

• 12,689 gpm, 18.27 MGD of contract demand is the full water contract demand, which BP has reserved and may request. The PUD has a minimum of 1 year to respond to the request and specify what system improvements would be required to meet the request.

• 7,500 gpm, 10.8 MGD – as recorded in June 2015, during a BP Refinery hydroing event.

• 500 gpm – low flow – during Refinery turnarounds.

The BP Refinery’s actual industrial water demand has been decreasing over time as a result of process changes and water conservation. Therefore, increasing water flow delivery capability at D Station to match BP’s contract reserved maximum contract demand (12,500 gpm) currently is not required. However, designing improvements at D Station to accommodate a future capacity increase would be beneficial.

The PUD desires that RH2 provide full design plans, specifications, and cost estimate to complete the minimal alternative according to Alternative 7A with no radio antenna tower and two (2) hot taps for future connection to a micro turbine, which is identified as Alternative 9A. Figures from the feasibility study performed by RH2 are provided below for reference. Design will commence in the spring of 2021, with the desire to bid the project in the fall of 2021. RH2 can support construction as needed by amendment to this Scope of Services.

Existing Site Schematic
Minimum Alternative Schematic

Bypass Alternative for Future Turbine Schematic
Assumptions:

- **Construction at D Station will have to accommodate a maximum facility shutdown of eight (8) hours. Feasibility analysis (and design) will need to review this important aspect of constructability with regard to existing mechanical and control systems integration with proposed improvements. Tie-ins will need to be completed with a short turnaround, and the design will have to minimize conflicts with existing infrastructure, even if it requires additional cost to construct.**

- **RH2 will rely on the accuracy and completeness of information provided by the PUD and BP with regard to existing piping, valves, materials, and construction record drawings.**

### Task 1 – Project Management, Data Gathering, and Review

**Objective:** Manage the project, gather construction record data and PUD and BP requirements for the design.

**Approach:**

1.1 Perform monthly budget, invoice review, and correspondence with the PUD.

1.2 Obtain all construction record data for D Station, including steel pipe information, ball valve information, valve actuator, and fittings to verify materials, sizes, and specifications to be used in the design. This will include correspondence with PUD staff.

1.3 Confirm tie-in requirements for BP, including downtime to make connections for the northerly tee connection and ball valve and blind flange removal/replacement in D Station. Obtain written guidelines for the requirements and downtime from BP and verify applicability with PUD.

1.4 Provide a schematic of the pipe excavation and coating removal for use by the PUD and its hired subcontractor for potholing the pipe.

1.5 Perform field visual observations of steel pipe at the northerly cut-in tee location. Determine pipe type (anticipated to be wound or wrapped steel). Observe pipe joint locations. Measure the outside diameter (OD). Take ultrasonic thickness measurement of the pipe wall. Note: The coating on exterior of 18-inch steel pipe is wrapped coal tar enamel which contains asbestos.

**Assumptions:**

- **Survey completed by Work Order 8 is still accurate and current. This was done in 2018 for D Station and the Puget Sound Energy meter project (currently in 90-percent design phase).**

- **The 18-inch steel pipe downstream of D Station has the same steel pipe and coatings which will be found in the pothole.**

- **The telemetry panels at D Station have excess capacity to accommodate the control additions to this project without modification or need for additional panels required.**
Provided by PUD:

- All available construction record drawings and submittals for D Station, including steel pipe, valves, fittings, and steel pipe coatings from PUD and BP files.
- Coordination with BP as required to obtain downtime information, construction records of the steel pipe if available and design specifications as applicable.
- Utility locating, excavation, shoring, dewatering, and access to pipe to expose one (1) stick of pipe to top of pipe elevation. At proposed cut-in tee location, excavate all around pipe and remove wrapped coal tar enamel in a ring to allow measurement of pipe OD and steel thickness. Asbestos abatement handling, remediation, and management will be completed for coating removal.
- Recoating of the removed coating. Coating may be thin film. Recoad per PUD and/or BP requirements.

Provided by RH2:

- Ultrasonic steel pipe wall measuring device.

**Task 2 – 60-Percent Design**

**Objective:** Develop the minimum alternative to 60-percent design.

**Approach:**

2.1 Develop cover sheet and general notes, two (2) sheets total.

2.2 Develop construction site plan, including existing site, construction limits, and Temporary Erosion and Sedimentation Design, one (1) plan sheet and one (1) detail sheet total.

2.3 Develop steel pipe cut-in tee plan and details, one (1) sheet total.

2.4 Develop throttling valve replacement plan and details, one (1) sheet total.

2.5 Develop mechanical piping bypass plan and detail, one (1) sheet total.

2.6 Develop mechanical piping and meter vault plan and detail, one (1) sheet total.

2.7 Develop hot spot cathodic protection design for new piping to be installed, one (1) plan and detail sheet total.

2.8 Develop power and control plans for mag meter, lighting in vault, sump pump, and throttling valve actuator, three (3) sheets total.

2.9 Update 2016 preliminary cost estimate from the alternatives study deleting radio pole and adding two (2) cut-in tees and adjust to 2021 pricing.

2.10 Deliver 60-percent plans and cost estimate to PUD as PDF documents via email.

2.11 Attend one (1) meeting with PUD staff via MS Teams to review comments. Provide agenda and minutes.
RH2 Deliverables:

- 60-percent plans and cost estimate as PDF documents.
- Meeting agenda and minutes in MS Word format.

Task 3 — 90-Percent Design

Objective: Further design plans to 90-percent completion, provide technical specifications, and update cost estimate. Update PUD-provided construction contract specifications (front-ends) for bidding purposes.

Approach:

3.1 Update plans and cost estimate from PUD 60-percent review comments.

3.2 Perform in-house quality assurance and quality control (QA/QC) review of the plans and update.

3.3 Develop technical specifications in RH2’s modified Construction Specifications Institute (CSI) facility specification format.

3.4 Update PUD-provided front-ends to fit this project.

3.5 Update cost estimate to reflect 90-percent design.

3.6 Deliver 90-percent plans, specifications, and cost estimate to PUD via email. Plans and cost estimate to be provided in PDF format. Specifications to be provided in MS Word format and/or PDF format.

3.7 Attend one (1) meeting with PUD staff to review comments via MS Teams. Provide agenda and minutes.

Assumptions:

- District to provided latest front-end specifications in MS Word (.docx format will require minimal formatting for use for this project.)

Provided by PUD:

- MS Word front-end specifications.

RH2 Deliverables:

- PDF of 90-percent plans, specifications, and cost estimate via email to PUD.
- MS Word of 90-percent specifications via email to PUD.
- Meeting agenda and minutes in MS Word format.
Task 4 – Permitting

Objective: Confirm required permits. Prepare and submit compliance documentation, as needed.

Approach:

4.1 Assist PUD in determining if prior critical areas studies have been performed at the site. If critical areas are present, confirm that no critical areas compliance is necessary for the project. This subtask assumes that any critical area buffers, if present, would not extend into the previously developed areas of the site. If any critical areas compliance is required, it will be addressed through an amendment to this Scope of Services.

4.2 Confirm that no land use or construction permits are required from the County. If permits are required, it will be addressed through an amendment to this Scope of Services.

4.3 Prepare an Inadvertent Discovery Plan for inclusion in the construction specifications, which will guide the contractor in the unlikely scenario that cultural materials are discovered.

Assumptions:

- The PUD will be responsible for all communication with BP and Whatcom County permitting staff.
- The PUD will pay for all permit costs directly to authorities with jurisdiction.
- As a maintenance project, the project is State Environmental Policy Act (SEPA) exempt per Washington Administrative Code 197-11-800(3).
- If no critical areas or buffers are present on the site, the project will be exempt from County clearing review.
- As a maintenance project that does not change the use of the site, the project will not require any County land use permitting.
- No Cultural Resource review will be necessary.
- No stormwater design or permitting is required as the project does not add new impervious surface, does not disturb more than 500 square feet of surface, and renovation cost does not exceed 50 percent of the assessed value.

Provided by PUD:

- Previous Critical Area Studies completed for the site.

RH2 Deliverables:

- Documentation to determine no permits are required.
- Inadvertent Discovery Plan to be provided as part of the specifications.
Task 5 – Bid-Ready Plans, Specifications, and Cost Estimate

Objective: Further design plans, specifications, and cost estimate to bid ready. Deliver to plan center.

Approach:

5.1 Update plans, specifications, and cost estimate from PUD 90-percent review comments. RH2 to provide PUD with official Engineer’s Cost Estimate for project.

5.2 Perform in-house QA/QC review of the plans and specifications and update.

5.3 Deliver bid package to the PUD and plan center (WCR Publications and Applied Digital Imaging). Coordinate with PUD staff to provide bid schedule and plan center to provide planholder’s list.

Assumptions:

- RH2 will assist the PUD to post the documents electronically to a plan center for bidding. Hard copies will not be generated for bidders.

RH2 Deliverables:

- PDF of plans, specifications, and Engineer’s Cost Estimate via email to PUD, plan center, and print shop.

Task 6 – Services During Bidding

Objective: Assist the PUD during the project bidding and construction contracting phases.

Approach:

6.1 Respond to technical questions from bidders on the phone or via email.

6.2 Prepare and transmit addenda via plan center. Two (2) addenda or less are budgeted for up to three (3) pages of updated text pages each.

6.3 Review bids and compile and check the bid tabulation. Attend one (1) meeting with the PUD to review the bid tabulation and bidders’ qualifications.

6.4 Check references of apparent low bidder. Prepare letter of recommendation of award to the lowest qualified bidder.

Assumptions:

- The PUD will prepare the bid advertisement and coordinate bidding.
- No more than two (2) addenda will be required during the bidding period.
- Any official correspondence to address contractor questions will be included in the addenda.

Provided by PUD:

- Location for hosting bid opening.
- Attendance at meeting to review bid tabulation and bidders’ qualifications.
RH2 Deliverables:

- Responses to contractor or supplier questions via telephone or email.
- Up to two (2) addenda in electronic PDF.
- Letter of recommendation of award in electronic PDF format.

Project Schedule

RH2 is prepared to commence with the work once authorized by contract. This is anticipated to occur in May 2021.

Bidding is expected to occur in September 2021, unless delayed by unknown permitting requirements.

Construction is expected to commence in October 2021, and is anticipated to be completed by December 2021.
## EXHIBIT B
Fee Estimate
Work Order No. XX
Public Utility District No. 1 of Whatcom County
2020 Agreement for Professional Engineering Services
D Station to BP - Flow and Control Improvements
Phase 2 - Design and Services During Bidding
Mar-21

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# Exhibit C

**RH2 Engineering, Inc.**

## 2021 Schedule of Rates and Charges

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Rates listed are adjusted annually.