DRAFT
PUBLIC UTILITY DISTRICT No. 1
of Whatcom County

Agenda for the
Regular Commission Meeting
June 22, 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 June 8, 2021
   b) Approval of Claims for June 22, 2021
4. Public Comment
5. Old Business
   a) General Manager Appointment Process Update
   b) Broadband Program Development Update
6. New Business
   a) Approval of Whatcom Assistance Program: Small Grants Agreement with Nooksack Salmon Enhancement Association
   b) Award of Bid: Ferndale (Plant 1) Substation Project
   c) Farming for Life Exhibit Sponsorship
7. General Manager Report
8. Commissioner Reports
9. Public Comment
10. 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/82056910805
Or by telephone: Dial 1 (253) 215 8782 or 1 (346) 248 7799
Webinar ID 820 5691 0805

Next Commission Meetings
July 6, 2021 Special Meeting – 9:00 a.m.
July 13 & 27, 2021 Regular Meetings | 8:00 a.m.

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; Jon Littlefield, Electric System Supervisor; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; and, Traci Irvine Accountant I.

Public attending via teleconference:
Rick Maricle, Citizen
Dave Olson, Citizen
David Palmer, Citizen
Gina Stark, Port of Bellingham
Scott Wallace, Citizen
Jake Wellman, Puget Sound Energy
Lauren Turner, Phillips 66
Claire Ward, NoaNet
Debbie, Ahl, Mount Baker Foundation
Zanna Ahern, Citizen

2. Approval of Agenda
A second public comment period has been added at the beginning of the meeting. Grant said it is difficult for people to stay for our long meetings, so she suggested adding it. The second public comment section is near the end of the agenda.

ACTION: Commissioner Deshmame motioned to ADD AN ADDITIONAL PUBLIC COMMENT PERIOD NEAR THE BEGINNING OF THE MEETING, AND TO APPROVE THE AMENDED AGENDA FOR JUNE 8, 2021. Commissioner Murphy second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

Claims of June 8, 2021:

<table>
<thead>
<tr>
<th>VENDOR NAME</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>BELLINGHAM HERALD</td>
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<tr>
<td>BRIM TRACTOR COMPANY</td>
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<tr>
<td>CENTRAL WELDING SUPPLY</td>
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</tr>
<tr>
<td>CHMELIK SITKIN &amp; DAVIS</td>
<td>5,492.28</td>
</tr>
<tr>
<td>CLEAN EARTH INC.</td>
<td>82.50</td>
</tr>
</tbody>
</table>
4. **Public Comment No. 1**  
Rick Maricle inquired if it is possible for Zoom meeting platform attendees to be able to “see” or find out who the other attendees are. The District’s IT Department will check to see if this is an available feature in the Zoom webinar platform. Attendees that choose to sign in (it is not mandatory) are noted in the District’s Meeting Minutes.

5. **Old Business**  
   a) **General Manager Appointment Process Update**  
   Sitkin now has everyone under contract and Jim Darling is beginning discussion/interviews with staff and Commissioners for information gatherings. Commissioner Grant would like to get the July 6 Special Meeting on the calendar so community members can block the time out if they want to attend. Sitkin will work with Jim Darling to make sure everything will be set.
Commissioner Deshmane called for a Special Meeting on July 6, 2021 at 9 AM to review the goals of the Strategic Plan 2025 and the General Manager’s Job Description. Details will be forthcoming. Attendance in person is a possibility depending on the Governor’s update for re-opening Washington on June 30. This was discussed later in today’s meeting.

b) Broadband Program Development Update
Jilk provided an update:

- Continued discussion with Port of Bellingham staff on the Interlocal Agreement – waiting to find out a response by the end of the week.

- Has had discussions with Debbie Ahl of Mount Baker Foundation regarding internet service in under- and unserved areas. Ms. Ahl provided information regarding the Foundation and possible source of private funding for broadband/fiber. Highlights included:

  Founded three years ago, the Mount Baker Foundation (MBF) focuses on three areas for their work, and is organized under three board committees (Mount Baker Kidney Center Legacy Committee, Children and Families Committee, and Equity and Health Determinants Committee). It is responsible for engaging, researching, and understanding issues and potential solutions. Funding comes from the Mount Baker Kidney Center Legacy, which provided high quality outpatient dialysis services to Whatcom County for almost 40 years.

- Connect Whatcom! is a proposal for affordable internet service as a basic need. The Port of Bellingham and the PUD are in the process of creating an Interlocal Agreement for specific broadband/fiber services in Whatcom County. As a path forward, of collaboration, Ahl offered the following:
  
  o **Step 1: Confirm Shard Understandings**
    - Affordable internet service is a basic need in 2021 and beyond.
      - Broadband: Minimum of 100 MBPS symmetrical
      - Affordable: Service plans at $50/month or less
    - Fiber optic cable is critical infrastructure
    - Interim solutions (e.g. fixed wireless) may offer LM solutions
    - Commercial Internet Service Providers – right to compete but may not have addressed underserved markets
    - Combination of public infrastructure and private solutions can benefit such communities.

  o **Step 2: Plan and Strategy**
    - Aggregate existing data for comprehensive map of internet speed/load capacity for Whatcom County (Port study, Port’s GPS map, MBF data, City of Bellingham fiber map)
    - Supplement this data/map with NoaNet process, possibly local contractors
    - Overlay the Port of Bellingham’s map and timeline for rural broadband construction
    - Identify markets that will not be served on a timely basis – identify interim solutions that can also serve as the last mile when public infrastructure is built.

  o **Step 3: Engagement and Funding**
    - Create “template” Local Utility District option for neighborhoods
    - Research/identify/apply for Federal, State and Local Funding – focused staff
    - Implement Consistent, Transparent Communication Strategy:
      - Community citizen groups and TAG NW
      - Business
      - Local governments
      - Internet Service Providers
Step 4: Implementation

- Build infrastructure as funds permit
- Implement localized/interim/last mile solutions for areas not served on a timely basis by the Port-developed fiber
- Provide public plan option where ISP’s do not offer affordable plans.

Roles

1. All – Collaborate on strategy, final mapping, identifications of solutions
2. Port of Bellingham – Builder/contractor of fiber optic infrastructure
3. PUD – Last mile (e.g. support/financing of LUDs; possible retail solutions)
4. NoaNet – Aggregate data/map, provide project management, identify network design, communications strategy, focused funding efforts
5. Mt. Baker Foundation – Private funds to support initial NoaNet work (mapping, strategy, perhaps focused effort on federal/state funding)

Next Steps:

1. Start – PUD/Port Task Force meeting (weekly to start)
2. Sign – Interlocal Agreement
3. In Person Meeting – Vision and Tasks
4. Finalize and Sign – NoaNet Agreement with specific deliverables
5. Launch NoaNet Work Plan

Commissioner Grant thanked Ms. Ahl for the information and bringing it to the table for discussion. Grant agrees that this is a real path forward. Murphy had a lengthy discussion with Ahl earlier; he is impressed with the MBF and their support of broadband. He would prefer to move quickly and have NoaNet begin working with the PUD. He is not aware of what the Port Commission or their staff is thinking. As private sector organizations show their interest, it makes Murphy want to move ahead. Deshmane is in agreement with both Commissioners.

Murphy would like to begin working with MBF and NoaNet, and there is funding in the District’s 2021 budget to start the process. Ahl added the collaboration between the Port and PUD is important. She encouraged the Commissioners to pass a motion to support the work of the Port’s recommended task force, to meet with the Port and get the program started.

Grant added that in regards to the proposed task force, a PUD Commissioner and staff member should attend. However, that is only two people and not the entire Board. Grant suggested the meeting be facilitated in a productive manner and not to delay any further. Being on the same page as Port Commissioners is currently lacking. Deshmane agreed to request a meeting with the Port Commissioners and said Michael Sheppard from the Port is seeking the same. Claire Ward of NoaNet could be available to help facilitate the meeting/discussion.

Jilk suggested Commissioners pass a motion indicating support of the MBF concept. The next step would be for PUD staff meet with NoaNet to detail how the work would be completed based upon MBF’s proposal. Thirdly, a follow up discussion with the Port on the Interlocal Agreement, and joint meeting with both Commissions.

The PUD has received two proposals (NoaNet and MBF), and was going to look at a small pilot program. NoaNet’s proposal was higher than the funding set aside in the PUD’s 2021 budget for broadband. The PUD needs to determine who would hold the NoaNet contract (PUD or NoaNet). Ahl would like the PUD Commission to propose a motion for action, and she would continue her discussions with the Port and NoaNet to see what can happen.
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Murphy suggested the MBF work with the PUD, and the PUD take the lead. Sitkin said it all depends on who the parties are and the nature of the agreement (i.e. contract/ownership, etc.). Ahl prefers it to be a PUD/Port collaboration with funding support from MBF.

Jilk said if MBF offers funding based on the Scope of Work (SOW) and the Port/PUD task force can act as a steering committee to work with NoaNet, develop a final SOW, the committee can implement the work. MBF funding would be contingent upon the Port/PUD working collaboratively. Firm commitment from both parties is needed to formalize the partnership and willingness to lead. The PUD has not been able to accomplish this in the last few years.

**ACTION No. 1:** Commissioner Granted motioned to DIRECT THE GENERAL MANAGER TO WORK WITH CLAIRE WARD/NOANET AND DEBBIE AHL/MOUNT BAKER FOUNDATION TO DEVELOP A SCOPE OF WORK AND BUDGET FOR A JOINT BROADBAND PROGRAM DEVELOPMENT IN WHATCOM COUNTY WITH THE PORT OF BELLINGHAM AND THE PUD. Commissioner Murphy second the motion. Motion passed unanimously.

**ACTION No. 2** Commissioner Grant motioned to DIRECT THE GENERAL MANAGER TO WORK WITH THE PORT OF BELLINGHAM TO FINALIZE THE INTERLOCAL AGREEMENT AND FINALIZE TASK FORCE ROLES. Commissioner Murphy second the motion. Motion passed unanimously.

Other Broadband Updates:

**Whatcom County Collaboration:** Deshmane was invited by Executive Sidhu to meet regularly for updates on broadband progress. Deshmane will report on his meetings to the General Manager by email and in the Commissioner Reports section in the Meeting Minutes. Grant added she has also talked with Sidhu about the County’s support. Deshmane hopes for County Council support and there will be more engagement on fiber. The County has the least amount of fiber physical infrastructure. Their focus is roadwork. The implementation of the “Dig Once” policy for the County is very important. He is attempting to address this. Deshmane commented there is misinformation on the potential of wireless in the long-term, its climate-related (energy) footprint is less, and he is working to clear things up. Collaboration is key. Grant asked Deshmane to work with the County Council to educate them on the Dig Once Policy. Jilk added that comments about the Dig Once Policy are underrated by most – it’s more than building trenches and doing roadwork – the County has a responsibility to look at wireless services in terms of broadband, but in public safety, communication, education and with/for other public agencies, especially in east county areas.

Deshmane added that NoaNet is a Northwest open access network, which provides a level of service where all can participate. Open access creates competition and opportunity for the private sector, which is the real benefit of economic development opportunities.

**Port of Bellingham Collaboration**

Deshmane would like to plan a public meeting with both Commissions; however, he does not want to hold up on the process waiting to scheduling one. It was suggested that the PUD have a primary contact for the Port, and that Grant take that role of liaison.

**Definition of High Speed**

Grant participated in the monthly meeting of Fiber/broadband Association with elected officials around the county – representing 28 states. This month’s topic was about the Treasury Department’s guidelines around American Rescue Plan, a new acting director at the FTC, this is a call to action, to local leaders to communicate with federal representatives about what organizations are trying to accomplish and how different changes can help. The FTC’s definition of high speed is 25 is laughable and how underserved
is defined. A letter sent to the FTC by several members of the group asked to change the high-speed
definition to 100 symmetrical. A letter to our elected officials about this change was also suggested.

Sitkin said it is a good topic for the Community Group (County/Port/PUD) to develop community
standards. Elected officials are most effective when they are setting policy; adopting a community
standard to support the policy by the county, cities and others would go a long way in guidance where the
effort would be most effective.

City of Bellingham Broadband Advisory Group
The last meeting discussed quality, reliability, durability and load testing. Demands for data are going up.
Their work on definitions may be helpful to the Port, PUD and County.

Recess: Commissioner Grant requested a five-minute recess at 10:02 a.m. The meeting reconvened at
10:10 a.m.

6. a) Approve Interlocal Agreement with Okanogan County PUD and Transfer of BPA Energy
Efficiency Incentive Budget
Walters said the PUD has received another formal request for transfer of BPA EEI Budgets – we are near
the end of the two-year rate period and agencies who have run out of funds are seeking funds to complete
their respective programs.

Background: Public Utility District No.1 of Okanagan County (“Okanogan PUD”) has exhausted its BPA
EEI budget for BPA’s current two-year rate period FY 2020-21. Okanogan PUD has requested that the
District transfer $200,000 of the District’s remaining EEI budget for the current BPA rate period to
Okanogan PUD. During last year’s wildfires, Okanogan PUD suffered significant damage to its
transmission lines and other electric facilities. This transfer will help providing necessary infrastructure
for Okanogan PUD to rebuild.

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.

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

Grant suggested that Commissioners should get involved to collaborate with other agencies and agencies
should strategically plan an energy efficiency program in order to utilize the EEI budget funding. In the
past, the PUD has collaborated with the cities of Blaine and Sumas, in a joint operating agreement, for
example, the sharing of electrical maintenance, operations and sharing of staff.

Jilk added the majority of the power purchases is from Phillips66. It would be appropriate for the
Commission to send a letter thanking Phillips for their support of sharing EEI credits both locally and
regionally.

ACTION: Commissioner Grant motioned to APPROVE INTERLOCAL AGREEMENT WITH
OKANOGAN COUNTY PUD AND THE TRANSFER OF $200,000 OF THE DISTRICT’S BPA EEI
PROGRAM BUDGET, AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE
AGREEMENT IMPLEMENTING THE TRANSFER. Commissioner Murphy second the motion.
Motion passed unanimously.
b) Rejection of Bids: Refinery Substation Equipment Purchase

On April 27, 2021, the Commission approved the rejection of all bids submitted for the PUD’s purchase of new transformers for the Refinery substation under a previous bid solicitation. This memo and the requested action covers a re-bid or second bid solicitation for the transformer purchase.

On May 27, 2021, the District received and publicly read aloud seven (7) bids submitted for this project. The Engineer’s Estimate for the total purchase of both transformers is $2,800,000.00, not including tax. District purchasing guidelines restrict the District from awarding bids which are 15% or greater above Engineer’s Estimate. All of the bids are at Engineer’s Estimate or less.

All seven (7) bids included conditions and/or exceptions to the PUD specifications and as a result, all seven (7) bids were considered non-responsive. In addition two (2) of the seven (7) bids did not include a bid bond, neither PTI nor Virginia Transformer provided a bid bond at bid opening (noted with *). The Transformer Bids are as follows:

<table>
<thead>
<tr>
<th>Qualified Bidder</th>
<th>Bid Total Not Including Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Transformer*</td>
<td>$1,644,326.00*</td>
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<tr>
<td>Anixter</td>
<td>$1,893,862.00</td>
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<tr>
<td>VECA</td>
<td>$2,807,178.80</td>
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<tr>
<td>PTI*</td>
<td>$2,360,000.00*</td>
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<tr>
<td>SPX</td>
<td>$2,056,896.00</td>
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<tr>
<td>Mills Electric</td>
<td>$2,101,500.00</td>
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<tr>
<td>WEG</td>
<td>$2,118,815.00</td>
</tr>
<tr>
<td><strong>Engineer’s Estimate</strong></td>
<td><strong>$2,800,000.00</strong></td>
</tr>
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</table>

Based on the review of bids, staff recommended the rejection of all bids submitted as non-responsive.

The main power transformers are one of the major pieces of equipment with a very long lead-time. The 2021 Capital Improvements Budget included the preliminary design and engineering of the Refinery Substation Improvements (CIP-E27). During the 2021 to early 2022 period, engineering, permitting and final design will be substantially completed. Construction of the improvements is anticipated to be completed during the fourth quarter of 2022.

District staff, with support of its electrical engineering consultants and refinery staff have discussed conceptual design, scope and potential costs of substation improvements. Some of the major equipment required has a very long lead-time from placement of the order to delivery of the equipment. The timeline may be longer than 52 weeks. Final substation site design is dependent on the major electrical equipment being selected in order to complete the final project specifications. Therefore, purchase of the equipment must precede completion of the final site design, as the specifications of the equipment selected will drive the design.

**ACTION:** Commissioner Murphy motioned to REJECT AS NON-RESPONSIVE ALL BIDS SUBMITTED FOR THE SUPPLY AND DELIVERY OF ELECTRICAL SUBSTATION EQUIPMENT CONSISTING OF TWO TRANSFORMERS FOR THE DISTRICT’S REFINERY SUBSTATION PROJECT (CIP-E27). Commissioner Grant second the motion. Motion passed unanimously.

c) Approve Resolution No. 793 – Waiver of Competitive Bidding Requirement for Substation Equipment Purchase

Note: This item correlates with agenda item 6b – Rejection of Bids.
On March 7, 2021, the District issued a call for bids for two transformers and received nine bids and on April 27, 2021, the Commission declared the bids non-responsive. The District issued a second call for bids on May 9, 2021, and received seven bids. Each of these bids took various exceptions to the specifications and/or contract documents or failed to provide required submittals (bid bond), and have been declared by the Commission to be non-responsive to the second invitation for bids.

As such, the District is not permitted to accept a non-responsive bid and despite two invitations, the District has received no bid on which it can award a contract.

RCW 54.040.080 provides that the Commission may procure materials in the open market if it receives no bid. The fact that the District has received no responsive bid is equivalent to receiving no bid. RCW 54.040.3070(6) provides the Commission can waive competitive bidding requirements per RCW 39.04.280 if an exception contained within RCW 39.04.280 applies to the purchase.

The District has specific purchasing guidelines in the procurement of the equipment and will utilize BKI (electrical engineering services) to assist in the selection.

There is no fiscal impact to the District. This Project is funded for 2021, as part of the approved Capital Improvement Projects (CIP E-27) Budget.

**ACTION:** Commissioner Grant motioned to APPROVE RESOLUTION NO. 793 TO WAIVE COMPETITIVE BID REQUIREMENTS FOR THE PURCHASE OF TRANSFORMERS FOR REFINERY SUBSTATION. Commissioner Murphy second the motion. Motion passed unanimously.

6. **General Manager’s Report**

**Years of Service Awards**

Each year, the PUD celebrates its employees’ accomplishments with an awards event in late January. Due to the pandemic, the PUD did not have a formal event this year. The District recognized two employees with their awards – a commemorative plaque and gift certificate:

- Mike Macomber – 10 Years of Service - IT/SCADA Technician
- Jon Littlefield – 10 Years of Service – Electric System Supervisor

**Update on OPMA/Reopening Public Agencies**

Legal Counsel provided an update on guidance/information regarding the Governor’s Order for reopening agencies on June 30, for in-person, public meetings. In short summary:

1. Areas must be provided for non-vaccinated individuals who can socially distance.
2. An overflow area must be provided such that all seeking to attend may attend even if not vaccinated. This means that there must be sufficient area for social distancing for the non-vaccinated attendees.
3. Virtual attendance must still be provided as an option.
4. Vaccinated individuals may attend in person as well in separate areas, distanced from non-vaccinated individuals. Vaccinated individuals do not need to wear masks or socially distance from each other.

The management of meeting space is the question as the District has a limited amount in its meeting room and no overflow (enclosed) area. The General Manager will have the authority to change or update the reopening policy.
7. **Commissioner Reports**

**Murphy:**
- Is relieved that the PUD is beginning to move forward on broadband issues – not only for schoolchildren, but also for under- or not-served areas. Even local farmers have discussed broadband issues with Murphy.
- Energy Northwest will be finished with refueling in July, priced $635 million of electric revenue refunding bonds a portion of it will go to Bonneville Power Administration.
  - Interim CEO in place; Interviews for new CEO will begin in mid-July.

**Grant:**
- Attended Whatcom County Economic Development Investment Board meeting. There were three proposals submitted for grants. One proposal, from the Port of Bellingham, will receive $2 million in grant funds (pending approval from County Council) to match the Community Economic Revitalization Board (CERB) program’s requirements. We need to do the work to solidify the PUD’s broadband roles.
- The public official’s fiber/broadband group she participates in has been very helpful. Grant will continue to reach out to WPUDA Executive Director George Caan about the American Rescue Plan, and what federal rule changes would benefit the District. Many members of Congress support more public involvement in broadband, and we need to communicate with them on the importance.
- General Manager Hiring Process – Has been researching and learning more about the executive search and hiring process. She is keeping a list of key contacts to reach out to during the recruitment phase.
- Will be attending the Q2 Phillips66 meeting in person.

**Deshmane:**
- Attended City of Bellingham’s Broadband Advisory Group meeting.
- Attended the Clean/Affordable Energy Conference – the content focused on social equality relating to utility services, with a big emphasis on investor-owned utilities.
- Will also plan to attend the Q2 Phillips66 meeting via Zoom platform.
- Will be attending the Watershed Improvement Districts meetings next week.

8. **Public Comment**

No comments made.

9. **Adjourn**

There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 11:04 a.m.

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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, McClure, and Murphy
From: Stephan Jilk
Date: June 16, 2021
Re: Approve the Whatcom Assistance Program Small Grant Agreement with the Nooksack Salmon Enhancement Association

Requested Action – APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT AGREEMENT WITH THE NOOKSACK SALMON ENHANCEMENT ASSOCIATION IN THE AMOUNT NOT TO EXCEED $10,000.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT.

Background – On September 22, 2020, the Commission approved a grant agreement between the District and Washington State Department of Fish and Wildlife (WDFW) to develop a WRIA 1 Coordinated and Integrated Outreach Education Program. The grant funding is $200,000 and the agreement term is October 15, 2020 to December 15, 2022. The District is managing the grant on behalf of the WRIA 1 Watershed Management Board (WMB), which includes the District, the City of Bellingham, all small cities in Whatcom County, Whatcom County Government, the Lummi Nation, the Nooksack Tribe and the Washington State Department of Fish and Wildlife (WDFW). The WMB acts as the WRIA 1 Local Integrating Organization (LIO) and is responsible for integrating and coordinating local activities related to the Puget Sound Partnership’s (PSP) Puget Sound Action Agenda.

Inherent in the WRIA 1 structure is engagement of many of the partners that will be involved with, developing and implementing the communication strategy. In addition to the WMB, the structure includes work groups, staff teams, and a management team with representatives from the seven cities within Whatcom County, Whatcom County administration and departments of planning and public works, PUD No. 1, the Nooksack Tribe and Lummi Nation, state agencies, and agriculture. The WMB is also the Lead Entity for salmon recovery in WRIA 1 and in addition to the previous listed representative entities, the technical staff team includes the land trust, regional fisheries enhancement group, conservation district, and U.S. Forest Service.

Tasks of the WRIA 1 Coordinated and Integrated Outreach and Education Program include:

- Communication Strategy: Develop and implement a coordinated and integrated outreach and communication strategy that addresses Whatcom ecosystem recovery plan elements, including water supply, water quality, floodplains, Chinook, and streamflow. Information and events that are outcomes of an integrated and coordinated outreach and communication strategy will improve the
community's understanding of key topics and issues in WRIA 1 and practices that influence the 
status and condition of local ecosystem components. In addition, the integrated outreach and 
communication strategy will be designed to help communicate progress and status of 
other local near term actions to increase community awareness of actions underway. 
Task

- Support the Whatcom Watershed Information: In addition to developing a communication strategy 
  that addresses plan elements, approaches to implementing actions will include leveraging existing 
  outreach efforts, collaborating with and supporting Whatcom Watershed Information Network 
  (WWIN) Speakers Series, Whatcom Water Week and Steering Committee.

- Whatcom Assistance Program: The Whatcom Assistance Program is based on a small grants program 
  piloted in FFY 2014-2015 using Whatcom LIO Coordination Grant funds. The program was very 
  successful but did not continue because LIO Coordination Grant funds could no longer be used for that 
  purpose. The purpose of the program was to provide individuals, non-profits, committees, and other 
  entities access to small grants (e.g. up to $10,000) to implement on the ground activities or actions that 
  provided outreach or engagement of different audiences on key topics.

On February 26, 2021, the District sent out a Request for Applications (RFA) for the Whatcom Assistance 
Program Small Grants (Program). There is a total of $55,000 available to award for the Program and applicants 
can request up to $10,000 for their project. Eight applications were received on the due date of March 19, 2021. 
The applications were reviewed by eight reviewers, which included various staff, who work for members of the 
Watershed Management Board and some of those reviewers are members of the WWIN Steering Committee. 
The reviewers used a scoring criteria, and based on the outcome of the scoring, two applicants were approved 
for funding, the Nooksack Salmon Enhancement Association (NSEA) and the Nooksack Indian Tribe (NIT). 
There is another round of Request for Applications that went out on April 30, 2021 and six applications were 
received on May 28, 2021, and are currently under review. There is $35,000 in total funding available for the 
second round of applications.

District staff with assistance from District legal counsel, developed the Whatcom Assistance Program Small 
Grant Agreement. Both NSEA and the NIT have reviewed the agreement. The NSEA agreement is ready to be 
approved. The NIT staff is seeking final approval from the Tribal Council on July 6, 2021 and District staff will 
ask for approval of the NIT agreement at the July 13, 2021 Commission meeting.

**Fiscal Impact** – No fiscal impact to the District. The District will pass funds from the WDFW grant to the 
NSEA. The funds will be disbursed quarterly based on approval by WDFW and the District of quarterly reports 
and invoices provided by NSEA.

**Recommended Action** – APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT 
AGREEMENT WITH THE NOOKSAK SALMON ENHANCEMENT ASSOCIATION IN THE 
AMOUNT NOT TO EXCEED $10,000.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE 
AGREEMENT.
WHATCOM ASSISTANCE PROGRAM
SMALL GRANT AGREEMENT

NOOKSACK SALMON ENHANCEMENT ASSOCIATION – SALMON DISCOVERY PROGRAM

This Agreement, dated this 22nd day of June, 2021, by and between the PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY, WASHINGTON ("Grantor") and NOOKSACK SALMON ENHANCEMENT ASSOCIATION ("Grantee") do agree as follows:

1. **Grantee’s Obligation to Perform Scope of Work.** The Grantee, in consideration of the sum to be paid by the Grantor and of the terms and conditions herein contained, hereby agrees, at its expense, to do all the work and furnish all the materials, tools, labor, taxes, fees, and all appliances, machinery, and appurtenances for the successful completion of the Nooksack Salmon Enhancement Association Salmon Discover Program, the details of which are set forth in Exhibit A (“Scope of Work”) attached hereto.

2. **Documents that Comprise this Agreement.** The Scope of Work, the Request for Applications dated 2/26/2021 ("RFA"), and the grant application submitted by Grantee ("Grant Application") are hereby incorporated into this agreement as terms and conditions as if the same were fully set forth herein. Together such documents are hereinafter referenced as the “Agreement”. Any inconsistencies between documents identified in this paragraph as comprising the Agreement shall be resolved in accordance with the following descending order of precedence: (1) this signed agreement document; (2) the Scope of Work; (3) the RFA; and (4) the Grant Application.

3. **Grantor Representative.** The Grantor hereby appoints Rebecca Schlotterback as the Grantor’s representative for the purpose of administering the provisions of this Agreement on behalf of the Grantor, including the Grantor’s right to receive and act on all reports and documents related to this Agreement, to request and receive additional information from the Grantee, to assess the general performance of the Grantee under this Agreement, to determine if the contracted services are being performed in accordance with Federal, State, and local laws, and to administer any other right granted to the Grantor in this Agreement.

4. **Grantee Representative.** The Grantor hereby appoints Annitra Peck as the Grantee’s representative for the purpose of administering the provisions of this Agreement on behalf of the Grantee.

5. **Duration and Termination.** This Agreement shall be in effect from the date it is fully executed by both parties through October 10, 2022, except that it may be extended pursuant to a modification entered into by the parties; and provided that should additional time for auditing this project in accordance with law be required, the Agreement shall be deemed automatically extended for these purposes until such time as the said audit shall be completed; and provided further that any provisions of this Agreement that contemplate continuing obligations on a party will survive the expiration or termination of this Agreement. The Grantor expressly reserves the right, in its sole discretion, to terminate this Agreement for nonperformance or for reduction in funding.

6. **Entire Agreement.** This Agreement contains all the terms and conditions agreed upon by
the parties. The parties agree that there are no other understandings, oral or otherwise, regarding the subject matter of this Agreement.

7. **Compliance with Laws and Standards.** The Grantee agrees to comply with all applicable Federal, State, and local laws and standards (including those of Grantor), including requirements related to licensing, certification, operation of facilities and programs, and accreditation and licensing of individuals.

8. **Subcontracting and Assignment.** Neither party shall assign or delegate any or all interests in this Agreement without first obtaining the written consent of the other party. If such consent is provided, all terms and conditions of this Agreement shall apply to any subcontract or assignment related to this Agreement.

9. **Choice of Law, Dispute Resolution, and Venue.** This Agreement has been and shall be construed as having been made and delivered within the State of Washington and it is mutually understood and agreed by each party hereto that this Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance. 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 either party may apply to the Superior Court of Whatcom County pursuant to RCW 7.04A et seq. for an order appointing an arbitrator. Such application may be made at any time after the ten-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 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 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. The arbitration provisions set forth herein, RCW Chapter 7.04A, and Rules 5.2 through 5.4 of the Mandatory Arbitration Rules for Superior Court ("MAR") shall govern the arbitration.

10. **Failure to Enforce Not a Waiver.** The failure of the Grantor to insist upon strict performance of any of the terms or conditions of this Agreement shall not be construed to be a waiver such terms of conditions.

11. **Severability.** It is understood and agreed by the parties hereto that if any part of this agreement is determined to be illegal, the validity of the remaining portions shall be construed as if the agreement did not contain the particular illegal part.

12. **Changes and Additions.** No Change or addition to this Agreement shall be valid or binding upon either party unless such change or addition shall be writing and executed by both parties.

13. **Reimbursement and Changes to Work.** Payments to the Grantee shall be made on a reimbursement basis only. The Grantor shall reimburse Grantee for completion of all work in each task, subject to the requirements and limitations set forth in this Agreement. All additions and deletions to the Scope of Work are subject to written authorization by the Grantor. Grantee shall accept as full payment hereunder the amounts computed as
determined by the Grantor based on this Agreement. Work in addition to or different from that provided for in the Scope of Work shall be allowed only by prior authorization in writing by the Grantor.

14. **Deadlines.** The Grantee agrees to complete the work for each task within the time set forth in the Scope of Work. The deadline for each task in the Scope of Work shall be computed based on the number of consecutive calendar days from the date this Agreement is fully executed by both parties.

15. **Eligible Costs.** Eligible costs for reimbursement to the Grantee include only the following: labor and supervisory staff hours; subcontract costs, materials, supplies, printing, equipment and permit fees. Grant funds may be used for financial incentive programs including rebates. Grantee shall not require that a specific brand or item be used in order to be eligible for a rebate. If grant funds are used for installation of a product, by rebate or otherwise, then Grantee shall ensure that such work complies with applicable prevailing wage rates, rules, and laws.

16. **Source of Funds, Approval Requirement, Quarterly Payment, and Maximum Amount of Reimbursement.** Reimbursement to the Grantee by the Grantor will be from funds provided through the WRIA 1 Coordinated and Integrated Outreach and Education Program Grant ("Outreach Grant"). The funding source for the Outreach Grant is the EPA National Estuary Program with the funds administered by WA Department of Fish and Wildlife ("WDFW") as the Puget Sound Habitat Strategic Co-Lead. Payment to Grantee under this Agreement is contingent on Grantor receiving such funds. Reimbursement will be paid to the Grantee on a quarterly basis upon invoices sent to the Grantor. Grantee shall attach a supporting report (form to be provided by Grantor) to each invoice detailing the tasks performed. Payment of each invoice is subject to approval of the invoice and report by WDFW and the Grantor. The total reimbursement amount to be paid to the Grantee shall not exceed **Ten Thousand dollars ($10,000.00)**

17. **Status of Grantee.** Neither Grantee nor personnel employed by the Grantee shall acquire any rights or status in the Grantor’s employment, nor shall they be deemed employees or agents of the Grantor for any purpose other than as specifically specified herein. Grantee shall be deemed an independent contractor and shall be responsible in full for payment of its employees, including worker’s compensation, insurance, payroll deductions, and all related costs.

18. **Indemnification and Insurance.** The Grantee agrees to defend the Grantor, hold it harmless, and indemnify it as to all claims, suits, costs, fees and liability arising out of the acts or work of the Grantee, its employees, subcontractors, or agents (including field work) pursuant to this Agreement, where such liability is incurred as a result of the actions or omissions of such parties. Grantee will obtain and maintain in force at least the following minimum insurance coverages covering all activity under this Agreement, and as to which the Grantor shall be named as additional insured (with any endorsement required by the policy):

- A. Workers Compensation Statutory Amount
- B. Professional Liability $1,000,000
- C. Automobile Liability $1,000,000
- D. Broad Form Comprehensive Liability $1,000,000/occurrence
Grantor may, in its sole discretion, waive all or a portion of the insurance requirements set forth in this paragraph based upon its review of the Scope of Work.

19. **Accounting and Audit.** The Grantor agrees to keep records of all financial matters pertaining to this Agreement in accordance with generally accepted accounting principles and to retain the same for a period of three years after termination of this Agreement. The financial records shall be made available to representatives of the Grantor or any other governmental agency with jurisdiction for audit, at such reasonable times and places as the Grantor shall designate.

**IN WITNESS WHEREOF:**

**GRANTOR:** P.U.D. NO. 1 OF WHATCOM COUNTY

By: ________________________________ Date: __________________

Stephan Jilk, General Manager

**GRANTEE:** NOOKSACK SALMON ENCHANCEMENT ASSOCIATION

By: ________________________________ Date: __________________

Name: ________________________________

Its: ________________________________
Memo

To: Commissioners Deshmane, Grant, and Murphy
From: Stephan Jilk
Date: June 22, 2021
Re: Award Bid to Potelco for the Pump Station No. 1 Substation Project (CIP-E22)

Requested Action – AWARD BID TO POTELCO FOR THE PUMP STATION NO. 1 SUBSTATION PROJECT (CIP-E22) AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE CONTRACT.

Background – The District purchased the Ferndale Substation serving Water Treatment Plant No. 1 in 2011. The substation, previously owned by Puget Sound Energy, was constructed when Plant No. 1 was built in the 1960’s. The substation has not been upgraded since construction and has the original single transformer. Testing of electrical gear in the substation during 2016 revealed that the secondary voltage (2400V) side is in very poor condition and should be replaced. During 2017, District staff with support of engineering consultants discussed conceptual design, location and potential costs of a new substation. The 2018 Capital Improvements Budget included the preliminary design and engineering of the new Ferndale Pump Station No.1 Substation (CIP-E22). During the 2019-2021 period, engineering, permitting and final design have been substantially completed.

Final substation site design was dependent on the major electrical equipment being selected in accordance with project specifications. These electrical components of the substation, two transformers and switchgear, had very long lead times and have already been purchased. This bid is for the construction of the electric substation and includes the installation of the major equipment, which the District has already purchased.

On June 15, 2021, the District received and publicly read aloud three (3) bids submitted for this project. The Engineer’s Estimate for the project, is $3,800,000.00, not including tax.

The three Bids are listed below:

<table>
<thead>
<tr>
<th>Construction Bids</th>
<th>Bid no tax</th>
<th>Bid Total w/tax Including 8.7% Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMCO</td>
<td>$3,898,900.00</td>
<td>$4,238,104.30</td>
</tr>
<tr>
<td>Potelco</td>
<td>$3,670,067.00</td>
<td>$3,989,362.83</td>
</tr>
<tr>
<td>Great Southwestern</td>
<td>$3,774,563.31</td>
<td>$4,102,950.31</td>
</tr>
</tbody>
</table>
The bid from Great Southwestern Construction included many conditions. Great Southwestern Construction’s bid does not meet the specifications due to Great Southwestern Construction’s stated conditions regarding the bid. The District determines that the bid from Great Southwestern Construction’s is non-responsive.

Staff recommends awarding the Bid to Potelco, which submitted the lowest priced responsive Bid. Potelco’s bid price is also below the Engineer’s Estimate of $3,800,000 (tax not included).

**Fiscal Impact** – This Project is funded for 2021, as part of the approved Capital Improvement Projects (CIP E-22) Budget. There is no fiscal impact.

**Recommended Action** – AWARD BID TO POTELCO FOR THE PUMP STATION NO. 1 SUBSTATION PROJECT (CIP-E22) AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE CONTRACT.
Memo

To: Commissioners Deshmane, Grant and Murphy
From: Stephan Jilk
Date: June 22, 2021
Re: Northwest Washington Fair – Farming For Life Exhibit – Integrating Water in the Exhibit

Requested Action: APPROVE THE CONCEPT OF INTEGRATION OF WATER AS THE KEY ELEMENT OF THE FARMING FOR LIFE EXHIBIT AND DIRECT THE GENERAL MANAGER TO DEVELOP A FORMAL AGREEMENT WITH NORTHWEST WASHINGTON FAIR AND THE DISTRICT ON FINANCIAL SPONSORSHIP SUPPORT.

Background: The Northwest Washington Fair (NWWF) has completed the construction of a new building at the fairgrounds in Lynden. This building will serve several different purposes including a “Farming for Life” exhibit. This exhibit will be the “platform” of how agriculture is so important to our local and regional culture, the economy, and will reflect our connection to food production and the relationship of food production to all.

A key element of agriculture production, farming as a land use, and the relationship of farming to our ecological systems is the availability and the use of water.

The NWWF reached out to the District in 2020 to discuss the idea of integrating the “water element” into the exhibit since the District has been recognized as a strong source of support of agriculture and water supply.

On December 15, 2020, the Commission approved funding to support the development of the exhibit over a three-year period: $50,000 in 2021, $25,000 in 2022, and $25,000 in 2023.

In approving this funding support, the Commission stated, that “providing funding as a sponsor to help develop and to maintain and expand the use of the exhibit in telling the story of water and agriculture is one way to support this work. The District sees this as another opportunity to educate the county and regional communities on the value of food production and the value of water resource management.”

Since December of 2020, the General Manager has been working with NWWF and the exhibit developer to help integrate the “water element” in agriculture production and the theme of “the river runs through it” reflecting the connection and relationship of how water is the key to our economy, our culture, and our environment.

Attached is the latest draft of a memo from NWWF and the exhibit developer on how they will begin to “weave” the concept of “the river runs through it”.
This concept is developing and we will work alongside NWWF in continuing to strengthen the “water element” into the exhibit.

If this concept of the Integration of Water into the exhibit meets the Commission’s approval, the General Manager will develop the agreement between the District and NWWF to the Commission for consideration on July 13.

**Fiscal Impact:** The District’s 2021 budget includes up to $50,000 for sponsorship this year.

**Recommended Action:** APPROVE THE CONCEPT OF INTEGRATION OF WATER AS THE KEY ELEMENT OF THE FARMING FOR LIFE EXHIBIT AND DIRECT THE GENERAL MANAGER TO DEVELOP A FORMAL AGREEMENT WITH NORTHWEST WASHINGTON FAIR AND THE DISTRICT ON FINANCIAL SPONSORSHIP SUPPORT.
FARMING FOR LIFE EXPERIENCE: NORTHWEST WASHINGTON FAIR
Water in the Farming for Life Exhibits

Water resource and water quality will be included as a key element into all of the exhibits. Following is an outline of where the topic of water will be integrated into the exhibits.

Exhibit 1.2 Many Facets and Faces of Farming
This lobby digital display will serve as an introduction to farming and the basic ingredients that is essential to growing food and feeding animals. This digital sign will focus on people of the region who represent a broad spectrum of work that supports the enterprise of farming, both directly and indirectly. This exhibit will include the work of PUD Whatcom and their role in providing water to farmers and insuring the quality of water in the process.

Exhibit 2.2 Orientation Theater: Feature Film Attract Loop
The feature film will include a count-down to the presentation. The pre-show attract loop, playing on 3 screens, will present the concept of “The River Runs Through” that follows the water cycle that occurs in nature and how this cycle is incorporated into farming. We have captured footage from the Peak of Mt. Baker to the Salish Sea and the rivers that connects the higher elevations with sea level, focusing on the farms that are strategically located along the rivers and streams. This presentation, while focused on the beauty of the region, will also convey important information about managing water resources, irrigation techniques, water waste and protecting water quality.

Exhibit 3.1 Innovation in Agriculture
At the conclusion of the agricultural timeline, an exhibit will showcase examples of innovations that continue into the 21st century. Topics will range from advances in equipment and technology, computer technology and GPS, food distribution and waste reduction, to genetic engineering, marketing, breeding and more. Water as a topic can be included in this section ranging from monitoring water quantity and quality, water management, irrigation and waste control.

Exhibit 4.1 – Journey of Food: Building Blocks of Growing and Cycles of Growing
In this hands-on magnetic puzzle activity, water will be included as one of the key building blocks of growing food.

Exhibit 5.1 All About Berries, Dairy and Seed Potatoes

In this larger scale exhibit, the role of water in each of these signature crops of Whatcom County will be included in each of the video presentation, as well as fun fact in the hands-on interactives of the Berry and Seed Potato displays.

As we move forward, we would like to work with PUD Whatcom in the development and review of content for each of the above exhibits.
The Farming for Life Experience
In Northwest Washington

PHASE 1 FEBRUARY - AUGUST 2021

AREA 1: LOBBY+ CORRIDOR
1.1 FRONT DESK
1.2 DIGITAL SIGNAGE | FACES OF FARMERS
1.3 FARMING NW WASHINGTON: INTRO
1.4 DONOR RECOGNITION PANEL

AREA 2: ORIENTATION THEATER
2.1 THEATER SEATING (MOVABLE)
2.2 3-SCREEN VIDEO WALL
2.3 BARN WOOD SIDING ON 2 WALLS

AREA 3: MILESTONES IN HISTORY
3.1 AGRICULTURAL HISTORY WALL - THREE PANELS
3.2 INNOVATION WALL

AREA 4: JOURNEY OF FOOD
4.1 INTRODUCTION TO AREA
4.2 CAREERS IN AGRICULTURE
4.3.3 SEED POTATOES - THREE EXHIBITS
4.3.2 THE DAIRY BARN - TWO EXHIBITS & PROJECTION
4.4 TABLE TOP PROJECTION
4.5 FARMING WASHINGTON STATE

AREA 5: FARMING NW WASHINGTON
5.1 ALL ABOUT BERRIES - THREE EXHIBITS
5.2.3 INTERIOR EXHIBITS
5.3.1 HOLD DRAWERS
5.3.2 CRATE STACKS
5.3.3 CRATE STACKS W/ DRAWERS

AREA 6: FARMING NORTHWEST WASHINGTON
6.1 CYCLES OF LIFE (WATER, SOIL, PLANTS, ANIMALS)
6.2 CAREERS IN AGRICULTURE
6.3 FARMING ARTIFACTS | STORIES THEY TELL

PHASE 2 AUGUST - DECEMBER 2021

EXHIBITS

AREA 3: MILESTONES IN HISTORY
3.1 AGRICULTURAL HISTORY WALL - THREE PANELS
3.2 INNOVATION WALL

AREA 4: JOURNEY OF FOOD
4.1 INTRODUCTION TO AREA
4.2 JOURNEY OF FOOD - 8 INTERACTIVE STATIONS

AREA 5: FARMING NW WASHINGTON
5.1.1 ALL ABOUT BERRIES - THREE EXHIBITS
5.1.2 BERRY PROCESSING VIDEO
5.1.3 BERRY HARVESTING VIDEO

MEDIA COMPONENTS

1.1 DIGITAL SIGNAGE | FACES OF FARMERS
1.2 3-SCREEN VIDEO WALL
1.3 AG IQ. INTERACTIVE QUIZ
5.1.2 BERRY HARVESTING VIDEO
5.1.3 BERRY PROCESSING VIDEO
5.2.1 8" OVERHEAD DIGITAL SIGNAGE
5.2.2 VIDEO PROJECTION | ALL ABOUT DAIRY
5.3.1 POTATO KALEIDOSCOPE

MEDIA COMPONENTS

5.1.3 BERRY PROCESSING VIDEO
5.2.1 8" OVERHEAD DIGITAL SIGNAGE
5.2.2 VIDEO PROJECTION | ALL ABOUT DAIRY
5.3.1 POTATO KALEIDOSCOPE