DRAFT
PUBLIC UTILITY DISTRICT No. 1
of Whatcom County

Agenda for the
Regular Commission Meeting
July 13, 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 22, 2021
   b) Approval of the Meeting Minutes of the Special Meeting of June 30, 2021
   c) Approval of Claims for July 13, 2021
4. Public Comment
5. Old Business
   a) Strategic Planning Update on Initiatives
   b) General Manager Appointment Process Update
   c) Approval of Purchase of Transformers for Refinery Substation
6. New Business
   a) Approval of Interlocal Agreement with Port of Bellingham
   b) Approval of Whatcom Assistance Program: Small Grants Agreement with Nooksack Indian Tribe
   c) Approve Amendment No. 4 to Work Order No. 4 – BKI
   d) Approve Resolution No. 794 – Cancellation of Warrant
7. General Manager Report
8. Commissioner Reports
9. Public Comment
10. Executive Session: Potential Litigation/Financial Risk: Per RCW: 42.30.110(1)(i)
    (Separate Executive Session Zoom Platform invite from Legal Counsel)
11. Adjourn

Until further notice: In-person attendance is not available at this time. All Commissioners will participate by teleconference or via the Zoom platform.

The public meeting can be accessed by internet: https://us02web.zoom.us/j/89325735324
Or by telephone: Dial 1 (253) 215 8782 or 1 (346) 248 7799
Webinar ID: 893 2573 5324

Next Commission Meetings
July 27 and August 10, 2021 Regular Meetings | 8:00 a.m.
Access information will be announced - the public may join the meeting by teleconference or Zoom platform.
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:
Dave Olson, Citizen
Scott Wallace, Mt. Baker Foundation
Lauren Turner, Phillips 66
Debbie, Ahl, Mount Baker Foundation
360-823-3040 Call in
816-519-2370 Call in
Gina Stark, Port of Bellingham
Jack Wellman, Puget Sound Energy
Claire Ward, NoaNet
Carryn Vande Giend, Puget Sound Energy

2. Approval of Agenda
No Changes.

3. Approval of Consent Agenda
Commissioner Grant had a correction for the Minutes, page 5, FTC should be FCC (Federal Communications Commission) and 253 was changed to 25/3 Mbsp (download and upload speed).


Claims of June 22, 2021:

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<td>CELTIC CLEANER, INC.</td>
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<tr>
<td>COMCAST</td>
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4. **Public Comment No. 1**
No comments made.

5. **Old Business**
   a) **General Manager Appointment Process Update**
   Jim Darling has begun follow up discussions with the Commissioners and everything is moving along. Darling has also met with key staff members. Deshmante asked which staff. Jilk replied five staff members were interviewed. Commissioner Grant asked if Darling would be talking to key stakeholders or customers. Sitkin indicated no, but he can ask Darling to reach out to those suggested by the Commission if time allows.

   b) **Broadband Program Development Update**
   Jilk said Commissioner Grant and Deshmante have had meetings with the Port of Bellingham and County Executive respectively. Jilk asked for reports.

   Grant:
   - Port Commissioner Sheppard proposed a *steering committee on broadband* with an elected representative from the PUD and Port Commission. Jilk, Rob Fix, Gina Stark, Don Goldberg and Grant met at the Port offices. Items discussed:
     - How to not get in each other’s way
How to make sure the Port/PUD are not fighting over grant funding (no current conflict) but sorting out what roles each will play;

- Council Member Rudd Brown’s comments on last mile infrastructure;
- Work of Mt. Baker Foundation and funding;
- Key outcome: There is a lot of work to do to sort out last mile infrastructure, and seeking collaboration and working together is most important;
- Port is concerned about NoaNet proposal is not helping them (demand aggregation work already done). Grant has not seen any of this work yet, including the maps and other data. Strong emphasis that these need to be widely shared and the two public agencies are not duplicating efforts;
- Gina Stark needs more support. Addressing the digital divide is everyone’s responsibilities. The idea of a central broadband office and how the efforts on broadband be consolidated to avoid rework and miscommunications;
- Spoke with Debbie Ahl (Mt. Baker Foundation);
- In completing the last mile, it would make more sense to concentrate the broadband effort into one place, to avoid new permitting, etc., and to share resources. She does not think they are ready to sign the NoaNet proposal.

Jilk added his discussion on the steering committee to move the collaboration forward and the Interlocal Agreement will go to the Port Commission at their first meeting in July. This is a sign of commitment to the public that the Port and PUD are working together and moving forward.

Murphy thanked Grant for meeting with Port representatives, and he appreciates all the work staff is doing. He is frustrated with the Port as the PUD has been talking about broadband for over 20 years, and can’t get an Interlocal Agreement approved. Discussing the last mile when there isn’t any fiber hung doesn’t make sense. There are other things, like water and Cherry Point issues, which are ongoing and more important.

Deshmane met with Executive Sidhu. He expressed that he doesn’t have enough data – a map that shows the level of service and demand in order to determine served, un-served, under-served, or economically (affordably) served. Deshmane doesn’t know if this data exists, but it would be helpful information to be mapped. Perhaps some components of the data exist. His thoughts: The backbone network should be open access and go to all municipalities, clusters and densities. That is what the Port largely agreed to do two years ago. Since then, the Port has learned more about private sector industry and is leveraging this. The critical criteria is that it is open access. Affordable data services with the speeds required is what is needed.

Grant responded to Murphy’s comments about feeling frustrated, she too, experiences it. However, directing it at the Port is not reasonable. The PUD has had 21 years to provide broadband authority, the Port, just two. The Port has done a significant amount of work on a program; the PUD has not. She feels a better process for working together in Whatcom County is needed in order to communicate effectively and not waste resources. She felt optimistic after the meeting, and suggested to be flexible with where things might go. The Port has many internet service providers who are interested in leasing fiber from them.

Murphy replied his frustration is that the PUD had a vision to provide internet/broadband in the county. The PUD sought many public and private partners in the process, yet it was challenged, and the PUD walked away with a lot of debt. In today’s times, he has people calling him to find out what the PUD can do. He receives phone calls from parents that have to take their children to a school parking lot, in order to use internet, and be successful in the future. It doesn’t have to be like that. Murphy appreciated the other Commissioners viewpoints to help him better understand the challenges.
Grant said how the agencies work together along with the funding from Mt. Baker Foundation, is key. Getting the data into a format that can be readily shared is needed. There is still a lot of work to do on moving forward, grant applications, and bringing on a consultant to support via contract. A joint consortium of public agencies should be able to hire a broadband program manager to be aligned with what the Port is doing and would have more resources. The NoaNet proposal she reviewed was not completely responsive to what is happening right now in our community.

Murphy added that other PUDs who have had broadband/fiber access for quite a while, is true, however, a reminder that we are unique, and unlike most PUDs, we don’t have thousands of customers. It will take a community effort to make it possible. Deshmane added that this is a long effort, to set clear direction for the PUD staff and other elected and local governments to work together, and important to acknowledge this. He supports using NoaNet’s services and proposes to proceed, perhaps at an hourly rate.

Grant had a brief conversation with Debbie Ahl (Mt. Baker Foundation/MBF) and will discuss further with her regarding the outcome of the meeting with the Port, and ways to keep moving forward – one of many challenges is the lack of resources. She would like to collaborate with MBF and the Port, and to review NoaNet’s proposal.

The City’s Broadband Advisory Group indicated that Internet Service Providers are reluctant to provide service information; and in turn are preventing competition. The PUD needs to be careful not to start from scratch again – the Port has a map completed in Arc GIS software. Grant hopes that NoaNet can help expand with this. In regards to a mapping exercise, Deshmane does not want to miss the opportunity to receive mapping data from other agencies.

Next steps: Grant will talk with Ahl, check in with Stark regarding the NoaNet proposal and map. At the proper time, she would like to bring NoaNet into the conversation to support the Port and PUD in moving forward. Grant said trying to get NoaNet under contract to support the PUD in the mapping and demand aggregation work, as a community, is how we can all work together in an organized fashion. Deshmane supports the idea of a SkagitNet LLC collaboration in Whatcom County or the potential of a centralized broadband office. Jilk added that in consideration Commissioner Murphy’s staff issues, there are opportunities in terms of a centralized office and staff to support Stark and extra resources without adding staff or creating a higher demand on PUD staff. The framework of an Interlocal Agreement and Steering Committee will provide oversight and constant communication of broadband for the entire county – not just the Port or the PUD. It would be a managing entity to bring the agencies together. Jilk believes it would be a good opportunity to move forward.

Murphy added he appreciates everything the PUD can do to make this move forward.

6. a) Approval of Whatcom Assistance Program: Small Grants Agreement with Nooksack Salmon Enhancement Association

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).

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.

- 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. A total of eight applications were received on the due date of March 19, 2021, and were reviewed by eight reviewers, which included various staff who work for members of the Watershed Management Board and some are members of the WWIN Steering Committee. A scoring criterion was used and based on the outcome two applicants were approved for funding: Nooksack Salmon Enhancement Association (NSEA) and Nooksack Indian Tribe (NIT). There is another round of Request for Applications that went out on April 30 and six applications received on May 28, 2021, 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 ready for approval. 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.

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. There is no fiscal impact to the District.

**ACTION:** Commissioner Grant motioned to 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. Commissioner Murphy second the motion. Motion unanimously passed.

**b) Award of Bid: Pump Station No. 1 Substation Project (CIP-E22)**

The District purchased the Ferndale Substation serving Water Treatment Plant No. 1 in 2011. The substation, previously owned by Puget Sound Energy, and constructed when Plant No. 1 was built in the 1960's, has not been upgraded since and has the original single transformer. Testing of electrical gear in the substation in 2016 revealed that the secondary voltage (2400V) side is in very poor condition and should be replaced. The 2018 Capital Improvements Budget included the preliminary design and engineering of a new Ferndale Pump Station No.1 Substation (CIP-E22). During the 2019 - 2021, period, engineering, permitting and final design were substantially completed.
Final substation site design was dependent on the major electrical equipment selection in accordance with project specifications. These electrical components of the substation, two transformers and switchgear, had very long lead times and were 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, Strand said the District received and publicly read aloud three (3) bids submitted for this project:

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<td>Great Southwestern</td>
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<td>$4,102,950.31</td>
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*Engineer’s Estimate*  $3,800,000 (tax not included)

The bid from Great Southwestern Construction included many conditions and did 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).

This Project is funded for 2021, as part of the approved Capital Improvement Projects (CIP E-22) Budget. There is no fiscal impact. Jilk added the revenue from water rates funds the substation infrastructure.

**ACTION:** Commissioner Murphy motioned to 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. Commissioner Grant second the motion. Motion passed unanimously.

c) Farming for Life Exhibit Sponsorship

In 2020, the Northwest Washington Fair (NWWF) reached out to the District to discuss the idea of integrating the “water element” into a new exhibit at the fairgrounds, since the District has been recognized as a strong source of support of agriculture and water supply. 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.

On December 15, 2020, the Commission approved funding to support the development a “Farming for Life” exhibit, in a newly constructed building at NWWF. The exhibit is planned to 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.

The Commission committed funding to 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 then, Jilk 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. Commissioners received the latest draft of a memo from NWWF and the exhibit developer on how they
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will begin to “weave” the concept of “the river runs through it”. As this concept is developing, 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, Jilk will develop the agreement between the District and NWWF to the Commission for consideration on July 13. The District’s 2021 budget includes up to $50,000 for sponsorship this year.

Grant commented that the exhibit should acknowledge challenges or conflicts facing water, such as local efforts to clean up Portage Bay and climate change. The management of manure is also a challenge, and farmers now have to develop sustainable management methods. Water quality and water quantity will be included into salmon recovery and streamflow restoration/quality in the exhibit. Murphy said he hopes the exhibit will tell the story of overcoming challenges.

Jilk added even though in terms of the expected total cost of developing the exhibit for the first time, then ongoing, maintenance, upgrading and expanding into the community – as some sort of a traveling exhibit – he envisions this as the beginning of a much stronger relationship with Ag/agriculture/the Fair and agriculture education in our community. To continue to help build the relationship between Ag and the District will enable us to be more active on education/outreach in the community through WSU Extension, the Northwest Washington Fair and others. Jilk will present an update as development of the exhibit continues.

**ACTION:** Commissioner Murphy motioned 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. Commissioner Grant second the motion. Motion passed unanimously.

6. **General Manager’s Report**
   No Report.

**Update on OPMA/Reopening Public Agencies**
Jilk is hoping the July 13, 2021 Commissioner meeting will be the first meeting to be open to the public meetings. Legal Counsel recalled the 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.

Because not all the rules have been established regards to in-public/in-person meetings, Sitkin suggests that the General Manager have the authority in consultation with Legal Counsel to change or update the reopening policy. Jilk’s concern is the challenge of managing the meeting space as the District has a limited amount of seating in its meeting room and no overflow (enclosed) area. There are many variables regarding the Governor’s June 30 announcement and it is too soon to try to

7. **Commissioner Reports**
   Grant:
   - Met with Jim Darling and is looking forward to the July 6 Special Meeting;
   - Attended the Q2 Phillips66 community meeting and met their new technical manager;
Social Media Strategy Meeting—Met with Steve Jilk and Ann Grimm to discuss the strategy for the District’s social media plan from WWU students, the rebranding effort and a new/updated website. This will be a topic on an upcoming meeting in August;

- Met with Port officials regarding broadband;
- Discussion with Council Member Rudd Brown on last mile fiber infrastructure;
- In touch with Center for Sustainable Infrastructure, regarding a “template” for a planning program recently accomplished for Quincy, WA, similar to what could be considered for Cherry Point.
- Meeting today with County Executive Sidhu and Jilk to discuss Cherry Point and different approaches to planning, and will report at next meeting.

Murphy:
- Attended a number of meetings, some of which Grant attended.
- Energy Northwest’s Reactor Columbia was refueled and is back online. There were no problems or issues.

Deshmane:
- Attended Watershed Management Team meeting;
- Attended Watershed Management Board meeting, hatchery strategy on improving/restoring habitat discussed, recognizing need for long-term planning and ongoing work to integrate these hatchery efforts;
  - Chinook salmon harvest for Tribes are critical;
  - Adjudication efforts are underway;
- Attended City of Bellingham Broadband Advisory Group Meeting;
- Met with Jim Darling;
- Phone calls with Nicholas Garcia (WPUDA) regarding grid reliability, issues around transmission, scheduling, etc. He plans to keep attending WPUDA’s Energy Committee meetings even though Grant is the designated representative. Commissioners are also interested in having Garcia attend a District commission meeting. Jilk suggested a work session on energy within the next month to discuss where we are at, relating to a number of issues on the energy side. Walters will contact Garcia as a potential attendee for that meeting.

Grant commented regarding the agenda for the July 6 Special Meeting and if there is more Commissioners need to do to be prepared. Sitkin will meet with Darling to discuss the meeting plan. The outcome is to be a review of the Strategic Plan on what needs to be changed, and the process of hiring/job description of a new General Manager. It is not a full-on rework of the Strategic Plan 2025. Darling will be facilitating on July 6. Deshmane has addition input for Darling on the meeting. An agenda will be provided prior to the meeting. The next step after July 6 would be outlining the new GM job description and Jilk hopes that some direction will be given to staff regarding to the 2022 draft budget, and an upcoming work session/discussion on what energy issues the District is facing.

8. Public Comment No. 2
No comments made.

9. Adjourn
There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 10:41 a.m.

Atul Deshmane, President

Michael Murphy, Vice President   Christine Grant, Secretary
MINUTES OF THE SPECIAL MEETING OF THE COMMISSION

June 30, 2021

1. Call to Order | Pledge of Allegiance
The special meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 3:08 p.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 and teleconference included Commissioner Mike Murphy, Commissioner Christine Grant, Commissioner Atul Deshmane, and Legal Counsel Jon Sitkin. Staff attending via teleconference/Zoom: 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; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Alec Strand; Project Manager; and, Traci Irvine Accountant I.

Public attending via teleconference:
Gina Stark, Port of Bellingham
Scott Wallace, Mt. Baker Foundation
Lauren Turner, Phillips 66
RB Tewksbury, Citizen

2. Work Session on Broadband Development
The meeting was scheduled to begin at 3:00 PM, and Commissioner Deshmane had not yet signed into the meeting. Commissioner Murphy offered to open the meeting. Sitkin suggested waiting a few minutes longer. Jilk announced that Deshmane called in and could not find the link to the Zoom meeting. Deshmane requested the invite be sent to his personal email address. For some reason he could not join the meeting from the District iPad and logged in using his personal cell phone.

Deshmane announced the agenda was to discuss broadband collaboration with the Port of Bellingham. No public comment will be taken. The timeframe is limited due to a meeting scheduled to begin with Port staff at 4:00 p.m.

Deshmane was concerned about an email in which Commissioner Grant had forwarded to Jilk regarding her discussion with Port staff on “next step” efforts on broadband. Jilk forwarded the email to the other Commissioners for review. Murphy stated he didn’t have access currently in front of him to reference. As such, Deshmane asked Grant to present the information.

Grant asked for a pause in the meeting to talk about why we are having the meeting and what the goals are. She said if the Commission was going to review the points, it should have been sent with the agenda packet. The fact that Commissioner Murphy isn’t familiar with the email, doesn’t really allow him to be prepared for the meeting. She is also concerned about how the meeting was called and what the goal of the meeting is. At the Commission Meeting one week ago, broadband was discussed for over an hour and a plan was made for next steps for Grant to follow up on, which included communication with Mount Baker Foundation and the Port. She accomplished both and the bullet points (in the email) were a very rough sketch at a moment in time, which continues to be updated. An entire special meeting based on bullet points does not feel like a great use their time. Grant asked for more framing around what prompted Deshmane to call the Special Meeting. Deshmane responded the collaboration with the Port is important and the input on the collaboration from the Commissioners is important. He had the impression that the Port’s meeting at 4 PM was intended to set the tone and the content of the collaboration.
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Grant said there is a meeting at 4 pm with Port staff to talk about how to work together: Meeting guidelines, Gina Stark is on the agenda, not wanting to duplicate efforts, a Scope of Work with a consultant to forward. No action will be taken at this meeting, because it is not a formal (regular or special) meeting, and the respective Commissioners would need to go back to their boards for approval.

Deshmane said if a Commissioner has concerns or input about the talking points, he would want to have a way to communicate them. Grant asked if he put them in writing to the General Manager, and suggested Deshmane put his concerns in down as Jilk will be at the meeting as well.

In the past discussions on Port/PUD collaboration, Deshmane thought there was a consensus by the Commission to wade through and discuss it. The last meeting was a fact-finding mission during the regular meeting so they could provide feedback to discussions they were attending. What was decided at the June 22 PUD meeting was that Grant would be the representative to the Port and was preparing to share everything at the next PUD regular meeting; however Deshmane requested a debrief report as soon as possible. Grant said she is not sure why that happened because no other Commissioners are asked to do this. She is trying to understand what the goal of today’s meeting is and what we are trying to achieve now, and make the most of it.

Deshmane said obviously, there is a disagreement because Grant feels “this meeting should not have happened.” Grant responded, that she did not say that, she wanted to know what the purpose is. Deshmane said that data is lacking with broadband. The purpose of creating a map to address data supply/demand requires a series of steps, investigation and partial collaboration with existing ISPs and existing public and private customers on their data need. The data needs to be turned into a public document. Not a document that’s constrained by nondisclosure agreements, etc. When it is a public document, it allows a public discussion with public and private sectors to meet the needs of the community. Deshmane claims we don’t have it. Deshmane said he raised the need for this even before he became a Commissioner. In the talking points represented, he believes we already have it but he disagrees with the Port and Port Commissioners that this does not exist.

Grant asked which talking points Deshmane refers to—was it the ones from her email. Deshmane said he believed it was. Grant’s talking points were based on a brief discussion. She heard loud and clear in the June 22 PUD meeting that data is need and to secure public funds as efficiently and effectively as possible – that is what the Mount Baker Foundation, PUD and Port are all trying to do. It will be on the Port’s meeting agenda later today: Trying to understand what we have today, the data gaps are and how to fill the gaps. Deshmane said he does not think he is being heard and that is where things are at.

Deshmane said the talking points don’t reflect the commentary from other participants in the process at the Port; don’t seem to understand this point, the comments suggested the data is already available, things like this have been said several times in PUD and Port commission meetings. Grant was prepared to read her bulletin points from the email. Jilk had the draft agenda for the Port’s meeting today. He reiterated the points on the Agenda: Number 6 is review of exiting data/maps/data; Number 7: Are there other sources of maps and data that we should consider.

The points Grant sent were just a moment in time, trying to capture one discussion had. She recited one of them:

Work to make the broadband planning map the Port has in ArcGIS accessible and usable by others. Understand the data that the Port already has and what is missing. Complete demand aggregation efforts if gaps are found.

Deshmane suggested that if gaps are found, we don’t need to ask if we are missing data. We are missing data. (Which is what Grant’s statement says). Deshmane said NoaNet could do the survey using tools of actual end-user load tests. The work that a third party can do is to determine where the fiber is.
DRAFT

Deshmane said none of this information is available as a public document. He is concerned that resources are needed to understand the fiber map: Supply data through fiber and demand. It is not a question or nothing to be investigated. It is finding of fact. For that reason, Deshmane has concerns in the tone of our discussion at the Port – still asking the question of whether more data needs to be collected. It is important for him to recognize it is not a question. There really is a shortfall of what the community needs are and what supplier needs are. As a community, we should rally around understanding. Collaboration between public and private sector participants will need a good map. Given the talking points, comments and conversations with Commissioners, Deshmane claims it is still being asked as a question.

Grant said more information to help understand the problem helps create better public policies. The focus of today’s meeting at 4 PM, will be on understanding what is already in place, and hopefully move with NoaNet, to use their services to complete the demand aggregation. To have a healthy partnership with another organization needs a foundation of trust.

When the partner organization repeatedly tells us that they already have much of the data, Grant wants to work with them to understand what they have and is open to working together. She wants to be sure the PUD is taking time to listen to what the Port says, and prior to signing the Interlocal Agreement (ILA), that respect for work already accomplished will be acknowledged. It is important to the partnership and as a stewardship of public funds—we don’t want to duplicate work already been done.

Jilk noted that currently 10 attendees (non-panelists) are in the meeting and one has raised their hand for comment. He reiterated that the intention of today’s meeting was to not take public comment.

In follow up to Commissioner Grant’s comments, Jilk said several weeks ago the PUD sent a draft Interlocal Agreement to the Port on the idea of establishing a platform for a partnership between the two agencies, with the goal in mind to develop broadband throughout the county. The “steering committee” was part of that discussion, memorialized in the draft ILA, with the expectation to meet after the agreement is approved. Implementation would able the group to work together and move forward between the Port, PUD and Mt. Baker Foundation.

Regarding the discussion between Grant and Deshmane right now, Jilk suggests we reaffirm the commitment in working with the Port via the Interlocal on what additional information is needed, more mapping, etc. The PUD can move forward in discussions and carry the message to the “steering committee” that we will discuss all of it. Trying to define future work between Port/PUD is not a healthy approach to take right now. The PUD needs to be sure they want to partner and reaffirm its commitment to the Port.

Deshmane thanked Jilk for the reminder on public comment. He looks forward to hearing from the commenter at the next public meeting. There will be ample time to listen to input on the subject.

The ILA and need to ensure the framework of the collaboration with the Port does address things to some degree (jointly) rather than individual responsibilities, Deshmane believes there is a right order to do things. Jilk agreed. Start with the basics – do the two entities want to work together with the goals in mind? Jilk believes this ILA provides a lot more detail than most. The ILA needs to be the starting point. Once the “vision” is in place, determine common goals and identify opportunities. If the Commissions agree with this approach, there is staff and hopefully a steering committee to move forward. Grant understood that Rob Fix (Port) reviewed the ILA and it will be discussed at the next Port Commission meeting on July 13.

Deshmane said he appreciated the point Jilk brought up and alluded to the importance of not going too far in discussing implementation strategies until the ILA is finalized. He is concerned that since discussions
are still happening in the particular topic of data, he wants to put the data issue to bed, and is not carrying any distrust or lack of confidence in anybody at the Port or PUD. In particular, he has gone to bat for Gina Stark (Port) several times and has been supportive. Based on Deshmane’s prior professional experience he said he wants to place the priority on the subject of creating a good countywide broadband map with both supply and demand as it would be very important fostering good private/public collaboration and cooperation, but again, Deshmane claimed he is ready to put it to bed, as far as his input.

Deshmane had no other items and asked if there are other topics to discuss today. Sitkin replied that as “broadband program discussion” is the sole item on the agenda, no other topics/action could be discussed or made. Deshmane said he meant on the subject of broadband.

No other comments were made.

6. **Adjourn**
There being no further business for the meeting, Commissioner Deshmane adjourned the special meeting at 3:42 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/](https://www.pudwhatcom.org/the-commission/2021-agendas-packets-meeting-minutes-recordings/)
Memo

To: Commissioners Deshmane, Grant, and Murphy
From: Brian Walters – Assistant General Manager
Date: July 13, 2021
Re: Approve Purchase of Two Power Transformers for Refinery Substation from SPX Corporation

Requested Action – APPROVE PURCHASE OF TWO POWER TRANSFORMERS FROM SPX CORPORATION FOR A COST NOT TO EXCEED $2,190,594 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE PURCHASE.

Background – On May 27, 2021, the District received and publicly read aloud seven (7) bids submitted for the supply of two power transformers for the Refinery substation. The equipment is necessary for the Refinery Substation Capacity Upgrade Project, identified as Capital Improvement Project (CIP-E27) in the 2021 Budget.

Based on review of the bids by District staff and its electrical engineer, Brown & Kysar, Inc. (BKI), it was determined there were no responsive bids, and therefore staff recommended that the Commission reject all bids. The Commission took action rejecting all bids at its regularly scheduled meeting on June 8, 2021. This was the second time the Commission had to reject all bids for the same equipment purchase.

Based on the District’s legal counsel’s opinion, the receipt of bids under two separate competitive solicitations for the purchase of transformers and the rejection of all bids as non responsive by the Commission on both occasions was the equivalent of receiving no bids. Further, that “Special Market” conditions existed enabling the District to waive competitive bid requirements and negotiate a purchase agreement with one or more of the transformer suppliers.

Subsequently, at the same Commission meeting (June 8, 2021), the Commission approved Resolution 793, which waived the competitive bid requirements for the supply and purchase of the power transformers. The waiver was based on:

1. No responsive bids received, therefore “no bids” were received from two competitive bid solicitations;
2. Special market conditions exist prompting bidders to submit conditioned bids enabling exceedance of the bid price. Therefore, no firm bids recovered.
Transformer Purchase Negotiation - Following the June 8 Commission meeting, District staff and the District’s Engineer BKI, informed bidders of the rejection of all bids resulting in no bid award. After interviews with the bidders involved, District staff assisted by the District’s Engineer entered into purchase negotiations with one of the bidders, SPX Corporation. SPX agreed to no contract nor equipment specifications exceptions. Further, the company agreed to a cap on any price increase due to materials costs increases. The cap set is 6.5% above the original bid price for the two power transformers. Any cost increase would require backup documentation confirming the materials cost increases out of the control of SPX. A summary of purchase price amounts follows:

Engineer’s Estimate: $2,800,000.00 (w/o taxes)
SPX Original Bid: $2,056,896.00 (w/o taxes)
SPX Bid + 6.5%: $2,190,594.00 (w/o taxes)
Potential Price Increase: $133,698

Staff Recommendation - Staff recommends entering into a purchase agreement with SPX Corporation for two power transformers for a purchase price not to exceed $2,190,594.00. The range of prices within which the District’s General Manager can execute a purchase is $2,056,896 and $2,190,594. Price amounts above the base bid amount are predicated on the District receiving documentation verifying and justifying the price increase requested. Further, staff recommends that execution of the equipment purchase by the General Manager not proceed until final legal review of the purchase documents.

Fiscal Impact - This Project is funded under the District’s approved 2021 Budget, as one of the major Capital Improvement Projects (CIP E-27). There is no fiscal impact.

Recommended Action - APPROVE PURCHASE OF TWO POWER TRANSFORMERS FROM SPX CORPORATION FOR A COST NOT TO EXCEED $2,190,594 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE PURCHASE.
Memo

To: Commissioners Deshmane, Grant and Murphy

From: Stephan Jilk

Date: July 13, 2021

Re: Approve Interlocal Agreement with Port of Bellingham – Fiber Optic/Broadband

**Requested Action:** APPROVE PORT OF BELLINGHAM AND PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY FIBER OPTIC/BROADBAND INTERLOCAL AGREEMENT.

**Background:** The Port of Bellingham (Port) has been working on the development of a publicly owned fiber optic backbone network in Whatcom County. The PUD has identified in its 2021 Strategic Plan, an initiative to also develop a fiber optic network and support the development of publicly owned broadband services in Whatcom County.

The Port and Whatcom PUD have legislative authority to construct, own and operate telecommunication services and have authority to enter into Interlocal Agreements to conduct these activities in a joint manner. Both agencies desire to formalize a working relationship to advance the development of fiber optic network and broadband services in Whatcom County.

Staff from the Port and PUD have developed an Interlocal Agreement that recognizes the agencies’ authority to do so and identifies a process to organize the effort in a joint manner, identifies methods of communications between the two organizations, and identifies means of decision making in moving the program forward.

The Port Commission will consider adopting the same Interlocal Agreement at an upcoming Port Commission meeting.

This is a recommendation to adopt this Interlocal Agreement with the Port of Bellingham.

**Fiscal Impact:** Adoption of the Interlocal Agreement will not impact the District’s 2021 budget.

**Recommended Action:** APPROVE PORT OF BELLINGHAM AND PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY FIBER OPTIC/BROADBAND INTERLOCAL AGREEMENT
This **FIBER OPTIC / BROADBAND INTERLOCAL AGREEMENT** (hereafter the “Agreement”) is made and entered into this ______ day of ______________, 2021, by and between the **PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY** (hereafter “the PUD”) and the **PORT OF BELLINGHAM** (hereafter “the Port”).

**WHEREAS**, there are areas of Whatcom County that are currently unserved and/or underserved with broadband services meeting today’s residential, business, educational and other public service access needs; and

**WHEREAS**, RCW 53.08.370 grants authority to the Port to construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate and maintain telecommunications facilities within or without the Port’s limits for its own use and/or for the provision of telecommunications services; and

**WHEREAS**, RCW 54.16.330 grants authority to the PUD to construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate and maintain any telecommunications facilities within or without the PUD’s limits for its own use and/or for the provision of telecommunications services, and

**WHEREAS**, the Port and the PUD have the authority granted by the State of Washington to provide last mile and retail telecommunication services to the end user, as granted by the passage of SB5383 and HB1336; and

**WHEREAS**, the PUD is prepared to begin developing broadband utility business models based on this authority, and

**WHEREAS**, having a public agency provide retail broadband services will help to ensure that public investments in fiber are extended to all Whatcom County residents;

**WHEREAS**, the parties will explore how to use their respective authority to maximize benefits to all of Whatcom County; and,

**WHEREAS**, the Port has developed a plan for constructing a publicly owned, open access dark fiber network throughout rural Whatcom County; and

**WHEREAS**, the PUD is in support of the Port’s efforts to plan, engineer, design, finance and construct the fiber network backbone throughout rural Whatcom County; and,

**WHEREAS**, the Port is seeking public partnership with the PUD to provide opportunities to support the financing, operation, maintenance, and management of the fiber network, and utilization of the fiber network to provide broadband services to the end user, or last mile and retail services; and
WHEREAS, the PUD is seeking a public partnership with the Port to develop, finance, operate, maintain, manage the fiber network and develop last mile/retail services to residents, businesses, schools, and public safety agencies; and

WHEREAS, the PUD, in support of this broadband system and services development, offers technical expertise, potential funding support, operation, maintenance and last mile/retail services; and

WHEREAS, the PUD owns and operates fiber infrastructure in Whatcom County for its own use in connecting its water and electric infrastructure, monitoring and managing said systems, and has expertise in maintaining fiber optic infrastructure; and

WHEREAS, on November, 2018, the Port and the PUD executed an Interlocal Agreement to engage in joint planning and a feasibility study for development of publicly owned, open access dark fiber network throughout rural Whatcom County; and

WHEREAS, the Port and the PUD are now seeking to expand their cooperative relationship by pursuing the following initial joint agency initiatives and potentially developing additional recommended initiatives (the “Joint Initiatives”) to:

a) Build on and support the existing work the Port has done in the development of a strategic countywide broadband infrastructure plan that includes analysis and strategies, allows for the efficient utilization and expansion of existing infrastructure and strategic planning for the future development of new publicly owned infrastructure in support of residential, educational, commercial, industrial, general economic development, and agricultural activities with a goal of providing accessible and affordable high speed broadband service access to residences, businesses, schools, libraries, and medical facilities throughout Whatcom County; and

b) Pursue the development of a countywide, open access publicly owned dark fiber optic network and other infrastructure and broadband services throughout Whatcom County that will, in conjunction with private telecommunications providers, deliver reliable, accessible, affordable, high speed internet service to serve residential, business, public safety, governmental, healthcare, and educational needs in Whatcom County; and

   c) Jointly seek funding for rural publicly owned broadband fiber optic network and other infrastructure; and

   d) Develop operation, maintenance, and management plans of the rural publicly owned broadband fiber network; and

WHEREAS, the Port and the PUD believe that the establishment of a joint interagency steering committee to manage, oversee, develop recommendations, and direct actions related to the Joint Initiatives is an efficient utilization of public resources while maintaining appropriate financial and final strategic decision making and/or oversight by the agencies’ respective Boards of Commissioners; and
WHEREAS, Chapter 39.34, Revised Code of Washington provides for cooperation between local governmental entities through contractual agreement.

NOW, THEREFORE, it is agreed by and between the Port and the PUD as follows:

1. Purpose. The purpose of this Agreement is to establish procedures whereby the Parties can combine, share, and use their respective skills and assets, authority granted to the Parties by the State of Washington, thereby reducing the financial and administrative costs that may be otherwise borne by an entity and resulting in a countywide high speed system providing access to areas that are currently unserved or underserved to access high speed broadband. The cooperative efforts enabled by this Agreement are intended to reduce the cost of related services over what would otherwise be achieved if the Parties acted independently.

2. Joint PUD/Port Steering Committee and Decisions:

   2.1 Committee Establishment and Purpose. A joint PUD and Port Rural Broadband Steering Committee is created for the purpose of facilitating and providing joint decision making on a publicly owned rural broadband fiber network. This Steering Committee shall be known as the “Joint PUD/Port Rural Broadband Steering Committee” or the “Broadband Steering Committee”.

   2.2. Steering Committee Meetings. The Steering Committee shall establish its own rules of conduct, meeting schedule, and process for setting a meeting agenda and decision making. The Steering Committee will meet on a bi-monthly basis unless deemed necessary to meet more frequently. The Steering Committee will make decisions as they pertain to joint tasks, projects, scope of works, funding, and policies, as it pertains to the broadband fiber network.

   2.3 Steering Committee Composition/Members, Chairpersons, and staff support. The Steering Committee shall consist of one representative from each elected Board of Commissioners and one staff member from each district as selected by the respective Board of Commissioners. The initial Steering Committee Membership shall consist of the following members:

   PUD: Commissioner Christine Grant, and General Manager Stephan Jilk or his staff designee.

   Port: Commissioner Michael Shepard, and Executive Director Rob Fix, or his staff designee.

   The Steering Committee will be alternately chaired/co-chaired by a Port Commissioner and/or PUD Commissioner for the term of one year, selected and determined by the Steering Committee as a whole. Support for facilitating the meeting and setting the agenda will be provided by the broadband project manager/Port staff.

   2.4 Steering Committee Recommendations. The Steering Committee will make recommendations to the Port and PUD Commissioners as necessary on policy level decisions and on such matters as financial commitments, retaining consultants, and construction projects that require action by the individual agency. The Steering Committee does not have the authority to enter into binding contracts without the approval of their individual agencies.
3. **General Scope of Services.** During the term of this Agreement, the Parties may seek to obtain grant assistance, engineering, design and/or consulting services agreements, public works, or other services agreements between the Parties (“Work or Services”) as part of a Task Order (defined below).

3.1 **Task Orders.** As the need arises for both Parties to jointly request Work or Services, the scope of such services to be provided with specific tasks assigned will be delineated in a sequentially numbered task order to be in the form similar to that attached hereto as Exhibit A. Such Task Order(s) will identify the specific Work or Services, the staff from each agency assigned to the project, the estimates of the time, the agreed hourly rate, if any, and the estimated total cost to complete. Task Orders shall be approved by the Broadband Steering Committee.

3.2 **Outside Contracting for Services.** Neither Party shall contract with any third party to provide for joint services of the type described in Section 3 of this Agreement to be provided to both Parties without the written consent of the other Party first being obtained. This consent is to be provided by the Board of Commission of each party, unless that Board has delegated this authority to its Executive Director or General Manager, as applicable. In the event that the Parties hereto agree to contract with an outside party to provide any of the services herein, then the Parties hereto shall separately agree as to the purposes, objectives, and responsibilities of the contracting Party, which Party shall be responsible for contract preparation, award, and supervision. Any bidding required for the acquisition of any outside services shall comply with the bidding requirements applicable to both entities. These requirements shall be specific in a Task Order.

4. **Compensation for Services.** Unless otherwise agreed to by the Parties, services provided by staff of either Party pursuant to this Agreement shall be at the cost of the Party providing the services through a staff member of that Party.

5. **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 the Port: Executive Director Rob Fix
   
   For the PUD: General Manager Stephan Jilk

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

6. **Treatment of Assets and Property.** No fixed assets or personal or real property are anticipated to be jointly or cooperatively acquired, held, used, or disposed of pursuant to this Agreement, except that the Strategic Plans, and all drafts, work product, data, information, analysis or similar produced in relation to the Strategic Plans shall be deemed the property of both Parties to this agreement even if stored and retained by the Port or the PUD.
7. **Term of Agreement.** This Agreement shall be effective on the date of such recording ("Effective Date") and shall terminate on December 31, 2024.

8. **Termination.** The Port or the PUD may withdraw from this Agreement by providing thirty (30) days written notice to the other Party. However, any Party withdrawing shall remain responsible for its prorated share of any payments due for any contracts executed prior to the receipt of the Notice of Termination.

9. **Assignment.** This Agreement shall not be assigned by either Party to any third Party without the prior written consent of the other Party, which consent may be withheld for any reason or no reason.

10. **Release and Indemnify.** To the extent permitted by law, each Party agrees to release, defend, indemnify, and hold harmless the other Party, its officers, agents, employees, and representatives (Port/PUD) from all claims, actions, suits, losses, harm, liabilities, damages, costs, and expenses, including but not limited to, reasonable attorneys’ fees arising out of the negligent acts or omissions arising in connection with performance of this Agreement. Where negligence by both Parties is concurrent and contributes to a claim, the Parties shall be responsible and liable in proportion to the degree of their own negligence. Nothing in this Agreement shall be construed to preclude either Party from pursuing any remedy against a third Party.

11. **Public Records Act.** All records received by the Port or the PUD pursuant to this Agreement shall be a public record and therefore subject to the Public Records Act.

12. **Miscellaneous Provisions.**

   a. **Notices.** Any notice, request, authorization, direction, or other communication as required under this Agreement shall be given in writing and shall be delivered in person or by first class United States mail, properly addressed and stamped with the required postage, to the intended recipient as follows:

   Port of Bellingham  
   1801 Roeder Avenue  
   Bellingham, WA 98225  
   Attention: Rob Fix, Executive Director

   Public Utility District No. 1 of Whatcom County  
   1705 Trigg Road / Post Office Box 2308  
   Ferndale, WA 98248  
   Attention: Stephan Jilk, General Manager

   Either Party may change its address specified above by giving the other Party notice of such change in accordance with this Section. All notices, requests and authorization of directions or other communications by a Party shall be deemed delivered when mailed as provided in this Section or personally delivered to the other Party.
b. **Governmental Authority.** This Agreement is subject to the rules, regulations, orders, and other requirements, now or hereafter in effect, of all governmental authorities having jurisdiction over this Agreement, and/or the Parties, or either of them.

c. **No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, nor to impose any partnership obligations or liabilities of either Party. Furthermore, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other Party.

d. **Nonwaiver.** 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.

e. **Entire Agreement.** This Agreement embodies the entire agreement and understanding of the Parties hereto with respect to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. This Agreement may be amended only by a subsequent writing signed by both Parties and expressly stating the intention to amend this Agreement.

f. **No Specified Third-Party Beneficiaries.** Except as otherwise specifically provided in this Agreement, there are no third-party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any rights or interest on anyone other than the Parties, their respective successors, assigns, and legal representatives.

g. **Amendment.** No change, amendment, or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

h. **Implementation.** Each Party shall take such action (including, but not limited to, the execution, acknowledgement, and delivery of documents) as may reasonably be requested by the other Party for the implementation or continuing performance of this Agreement.

i. **Invalid Provision.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

j. **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 pre-empted by the laws of the United States of America.

k. **Venue.** The venue of any litigation arising out of this Agreement shall be in Whatcom County, State of Washington, or such other place as both Parties may agree to in writing.
I. Interpretation and Fair Construction of Contract. This Agreement has been reviewed and approved by each of the Parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement shall be in all cases construed as a whole according to its fair meaning and shall not be construed either for or against either Party as the drafter.

m. Recordation. Upon execution of this Agreement, this Agreement shall record this Agreement with the office of its County Auditor pursuant to the requirements of RCW 39.34; PROVIDED, that any delay in effecting compliance with this Section shall not affect the stated term, expiration or renewal dates hereof.

IN WITNESS WHEREOF, the Port and the PUD have executed this Agreement as of the day and year according to the signatures below.

EXECUTED THIS _____ day of __________________, 2021.

PORT OF BELLINGHAM:

PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY:

_________________________________  ______________________________________
Rob Fix                              Stephan Jilk
Executive Director                  General Manager
EXHIBIT A

TASK ORDER NO.___________

A. Scope of Services or Work (e.g., Public Works reimbursement (refer to bid); joint staff effort (attach detailed project scope), one party effort with reimbursement from other party (attach detailed project scope with cost allocation below)

B. Entity to perform and/or supervise work or services (3rd party, Port, PUD, or combination)

C. Cost Allocation between Port and PUD (if any)

D. Specific Tasks to Port and/or PUD staff, assigned staff, estimated hours (if any), hourly compensation (if any), total not to exceed cost (if any)

The following is a list of tasks (not inclusive) anticipated to be undertaken as part of the scope of services to be provided under this Task Order No.______.

E. Task Order Cost Estimate
F. Approval to Proceed (signed by both Parties following approval by each Commission)

EXECUTED THIS ____ day of ______________________, 2021.

PORT OF BELLINGHAM: ____________________________________________
Rob Fix
Executive Director

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY: ____________________________________________
Stephan Jilk
General Manager
Memo

To: Commissioners Deshmane, McClure, and Murphy
From: Stephan Jilk
Date: July 13, 2021
Re: Approve the Whatcom Assistance Program Small Grant Agreement with the Nooksack Indian Tribe

Requested Action – APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT AGREEMENT WITH THE NOOKSACK INDIAN TRIBE 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.

- **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 also 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).

Another round of Request for Applications went out on April 30, 2021 and six applications were received on May 28, 2021. Applications were reviewed and three applications were awarded funds, the Evergreen Land Trust Association, the Lummi Indian Nation, and Washington State University. Total amount awarded to the second round of applicants is $29,973.00. The Commission will be approving the new agreements in future Commission meetings.

District staff with assistance from District legal counsel, developed the Whatcom Assistance Program Small Grant Agreement. The NIT has reviewed the agreement and received approval from the Tribal Council on July 6, 2021. District staff recommends 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 Nooksack Indian Tribe. The funds will be disbursed quarterly based on approval by WDFW and the District of quarterly reports and invoices provided by the Nooksack Indian Tribe.

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

NOOKSACK INDIAN TRIBE–

SOUTH FORK NOOKSACK FISH CAMP INTEGRATED PROJECT- COMMUNITY OUTREACH & ENGAGEMENT

This Agreement, dated this __________________________ day of ____________, 2021, by and between the PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY, WASHINGTON ("Grantor") and NOOKSACK INDIAN TRIBE ("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 South Fork Fish Camp Integrated Project- Community Outreach and Engagement as 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 Schlotterack 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 Treva Coe 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 written modification executed by both 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 INDIAN TRIBE

By:__________________________________ Date________________________

Katherine Romero, General Manager
Memo

To: Commissioners Deshmane, Grant and Murphy
From: Alec Strand – Project Manager
Date: July 13, 2021
Re: Approve Amendment No. 4 to Work Order No. 4 for Engineering Services to be provided by Brown and Kysar, Inc.

Requested Action: APPROVE AMENDMENT NO. 4 TO WORK ORDER NO. 4 WITH BROWN AND KYSAR, INC. FOR ENGINEERING SERVICES AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE AMENDMENT NO. 4.

Background: Work Order No. 4 (WO4) between Whatcom PUD and BKI was executed on October 15, 2018. The services to be provided and which are currently in progress cover the permitting and design phases for a new substation to be constructed on PUD property at the Water Treatment Plant No.1 site in Ferndale. The new substation will replace the existing substation currently providing power to the treatment plant.

- Amendment No. 1 to WO4 (Approved by Commission March 2019)
  A revision of the scope of services for WO4, but required no revision to the original approved budget. In summary, the amendment involved a change in the bid process for the project, which would require the preparation of equipment specifications and associated bid documents for bidding major equipment for the substation, prior to bidding the substation construction portion of the project.

- Amendment No. 2 to WO4 (Approved by Commission June 2019)
  A revision of the scope of services for WO4 to include:
  1. Design documents for 2.4 kV distribution circuit connection to Water Treatment Plant No. 1;
  2. Design documents for fiber optic cable communications layout;
  3. Step Plan for transitioning from the existing to new substation serving Water Treatment Plant No. 1.

- Amendment No. 3 to WO4 (Authorized by General Manager June 2020)
  Regarding services related to permitting the placement of a temporary transformer to serve Plant No. 1. Siting the temporary transformer in the existing substation required additional permitting requirements with the City of Ferndale since the substation lies within the shoreline jurisdiction.

Proposed Scope of Services: BKI in consultation and coordination with Whatcom PUD developed a Statement of Work (SOW) and submitted it to Whatcom PUD on June 30, 2021. The scope of services are for project management support during construction of the Pump No.1 Substation project. The scope of services and
budget for Amendment No. 4 are based on BKI’s SOW, Project No. WT21-004. The additional services are required to assist Whatcom PUD in managing the project, given the PUD’s current staffing limitations.

The full scope of services agreed to by Whatcom PUD and BKI in the executed Work Order No. 4 and Amendment Nos. 1, 2 and 3 will remain the same. Amendment No. 4 will expand the scope of services to include the task elements identified in BKI’s June 30 2021 SOW.

**Budget for Amendment No. 4:** The total cost not to exceed for the additional scope of services to be provided by BKI under Amendment No. 4 to Work Order No. 4 is **ONE HUNDRED FORTY ONE THOUSAND TWO HUNDRED TWENTY DOLLARS ($141,220)**. The amount listed includes labor, materials, and expenses and applicable taxes. BKI shall not exceed this total cost, without prior approval of Whatcom PUD’s Project Manager. Whatcom PUD will be invoiced by BKI for actual hours worked and expenses incurred up to the budget maximum.

With approval of Amendment No. 4 to Work Order No. 4, the overall budget will increase to **$959,780**.

**Fiscal Impact:** Approval of Amendment No. 4 to Work Order No.4 with BKI has no financial impact and is funded in the District’s approved 2021 budget.

**Recommended Action:** APPROVE AMENDMENT NO. 4 TO WORK ORDER NO. 4 WITH BROWN AND KYSAR, INC. FOR ENGINEERING SERVICES AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE AMENDMENT NO. 4.
EXHIBIT A

AMENDMENT NO. 4

WORK ORDER NO. 4
(Ferndale Pump Substation Design)

Services for:
PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

Performed by:
BROWN & KYSAR, INC.

This Amendment 4 to Work Order No. 4 is issued pursuant to the Standard Agreement for Professional Engineering Services (“Agreement”) dated March 30, 2018, between Public Utility District No.1 of Whatcom County (“Whatcom PUD” or “WPUD”) and Brown & Kysar, Inc. (“BKI”) and which is hereby incorporated into the Agreement by this reference.

BACKGROUND

Work Order No. 4 (WO4) between Whatcom PUD and BKI was executed on October 15, 2018. The scope of services under the work order was developed and agreed to by Whatcom PUD and BKI. The services to be provided and which are currently in progress cover the permitting and design phases for a new substation to be constructed on PUD property at the Water Treatment Plant No.1 site in Ferndale. The new substation will replace the existing substation currently providing power to the treatment plant.

Amendment No.1 to WO4 was subsequently approved by the Commission. Amendment No.1 involved a revision of the scope of services for WO4, but required no revision to the original approved budget. In summary, the amendment involved a change in the bid process for the project, which would require the preparation of equipment specifications and associated bid documents for bidding major equipment for the substation, prior to bidding the substation construction portion of the project.

Amendment No. 2 to WO4 was also subsequently approved by the Commission. Amendment No. 2 involved a revision of the scope of services for WO4 to include;
1. Design documents for 2.4 kV distribution circuit connection to Water Treatment Plant No.1.
2. Design documents for fiber optic cable communications layout.
3. Step Plan for transitioning from the existing to new substation serving Water Treatment Plant No.1.

Amendment No. 3 to WO4 was also subsequently approved by the Commission. Amendment No. 3 involved services related to permitting the placement of a temporary transformer to serve Plant No. 1. Siting the temporary transformer in the existing substation required additional permitting requirements with The City of Ferndale since the substation lies within the shoreline jurisdiction.
AMENDMENT NO. 4 TO SCOPE OF SERVICES

BKI in consultation and coordination with Whatcom PUD developed a Statement of Work (SOW) and submitted it to Whatcom PUD on June 30, 2021. The scope of services are for project management support during construction of the Pump No.1 Substation project. The scope of services and budget for Amendment 4 are based on BKI’s SOW, Project No. WT21-004.

The full scope of services agreed to by Whatcom PUD and BKI in the executed Work Order No.4 and Amendment Nos.1, 2 and 3 will remain the same. Amendment No.4 will expand the scope of services to include the task elements identified in BKI’s June 30 2021 SOW.

DELIVERABLES

Deliverables to be provided by BKI to Whatcom PUD, as part of the Scope of Services under Amendment No.4 are in addition to those deliverables identified in the original Work Order No.4 and Amendments Nos.1, 2 and 3 and include:
- Review of contractor submittals, RFI’s Change Order Requests
- Commissioning report review
- On-site commissioning (Three multiday site visits)
- As-Built Drawings

BUDGET FOR AMENDMENT NO. 4

The total cost not to exceed for the additional scope of services to be provided by BKI under Amendment No.4 to Work Order No. 4 is ONE HUNDRED FORTY ONE THOUSAND TWO HUNDRED TWENTY DOLLARS ($141,220). The amount listed includes labor, materials, and expenses and applicable taxes. BKI shall not exceed this total cost, without prior approval of Whatcom PUD’s Project Manager. Whatcom PUD will be invoiced by BKI for actual hours worked and expenses incurred up to the budget maximum.

With approval of Amendment No.4 to Work Order No.4, the overall budget will increase to $959,780.

SCHEDULE

The Scope of Services to be performed under this Amendment No.4 to Work Order No. 4 will be initiated only with approval by Whatcom PUD’s Project Manager to proceed. Such approval may be in the form of an email, fax, or letter. The scope of services are to be performed and completed within six consecutive calendar months of notice to proceed.
AUTHORIZING SIGNATURES

This Amendment No.4 to Work Order No. 4 is effective as of the date signed by Whatcom PUD’s General Manager.

PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY

By: ___________________________  By: ___________________________
Name: Stephan Jilk                 Name: ___________________________
Title: General Manager            Title: ___________________________
Date: __________________________  Date: __________________________
Memo

To: Commissioners Deshmane, Grant and Murphy
From: Traci Irvine, Accountant I
Date: July 13, 2021
Re: Approve Resolution No. 794 – Authorizing the Cancellation of Warrant

Requested Action – APPROVE RESOLUTION NO. 794 AUTHORIZING CANCELLATION OF WARRANT NEVER RECEIVED.

Background: The District issued a request for a Warrant on the basis of an invoice received from Digital Boundary Group and now needs to be cancelled. Following the Commission’s authorization of the issuance of the Warrant No. 1125786, dated May 5, 2021, Digital informed us on July 1, 2021, that they has not received the warrant, the check is still outstanding and the mailing address has been verified.

As such, the District notified the County that the Warrant was never received or lost in the U.S. Mail and has asked the County to cancel and disregard the Warrant. The District has requested that the County cancel Warrant No. 1125786 in the amount of $15,077.14. A new warrant will be issued on the next Claims Request.

Fiscal Impact – No Fiscal Impact.

Recommended Action – APPROVE RESOLUTION NO. 794 AUTHORIZING CANCELLATION OF WARRANT NEVER RECEIVED.
RESOLUTION NO. 794

RESOLUTION BY THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY (DISTRICT)
AUTHORIZING THE CANCELLATION
OF WARRANT NO. 1125786

WHEREAS, the warrant referenced in Exhibit A (the “Warrant”) was issued on the basis of an invoice (the “Invoice”) received from Digital Boundary Group (“Digital”);

WHEREAS, following the Commission’s authorization of the issuance of the Warrant, the County’s Administrative Services Department (“County”) printed Warrant No. 1125786 on May 5, 2021. As of July 1, 2021, Digital has not received the warrant, the check is still outstanding and the mailing address has been verified. As such, the District notified the County that the Warrant was never received or lost in the U.S. Mail and has asked the County to cancel and disregard the Warrant. A new warrant will be issued on the next Claims Request.

WHEREAS, the County has provided the Warrant that was issued on May 5, 2021, and the Warrant having not been tendered to Digital, the District does now wish to cancel the Warrant, as provided by law; and

NOW THEREFORE BE IT RESOLVED that the District hereby cancels the warrant listed in Exhibit A.

ADOPTED by the Commission of Public Utility District No.1 of Whatcom County at its regular meeting held on the 13th day of July 2021.

PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY

Atul Deshmane, President/Commissioner

Christine Grant, Secretary/Commissioner

Mike Murphy, Commissioner

Resolution No. 794: Exhibit A
Cancellation of Warrant

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<th>Warrant No.</th>
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<th>Amount</th>
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<td>5/4/2021</td>
<td>Digital Boundary Group</td>
<td>($15,077.14)</td>
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