

**MINUTES OF THE REGULAR
MEETING OF THE COMMISSION**

July 27, 2021

1. Call to Order | Pledge of Allegiance

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 8:01 a.m. by Commissioner Atul Deshmane. Said meeting was open to the public and notice thereof had been given as required by law. Those present via Zoom teleconference included Commissioner Mike Murphy, Commissioner Christine Grant, Commissioner Atul Deshmane, and Legal Counsel Jon Sitkin and Peter Ruffato. Staff attending via Zoom 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; Alec Strand, Project Manager; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Traci Irvine Accountant I; and Jon Littlefield, Electric System Supervisor.

Public attending via teleconference/Zoom:

Jim Darling, Leeward Strategies	Rick Maricle, Citizen
Bill McDonald, Prothman Associates	Max Perry, Citizen
Dave Olson, Water Systems, Inc.	Jack Wellman, Puget Sound Energy
Lauren Turner, Phillips 66	Carryn Vande Griend, Puget Sound Energy

2. Approval of Agenda

There are several proposed changes to the Agenda:
Old Business: New Items – 5e, 5f, 5g and Broadband Update;
New Business: Revisions to 6e and 6g, New Item is 6f.

ACTION: Commissioner Grant motioned APPROVE THE AGENDA AS AMENDED. Commissioner Deshmane second the motion. Motion passed Commissioner Grant and Commissioner Deshmane voting aye.

3. Approval of Consent Agenda

No changes.

ACTION: Commissioner Murphy MOTIONED TO APPROVE THE CONSENT AGENDA: APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF JUNE 30, 2021; THE MINUTES OF THE SPECIAL MEETING MINUTES OF JULY 6, 2021; THE MINUTES OF THE REGULAR MEETING OF JULY 13, 2021; THE MINUTES OF THE SPECIAL MEETING OF JULY 20, 2021; AND THE CLAIMS OF JULY 27, 2021. Commissioner Grant second the motion. Motion passed unanimously.

Claims of July 27, 2021:

<u>VENDOR NAME</u>	<u>AMOUNT</u>
APPLIED DIGITAL IMAGING	325.05
BONNEVILLE POWER ADMINISTRATION	689,330.00
BRIM TRACTOR COMPANY	29.24
BROWN & KYSAR, INC.	17,544.75
CENTRAL WELDING SUPPLY	81.83
CHMELIK SITKIN & DAVIS	7,129.42
COMCAST	184.94
COMCAST - NWRC	20.00
CULLIGAN NORTHWEST	84.12
EDGE ANALYTICAL LABORATORIES	20.00
HARDWARE SALES, INC	77.56
HD FOWLER CO, INC	803.06
INDUSTRIAL SUPPLY, INC	2,763.76
INTERNAL REVENUE SERVICE	16,356.80
IVOXY CONSULTING LLC	6,553.31
JOHN DEERE FINANCIAL	226.33
KAMAN FLUID POWER LLC	187.88
NATIONAL SAFETY, INC.	105.07
NW WASHINGTON FAIR ASSOCIATION	50,000.00
PACIFIC SURVEY & ENGINEERING	5,927.50
PARAMOUNT SUPPLY COMPANY	822.93
PAYLOCITY	136.27
PAYROLL	177,278.94
PLATT ELECTRIC SUPPLY CO	674.02
PORTAL WAY FARM & GARDEN	16.30
PROBUILD - OSO LUMBER	24.74

PUBLIC UTILITY RISK MANAGEMENT SERVICES	3,060.99
PUD #1 OF WHATCOM COUNTY	219.62
PUGET SOUND ENERGY, INC	145.47
RH2 ENGINEERING, INC	13,492.11
STEEL RIVER PIPING & FABRICATION	5,875.20
WA FEDERAL VISA CARD MEMBER SERVICES	1,272.18
WA ST DEPT OF LABOR & INDUST	52.50
WA ST DEPT OF REVENUE	72,127.86
WESTERN CONFERENCE OF TEAMSTERS	8,593.00
WHISTLE WORKWEAR	479.31
ZEE MEDICAL SERVICE	145.39
GRAND TOTAL	\$1,082,167.45

4. Public Comment No. 1

No comments made.

5. Old Business

a) Strategic Planning Update on Initiatives

Jim Darling presented an updated list of the Initiatives 2021, noting that the second paragraph regarding the Commission’s stance on climate change information needs to be added:



Initiatives 2021

The development and adoption of a multi-year strategic plan affords the PUD an opportunity to reflect on its progress; assess changing conditions; and plot a new course forward. In December 2018, the PUD adopted its '2025 Strategic Plan'.

This strategic plan has guided the PUD forward, but conditions and circumstances change. The PUD must remain nimble in its pursuit of new initiatives, while at the same time remaining reliable for its customers that have long-term reliance on the delivery of its critical infrastructure services. This tension between flexibility and stability will require constant attention by the staff and Commission and therein lies the success of the PUD.

Recent and anticipated changes in leadership at the PUD have necessitated that the PUD reaffirm its prior commitments while exploring and embracing new initiatives in serving its community. What follows is 'Initiatives 2021' that captures the PUD's near and midterm priorities as it transitions through this change in leadership.

Xxxx climate change xxxx

Ongoing	FY 2022 and Beyond
<p>Broadband Vision</p> <p>Advance the community wide vision in making broadband available to underserved areas of Whatcom County.</p>	<p>Clean and Renewable Energy</p> <p>Develop a plan and policies in 2022 to define the PUD's role in advancing clean and renewable local energy.</p>
<p>Customer Service</p> <p>Continue the PUD's commitment to customer service in support of the industries that rely on PUD power and water.</p>	<p>Water Supply</p> <p>Explore a pilot project with Ecology funding and other partners, to demonstrate the feasibility of providing water supply to those in need.</p>
<p>Technical Support</p> <p>Re-affirm the PUD's commitment to provide technical support to water associations.</p>	<p>Green Industry—Cherry Point</p> <p>Explore an Interlocal agreement with the Port and County to analyze and advance "green" industry at Cherry Point.</p>
<p>Local Water Resources</p> <p>Continue the PUD's support and assistance in regional efforts to protect and manage local water resources.</p>	<p>Strategic Plan Update*</p> <p>Update the <i>Strategic Plan 2025</i> with the new General Manager.</p>
<p>PUD as a Resource</p> <p>Identify how the PUD can support education and understanding of utility issues.</p>	<p>PUD Community Impact Analysis*</p> <p>Update a community impact analysis to quantify and qualify the PUD's historic and ongoing impact on the Greater Whatcom</p>

* Strategic Support of Initiatives

Commissioners discussed some wordsmithing and to add the section on climate change to finalize the Initiatives 2021. Darling will have changes finalized by the August 10, 2021 meeting.

ACTION: No action taken. Information only.

c) Update on Tucci Energy Project (moved up)

Walters gave a brief update on the Ruby Flats Solar Project owned by Tucci Energy.

Project Overview:

Developer: Tucci Energy
Location: Tri-Cities on Energy Northwest Lease Land
Footprint: Approximately 300 acres
Capacity: 50 MWs ac/65 MWs dc (150,000 PV Panels)
Grid Connect: BPA Substation/BPA Transmission Grid
Plant On-Line: CY 2025

Phase I – Project Financial Analysis

- NRU staff with participating members have conducted cost/benefit analysis, both financial and risk assessment.
- Developer provided financial pro forma informed analysis.
- Key assumptions driving analysis:
 - Each participating member takes 10 MWs project capacity
 - PPA has 20 year term with fixed off take price + 1% annual escalator
 - CETA rules will be factored in for Washington members
 - Project capacity factor is 17.78 % (1.8 aMWs per 10 MWs capacity)

Phase I Preliminary Financial Results – Solar Energy \$/MWh (CY 2025)

Solar Energy Output Price	\$41.21 MWh
Solar Energy “Rolled in” Price	\$68.16 MWh
WPUD Solar Energy Delivered Price	\$83.63 MWh
WPUD BPA Tier 1 Delivered Price	\$55.97 MWh

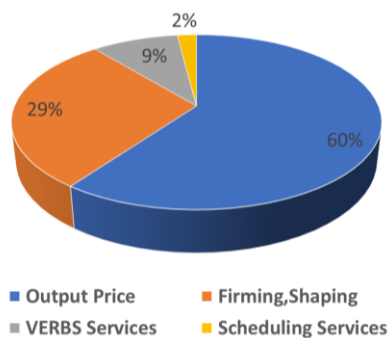
The District’s average delivered price today is about \$48 MWh. Tier 2 is a market product and the price fluctuates weekly.

“Rolled In” Price = Output + Grid Services
 “Rolled In” Solar Price CY 2025: \$68.16 MWh

Price Components:

Solar Energy Output	\$41.21
BPA Shaping/Firming Services	\$19.67
BPA VERBS Services:	\$ 6.12
<u>Generation Scheduling Services</u>	<u>\$ 1.16</u>

“Rolled In” Solar Energy Price Components:



Next Steps:

- Participating members tell NR to proceed with PPA negotiations with Tucci Energy.
- NRU staff initiates PPA negotiations.
- Tucci Energy offers PPA for signing Q4 2021 or Q1 2022

The Commission directed staff to continue as an interested party in the solar project.

ACTION: No action taken or requested of.

b) General Manager Appointment Process

Bill McDonald of Prothman, joined the meeting and the General Manager Profile items were discussed. Identifying stakeholders, initiatives, and determining the salary range/compensation package is part of the process and the initial schedule needs to be adjusted. Additional wordsmithing and graphic design will be incorporated into the job description/profile along with comprehensive information that Prothman plans to create for marketing. These items should be ready in time before the August 10 meeting.

Public Utility District #1 of Whatcom County (PUD), authorized by State statute (RCW 54) and created in 1937, serves greater Whatcom by ensuring water, electrical, and telecommunication infrastructure is available to serve a growing and robust regional economy.

Today, beyond its core mission of providing power and water to industries in the Cherry Point and Grandview industrial areas, the PUD maintains an active role in addressing water rights and resource allocation across the County; is advancing clean and renewable energy solutions; supports new green industry; and is partnering with the Port of Bellingham to extend broadband access to underserved areas.

The PUD has pursued these priorities with a talented and experienced professional staff led by a community invested and forward thinking elected Board of Commissioners. The PUD's long serving General Manager is preparing to retire and the PUD's Commission is overseeing the seamless transition to new staff leadership.

To facilitate that transition the Commission has recently reviewed and updated its strategic priorities. That process that has been invaluable in defining the experience, skills, and character the PUD is seeking in its future chief executive officer.

The following is the desired profile of the PUD's next, great leader:

Background, Experience and Character	Skills
<p>While the utility industry operates in a technical environment, the PUD is fortunate to have highly skilled professionals on its staff, experienced in its core services. Because of that strength, the PUD's next General Manager does not necessarily need to have significant utility industry experience but should have refined experience in managing in a complex environment as a trustee of public or private assets. The experience would be represented by 10 or more years in a senior position.</p>	<p>Like all public agencies, the PUD is seeking a highly skilled individual who can effectively navigate the challenges of market realities; varied community interest; regulatory constraints while balancing multiple priorities.</p>
<p>Strengths</p> <ul style="list-style-type: none"> ◆ A reasoned risk taker with a keen sense of entrepreneurship and vision. ◆ Has skills to understand, integrate with, and care for the community the PUD serves. ◆ Prioritizes relationship building with both public and private entities. ◆ Seeks solutions for complex challenges within a limited resource environment. ◆ Leads an organization in transition, evolving with change. ◆ Has a productive understanding of organizational development to advance the PUD's goals and priorities. 	<p>Critical Skill Set</p> <ul style="list-style-type: none"> ◆ Understands the role of management in working with an elected board in executing their consensus vision. ◆ Is able to make technical discernments on complex technologies, financial analysis, and risk assessments. ◆ Appreciates the value of good customer service and community responsiveness. ◆ Can lead, hire, develop, and retain a professional and technical staff—retaining the best of the best in key staff positions. ◆ Effectively communicates with all audiences and individuals in a host of settings. ◆ Has working knowledge of complex financial conditions with the vision to be creative in leveraging resources. <p>Education Experience</p> <p>The PUD is seeking the right candidate and will consider a combination of experience and education. At minimum, a four-year degree, in a technical, managerial, or administrative field and ten years of senior management experience.</p>

The PUD Commission reserves the right to amend these desired characteristics and skills of General Manager candidates.

ACTION: No action taken. Information only.

d) Approve Agreement with Northwest Washington Fair – Farming for Life Exhibit

This is a request to approve the agreement with the Northwest Washington Fair (NWWF) to provide funding in support of the NWWF *Farming for Life* exhibit. The NWWF requested the PUD provide financial support to the NWWF for the NWWF Farming for Life exhibit.

In 2020, the Commission approved the allocation for funding over a three-year period, 2021, 2022, and 2023, towards the exhibit. PUD staff developed an agreement with the NWWF to reflect the integration of water resources, uses and challenges into the exhibit.

ACTION: Commissioner Murphy MOTIONED TO APPROVE THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY AND NORTHWEST WASHINGTON FAIR AGREEMENT FOR THE FARMING FOR LIFE EXHIBIT AND AUTHROIZE THE GENERAL MANAGER TO SIGN. Commissioner Grant second the motion. Motion passed unanimously.

e) Approve Rescind of Purchase of Transformers: SPX Corporation for Refinery Substation

Background: On July 13, 2021 the District Commission approved the purchase of two power transformers for the Refinery substation to be supplied by SPX Corporation c/o Gore Electric (SPX). The supplier subsequently responded with a request to the District to add SPX's shipping date to the purchase order language. The shipping date would not meet the District's critical deadline for delivery of the transformers for the Refinery substation project.

As a result, staff recommended that the Commission reject its July 13, 2021, approval of the purchase of the transformers from SPX Corporation.

ACTION: Commissioner Murphy motioned to APPROVE RESCINDING THE COMMISSION'S PREVIOUS APPROVAL TO PURCHASE FROM THE SPX CORPORATION TWO POWER TRANSFORMERS FOR THE REFINERY SUBSTATION. Commissioner Grant second the motion. Motion passed unanimously.

f) Approve Purchase of Power Transformers from WEG Transformers for Refinery Substation

As noted above, the District has secured a different vendor to purchase the power transformers. Staff has determined that WEG Transformers can meet the District’s requirements with respect to price, equipment specifications, and delivery dates.

ACTION: Commissioner Grant motioned APPROVE PURCHASE OF TWO POWER TRANSFORMERS FOR THE REFINERY SUBSTATION FROM WEG TRANSFORMERS FOR A COST NOT TO EXCEED AMOUNT OF \$2,458,986 (W/O TAX) AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE PURCHASE PENDING FINAL STAFF, ENGINEERING AND LEGAL REVIEW. Commissioner Murphy second the motion. Motion passed unanimously.

g) Broadband Program Update

As of July 13, 2021, the Port and PUD have entered into in Interlocal Agreement for Broadband services. Deshmane provided an update from the Port of Bellingham on their work regarding the rural broadband project, as it pertains to planning, deployment of infrastructure, funding, and policies that impact the work being done.

6. New Business

a) PUD Water System Plan Update

Dave Olson provided an update on the status and timeline of the District’s *potable water* supply plan. This plan represents the potable/drinking water system for the Grandview/I-5/Northgate Business Center area, which is approved by the State Department of Health and Whatcom County.

<u>Date</u>	<u>Topic</u>
July 27	Commission Meeting Announce Water System Plan Informational Meeting for August 10, 2021 Water System Plan will be available for public on (DATE) at (TIME)
August 10	Commission Meeting Public Water System Plan Informational Meeting Announce Water Use Efficiency (WUE) Goal Setting at Public Forum for WUE Information available for public on (DATE) at (TIME)
August 24	Commission Meeting Water Use Efficiency (WUE) Goal Setting Public Forum Adopt WUE Goals Adopt Service Area Boundaries Adopt other as needed
September 14	Commission Meeting Adopt Water System Plan Submit to Washington State Office of Drinking Water (ODW) Submit to Washington State Department of Ecology (DOE) Submit to Whatcom County Planning and Development (PDS)
4th Quarter 2021	Address Comments from ODW, DOE and PDS Adopt final Water System Plan Submit final Water System Plan to Whatcom County Council for Acceptance Inclusion in Whatcom County Coordinated Water System Plan

Sitkin suggested a fact sheet (FAQ) for the public and he will also check into whether or not a SEPA is required. The Commission agreed that announcement of the plan document to be available for viewing on the District’s website on August 3 at 5 p.m. The other meeting dates will be posted on respective agendas. A special meeting is not required.

ACTION: No action taken. Information only.

b) Approval of Whatcom Assistance Program: Small Grants Agreement with Lummi Indian Business Counsel

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).

This grant is to provide funding through the PUD for a WRIA 1 Coordinated and Integrated Outreach and Education Program. A portion of these funds can be used for “small grants”, up to \$10,000. Each granted to organizations to support the WRIA1 integrated resource plan.

These are the third, fourth and fifth small grants to be approved under this current program. This first agenda item is the third seeking Commission approval in this series.

ACTION: Commissioner Murphy motioned to APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT AGREEMENT WITH THE LUMMI INDIAN BUSINESS COUNCIL IN THE AMOUNT NOT TO EXCEED \$10,000.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Grant second the motion. Motion passed unanimously.

c) Approval of Whatcom Assistance Program: Small Grants Agreement with Evergreen Land Trust

This is the fourth small grant to be approved under this current program and includes the same tasks as agenda item 5b.

ACTION: Commissioner Grant motioned to APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT AGREEMENT WITH THE EVERGREEN LAND TRUST ASSOCIATION IN THE AMOUNT NOT TO EXCEED \$10,000.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

d) c) Approval of Whatcom Assistance Program: Small Grants Agreement with Washington State University (WSU)

This is the fifth small grant to be approved under this current program and includes the same tasks as the agenda items 5b and 5c.

ACTION: Commissioner Murphy motioned to APPROVE THE WHATCOM ASSISTANCE PROGRAM SMALL GRANT AGREEMENT WITH WASHINGTON STATE UNIVERSITY IN THE AMOUNT NOT TO EXCEED \$9,973.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Grant second the motion. Motion passed unanimously.

e) Award of Bid: Substation Equipment Metal Clad Switchgear

Background – The District owns and operates the Refinery Substation serving the Phillips 66 Refinery. Refinery staff expect the need for increased electrical load in the near future and in order to accommodate the increase in electrical load the substation serving the refinery will require improvements to increase the capacity to handle future electric demand.

On July 20, 2021, the District received and publicly read aloud two (2) bids submitted for this project. The Engineer’s Estimate for the project is \$1,345,500 (tax not included). The two Bids are listed below:

<u>Construction Bids</u>	<u>Bid no tax</u>
Myers	\$1,610,633.00
SPS	\$1,517,795.00

The Myers Bid does not meet the specifications due to Myers’s stated conditions regarding the Bid. The switchgear proposed did not meet design criteria, as it would not physically fit in the substation yard. Further, the Myers Bid price exceeds the Engineer’s estimate by more than 15%. Therefore, District staff has determined that the Bid from Myers is non-responsive.

The SPS Bid does not meet the specifications with regard to the District’s requirement for equipment delivery. SPS did not include delivery and off-loading of the equipment in its Bid proposal. Discussions with SPS failed to resolve this issue. Although the SPS Bid price is within the 15% over the Engineer’s estimate, District staff has determined the Bid from SPS to be non-responsive.

As such, District staff recommends that the Commission reject all Bids submitted for the metal clad switchgear for the Refinery substation project.

ACTION: Commissioner Murphy motioned to REJECT ALL BIDS FOR THE SUPPLY AND DELIVERY OF 115kV ELECTRIC SUBSTATION EQUIPMENT-METAL CLAD SWITCHGEAR. Commissioner Grant second the motion. Motion passed unanimously.

f) Approve Resolution No. 795: Waive of Competitive Bid Requirements – Purchase of Metal Clad Switchgear

Background – Based on previous District legal counsel’s opinion, when “Special Market” conditions exist, the District is able to waive competitive bid requirements and negotiate a purchase agreement with one or more of the suppliers of equipment to the District.

On June 8, 2021, Commissioners approved Resolution No. 793, which waived the competitive bid requirements for the supply and purchase of 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.

A similar situation exists with regard to the procurement of metal clad switchgear equipment for the Refinery substation project. As noted above, the District has rejected as a non-responsive bid and therefore the District has received no bid on which it can award a contract.

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

The approval of Resolution No.795 will enable staff to enter into direct negotiation with one or more suppliers of the required metal clad switchgear for the purpose of procuring such equipment in a timely manner so as to meet the critical deadline for having the Refinery substation project completed. It was noted in the first paragraph of the Resolution that the items listed are “power transformers” and not “metal clad switchgear”. The resolution will be amended.

ACTION: Commissioner Grant motioned to APPROVE RESOLUTION NO. 795 AS AMENDED, TO WAIVE COMPETITIVE BID REQUIREMENTS FOR THE PURCHASE OF METAL CLAD SWITCHGEAR FOR REFIENRY SUBSTATION. Commissioner Murphy second the motion. Motion passed unanimously.

g) Award of Bid: Substation Equipment – Capacitor Banks Equipment Purchase

Background – The District owns and operates the Refinery Substation serving the Phillips 66 Refinery. Refinery staff expect the need for increased electrical load in the near future and in order to accommodate the increase in electrical load the substation serving the refinery will require improvements to increase the capacity to handle future electric demand. Final substation site design is dependent on the major electrical equipment being selected in order to complete the final project specifications. Therefore, purchase of the equipment must precede completion of the final site design, as the specifications of the equipment selected will drive the design.

On July 20, 2021, the District received and publicly read aloud one (1) Bid submitted for this project. The Engineer’s Estimate for the project, is \$460,000.00 (tax not included). The Bid follows:

<u>Construction Bid</u>	<u>Bid Price (w/o tax)</u>
ANIXTER INC.	\$340,860.00

This equipment purchase is part of the Refinery substation project, which is included in the approved 2021 Budget, as capital project line item (CIP E-27). As the Bid price is under the District Engineer’s estimate, there is no fiscal impact.

ACTION: Commissioner Murphy motioned to AWARD BID TO ANIXTER FOR THE SUPPLY AND DELIVERY OF 115KV ELECTRIC SUBSTATION EQUIPMENT-13.8KV RACK TYPE 3-STEP CAPACITOR BANK IN AN AMOUNT NOT TO EXCEED \$340,860.00 AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE CONTRACT PENDING FINAL ENGINEERING AND LEGAL REVIEW. Commissioner Grant second the motion. Motion passed unanimously.

h) Award of Bid: Water Treatment Plant 2 East Pond Cleaning

The District has developed a Capital Improvement Project list for work to be completed in 2021. On this list is the cleaning and excavation of the District’s Plant No. 2 East Settling Pond (RW-M-2). Due to the significant amount of sediment the clarification process produces, we rotate through the settling ponds cleaning and excavating one (1) of the four (4) ponds on an annual basis.

On July 20, 2021, the District received and publicly read aloud two (2) bids submitted for this project. Engineers Estimate for project is \$165,000.00 not including tax. Totals do not include tax. The results are as follows:

<u>Contractor</u>	<u>Bid</u>	<u>Bid plus Tax</u>
Len Honcoop Gravel, Inc.	\$173,000.00	\$187,705
P & P Excavating LLC	\$97,165.00	\$105,424.02

Staff recommends awarding the Bid to P & P Excavating, which submitted the lowest priced responsive Bid. P & P Excavating’s bid price of \$97,165.00 is below the Engineer’s Estimate of \$165,000 (tax not included).

This Project is funded for 2021 as part of the approved Capital Improvement Projects (CIP-RW M2) Budget. There is no fiscal impact.

ACTION: Commissioner Grant motioned to AWARD BID TO P & P EXCAVATING LLC IN THE AMOUNT NOT TO EXCEED \$105,424.02 INCLUDING TAX FOR THE 2021 PLANT NO. 2 EAST SETTLING POND CLEANING PROJECT (CIP-RW M2) AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE CONTRACT. Commissioner Murphy second the motion. Motion passed unanimously.

i) Approval of Amendment to Resolution No. 768/Section 7: Commissioner Per Diem Compensation Policy

Background: In Section 7 of the Policy, concerning payment of per diem, the common, external groups (WPUDA, Energy NW, etc.) are on a pre-approved list of eligible per diem meetings. There are procedures for other meetings to be approved. In this context, and pursuant to RCW 54.12.080, it is the Commission which determines what meetings are "for the benefit of the District" and thus what meetings/activities are for the performance of the Commission duties or are for the benefit of the District.

The goal of the revisions to the Policy is to allow the Commission to approve those meetings/activities that are eligible for per diem in advance and prior to such meetings/activities occurring. There are two options offered for Commission consideration.

Option A: Limit per diem to only those meetings established in the Policy. The Commission may review this policy at any time. OR,

Option B: Broaden the scope of meetings/activities for per diem compensation. The Commission may have a broader list than those attached in the Draft Policy. However, this will require regular Commission review on the Commission agenda.

After considerate discussion, Commissioner Murphy asked that the item be tabled for discussion at the next Commission meeting.

ACTION: Commissioner Grant motioned TO TABLE AGENDA ITEM 6I – APPROVAL OF AMENDMENT TO RESOLUTION NO. 768 SECTION 7, UNTIL THE AUGUST 10, 2021 MEETING. Commissioner Murphy second the motion. Motion passed unanimously.

7. General Manager's Report

A memo received from the Whatcom County Auditor's Office regarding the recently passed SB5013, sets new deadlines for the local redistricting process. Each jurisdiction is responsible for their own redistricting process. The PUD last completed the redistricting process in 2017 and will have to complete the update by the end of 2021 as now required. The Port also has the same requirements. Port staff can complete the redistricting project and has offered to share the data at no cost so the PUD can accomplish their work.

Commissioner Reports

Grant: Attended WPUDA meetings last week and the Broadband Steering Committee is meeting every two weeks.

Murphy: Attended WPUDA meetings and had good discussions with Port Commissioner Ken Bell and County Executive Satpal Sidhu.

Deshmane: Met with Whatcom Council of Governments and Rob Fix, Executive Director of the Port of Bellingham.

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 12:32 p.m.

Atul Deshmane, President

Michael Murphy, Vice President

Christine Grant, Secretary

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

APPROVED: AUGUST 10, 2021