

PUD #1 OF WHATCOM COUNTY	4,565.58
PUGET SOUND ENERGY, INC	6,821.37
REGENCE BLUE SHIELD	45,049.07
REISNER DISTRIBUTION, INC	1,159.85
RH2 ENGINEERING, INC	2,533.53
RICOH USA	204.21
SPECIAL-T STRIPING & SIGN COMPANY	56.47
SSC - SANITARY SERVICE COMPANY	534.99
TEAMSTER LOCAL #231	537.00
TENABLE, INC.	12,418.40
TRUE GREEN LAWN SERVICE	5,978.50
UNITED WAY OF WHATCOM COUNTY	495.00
UTILITIES UNDERGROUND LOCATION	30.96
VERIZON WIRELESS	2,053.01
WASHINGTON DENTAL SERVICE	2,779.10
WASHINGTON TEAMSTERS WELFARE	12,029.15
WEG TRANSFORMERS USA, LLC	509,010.10
WILSON ENGINEERING, LLC	3,706.50
GRAND TOTAL	\$ 2,400,916.53

4. Public Comment No. 1

No comments made.

5. Old Business

5a) General Manager Appointment Process Update

Sitkin reported that the process is ongoing and to date eleven candidates have submitted applications. Sitkin is coordinating with Prothman to develop strategies for conducting interviews and will request that Prothman attend the September 28 Commission meeting to discuss the strategies. Sitkin will coordinate with Prothman to provide the Commissioners with a complete list of candidates after the September 27 application due date.

5b) Broadband Program Update

Commissioner Deshmane reported on the City of Bellingham’s Broadband Advisory Committee meeting. The main focus of the meeting was a presentation and discussion with Magellan Advisors, consultants chosen by city staff to support the Committee. Commissioner Murphy asked how the City’s Committee would fit with the Port of Bellingham and the PUD.

Commissioner Grant stated that having Chris Walker of NoaNet on the team is extremely helpful. CERB (Community Economic Revitalization Board) has committed two million dollars to the Port and the EDI fund has also committed approximately two million dollars. First potential project could be the Mosquito Lake Road area in partnership with PogoZone. Mission and goals of the Port/PUD partnership will be posted on the websites. Grant stated highlight of the mission and goals are focusing on fiber infrastructure. Agenda item for the last Port/PUD meeting included a public ISP feasibility study. City Council Member Michael Lilliquist is interested in have the City coordinate with the Port and PUD on Broadband issues.

Commissioner Murphy stated that the Ferndale to Sumas areas are also in need of Broadband. Grant stated that there are RDOF zones (Rural Digital Opportunity Fund), a federal program that provides private companies with federal funds to improve broadband service. RDOF bidders must be designated as eligible telecommunication carriers. The Port/PUD will focus on areas that can use the CERB funding, and who have the most need.

6. New Business

6a) Adopt Resolution No. 799 – Comprehensive Water Service Plan Update 2021

The District owns and operates both potable and non-potable water systems. The District’s potable water systems are the focus of the Drinking Water System Plan 2021 Update which includes Group A Grandview-Northgate Industrial Park and Group B Praxair Water System. It is a requirement of the Washington State Department of Health (DOH) for the District to establish a comprehensive drinking water system plan satisfactory to the DOH and consistent with the regulations provided in Chapter 246-290-100 WAC.

The Comprehensive Drinking Water System Plan Update 2021 provides guidance for planning and managing the District’s drinking water system and capital facilities as noted above, and it is the responsibility of the District to provide water that meets Washington State drinking water quality standards, to the customer at the meter. Per the State Environmental Policy Act (SEPA), the District has prepared a SEPA checklist and Determination of Non Significance (DNS) for the Drinking Water System

Plan 2021 Update, which was submitted to the State Department of Ecology and other agencies as required. No comments were received by the District on the DNS or SEPA checklist.

Staff recommends approval of Resolution No. 799, which will adopt the Drinking Water System Plan 2021 Update, and upon approval, be submitted to the Washington State Office of Drinking Water, State Department of Health, and Whatcom County Planning and Development Services for comments. Later this fall, all comments received will be addressed, then presented for final adoption by the Commission. Lastly, submittal of the plan to the Whatcom County Council for acceptance and inclusion in the *Whatcom County Coordinated Water System Plan* is anticipated.

Jilk acknowledged Dave Olson, Curt Schoenfelder, and PUD staff for their work on the water system plan update. Olson stated that the PUD can assist current and future customers with projects once the plan has received final approval by state agencies and Whatcom County. Olson stated that there was no public comment on the plan.

Jilk stated that there was only one comment made on the SEPA Checklist and that was by the Lummi Nation and their comment was they chose not to make any comments.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 799 ADOPTING THE DISTRICT'S COMPREHENSIVE DRINKING WATER SYSTEM PLAN UPDATE. Commissioner Grant second the motion. Motion passed unanimously.

6b) Approve Resolution No. 800 – Cross Connection Control Policy

Resolution No. 800 formally adopts the Cross Connection Control Policy and is required for the update to the District's *Drinking Water* Water System Plan:

All public water systems are required to develop and implement cross-connection control (CCC) programs. The CCC requirements are contained in Washington Administrative Code (WAC) 246-290-490 of the Group A Drinking Water Regulations. The minimum required elements of a CCC program are:

1. Establishment of legal authority and program policies;
2. Evaluation of premises for cross-connection hazards;
3. Elimination and/or control of cross connections;
4. Provision of qualified personnel;
5. Inspection and testing of backflow preventers;
6. Quality control of testing process;
7. Response to backflow incidents;
8. Public education for consumers;
9. Record keeping for CCC program; and
10. Special requirements for reclaimed water use.

Other CCC program requirements include:

1. Coordination with the Local Administrative Authority (LAA), i.e., the local building or plumbing official regarding CCC activities;
2. Prohibition of the return of used water into the public water system (PWS) distribution system; and
3. Inclusion of a written CCC program in a Water System Plan (WSP) or a Small Water System Management Program (SWSMP).

The District, under the direction of the DOH certified Cross-Control Specialist, has prepared a written cross-connection control program plan to implement the requirements of this resolution. The written program shall be consistent with this resolution and shall comply with the requirements of Chapter 246-290 WAC (Group A Drinking Water Regulations).

Approval of Resolution No. 800 has no fiscal impact to the District.

ACTION: Commissioner Grant motioned to APPROVE RESOLUTION NO. 800 ADOPTING CROSS CONNECTION CONTROL POLICY FOR THE DISTRICT'S DRINKING WATER COMPREHENSIVE WATER SYSTEM PLAN. Commissioner Murphy second the motion. Motion passed unanimously.

6c) Award of Bid: Waterline Crossing Under Grandview Road

The District utilized the Local Utility District (LUD) process to expand the Grandview Water System in 2004. During the process, potable water and fire water lines were extended to the I-5 industrial park and other nearby locations. As a part of the expansion, LUD participants had the water lines brought to their property. In 2019, it was discovered that one property owner did not have the water lines extended to his property. The owner requested that waterlines be extended to that property, since he had paid in full all of his LUD assessment.

This project is for the purpose of extending potable and fire water lines under Grandview Road to the owner's property and will include the installation of valves, meter box & hydrant on his property. This has required obtaining an easement from the property owner, which has been secured. As is current District procedure, spare conduits will be installed along with the water lines.

On September 7, 2021, the District received and publicly read aloud two (2) bids submitted for this project. The Engineer's Estimate for the project at the time of the bid, was \$153,130.00, not including tax. The two bids are listed below:

<u>Construction Bids</u>	<u>Bid Total w/o tax</u>
Tiger Construction	\$204,645.00
Iverson Earth Works LLC	\$224,500.00

Both bids are responsive in all respects, except for the bid amounts. Both are greater than 15% in excess of the Engineer's Estimate. After conferring with the District's Engineer and Legal Counsel, staff believe it is reasonable to proceed without re-bidding the project. For the record, the District's Engineer has submitted a letter outlining the difficulty of estimating project costs in advance due to continually changing materials costs and availability and also labor costs. In the Engineer's opinion, the bids received were reasonable, given today's market conditions.

With the above as context, District staff is recommending that the Commission award the Bid to Tiger Construction, which is the lowest priced bid submitted at \$204,645.00.

Fiscal Impact – The capital project, as bid, is not identified as a separate CIP in the 2021 Budget. However, given available remaining capital budget and the utilization of other discretionary funds, this project will have no negative fiscal impact.

ACTION: Commissioner Murphy motioned to AWARD BID TO TIGER CONSTRUCTION FOR THE GRANDVIEW ROAD WATER CROSSING AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE CONTRACT Commissioner Grant second the motion. Motion passed unanimously.

6d) Approve Professional Services Agreement with RH2 – Regional Water Supply Plan Phase 2

In early 2019, the District, with the support of Watershed Management Board (WMB) members, submitted a Near Term Action (NTA) to develop a WRIA 1 Regional Water Supply Plan (RWSP) to the Puget Sound Partnership (PSP) for grant funding up to \$100,000. The NTA was approved by PSP Habitat Strategic Initiative Leads for funding. The Washington Department of Fish and Wildlife (WDFW) manages the grants for the PSP Habitat Initiative. In January of 2020 the Commission approved the grant with WDFW for the \$100,000. In April of 2020, an additional \$100,000 was granted by PSP Habitat Strategic Initiative Leads.

The NTA was originally based on a "Phase 1" scope of work for Strategy 3 of the WRIA 1 Watershed Management Board's 5-Year Work Plan. "Phase 1" was intended to scale the task from a WRIA 1 – wide effort to pilot areas. The additional \$100,000 added in April 2020 provided for a "Phase 2" scope of work that will allow for the WRIA 1 wide planning effort.

Because the District is the lead on the NTA, it manages the agreement(s) with any subcontractors. In May 2020 Aspect Consulting was hired to perform the work on Phase 1 of the Regional Water Supply. Phase 1 was completed in April of 2021 and WDFW approved Phase 1 work and deliverables on behalf of the PSP Habitat Initiative. The Regional Water Supply Work Group (RWSP Work Group) selected RH2 to perform the Phase 2 work based on their knowledge of water supply issues in the Nooksack Basin.

No fiscal impact to the District. The District will pass funds from the WDFW grant to sub-contractors who will perform the work.

ACTION: Commissioner Grant motioned APPROVE PROFESSIONAL SERVICES AGREEMENT WITH RH2 ENGINEERING, INC, TO SUPPORT DEVELOPMENT OF PHASE 2 OF THE WRIA 1 REGIONAL WATER SUPPLY AND MANAGEMENT PLAN AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

6e) Approve Work Order No. 17 with RH2 – Regional Water Supply Plan Phase 2

As discussed in 6d, the NTA was originally based on a "Phase 1" scope of work for Strategy 3 of the WRIA 1 Watershed Management Board's 5-Year Work Plan. "Phase 1" was intended to scale the task from a WRIA 1 – wide effort to pilot areas. The additional \$100,000 added in April 2020 provided for a "Phase 2" scope of work that will allow for the WRIA 1 wide planning effort.

In May 2020 Aspect Consulting was hired to perform the work on Phase 1 of the Regional Water Supply. Phase 1 was completed in April of 2021 and WDFW approved Phase 1 work and deliverables on behalf of the PSP Habitat Initiative. The Regional Water Supply Work Group (RWSP Work Group) selected RH2 to perform the Phase 2 work based on their knowledge of water supply issues in the Nooksack Basin.

District Staff and RH2 developed the detailed Work Order which will be in a not to exceed amount of \$93,850.00. The work performed by the consultant under the Work Order in Phase 2 will result in a the WRIA 1 Regional Water Supply Plan

The Regional Water Supply Plan Work Group (RWSP Work Group) chose to do Phase 2 work based on a choice of eighteen surface water delineation sub-basins. The RWSP Work Group knows that the grant funding will not support reviewing eighteen sub-basins and chose to prioritize six sub-basins: The six sub-basins are: Lower Mainstem Nooksack, Lynden North, Middle Fork Nooksack, North Fork Nooksack, Ten Mile Creek, and Upper Mainstem Nooksack.

No fiscal impact to the District. The District will pass funds from the WDFW grant to sub-contractor who will perform the work.

ACTION: Commissioner Grant motioned APPROVE WORK ORDER NO. 17 WITH RH2 ENGINEERING INC. TO SUPPORT DEVELOPMENT OF PHASE 2 OF THE WRIA 1 REGIONAL WATER SUPPLY AND MANAGEMENT PLAN NOT TO EXCEED \$93,850.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

6f) Approve Resolution No. 796 – Special Market Conditions (Purchasing Used Equipment)

From time to time, the District has had the opportunity to purchase used materials, equipment, or supplies that were sufficient for the District's needs and within the District's approved budget. However, on the secondary market, these items tend to sell quickly and these items are difficult, if not impossible, to secure utilizing the District's standard competitive bidding procurement methods set forth in the District's Purchasing Policy.

If the resolution is approved, competitive bidding requirements will be waived for the purchase from the secondary market for used materials, equipment, or supplies. The purchase is conditioned upon it cannot exceed two hundred thousand dollars (\$200,000.00). The resolution also affords the District's General Manager with the authority to execute such purchase, as long as it is in the District's approved budget.

Resolution No. 796 also requires the General Manager to inform the Commission of such purchases on a regular basis. District staff recommends approval of Resolution No. 796.

Commissioner Murphy is not in favor of the resolution because it states it allows \$200,000 purchase as long as the District budget can support the cost without Commission oversight. Commissioners could be asked individually via a phone solicitation if they approve or Murphy could accept adding a used equipment budget item to the annual budget. Sitkin stated that a phone solicitation does not meet the open public meeting act.

Commissioner Deshmane stated that is a new process and the Commission may want to get more background on the process. Jilk stated that staff can clarify details on this resolution. Commissioner Grant is willing to support resolution but is also willing to table the item.

ACTION: Commissioner Deshmane motioned to table approval of the resolution until the Commission meeting on September 28, 2021. Commissioner Grant second the motion. Motion approved.

6g) Work Session: 2022 Budget

Jilk stated the schedule is to bring a draft 2022 budget to the Commission at the October 26, 2021 Commission meeting. Commission can provide input on their priorities as the budget is developed. Core areas are operations and capital budget, and initiatives approved by the Commission in the update to the Strategic Plan.

Commissioner Grant stated:

- A top priority is to apply for broadband funding through programs like CERB and at the same time provide funding to continue the PUD's work on Broadband such as paying NoaNet to continue to assist the PUD.
- Develop internships or scholarships to build utility industry expertise.
- Support the employee transition by building budget for training and team building.
- Update Strategic Plan with input from new general manager.
- Electric vehicle charging opportunity.
- Consider recruitment costs

Commissioner Deshmane stated:

- Address the challenge of filling employee positions by hiring contractors to provide the capability an employee could provide.

Commissioner Murphy stated:

- Concurs with Commissioners Grant and Deshmane.

Jilk stated it is a challenging time for staff to develop the budget based on the Strategic plan, and input from today. Balancing the budget for strategic plan initiatives, operations and capital budget and the upcoming adjudication requires knowing where the funding will come from.

ACTION: No action taken. Information only.

7. General Manager's Report

Discussion on California Creek moved to Agenda item 11.

8. Commissioner Reports

Deshmane: Report provided under Broadband Update.

Grant: Report provided under Broadband Update

Murphy: Has no Per Diem expense requests. Murphy will attend WPUDA meeting on September 16 and 17, 2021.

9. Public Comment No. 2

No comments made.

10. Executive Session

Executive Session requested pursuant to RCW 42.30.110(1) (i) to discuss potential litigation. The estimated time for Executive Session was one hour. The Commission President indicated that action could be taken on the California Creek Grant after the adjournment of the Executive Session.

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

Executive Session Adjourn

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

11. Action on California Creek Grant

Agreement was to reject the grant that was awarded by the Department of Ecology to the PUD. Ecology and the PUD were unable to come to an agreement addressing the unexpected risks that the PUD would incur while performing the grant work.

ACTION: Commissioner Murphy motioned to send a letter to the Department of Ecology rejecting the California Creek Grant. Commissioner Grant second the motion. Motion approved.

12. Adjourn

There being no further business for the meeting, Commissioner Deshmane adjourned the regular meeting at 12.34 p.m.

Atul Deshmane, President

Christine Grant, Secretary

Michael Murphy, Vice President

APPROVED: SEPTEMBER 28, 2021

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/>