

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

January 25, 2022

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 8:00 a.m. by Commissioner Christine Grant. 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 Zoom teleconference: Steve Jilk, General Manager; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Brian Walters, Assistant General Manager; Annette Smith, Director of Finance; Duane Holden, Director of Utility Operations; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Andrew Entrikin, Broadband Program Manager; Kurt Wank, Project Manager; and Traci Irvine, Accountant I.

Public attending via teleconference:

Dave Olson, CMI	Jack Wellman, Puget Sound Energy	County Exec. Sidhu
Tom Perry, Murraysmith	Jim Darling, Leeward Strategies	H. Bierlink, Ag Board
Jeff McClure, Citizen	Paul Kenner, Citizen	Pat Pollock, Citizen
Andy Dunn, RH2	Debbie Ahl, Mt. Baker Foundation	Scott Wallace, Citizen
Heather Ewing, Teamsters 231	Andronetta Douglass, Citizen	Lauren Turner, P66
Matt Wells, TMW	Becky Peterson, Geneva Consulting	

2. Approval of Agenda

Deshmane asked to table item 6b – Resolution 812 Public Discourse Policy until the next meeting. Sitkin noted he will not be in attendance on February 8, but available for Feb. 25. The Board President may request to re-present the resolution at any time.

ACTION: Commissioner Deshmane motioned to amend the agenda of January 25, 2022. Commissioner Murphy second the motion. Motion passed unanimously.

3. Consent Agenda

- a. Approval of Meeting Minutes of the Regular Meeting, January 11, 2022 as presented
- b. Approval of the Claims of January 25, 2022:

VENDOR NAME	AMOUNT
BELLINGHAM HERALD	1,094.25
BIRCH EQUIPMENT COMPANY	11,990.24
BONNEVILLE POWER ADMINISTRATION	698,074.00
BRIDGEVIEW AUTO PARTS	36.63
BROWN & KYSAR, INC.	81,471.75
CENTRAL WELDING SUPPLY	315.18
CESCO NEW CONCEPT CHEMICAL PRODUCTS	78.54
CHMELIK SITKIN & DAVIS	9,064.00
COMCAST	186.57
COMCAST - NWRC	300.00
CULLIGAN NORTHWEST	137.96
EDGE ANALYTICAL LABORATORIES	29.00
FASTENAL	174.85
FERNDALE ACE HARDWARE	152.21
GENEVA CONSULTING	1,062.75
HARDWARE SALES, INC	815.12
HD FOWLER CO, INC	86.17
INDUSTRIAL SUPPLY, INC	691.90
INTERNAL REVENUE SERVICE	19,094.98
IVERSON EARTHWORKS	461.55
KCDA PURCHASING COOPERATIVE	126.88
MURRAYSMITH	37,417.40

NOANET	615.00
NORTH COAST ELECTRIC COMPANY	3,084.80
NORTHWEST CASCADE, INC.	118.50
NW RIVERPARTNERS	6,660.00
PACIFIC UNDERWRITERS CORP INC	399.26
PARAMOUNT SUPPLY COMPANY	130.56
PAYLOCITY	171.91
PAYROLL	209,933.47
PLATT ELECTRIC SUPPLY CO	8,106.01
PORTAL WAY FARM & GARDEN	62.07
PUBLIC UTILITY RISK MANAGEMENT SERVICES	55,127.43
PUGET SOUND ENERGY, INC	3,275.30
RH2 ENGINEERING, INC	1,822.44
SMITH MECHANICAL	185.71
TUPPER MACK WELLS PLLC	4,875.00
TYLER TECHNOLOGIES-INCODE	13,435.05
VALVOLINE	184.92
WA FEDERAL VISA CARD MEMBER SERVICES	12,630.90
WA ST AUDITOR'S OFFICE	7,390.20
WA ST DEPT OF REVENUE	72,418.35
WESTERN CONFERENCE OF TEAMSTERS	8,687.00
WHATCOM CTY COUNCIL OF GOVERNMENTS	150.00
WHATCOM FARMERS CO-OP	441.31
WILSON ENGINEERING, LLC	2,989.50
GRAND TOTAL	\$1,275,756.62

ACTION: Commissioner Murphy motioned to APPROVE THE CONSENT AGENDA OF JANUARY 25, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

4. Approve Resolution No. 814 – Honoring Steve Jilk, General Manager

Grant announced that today is Jilk’s last meeting as General Manager, as he is retiring, but will stay on as an in-house consultant for a few more months. Jilk began at the PUD in March, 2006. Staff prepared a slideshow depicting his 16 years as General Manager and a special comment period to recognize Jilk’s service and dedication over the years at the PUD, and for Whatcom County was provided. Those who attended the meeting and added sentimental connotations were Executive Satpal Sidhu, former PUD Commissioners Jeff McClure and Paul Kenner, Tom Perry from Murraysmith, and Pat Pollock. Several work acquaintances also provided written words which Commission Clerk Grimm read aloud, from former County Executive and Lynden Mayor Jack Louws, the Ag Water Board of Whatcom County/Henry Bierlink, Jim Bucknell, and Jim Darling. Each Commissioner also reaffirmed their appreciation. Resolution 814 recognized Jilk for his dedication, commitment and service to the PUD and citizens of Whatcom County.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 814. Commissioner Deshmane second the motion. Motion passed unanimously.

5. Public Comment

None made.

6. Old Business

a. Broadband Program Update

Entrikin attended the WPUA Telecom Committee meeting, takeaways included Senate Bill 5715 modifying the definition of service and speed--both the Port and PUD support this bill; SB 5580/HB 1673 Public Works Board Broadband Grant Program – both the PUD and Port supported the bill originally, but after certain modifications, WPUA decided to oppose changes made.

The Port received state funding from Washington Broadband Office, he shared a map depicting Whatcom County where the CERB funding has supported the rural broadband efforts: (1) East county foothills off the Mt. Baker Highway; (2) northeast of Lynden and (3) north of Lynden. The recent funding from the Broadband Office will serve an area northwest of Ferndale near Lake Terrell. The number of homes now connected with fiber (infrastructure to the premise) is about 2,200 and total funding to date is near \$10 million. The Port’s buildout of the system will continue to grow.

A meeting with PSE to discuss physical locations of their power poles to attach the fiber to will be held tomorrow. Getting this information will potentially save a lot of time and effort.

b. Resolution No. 812 - Public Discourse Policy

ACTION: No action taken. Postponed until a future Commission meeting.

c. Drinking Water System Plan Update

Dave Olson updated Commissioners on the plan previously submitted to the Department of Ecology for comments. He hoped for approval from Ecology in time for today's meeting; however, anticipates it will be ready at the February 8 meeting. Olson added that the PUD's staff and ongoing culture of being willing to facilitate and the ability to step up and assist with various water system issues, connections and even training for water operators has been tremendous. Jilk complimented Olson's water work over the years – not just assisting with other water associations, customers, and the PUD, but also working with Wilson Engineering's assistance, on the system plan update.

ACTION: No action taken, information only.

d. Strategic Initiatives

Grant asked Jim Darling/Leeward Strategies to work with the District again and share ideas on strategic leadership transition and initiatives in 2022. The purpose is to provide additional clarity to the incoming General Manager on the PUD's priorities, support the development of a focused strategic budget for 2023, and to support the leadership transition to a new senior leadership. Tasks include (1) Refine the 2021 Strategic Initiatives; (2) Develop realistic performance metrics for each initiative; (3) Mid-year assessment of progress on initiatives; and (4) Update the Strategic Plan 2025.

ACTION: No action taken, information only.

7. New Business

a. Approve Resolution No. 813 - Cancellation of Warrant

Due to a change in the Refinery Substation Project, the warrant to pay for the purchase from WEG Transformers needs to be cancelled. Warrant No. 01133370 issued on September 21, 2021 in the amount of \$509,010.10, to WEG has not been tendered. The District has requested that the County cancel Warrant No. 01133370. Another warrant in the correct amount will be issued separately. There is no fiscal impact to the District.

ACTION: Commissioner Murphy motioned to APPROVE RESOLUTION NO. 813. Commissioner Deshmane second the motion. Motion passed unanimously.

b. Approve Collective Bargaining Agreement with Teamsters Local 231

The District has six water treatment operators and one chief water operator represented by the Teamsters Union. The District and the Union have an employment contract that terminated on December 31, 2021, and both have been in negotiations on terms of a new contract for the last couple of months. Agreement was reached on a draft contract and the bargaining unit recently voted to approve the agreement contingent on the District Commission approving it.

The new contract proposed is a three-year contract with adjustments in wages and benefits consistent with regional cost of living adjustments and comparative wage and benefit packages paid. The agreement calls for the following wage adjustments:

Contract Year	Base Salary Increase
2022	5.0%
2023	4.0% or 90% of the Seattle/Tacoma/Bellevue CPI-W for August of the preceding year; whichever is greater;
2024	4.0% or 90% of the Seattle/Tacoma/Bellevue CPI-W for August of the preceding year; whichever is greater;

The agreement also includes a one-time payment of 1% in 2022, a slight increase in the District's payment into the Teamsters retirement program of 50 cents, and a small adjustment in the District's clothing allowance contribution. Providing the District and the Union a three year agreement gives the District and the employees a long-term working agreement based on reasonable and fair compensation. Jilk expressed his appreciation to our employees in the Union for their willingness to bargain in good faith and in a realistic and fair-minded manner to get this agreement reached in a timely manner.

Fiscal Impact – The impact to the District is reflected in the recently approved 2022 budget.

ACTION: Commissioner Murphy motioned to APPROVE THE COLLECTIVE BARGAINING UNIT AGREEMENT BETWEEN PUD NO. 1 OF WHATCOM COUNTY AND TEAMSTERS UNION LOCAL 231 FOR PERIOD OF JANUARY 1, 2022 TO DECEMBER 31, 2024 AND AUTHORIZE THE GENERAL MANAGER TO SIGN. Commissioner Deshmane second the motion. Motion passed unanimously.

c. Legislation Discussion

Grant indicated that because it is a short session she wanted to check in on any priorities the Commission might have on any of the bills. Deshmane didn't have any to discuss as of yet. Murphy indicated things are moving quickly and appreciates the WPUDA legislative updates that are sent on a weekly basis. Jilk noted there are three bills (1) SHB1723 concerning closing the digital equity divide by increasing the accessibility and affordability of telecommunications services, devices and training; broadband infrastructure loans and grants made by the public works board; SB1623 regarding rolling blackouts (WPUDA is supporting); and (3) SB5746, also supported by WPUDA regarding drought resilience. Grant is not in agreement with WPUDA's "opposed" rating on two building electrification bills. She shared these concerns with WPUDA, the most notable concerns being that we cannot meet our carbon reduction targets without electrifying building stock and also that load-shaping electrification done in concert with demand response is good economics for electric utilities. She suggested sending a letter from the PUD Commission to WPUDA outlining these concerns/opportunities.

8. General Manager's Report

Flood Damage.

Jilk indicated work is moving along and almost complete to repair damages at Plants 1 and 2 from the floods. He anticipates a full report by the next Commission meeting.

Water Workshop

A Commission workshop on water is planned for March 22. Jilk is working with Heimgartner, Schlotterback and Becky Peterson on the agenda and presenters to firm things up. The timing is appropriate (adjudication, watershed management board projects, etc.) and the workshop may be accomplished at a regular Commission meeting.

Ag Water Board

Bierlink provided a template letter of support to the State Department of Ecology for a stream restoration grant application for the Ag Water Board. The grant would be used to convert groundwater to surface water to enhance stream water flow, based upon low flow timings. There are 15 locations identified. It is critical in some areas that have legal stream water rights and could augment the stream flow. Discussion ensued about other in-stream flow projects and Commissioners reinforced Jilk's support and signing the letter.

9. Commissioner Reports

Deshmane – Attended the WPUDA water committee and Board of Director's meetings. A presentation on legislative items related to water and plans for the next quarterly water committee meeting is in March. The BOD meeting was focused on a summary of the legislative meetings and he inquired about Energy Northwest's update to WPUDA on the research and development of advanced nuclear technologies; which is anticipated in February. Another item brought up was a policy position paper being prepared for legislators. One of the bullet points stated: "The Snake River dams are critical to the economic well-being of the State of Washington." Deshmane dissented and opposed the statement. He believes it is a superlative statement and could undermine WPUDA efforts to be effective. He is also planning a meeting with the County Executive to discuss water issues and particularly the roll that Cascadia Solutions is playing in the adjudication effort.

Murphy – Was unable to attend this week's WPUDA committee and Board of Director's meetings and thanked the other Commissioners for covering. He looks forward to working with Jilk in the future directly on water issues and what is going on in Whatcom County, also to meet with Bierlink and farmers to understand more of their needs and issues. He sees great things happening for the PUD where Jilk can move into a more focused position on water.

Grant – Attended the WPUDA committee meetings as well. She agreed with Deshmane, that Whatcom PUD has some different thoughts on WPUDA's energy policy papers, especially how they decide on whether to be for or oppose a topic. She indicated there is no transparency on the telecom grant applications appeals process and how those challenges are met. She attended another Port/PUD Broadband Steering Committee meeting regarding executing the grants received by the Port and the upcoming work to be accomplished.

Grant communicated with a reporter from the new Cascadia Daily who is interested in writing a story about the PUD's new General Manager and the transition, strategic initiatives and telecom. She thinks it's important to look for more ways to engage and educate the public about the work the PUD is doing.

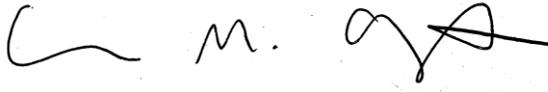
10. Public Comment

None made.

11. Adjourn

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

Public Utility District No. 1 of Whatcom County



Christine Grant, President/Commissioner



Mike Murphy, Secretary/Commissioner



Atul Deshmane, Vice President /Commissioner

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/2022-agendas-packets-meeting-minutes-recordings/>