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PUBLIC UTILITY DISTRICT No. 1
of Whatcom County

Agenda for the
Regular Meeting of July 26, 2022
8:00 a.m. at the PUD Office
(In-person, Zoom, & Teleconference)

1. Call to Order | Pledge of Allegiance (3 minutes)
2. Approval of Agenda (3 minutes)
3. Consent Agenda (5 minutes)
 - a) Approval of the Meeting Minutes of the Regular Meeting of July 12, 2022
 - b) Approval of Claims for July 26, 2022
4. Public Comment (10 minutes – Individual speakers: 3 min.)
5. Old Business
 - a) Approve Final Strategic Plan Update (20 min)
 - b) Broadband Program Update (10 minutes)
 - c) Approval of Addendum to Professional Services Agreement with Electric Reliability Services (10 min)
6. General Manager Report (10 minutes)
7. Commissioner Reports (15 minutes)
8. Public Comment (10 minutes– Individual speakers: 3 min.)
9. Adjourn (9:00 AM estimated)

Notice:

In-person attendance is now allowed at PUD Commission Meetings.

All Commissioners will participate either in-person, via Zoom or teleconference.

The public meeting can be accessed by internet: <https://us02web.zoom.us/j/81464322842>

Or by telephone: Dial 1 (253) 215 8782 or 1 (346) 248 7799

Webinar ID: 814 6432 2842

Next Commission Meetings

August 9 & August 23, 2022 | 8:00 a.m. | Regular Meetings – District Office

Access information will be announced - the public may join the meeting in-person, by phone or internet.

Contact: Ann Grimm, Commission Clerk at (360) 384-4288 x 27 • www.pudwhatcom.org

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AGENDA ITEM # 3a
July 26, 2022

MINUTES OF THE REGULAR MEETING OF THE COMMISSION

July 12, 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 8:01 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 platform included Commissioner Christine Grant, Commissioner Atul Deshmane and Commissioner Mike Murphy; Legal Counsel Jon Sitkin; Staff: Chris Heimgartner, General Manager; Brian Walters, Assistant General Manager; Steve Jilk, In-House Consultant; Ann Grimm, Executive; Assistant Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Traci Irvine, Accountant I; and Kurt Wank, Project Manager.

Public attending via Zoom platform:

Rick Maricle, Citizen

Dave Olson, Citizen

Jack Wellman, Puget Sound Energy

Lauren Turner, Phillips 66

2. Approve Final Update of Strategic Plan

(Recording Time on Video: 01:02:02)

The Commission reviewed the final update with Jim Darling (Leeward Strategies) and had several wordsmithing changes and edits. Darling will send the latest revisions prior to the next meeting on July 26.

ACTION: No action taken or request of.

3. Approval of Agenda

(Recording Time on Video: 01:22:02)

ACTION: Commissioner Deshmane made the motion to APPROVE THE AGENDA. Commissioner Murphy second the motion. Motion passed unanimously.

4. Approval of Consent Agenda

(Recording Time on Video 01:22:30)

- a. Approval of Meeting Minutes of the Regular Meeting, June 28, 2022; and
- b. Approval of the Meeting Minutes of the Special Meeting, July 5, 2022; and
- c. Approval of the Claims of July 12, 2022:

VENDOR NAME	AMOUNT
ALUMICHEM CANADA INC (formerly WATERHOUSE ENV.)	29,133.00
BELLINGHAM HERALD	195.00
BROWN & KYSAR, INC.	68,879.42
CELTIC CLEANER, INC.	1,175.00
CINTAS CORPORATION	615.45
CORNERSTONE MANAGEMENT, INC.	2,747.00
CULLIGAN NORTHWEST	161.07
EXACT SCIENTIFIC SERVICES INC.	25.00
FERNDALE ACE HARDWARE	32.62
FERNDALE CITY OF	248.09
GATEWAY CONTROLS	2,244.76
GENEVA CONSULTING	4,973.75
HACH COMPANY	294.14

DRAFT

HEALTH PROMOTIONS NORTHWEST	150.00
IVOXY CONSULTING LLC	3,292.09
K ENGINEERS, INC.	1,700.50
LEEWARD STRATEGIES	2,200.00
LISTEN AUDIOLOGY SERVICES, INC	610.00
NESS CRANE SERVICE, INC	1,827.95
NOANET	13,390.00
NORTHWEST CASCADE, INC.	118.50
NORTHWEST FIBER DBA ZIPLY FIBER	1,383.07
NORTHWEST MOWING & GARDENING	540.76
NP INFORMATION SYSTEMS (3-D CORP)	269.82
PITNEY BOWES RESERVE ACCOUNT	20.99
PLATT ELECTRIC SUPPLY CO	625.43
PUBLIC UTILITY RISK MANAGEMENT SERVICES	3,677.41
PUD #1 OF WHATCOM COUNTY	19.22
PUGET SOUND ENERGY, INC	6,923.60
RDS - RECYCLING & DISPOSAL SERVICE	15.99
REGENCE BLUE SHIELD	44,398.74
REISNER DISTRIBUTION, INC	1,223.78
RH2 ENGINEERING, INC	4,816.73
RICOH USA	189.44
SHRED-IT USA	54.16
SMITH MECHANICAL	1,293.10
SSC - SANITARY SERVICE COMPANY	557.32
TEAMSTER LOCAL #231	569.00
TUPPER MACK WELLS PLLC	8,151.00
UNITED WAY OF WHATCOM COUNTY	601.00
UTILITIES UNDERGROUND LOCATION	25.80
VERIZON WIRELESS	1,959.27
WASHINGTON DENTAL SERVICE	2,831.80
WASHINGTON TEAMSTERS WELFARE	12,775.00
WHATCOM JANITORIAL	1,325.00
GRAND TOTAL	\$228,260.77

ACTION: Commissioner Murphy made the motion to APPROVE THE CONSENT AGENDA OF JULY 12, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

5. Public Comment

None made.

(Recording Time on Video: 01:23:00)

6. Old Business

(Recording Time on Video: 01:23:30)

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a. Broadband Program Update

- The notices of funding/grant opportunities from the Washington State Broadband Office have been pushed out until late summer.
- Quarterly updates required for the CERB Grants have been completed.
- Team of PUD staff and Legal Counsel is researching the feasibility, financial risks, etc. of LUD model(s) presented from Kitsap PUD for broadband.

7. General Manager Report

(Recording Time on Video: 01:26:09)

No report. Heimgartner was absent the past two weeks and Walters filled in as Acting General Manager.

8. Commissioner Reports

(Recording Time on Video: 01:26:30)

Murphy:

- Plans to remotely attend the WPUDA Committee Meetings this week.

Deshmane:

- Plans to attend the WPUDA Committee Meetings in Wenatchee this week.

Grant:

- Toured Phillips 66;
- Entrikin and Grant met with Senator Lovelett on issues related to broadband;
- Plans to remotely attend the WPUDA Committee Meetings this week;
- Will attend the Whatcom Council of Governments meeting tomorrow; Councilmember Galloway is presenting information on the “Dig Once” policy proposal.
- Will not be at the next few meetings as she welcomes the new member of their family.

9. Public Comment

(Recording Time on Video: 01:38:04)

None made.

10. Executive Session

(Recording Time on Video: 01:38:20)

Commission President Grant requested an Executive Session pursuant to RCW 42.30.110(i) – Potential Litigation, on a separate Zoom webinar. Estimated time for Executive Session was 60 minutes.

- The Commission President indicated no action is anticipated to be taken after the adjournment of Executive Session.
- Followed by a short recess, the Commission adjourned to Executive Session at 9:45 a.m.
- At 10:40 AM, an additional 10 minutes of Executive Session was requested.

Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting webinar platform at 11:02 a.m.

11. Adjourn

(Recording Time on Video: 01:39:02)

There being no further business for the regular meeting, Commissioner Grant adjourned the regular meeting at 11:03 a.m.

Christine Grant, President

Atul Deshmane, Vice President

Mike Murphy, Secretary

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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/>

PUBLIC UTILITY DISTRICT No.1

of Whatcom County

1705 Trigg Road • Ferndale, WA 98248

P: (360) 384-4288 • F: (360) 384-4849

AGENDA ITEM # 5c
July 26, 2022

Memo

To: Commissioners Deshmane, Grant, and Murphy

From: Brian Walters – Assistant General Manager

Date: July 26, 2022

Re: Approval of Addendum to Professional Consulting Services Agreement with Electrical Reliability Services (“ERS”)

Requested Action – APPROVE THE ADDENDUM TO THE PROFESSIONAL CONSULTING SERVICES AGREEMENT (“AGREEMENT”) WITH ELECTRICAL RELIABILITY SERVICES AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE REVISED AGREEMENT.

Background: Given that the electric loads served off of Whatcom PUD’s 115 kV load serving substations are 24/7 industrial operations, high reliability of the equipment and protective gear in the substations is critical. Un-planned outages due to an electrical event have major negative impacts on industrial operations

The PUD is required to comply with applicable electric system reliability standards developed by NERC under the direction of the FERC and as enforced by WECC to perform and document maintenance and testing of substation equipment, back-up power devices, protective relays, etc.

Whatcom PUD electrical staff must develop and adhere to a routine maintenance schedule. Some work can be conducted while the substations are still energized and serving load. For certain equipment and protective devices, testing must be done during periods when some or all electric load is off line.

Whatcom PUD maintains a roster of firms with expertise in testing and calibration of substation equipment and protection devices. Given the background context above, staff recommended that the PUD enter into an agreement with Electrical Reliability Services (“ERS”) for the provision of such services.

At its June 14, 2022 meeting, Commissioners approved entering into the Agreement with ERS. At the same meeting, staff also recommended and the Commissioners approved entering into Work Order No.1 with ERS. The scope of services for this work order was for work to be performed at the PUD’s Refinery substation.

When presented with the Agreement for signature, ERS's parent company, VERTIV, expressed concerns regarding liability exposure associated with testing activities to be performed at the substation. The parent company's attorney drafted and shared language to address VERTIV's concerns. After a conference with ERS staff and a member of VERTIV's legal team, the PUD's legal counsel, Jon Sitkin drafted revisions to VERTIV's contract language that was deemed acceptable by both parties.

Therefore, staff is now recommending approval of the Professional Services Agreement with the revisions proposed. Included with this Action Memo is a mark-up draft of the proposed language with revisions

Fiscal Impact: The Agreement has no fiscal impact to the District's 2022 Budget. Work Orders associated with the Agreement will each have a specific cost not to exceed budget amount.

Recommended Action – APPROVE THE ADDENDUM TO THE PROFESSIONAL CONSULTING SERVICES AGREEMENT (“AGREEMENT”) WITH ELECTRICAL RELIABILITY SERVICES AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE REVISED AGREEMENT.



**Clarifications/Supplement To:
 Standard Agreement for Professional Consulting Services
 Buyer: Public Utility District No.1 of Whatcom County, Washington
 Seller's Proposal #: VRT-22005220/VRT-22004768**

Buyer and Electrical Reliability Services, Inc. ("Seller") agree to modify Buyer's Agreement as follows:

1. INDEMNITY/LIMITATION OF REMEDY AND LIABILITY/WARRANTY/INSURANCE:

Seller agrees to indemnify, hold harmless and defend Buyer against any third party claims for personal injury, death, tangible property damage and incidental or consequential damages ("Third Party Claims") resulting from Seller's negligence, reduced to the extent of any other party's negligence, provided Seller is provided reasonable notice regarding such claim and has the sole right to select and direct counsel and settle the claim. THIS INDEMNIFICATION OBLIGATION IS NOT SUBJECT TO THE LIMIT OF LIABILITY DESCRIBED BELOW.

NEITHER PARTY SHALL BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND THE REMEDIES OF THE PARTIES SET FORTH HEREIN ARE EXCLUSIVE. EXCEPT FOR SELLER'S INDEMNIFICATION OBLIGATIONS REGARDING THIRD PARTY CLAIMS, IN NO EVENT SHALL A PARTY'S LIABILITY TO THE OTHER EXCEED AN AGGREGATE OF \$5,000,000 UNDER THIS AGREEMENT. EXCEPT FOR SELLER'S INDEMNIFICATION OBLIGATIONS REGARDING THIRD PARTY CLAIMS, THE PARTIES AGREE THAT NEITHER PARTY SHALL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use, revenue, reputation and data, costs incurred, including without limitation, for capital, fuel, power and loss or damage to property or equipment.

Seller warrants the proper performance of the Services for a period of ninety (90) days from the completion of the Services. Warranties applicable to third party equipment, parts or materials furnished by Seller shall be that of the manufacturer of such Parts and only to the extent assignable to Buyer. EXCEPT AS SPECIFIED ABOVE, THIRD PARTY SERVICES AND/OR PARTS ARE FURNISHED AS-IS, WHERE-IS, WITH NO WARRANTY WHATSOEVER. THE WARRANTY SET FORTH IN THIS SECTION IS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY SELLER WITH RESPECT TO THE SERVICES AND PARTS AND IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. If within thirty (30) days after Buyer's discovery of any warranty defects within the warranty period, Buyer notifies Seller thereof in writing, Seller shall, at its option, repair, correct or replace F.O.B. point of manufacture, or refund the purchase price for, that portion of the services or equipment found by Seller to be defective.

2. PAYMENT TERMS:

Payment shall be Net forty-five (45) Days from the date of the invoice and any reference to retention.

BUYER

Signature: _____ Date _____

Name/ Title: _____