

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

**July 26, 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 Atul Deshmane. Said meeting was open to the public and notice thereof had been given as required by law. Those present in person included: Commissioner Mike Murphy; Legal Counsel Jon Sitkin; Staff: General Manager Chris Heimgartner. Those present via Zoom included: Commissioner Atul Deshmane; Brian Walters, Assistant General Manager; Annette Smith, Director of Finance; Steve Jilk, In-House Consultant; Duane Holden, Utility Operations Director; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Jon Littlefield, Electric System Operator; Paul Siegmund, Manager of Automation and Technology; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; Traci Irvine, Accountant I; and Kurt Wank, Project Manager.

Public attending in person  
Rick Maricle, Citizen

Public attending via Zoom platform:  
Dave Olson, Citizen  
Jack Wellman, Puget Sound Energy

**2. Approval of Agenda**

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

**3. Approval of Consent Agenda**

- a. Approval of Meeting Minutes of the Regular Meeting, July 12, 2022; and
- b. Approval of the Claims of July 26, 2022:

VENDOR NAME	AMOUNT
ALL SEASON SPRAYING	2,974.55
BONNEVILLE POWER ADMINISTRATION	723,318.00
CHMELIK SITKIN & DAVIS	13,258.70
COMCAST	186.57
COMCAST - NWRC	300.00
EDGE ANALYTICAL LABORATORIES	3,547.00
EVERGREEN LAND TRUST ASSOCIATION	1,226.00
FASTENAL	8.38
FERGUSON ENTERPRISES, INC	385.39
FERNDALE ACE HARDWARE	87.31
GOODWIN, CHRISTOPHER	76.37
HOLLAND & HART LLP	12,000.00
INTERNAL REVENUE SERVICE	18,771.25
IVOXY CONSULTING LLC	16,000.00
LOOMIS, CHRIS	400.00
LUMMI INDIAN BUSINESS COUNCIL	375.00
MASSMUTUAL RETIREMENT SVCS LLC	10,383.33
MURRAYSMITH	47,795.40
NOANET	50.00
PACIFIC SURVEY & ENGINEERING	2,929.75
PAYLOCITY	179.92
PAYROLL	204,630.17
PUGET SOUND ENERGY, INC	426.03
RH2 ENGINEERING, INC	14,201.87
SMITH MECHANICAL	3,719.28
STAR RENTALS	1,705.78
WA FEDERAL VISA CARD MEMBER SERVICES	4,191.29
WA ST DEPT OF ECOLOGY HAZ FEE	60.00
WA ST DEPT OF REVENUE	75,751.12
WESTERN CONFERENCE OF TEAMSTERS	8,767.50
WHISTLE WORKWEAR	252.36
WSU CASHIERS OFFICE SPS	5,443.03
<b>GRAND TOTAL</b>	<b>\$1,173,401.35</b>

**ACTION:** Revision made to the July 12, 2022 minutes under Commissioners Reports. Commissioner Murphy made the motion to APPROVE THE REVISION OF THE JULY 12, 2022 MINUTES. Commissioner Deshmane second the motion. Motion passed unanimously. Commissioner Murphy made the motion to APPROVE THE CONSENT AGENDA OF JULY 26, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

#### 4. Public Comment

Rick Maricle provided best wishes for Commissioner Grant.

#### 5. Old Business

##### a. Approve Final Strategic Plan Update

-General Manager Heimgartner stated that the Strategic Plan was reviewed and the graphic artist is inserting graphics and photographs. Heimgartner expects the final version this week and will seek final approval at the August 9 meeting.

##### b. Broadband Program Update

-Making progress with NoaNet and Petrichor Broadband on a feasibility study for setting up a publically owned ISP. Study should be ready by late September.  
-Had discussion with public groups including TAGNW regarding serving different areas using different models. Looked closely at the Kitsap PUD LUD model.  
-Legal Counsel Sitkin focused on the process of forming an LUD. The process is a public discussion. Discussion of legal and financial risk would be discussed in Executive Session. An LUD is a financing tool that creates an assessment role of the properties to be included in the project. The PUD owns the project and the assessed property owners add additional value to their property. Washington State Statutes have no references to telecommunication facilities in LUDs for PUDs. Kitsap PUD uses financial institutes for financing. Placing debt financing through the bond market is more complicated and more expensive. If property owner joins after formation of LUD, the PUD cannot use connection fees to reduce an assessment, but may use the fees to fund next phases of development. Another question is if PUD can enter into an IRU (Indefeasible Right to Use Agreement). The PUD has significant limitations on the sale of assets compared to other municipal governments. A sale of PUD assets would have to go to voters for approval. Staff will come back to Commission on a case by case basis when there is community interest.  
-Heimgartner stated that staff is making progress on grant applications and project administration. The Nooksack Project should break ground in September and first phase of the Project will be completed in early December. State and Federal grants are funding the Project. The PUD is working with the Port of Bellingham on the Project.

##### c. Approval of Addendum to Professional Services Agreement with Electric Reliability Services

- At its June 14, 2022 meeting, Commissioners approved entering into the Agreement with ERS. 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 Refinery 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.

**ACTION:** Commissioner Murphy motioned to APPROVE THE ADDENDUM TO THE PROFESSIONAL CONSULTING SERVICES AGREEMENT ("AGREEMENT") WITH ELECTRICAL RELIABILITY SERVICES AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE REVISED AGREEMENT. Commissioner Deshmane second the motion. Motion passed unanimously.

#### 6. General Manager Report

- Starting with next Commission meeting, there will be operational reports by department heads.
- RFP went out for the Electric System Expansion Feasibility Study. Received two submissions which are under evaluation.
- Commissioner Grant asked Heimgartner to report on her behalf that she attended the WUPDA Telecom Committee meeting, the General Government Committee meeting and the Broadband Committee meeting.
- The John Humphrey's public record request cost is over \$28,000.

#### 7. Commissioner Reports

Murphy:

- Attended the WPUDA Round Table, the General Government Committee meeting and the WPUDA Board meeting.

Deshmane:

- Attended the WPUDA Telecom Committee Meeting. There were concerns over comments by the Director of the State Broadband Office regarding not supporting Open Access in public sector

infrastructure and fiber. Commissioner Deshmane proposed scheduling a listening session in Olympia.

- The WPUDA Energy Committee received beneficial information from Commissioner Grant, General Manager Chris Heimgartner and Commissioner Deshmane concerning the energy policy positions relating to increased challenges with climate change and maintaining grid reliability.
- The annual Water Workshop is scheduled for September 21-23, 2022 in Spokane. At WPUDA Water Committee meeting there was interest in Whatcom County and how it is dealing with the outcome of the Hirst decision, the Streamflow Restoration Act and the legislation and funding that came from those decisions.
- The Broad Band Advisory Group is likely to recommend to the City of Bellingham that it invests more in the City's dedicated fiber infrastructure and to provide more services off of the dedicated infrastructure. The Group is encouraging the City to provide public access. The City did explore an exclusive retail full fiber network to the entire city, but is unlikely to pursue it.

**8. Public Comment**

None made.

**9. Adjourn**

There being no further business for the regular meeting, Commissioner Deshmane adjourned the regular meeting at 9:23 a.m.

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Christine Grant, President/Commissioner



Atul Deshmane, Vice President/Commissioner



Mike Murphy, Secretary/Commissioner

**Commission Clerk Notes:**

Commissioner Grant's absence is excused as she is on maternity leave.

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/>