

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

August 23, 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 and Legal Counsel Jon Sitkin. Commissioner Grant’s absence was excused. Staff: General Manager Chris Heimgartner; Andrew Entrikin, Broadband Program Manager. Those present via Zoom included: Commissioner Atul Deshmane; Brian Walters, Assistant General Manager; Annette Smith, Director of Finance; Steve Jilk, In-House Consultant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; Kurt Wank, Project Manager; Devin Crabtree, Chief Water Operator; and Jon Littlefield, Electric System Supervisor;

Public attending via Zoom platform or In-Person:

Lauren Turner, Phillips66
Jack Wellman, Puget Sound Energy
Dave Olson, Citizen
Max and Carol Perry, Citizens
Rick Maricle, Citizen

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, August 9, 2022; and
- b. Approval of the Claims of August 23, 2022:

VENDOR NAME	AMOUNT
ADVANCED POWDER COATING	397.34
BONNEVILLE POWER ADMINISTRATION	766,313.00
BRIDGEVIEW AUTO PARTS	8.69
CARL'S MOWER & SAW, INC	19.52
CESCO NEW CONCEPT CHEMICAL PRODUCTS	241.62
CHMELIK SITKIN & DAVIS	20,686.00
COMCAST	186.57
COMCAST - NWRC	304.50
CULLIGAN NORTHWEST	171.13
DESHMANE, ATUL	117.49
EAGLE-EYE AERIAL SOLUTIONS, LLC	47,300.00
FEDERAL EXPRESS	48.90
FERNDALE ACE HARDWARE	95.67
GENEVA CONSULTING	9,444.75
GUARDIAN SECURITY SYSTEMS, INC	228.06
INTERNAL REVENUE SERVICE	19,069.99
MASSMUTUAL RETIREMENT SVCS LLC	10,383.33
MILLS ELECTRIC	9,679.12
NOANET	1,640.00
PACIFIC SURVEY & ENGINEERING	775.00
PAYLOCITY	179.92
PAYROLL	208,431.03
PITNEY BOWES RESERVE ACCOUNT	642.89
PLATT ELECTRIC SUPPLY CO	289.31
REISNER DISTRIBUTION, INC	821.55
RH2 ENGINEERING, INC	17,655.25
STAR RENTALS	1,705.78
TUPPER MACK WELLS PLLC	11,152.00
ULINE, INC.	52.13
VALVOLINE	56.38
WA FEDERAL VISA CARD MEMBER SERVICES	2,810.78
WA PUBLIC UTILITY DISTRICTS ASSOCIATION	225.00
WA ST DEPT OF REVENUE	79,004.36
WASHINGTON ALARM, INC.	126.58
WESTERN CONFERENCE OF TEAMSTERS	9,184.00

ACTION: Commissioner Murphy made the motion to APPROVE THE CONSENT AGENDA OF AUGUST 23, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

4. Public Comment

None made.

5. Old Business

a. Broadband Program Update

EntriKin reported:

- The group has met with Snowater/Snoline home associations near Glacier and has connected them with an Internet Service Provider who will provide construction cost estimates and an inventory on infrastructure will be completed.
- Met with Port of Bellingham to review construction projects which are moving along. The Nooksack project has approximately ten small phases; the first phase is scheduled to be installed and lit as early as next month. The other phases are scheduled to be completed by July 2023.
- The feasibility study continues and the NoaNet portion of the study for retail service: financials are completed and a narrative is to be developed with Petrichor. Gina Stark/Port is working on the outreach portion of the study, working with local libraries and other agencies and their broadband needs.
- Meeting with the TAG Northwest Group and recently discussed the GIS mapping tools with them.

6. New Business

a) Approve District's Medical/Dental Plan Renewal (Sept. 2022 – Aug. 2023) for Non-Bargaining Unit Employees and Commissioners

This request is to approve the medical benefits for the non-union employees. The union employees are covered under a separate Teamsters Health Plan in which the District pays for.

Each year staff researches and recommends the various options for renewal or new insurance plans. We have received quotes this year from Regence, Aetna, Premera and Delta Dental Service. There is good news overall: The renewal rate this year reflects a two percent decrease in premiums with a yearly savings of \$11,110. Last year the District experienced a 9.8% rate increase for the same plan. The Delta Dental Plan renewal for the same plan will also experience a decrease by 9.22%.

ACTION: Commissioner Murphy made the motion to APPROVE THE RENEWAL OF THE DISTRICT'S MEDICAL/VISION/RX AND DENTAL INSURANCE PLANS FOR NON-UNION EMPLOYEES AND COMMISSIONERS: REGENCE BLUE SHIELD EMPLOYEE CHOICE PLATINUM 250 PLAN AND THE DELTA DENTAL SERVICE PREMIER ENHANCED PLAN, EFFECTIVE SEPTEMBER 1, 2022 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT. Commissioner Deshmane second the motion. Motion passed.

7. General Manager Report

- Heimgartner was invited to go on a study trip with local elected officials to Denmark to study their district's heating areas with unique integrated climate solutions and interactions between the cities and federal organizations. The end result would be policy recommendations for our region. Although he won't be able to attend, he is in the communications loop for pre-trip and post trip details and reports.
- Jon Humphrey's public records request is now totaling over \$38,000. This has become a very expensive effort to the response to the request, which our customers pay for; and there are more installments to come.
- Duane Holden, Director of Utility Operations, has announced his retirement, effective September 2nd. His work was greatly appreciated over all the years and we wish him the very best in his future endeavors.

8. Operations Report

Assistant General Manager Walters gave an update on water projects and the electricity market:

- Plant One sediment removal pond cleaning is just about finished. The contractor will then move over to Plant Two to do the same.
- Flows on the Nooksack River are higher than usual for this time of year – mainly due to the cool spring weather and late snowpack melt. We may escape the season with no critically low-flows in the river this year.
- Speaking of late spring runoffs and higher summer flows on the Columbia River, Bonneville Power Administration has done well with secondary surplus market sales. The revenue is expected to replenish their reserve fund levels and the balance of funds will be applied as a credit against public power customers, such as the PUDs, power charges. Bonneville's Tier 2 price for power sold to public utilities that have used up their Tier 1 priced power allocation is set prior to the upcoming

rate periods.

The Tier 2 price is indexed to the forward prices for market power, but isn't a true market rate. The market price currently is very volatile; however, the Tier 2 price remains the same for BPA's two year rate period. Walters anticipates that the Tier 2 rate for the next rate period will be substantially higher than the current rate. However, it likely won't be as high as the Mid-C market rate. BPA's new Tier 1 and Tier 2 power rates will kick in October 1, 2023.

Whatcom Water Week is September 10 – 18

The PUD is a member of the *Whatcom Watershed Information Network*, and is a proud sponsor of Whatcom Water Week – Schlotterback invited everyone to attend as there are many events that take place around water, including a photo contest. The event closes with *SeaFeast*, a celebration with food, educational booths, music and more on September 17 at Squalicum Harbor. More information is available on the PUD's website.

9. Commissioner Reports

Murphy: No report.

Deshmane:

- Was not able to attend the "RESILIENCE" -- WEDA's 2022 Summer Conference in Bellingham as reported at the last meeting.
- Will be traveling for the WPUDA committee meeting events in Olympia and the Water Workshop in September.
- City of Bellingham Broadband Advisory Group has wrapped up. The voting members will recommend a policy proposal for the City to more seriously manage and expand the City's fiber network.

10. Public Comment

None made.

11. Adjourn to Executive Session

Commission President Deshmane requested an Executive Session pursuant to RCW 42.30.110(i) – Potential. Litigation, relating to water rights adjudication on a separate Zoom webinar. Estimated time for Executive Session was 45 minutes. The Commission President indicated no action is anticipated to be taken after the adjournment of Executives Session. The Commission adjourned to Executive Session at 8:59 a.m.

At 9:40 a.m. an additional 20 minutes was requested;

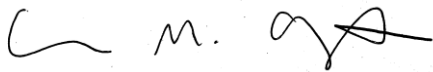
At 10:00 a.m. an additional 35 minutes was requested;

Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting webinar platform at 10:34 a.m.

12. Adjourn

There being no further business for the regular meeting, Commissioner Deshmane adjourned the regular meeting at 10:35 a.m.



Christine Grant, President/Commissioner



Atul Deshmane, Vice President/Commissioner



Mike Murphy, Secretary/Commissioner

Commission Clerk Notes:

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/>