

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

November 8, 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 included: Commissioner Christine Grant, Commissioner Mike Murphy; Commissioner Atul Deshmane; and Legal Counsel Jon Sitkin. Staff: General Manager Chris Heimgartner; Ann Grimm, Executive Assistant; Andrew Entrikin, Broadband Program Manager; Steve Jilk, In-House Consultant; Brian Walters, Assistant General Manager; Annette Smith, Director of Finance; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Paul Siegmund, Manager of Automation and Technology; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Traci Irvine, Accountant I; and Kurt Wank, Director of Utility Operations;

Public attending:

Rick Maricle, Citizen	Jack Wellman, Puget Sound Energy
Dave Olson, Citizen	Lauren Turner, Phillips66

2. Approval of Agenda

No changes.

ACTION: Commissioner Deshmane made the motion to APPROVE THE AGENDA OF NOVEMBER 8, 2022. Commissioner Murphy second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

- Approval of Meeting Minutes of the Regular Meeting, October 25, 2022; and
- Approval of the Claims of November 8, 2022:

VENDOR NAME	AMOUNT
APPLIED DIGITAL IMAGING	205.57
BAY CITY SUPPLY	77.42
CARL'S MOWER & SAW, INC	116.41
CENTRAL WELDING SUPPLY	89.35
CORNERSTONE MANAGEMENT, INC.	779.00
EDGE ANALYTICAL LABORATORIES	112.27
ELECTRICAL RELIABILITY SERVICES	9,910.00
EXACT SCIENTIFIC SERVICES INC.	25.00
FCS GROUP	1,522.50
FERNDALE ACE HARDWARE	101.69
FERNDALE CITY OF	248.09
GRIMM, ANN	152.50
GUARDIAN SECURITY SYSTEMS, INC	93.18
HARDWARE SALES, INC.	112.14
HDR ENGINEERING, INC.	38,499.79
HEALTH PROMOTIONS NORTHWEST	150.00
LES SCHWAB TIRE CENTER	682.73
LITHTEX NW LLC	216.12
MILLS ELECTRIC	21,420.74
MURPHY, MICHAEL J	70.56
NOANET	1,044.10
NORTHWEST CASCADE, INC.	118.50
NORTHWEST FIBER DBA ZIPLY FIBER	1,416.45
NORTHWEST MOWING & GARDENING	540.76
NW REQUIREMENTS UTILITIES, INC.	10,378.00
NP INFORMATION SYSTEMS (3-D CORP)	269.82
PACIFIC SURVEY & ENGINEERING	1,513.75
PACIFIC UNDERWRITERS CORP INC	236.00
PLATT ELECTRIC SUPPLY CO	446.79
PUD #1 OF WHATCOM COUNTY	16.56
PUGET SOUND ENERGY, INC	7,675.92
REGENCE BLUE SHIELD	48,219.17
REISNER DISTRIBUTION, INC	1,511.67
RICOH USA	215.70
SHRED-IT USA	52.79
SSC - SANITARY SERVICE COMPANY	559.54

STAR RENTALS	1,794.85
TEAMSTER LOCAL #231	569.00
TOP TO BOTTOM, INC	11,968.00
TRUE GREEN LAWN SERVICE	3,315.35
UNITED WAY OF WHATCOM COUNTY	601.00
UTILITIES UNDERGROUND LOCATION	21.93
VALVOLINE	127.57
VERIZON WIRELESS	2,013.60
WA ST DEPT TRANSP-NW REGION	140.81
WASHINGTON DENTAL SERVICE	2,570.70
WASHINGTON TEAMSTERS WELFARE	12,775.00
WHATCOM JANITORIAL	1,325.00
WHISTLE WORKWEAR	195.83
GRAND TOTAL	\$186,219.22

ACTION: Commissioner Murphy made the motion to APPROVE THE CONSENT AGENDA OF NOVEMBER 8, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

4. Public Comment

No comments.

5. Old Business

• **Broadband Program Update**

WA State Broadband Office (WSBO) Update

- Heimgartner contacted WPUDA’s George Caan regarding the WSBO’s process of Notice of Funding – there have been three asks of *Calls for Comment*, which generally have received the same responses each time. There has been an eight-month delay in state funding opportunities. Heimgartner has asked Caan to reach out to Governor Inslee’s for possible assistance.

Whatcom County Council Committee of the Whole Meeting

- Heimgartner, Entrikin, Commissioner Grant, and staff from the Port attended the October 25 meeting. Heimgartner and Entrikin presented information regarding broadband projects and planning. Grant thanked them for their nice work on the presentation.

Port/PUD Steering Committee

- Entrikin reported that the group recently met and has suggested that the Steering Committee integrate with Whatcom County government for representation on the committee from the County. The Interlocal Agreement with the Port/PUD will need to be updated to include Whatcom County.
- Petrichor is wrapping up the feasibility study by the end of this week. A presentation to the Commission is planned for a future date.
- Fiber is now *in the air* for the Nooksack area broadband project.

6. New Business

a) Approve Interagency License Agreement with WA State Department of Ecology

Washington State Department of Ecology (DOE) has requested access to our intake structure to install a monitoring device. Parameters of the agreement were drafted by Jilk and Heimgartner and Legal Counsel Peter Ruffatto crafted the agreement. The agreement was then forwarded to DOE for review and comment. They have accepted it as written.

The agreement holds the District harmless for DOE actions on site, provides for PUD access to the data generated, precludes the DOE from using the data against the PUD in legal actions including the upcoming adjudication, and stipulates that DOE will bear all costs related to this installation, among other terms.

ACTION: Commissioner Deshmane made the motion to APPROVE SITE LICENSE AGREEMENT WITH DEPARTMENT OF ECOLOGY (DOE) TO INSTALL A MONITORING DEVICE ON A PUD OWNED WATER INTAKE STRUCTURE LOCATED AT 1921 MAIN STREET, FERNDAL, WA AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

b) Approve Resolution No. 820 - Water System Consolidation Policy | Draft Interlocal Agreement with Whatcom County

From time to time the District may be requested by a water system owner to consolidate the management and/or ownership of a water system. Further, in the rare circumstances where a water system has failed and the State Department of Health has commenced an action to place the water system into receivership, Whatcom County is designated by statute to be the receiver of last resort. Whatcom County can seek to have an agent perform the receiver services as the County’s agent.

The Resolution Policy related to the *Voluntary Transfer of Water System Ownership and/or Operational Responsibilities* would establish the requirements and expectations of the District should a water system owner seek to contract with the District for the transfer of the water system ownership and/or management. This policy does not bind the District to enter into any consolidation agreement, as such decisions would be made by the Commission on a case-by-case basis. Commissioners proposed to include additional information to the recitals and intent statement as mentioned in the Strategic Plan Update 2025 and change the language of “takeover” to *consolidation* or something similar in the descriptions. Legal Counsel will provide an amendment to the language.

The proposed Interlocal Agreement with Whatcom County was drafted in response to the County’s request that the District act as the County’s agent should there be a water system placed into receivership by a Superior Court. This Interlocal Agreement would establish the conditions and requirements for the District to be a receiver should the Commission decide to serve in that capacity on a case-by-case basis. This Interlocal Agreement does not bind the District to serve as the receiver, as such decisions would be made by the Commission on a case-by-case basis. The Interlocal Agreement has not been presented to the County for review and consideration.

ACTION: Commissioner Deshmane made the motion to APPROVE RESOLUTION NO. 820, AS AMENDED. Commissioner Murphy second the motion. Motion passed unanimously.

c) Approve Amendment No. 1 – RH2 Professional Services Agreement for Regional Water Supply Plan (RWSP)

Amendment No. 1 will extend the original terms of the Professional Services Agreement with RH2 in order to complete the work for the Regional Water Supply Plan from December 31, 2022 until February 28, 2023. There is no fiscal impact to the District as the District will pass funds from the Washington State Department of Fish and Wildlife (WDFW) grant to sub-contractors.

ACTION: Commissioner Deshmane made the motion to APPROVE AMENDMENT NO. 1 TO 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.

d) Approve Amendment No. 2 to Work Order 17 with RH2 to Support Development of Phase 2 of the WRIA 1 Regional Water Supply and Management Plan

This item is in tandem with 6c. Due to the amount of data compiled and analyzed, the review and comment of the draft Phase 2 Water Supply Plan has taken longer than anticipated. District staff met with WDFW to request a time extension to February 1, 2023 and the additional time was approved by WDFW. District staff also met with RH2 consultants to discuss potential budget increase due to the additional time needed for review and comment by the Regional Water Supply Work Group. RH2 reviewed the remaining budget and proposed an additional budget of \$12,000 to bring the total budget to \$135,512.00. Funding will be covered either by the WDFW grant or by the Interlocal Agreement the District signed with Whatcom County in September 2022, wherein the County agreed to provide \$16,000 to support the RWSP completion. There is no fiscal impact to the District. The District will pass funds from the WDFW grant or Whatcom County to the sub-contractor that will perform the work.

ACTION: Commissioner Deshmane made the motion to APPROVE AMENDMENT NO. 2 TO 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 \$132,512.00 AND AUTHORIZE GENERAL MANAGER TO SIGN THE AGREEMENT. Commissioner Murphy second the motion. Motion passed unanimously.

7. General Manager Report

- Operations Report - No update from Walters this meeting; however, the current cold and windy weather conditions will not last long enough to create a frazil ice or other hazardous issues for the crew.
- Attended a “Special Purpose Districts” Zoom meeting with Congresswoman DelBene and staff. The focus of the event was on the definition of a “Special Purpose District” as the term is defined many different ways depending on the statute (such as Hospital, Cemetery, Housing Authorities, etc.). Topics such as material supplies and worker shortages were discussed.

8. Commissioner Reports

Deshmane:

- Commented on an article by Eric Hirst regarding public agencies quantifying costs for water system improvements.
- Mentioned a *Seattle Times* editorial from Lummi staff in regards to the state and federal responses for near term actions avoiding salmon die-offs.

- Attended a recent Watershed Management Board meeting. A presentation was made on lessons learned on the Yakima adjudication.
- Attended the Public Utility Risk Management (PURMS) meeting; commented on the premiums for “electric infrastructure fire” potentials. Since the District’s risk is low, Finance Director Smith has requested that this portion of the insurance premium for Whatcom PUD be dropped.

Murphy:

- Has been meeting with Heimgartner and continues to meeting with others in the Whatcom community to discuss current and future projects, mainly in regards to water issues.
- Attended a recent Port meeting – topic regarding the Port’s Shipping Terminal and increased terminal activity, requiring the support of local longshoreman jobs.
- Will attend the WPUDA committee meetings next week via Zoom.

Grant:

- Attended the Whatcom County Council Committee regarding broadband on October 25;
- Reiterated the suggested PUD work party to join *Nooksack Salmon Enhancement Association’s* community work party on Saturday, November 19, at Terrell Creek, Blaine.
- Discussed planning for an upcoming PUD Employee Recognition Event in January.
- Will attend the WPUDA committee meetings next week via Zoom.
- Plans to attend the Technology Alliance Group (TAG) book club meeting on November 21
- Seeking the summary from a study trip with local elected officials to Denmark to learn about 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. Heimgartner was to be included on the post-trip debriefing as he was unable to attend the trip. Grant mentioned a report was forthcoming.

9. Public Comment

No comments.

10. Executive Session

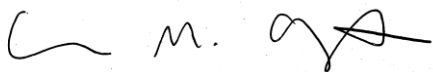
Commission President Grant requested an Executive Session pursuant to RCW 42.30.110(i) – Potential Litigation, relating to water rights adjudication. Estimated time for Executive Session was fifteen minutes. The Commission President indicated no action is anticipated to be taken after the adjournment of Executives Session. After a short break, the Commission adjourned to Executive Session at 9:45 a.m.

Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 10:05 a.m.

11. Adjourn

There being no further business for the regular meeting, Commissioner Grant adjourned the regular meeting at 10:08: 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/>