

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

**December 13, 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 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; Jon Littlefield, Electric System Supervisor; and Kurt Wank, Director of Utility Operations;

Public attending:

Rick Maricle, Citizen	Jack Wellman, Puget Sound Energy
Dave Olson, Citizen	Jamie Douglass, Citizen
Kathy Murphy, Citizen	Max and Carole Perry, Citizens
Jared Murphy, Citizen	Lauren Turner, Phillips66
Nash Elbadawi, BP Cherry Pt.	Andrew Reding, Current Chair Whatcom Democrats
Kaylee Galloway, County Council	Jaime Arnett, Citizen

**2. Approval of Agenda**

No changes.

**ACTION:** Commissioner Murphy made the motion to APPROVE THE AGENDA OF DECEMBER 13, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

**3. Approval of Consent Agenda**

- a) Approval of Meeting Minutes of the Regular Meeting, November 22, 2022; and
- b) Approval of Meeting Minutes of the Special Meeting, November 28, 2022;
- c) Approval of the Claims of December 13, 2022:

<u>VENDOR NAME</u>	<u>AMOUNT</u>
ALUMICHEM CANADA INC	87,669.00
APPLIED INDUSTRIAL TECHNOLOGIES, INC	1,181.84
BAY CITY SUPPLY	409.98
BELLINGHAM HERALD	514.76
BIRCH EQUIPMENT COMPANY	4,757.49
BROWN & BROWN OF WA, INC.	115.58
CARPENTER CABLE SERVICES INC	2,472.93
CDW/COMPUTER DISCOUNT WAREHOUSE	4,082.20
CENTRAL WELDING SUPPLY	489.18
CESCO NEW CONCEPT CHEMICAL PRODUCTS	787.38
CHMELIK SITKIN & DAVIS	8,191.80
CORNERSTONE MANAGEMENT, INC.	738.00
CRABTREE, DEVIN	155.60
ELECTRICAL RELIABILITY SERVICES	81,210.00
FASTENAL	25.23
FCS GROUP	6,031.25
FERNDALE ACE HARDWARE	53.30
HARDWARE SALES, INC	407.39
HDR ENGINEERING, INC.	17,212.04
HEALTH PROMOTIONS NORTHWEST	150.00
IVOXY CONSULTING LLC	3,000.00
MURRAYSMITH	70,804.79
NOANET	2,472.00
NORTHWEST FIBER DBA ZIPLY FIBER	1,415.32
NORTHWEST MOWING & GARDENING	540.76
NORTHWEST PROFESSIONAL SERVICES	37.49
NP INFORMATION SYSTEMS (3-D CORP)	269.82
P&P EXCAVATING, LLC	1,339.13
PACIFIC SURVEY & ENGINEERING	2,262.50
PETRICHOR BROADBAND LLC	43,899.29
PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	151.04
PLATT ELECTRIC SUPPLY CO	1,931.77
POTELCO, INC	281,340.97
PUBLIC UTILITY RISK MANAGEMENT SERVICES	7,829.19

PUD #1 OF WHATCOM COUNTY	362.06
PUGET SOUND ENERGY, INC	7,805.88
REGENCE BLUE SHIELD	43,964.09
REISNER DISTRIBUTION, INC	1,421.53
RH2 ENGINEERING, INC	16,008.41
RICOH USA	225.07
SMITH MECHANICAL	4,933.43
SSC - SANITARY SERVICE COMPANY	613.87
STAR RENTALS	1,705.78
TEAMSTER LOCAL #231	569.00
UNITED WAY OF WHATCOM COUNTY	601.00
UTILITIES UNDERGROUND LOCATION	19.35
VERIZON WIRELESS	1,960.98
WA ST DEPT TRANSP-NW REGION	140.12
WASHINGTON DENTAL SERVICE	2,633.65
WASHINGTON TEAMSTERS WELFARE	13,273.40
WHATCOM FARMERS CO-OP	408.48
WHATCOM JANITORIAL	1,325.00
WHISTLE WORKWEAR	244.21
YEAGER'S SPORTING GOODS	35.90
<b>GRAND TOTAL</b>	<b>\$732,200.23</b>

**ACTION:** Commissioner Murphy made the motion to APPROVE THE CONSENT AGENDA OF DECEMBER 13, 2022. Commissioner Deshmane second the motion. Motion passed unanimously.

**4. Public Comment**

No comments.

**5. Old Business**

**a) Broadband Program Update**

Heimgartner and EntriKin provided an update on the Washington State Broadband Office’s Notice of Funding Availability – grant proposals are due by January 17; and an update on the grant proposal area to focus on areas *outside* of the existing Port-funded or planned projects, adjacent to *Rural Digital Opportunity Fund* (RDOF) funded areas.

**b) Public Comment on PUD Broadband Feasibility Study and Questions for Public Comment Session**

Comments regarding the Feasibility Study were received from:

- Rick Maricle, Citizen
- Andrew Reding, Current Chair of Whatcom County Democrats
- Jamie Douglass, Former Chair of Whatcom County Democrats
- Kris Keillor, Citizen
- Kaylee Galloway, Whatcom County Councilmember

**6. New Business**

**a) Approval of 2023 Budget Resolutions:**

- Approve Resolution No. 821 -- Adopt District Budget for 2023, including an Emergency Reserve Level set at \$355,000
- Approve Resolution No. 822 -- Adopt Industrial Raw Water Utility Rates and Grandview Water Rates for 2023
- Approve Resolution No. 823 -- Adopt Electric Utility Rates for 2023

**ACTION:** Commissioner Murphy made the motion to APPROVE 2023 BUDGET RESOLUTION NUMBERS 821, 822, AND 823. Commissioner Deshmane second the motion. Motion passed unanimously.

**b) Approve Resolution No. 824 – Cancellation of Warrant**

Due to an invoicing error, a duplicate warrant was issued in the amount of \$236.00 to Pacific Underwriters. The warrant has not been tendered, and a new warrant will not be re-issued.

**ACTION:** Commissioner Murphy made the motion to APPROVE RESOLUTION NUMBER 824, CANCELLATION OF WARRANT. Commissioner Deshmane second the motion. Motion passed unanimously.

**c) Approve Resolution No. 825 – Providing for the Use of Electronic Records and Electronic Signatures**

The Board of Commissioners has approved the use and acceptance of electronic records and signatures since April, 2020, under three resolutions. This Resolution extends the term from January 1, 2023 to December 31, 2024.

**ACTION:** Commissioner Murphy made the motion to APPROVE RESOLUTION NUMBER 825, PROVIDING FOR THE USE OF ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES. Commissioner Deshmane second the motion. Motion passed unanimously.

**d) Approve Resolution No. 826 – Amend Policy for Employee Compensation for Administrative Employees**

This Resolution amends salary ranges and an increase to the District's Retirement Contribution (in lieu of PERS membership) at 9.2%, effective January 1, 2023.

**ACTION:** Commissioner Murphy made the motion to APPROVE RESOLUTION NUMBER 826, AMENDING THE POLICY FOR EMPLOYEE COMPENSATION FOR ADMINISTRATIVE EMPLOYEES FOR THE PURPOSES OF AMENDING THE SALARY RANGES AND DISTRICT'S RETIREMENT CONTRIBUTION AMOUNT. Commissioner Deshmane second the motion. Motion passed unanimously.

**e) Approve Amendment No. 1 – WA Department of Fish and Wildlife Grant (WDFW) – WRIA 1 Coordinated and Integrated Outreach and Engagements Program**

Amendment No. 1 to the WDFW grant extends the term to February 1, 2023.

**ACTION:** Commissioner Deshmane made the motion to APPROVE AMENDMENT NO. 1 TO GRANT WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO SUPPORT DEVELOPMENT OF THE WRIA 1 COORDINATED AND INTEGRATED OUTREACH ENGAGEMENTS PROGRAM TO ALLOW A TERM EXTENSION TO FEBRUARY 1, 2023, AND AUTHORIZE GENERAL MANAGER TO SIGN THE CONTRACT. Commissioner Murphy second the motion. Motion passed unanimously.

**f) Approve Amendment No. 3 – WA Department of Fish and Wildlife Grant (WDFW) – WRIA 1 Regional Water Supply Plan**

Amendment No. 3 to the WDFW grant extends the term to February 1, 2023.

**ACTION:** Commissioner Murphy made the motion to APPROVE AMENDMENT NO. 3 TO GRANT WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO SUPPORT DEVELOPMENT OF THE WRIA 1 COORDINATED WATER SUPPLY AND MANAGEMENT PLAN AND TO ALLOW A TERM EXTENSION TO FEBRUARY 1, 2023, AND AUTHORIZE GENERAL MANAGER TO SIGN THE CONTRACT. Commissioner Deshmane second the motion. Motion passed unanimously.

**g) Approve Amendment 1 to Work Order No. 16 – RH2 Engineering, Inc.**

Amendment No. 1 to Work Order No. 16 for RH2 Engineering revises the Scope of Services for D Station Flow and Control Improvements, Phase 2 for engineering design and services during bidding. The expanded scope requires an increase in the budget from \$85,064 to \$112,741.

**ACTION:** Commissioner Murphy made the motion to APPROVE AMENDMENT NO.1 TO WORK ORDER NO. 16 FOR RH2 ENGINEERING INC. (RH2) FOR A TOTAL COST NOT TO EXCEED AMOUNT OF \$112,741 AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO SIGN AND EXECUTE THE WORK ORDER AMENDMENT. Commissioner Deshmane second the motion. Motion passed unanimously.

**h) Select Commission Officers for 2023**

This item was tabled until the first meeting in January.

**ACTION:** Commissioner Deshmane made the motion to TABLE AGENDA ITEM 6H UNTIL JANUARY 10, 2023. Commissioner Murphy second the motion. Motion passed unanimously.

**i) Approve Regular Commission Meeting Schedule for 2023**

The general meeting schedule follows the regular meeting schedule of the second and fourth Tuesdays and allows for consideration of any federal holidays. During the year, meeting schedules may be revised to respond to individual needs, other industry training and meeting schedules, as well as national holidays.

**ACTION:** Commissioner Murphy made the motion to APPROVE THE REGULAR COMMISSION MEETING SCHEDULE FOR 2023. Commissioner Deshmane second the motion. Motion passed unanimously.

**7. General Manager Report**

- a) Attended WPUA Annual Meeting in Spokane last week; and discussed fusion energy with one of the presenting speakers;
- b) The Fusion Industry Association (FIA) announced a statement applauding the recent breakthrough at the National Ignition Facility (NIF). For the first time on Earth, scientists have confirmed a fusion

energy experiment released more power than it takes to initiate, proving the physical basis for fusion energy. This will lead fusion to be a safe and sustainable energy source in the near future.

- c) Interlocal Agreements (ILA) with Whatcom County Government – three have been proposed: (1) Regarding County GIS information for broadband; (2) Regarding Small Water Systems; and (3) Adding a County representative to the Port/PUD Broadband Steering Committee: Heimgartner has discussed with Deputy Director Schroeder, who is onboard for the agreements.

## 8. Operations Report

Walters reported on:

- Project Manager Position – Interviews continue and we hope to hire a new Project Manager, starting in January.
- Water Operations – Last week, the cold weather and NE winds *almost* made for frazil ice conditions. River temperatures hovered around 33 degrees. Luckily, winds were not strong enough to create the hazardous river conditions.
- Power Markets – are becoming more volatile as power prices are higher this year than last: \$92 per megawatt hour on the market; and Tier Two power is at \$61 per megawatt hour, for the same period. There are a number of factors that contribute to this. Demand is increasing but the supply-side is stagnate.

## 9. Commissioner Reports

Murphy:

- Attended the WPUDA Annual Meeting in Spokane last week; and he introduced his wife, Kathy and son Jared, who are attending Murphy's last meeting in-person.

Deshmane:

- Also attended the WPUDA Annual Meeting in Spokane; discussed retail broadband authority, and congratulated Commissioner Murphy upon his retirement.

Grant:

- Grant will ask for a meeting with Councilmember Galloway, Port Commissioner Michael Shepard to brainstorm solutions with Congressional staff sometime in January, regarding concerns about rural development opportunity funding *Rural Digital Opportunity Fund* (RDOF).
- Working on the PUD staff recognition event;
- Was contacted by Lummi Islanders to understand more about the PUD and possible support from a PUD Commissioner and General Manager to attend one of their monthly meetings.

## 10. Public Comment

Rick Maricle congratulated Commissioner Murphy on his years of service and contribution to the Whatcom community as Commissioner District 3 for 24 years.

## 11. Approve Resolution No. 827 – Honoring Commissioner Murphy on his Retirement

Grant recited the resolution and Heimgartner presented Murphy with a framed version honoring his 24 years of service. Staff and Commissioners expressed their gratitude on his tenure and dedication as PUD Commissioner for District 3.

**ACTION:** Commissioner Deshmane made the motion to APPROVE RESOLUTION NUMBER 827 HONORING COMMISSIONER MURPHY UPON HIS RETIREMENT. Commissioner Grant second the motion. Motion passed unanimously.

## 12. Executive Session

Commission President Grant requested an Executive Session pursuant to RCW 42.30.110(i) – Potential Litigation, relating to water rights adjudication and RCW 42.30.110(1)(g): To review the qualifications and/or performance of a public employee. Estimated time for Executive Session was forty-five (45) 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 10:17 a.m.

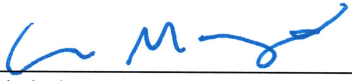
- At 10:50 a.m. an additional twenty minutes was requested.
- At 11:05 a.m. an additional ten minutes was requested.

### Executive Session Adjourn


There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 11:21 a.m.

## 13. Adjourn

There being no further business for the regular meeting, Commissioner Grant adjourned the regular meeting at 11:23 a.m.

  
Christine Grant, President/Commissioner

  
Atul Deshmane, Vice President/Commissioner

  
Jaime Arnett, 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/>