

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

February 27, 2024

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 8:15 a.m. by Commissioner Jaime Arnett. Said meeting was open to the public and notice thereof had been given as required by law. Those present included: Commissioner Atul Deshmane, Commissioner Christine Grant, Commissioner Jaime Arnett and Legal Counsel Jon Sitkin. Staff: Chris Heimgartner, General Manager; Assistant General Manager Brian Walters; Andrew Entrikin, Broadband Program Manager; Ann Grimm, Executive Assistant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; Garrett Love-Smith, Project Manager; Kurt Wank, Director of Utility Operations; and Stephanie Hooper, Accountant I.

Public attending:
Rick Maricle, Citizen
Jack Wellman, PSE

2. Approval of Agenda

No changes.

ACTION: Commissioner Grant made the motion to APPROVE THE AGENDA FEBRUARY 27, 2024. Commissioner Deshmane second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting of February 13, 2024;
- b) Approval of Meeting Minutes of the Special Meeting of February 21, 2024;
- c) Approval of the Claims of February 27, 2024:

VENDOR NAME	AMOUNT
ALUMICHEM CANADA INC	92,105.40
APPLIED DIGITAL IMAGING	73.77
ARNETT, JAIME	229.14
BAKER SEPTIC TANK PUMPING	608.16
BONNEVILLE POWER ADMINISTRATION	587,342.00
CENTRAL WELDING SUPPLY	101.30
CHMELIK SITKIN & DAVIS	10,192.87
CIVIC GROUP	5,000.00
CLEARING UP: NEWSDATA SERVICE	1,751.68
COMCAST	194.86
COMCAST - NWRC	304.50
CONSOR NORTH AMERICA, INC.	377.25
DESHMANE, ATUL	242.79
FERNDALE ACE HARDWARE	60.42
FERNDALE CITY OF	11,129.60
GATEWAY CONTROLS	1,247.05
GRANT, CHRISTINE	52.27
GUARDIAN SECURITY SYSTEMS, INC	232.62
HARDWARE SALES, INC	176.22
INSIGHT PUBLIC SECTOR, INC.	6,424.09
INTERNAL REVENUE SERVICE	22,638.23
MASSMUTUAL RETIREMENT SVCS LLC	12,640.00
P&P EXCAVATING, LLC	15,859.23
PAYLOCITY	183.16
PAYROLL	243,214.07
PLATT ELECTRIC SUPPLY CO	1,735.39
SCHWEITZER ENGINEERING LABS	13,009.97
STAR RENTALS	1,705.78
TUPPER MACK WELLS PLLC	20,267.00
ULINE, INC.	4,311.74
VALVOLINE	83.20
WA FEDERAL VISA CARD MEMBER SERVICES	2,382.70
WA ST DEPT OF REVENUE - EXCISE TAX	82,080.94
WASHINGTON ALARM, INC.	155.93
WESTERN CONFERENCE OF TEAMSTERS	9,366.00
GRAND TOTAL	\$1,147,479.33

ACTION: Commissioner Grant made the motion to APPROVE THE CONSENT AGENDA OF FEBRUARY 27, 2023. Commissioner Deshmane second the motion. Motion passed unanimously.

Clerk Note to the Minutes of the Special Meeting of February 21, 2024:

At the Call to Order of the Special Meeting, in attendance: Commissioner Arnett, Commissioner Grant, Legal Counsel Sitkin, and Commission Clerk Grimm. Commissioner Deshmane and General Manager Heimgartner were in attendance; however, they had already joined the Executive Session online.

4. **Public Comment** – None made.

5. **General Manager’s Report**

GM covered many topics including snowpack, Board Retreat, 230kv substation purchase and other topics.

6. **Old Business**

a) **Broadband Program Update**

- Entrikin provided an update on the District’s broadband program including BEAD changes to Whatcom County eligible locations, fiber-to-the-premise, wireless technologies, and more. Commissioners requested a study session to learn more. Information forthcoming.

b) **Adjudication Update**

- Sitkin commented on two bills concerning adjudication appear to be passing in the Legislature;
- A local bar committee has been meeting every 3 – 6 weeks to work on ‘rules’ for adjudication but are now running out of time to get into the depths of the rules.
- A letter received from a group of non-local lawyers representing agriculture communities and others had extensive comments on Ecology’s draft claim formats. Sitkin said the PUD has decided not to join this statement letter.

c) **Legislative Update**

- WPUDA is supporting a budget item for ground water modeling based on sections of the Foster fix legislation (SB 5517).

d) **Geothermal Update**

- Legislative:
 - Budget Proviso (funding for feasibility studies) is moving forward through the Legislature.
 - Geothermal Grant bill is contingent upon the initiative in the November election – whether it passes or fails.
- Governor Inslee and entourage is planning a visit to Whatcom County, including a discussion on geothermal activities along with the Nooksack Tribe, Commissioner Grant, Heimgartner and Entrikin will attend.

e) **Per Diem Compensation Update/Discussion**

Sitkin provided history on the current policy. Commissioners discussed the current policy and decided they would like to each review the others’ expense reports. No action was requested or taken.

7. **New Business**

a) **Approval of Change Order No. 01 – P & P Excavating D Station Line Stop Project**

Change Order No. 01 concerns the D-Station Line Stop Project (CIP RW-44) and the associated Construction Contract with the prime contractor P & P Excavating LLC. The proposed change order covers the additional labor hours, materials, and leased equipment needed to complete the Project. The expansion of the project scope is due to the current water line alignment not being able to accommodate a line stop because the actual pipe materials were different than specified in the original design drawings. It also covers the additional materials and labor associated with a new bypass line that will be used to feed BP during the construction process of this project and the future expansion of D-Station.

The additional cost not to exceed amount for P & P Excavating completing work under Change Order No. 01 is \$154,510.43. The revised total amount for the Construction Contract is as follows:

Original Contract Amount	\$129,610.00
<u>Change Order No. 01</u>	<u>\$260,265.00</u>
Subtotal	\$389,875.00
<u>Sales tax (8.6%)</u>	<u>\$33,529.25</u>
Total Amended Contract Amount	\$423,404.25 (Including Sales Tax)

There is no fiscal impact to the District – the capital project has been included in the approved 2023 Budget as CIP RW-44.

ACTION: Commissioner Grant made the motion to APPROVE CHANGE ORDER NO.01 FOR THE D-STATION LINE STOP PROJECT AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE CHANGE ORDER. Commissioner Deshmane second the motion. Motion passed unanimously.

b) Award of Contract: FlowServe for Plant 1 Intake Pump Replacement

District staff identified repairs that were critical to the performance of Intake Pump 1 and Intake Pump 5 at Water Treatment Plant 1 (WTP1) in 2023. Upon the pumps being pulled and inspected by FlowServe, it was determined that they were beyond repair. Upon receiving the quote, it was decided to replace Intake Pump 5 in 2023 and replace Intake Pump 1 in 2024 due to budget constraints.

FlowServe provided the District with a quote (cost and timeline) to replace Intake Pump 1, which met the PUD's requirements. The cost of the Intake Pump 1 Installation is \$121,522.00 (without sales tax) and includes the purchase and installation of Intake Pump 1. There is no fiscal impact as this project is budgeted for in the 2024 Capital Improvements Projects Budget line item RW-48.

ACTION: Commissioner Grant made the motion to AWARD THE CONTRACT TO FLOWSERVE FOR WATER TREATMENT PLANT 1 INTAKE PUMP NO.1 REPLACEMENT AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE CONTRACT. Commissioner Deshmane second the motion. Motion passed unanimously.

c) Approve Master Fiber Lease Agreement and Service Order Summary

In 2024, the PUD intends to enter into a Master Optical Fiber and Related Telecommunications Facilities Lease Agreement with the local incumbent license exchange carrier (ILEC), Whidbey Telecom and other Internet Service Providers (ISP's). The PUD will design, build and maintain the fiber-to-the-premise system and in exchange, the ILEC/ISP will pay the PUD a monthly recurring charge (MRC) per connection. This model allows for a level playing field for all internet service providers to compete and offer services to Point Roberts constituents.

There is no fiscal impact. Funds are designated in the 2024 Budget.

ACTION: Commissioner Grant made the motion to APPROVE THE MASTER OPTICAL FIBER AND RELATED TELECOMMUNICATIONS FACILITIES LEASE AGREEMENT AND SERVICE ORDER SUMMARY WITH INTERNET SERVICE PROVIDERS, FOR AND ON BEHALF OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY AND AUTHORIZE THE GENERAL MANAGER OR HIS/HER DESIGNEE, TO EXECUTE THE AGREEMENT. Commissioner Deshmane second the motion. Motion passed unanimously.

8. Operations Report

Walters reported on river conditions and weather, an underwater drone, the Bender Tower, and the Plant 1 rebuild.

9. Commissioner Reports

Grant:

- Has been working with Heimgartner for the geothermal/Nooksack event on Friday; one per diem request for the upcoming event.
- She also requested an upcoming per diem to meet with a representative from BPA to learn more about BPA transmission variables for generation projects.

Deshmane:

- Plans to attend and will take a per diem for the City Club discussion on the Boldt Decision;
- Has additional meetings planned next week;
- Public Power Council is coming up in March;
- Attended a steering committee requested by the County Executive.

Arnett:

- No per diems for this week;
- The next Watershed Management Board Meeting was cancelled.
- Met with several Legislators in Olympia at the WPUDA Day on the Hill and attended WPUDA committee meetings;
- Representative Ramel discussed a support letter for the Climate Commitment Act – up for a repeal on the November ballot after a successful signature campaign to put it there. It is a finding mechanism for new clean energy projects– Arnett is in favor of this and the Commission requested the topic to be included at the next agenda.
- Inquired about an apprentice program and various training events through Evergreen Rural Water of Washington and asked if the PUD has taken advantage of it. Operator training/certifications will be addressed at the next meeting.

10. Public Comment

Rick Maricle commented on Commissioner Deshmane’s remarks regarding the recent voltage sag. Regarding Heimgartner’s comments on definitions of “unserved” and “underserved areas” of broadband, Maricle said those who have fiber on their road and refuse cable service shouldn’t be counted as underserved/unserved – Starlink is now available throughout the county.

11. Executive Session

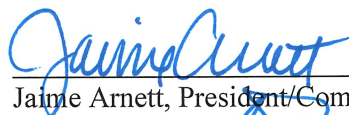
Commissioner Arnett requested an Executive Session pursuant to RCW 42.30.110(1)(g) To review the qualifications and/or performance of a public employee. Estimated time was 45 minutes; adjournment time for Executive Session at 10:30 a.m. After a short recess, the Commission adjourned to Executive Session at 9:45 a.m.

Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 10:29 a.m.

12. Adjourn

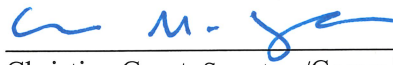
There being no further business for the regular meeting, Commissioner Arnett adjourned the regular meeting at 10:30 a.m.



Jaime Arnett, President/Commissioner



Atul Deshmane, Vice President/Commissioner



Christine Grant, Secretary/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/2024-agenda-packets-meeting-minutes-recordings/>