

# DRAFT

## PUBLIC UTILITY DISTRICT No. 1 of Whatcom County

Agenda for the Regular Meeting of April 9, 2024  
8:15 a.m. at the PUD Office  
(In-person, Zoom, & Teleconference)

1. Call to Order | Pledge of Allegiance
2. Approval of Agenda (2 minutes)
3. Consent Agenda (5 min.)
  - a) Approval of the Minutes of the Regular Meeting of March 26, 2024
  - b) Approval of Claims for April 9, 2024
4. Public Comment (10 minutes – Individual speakers: 3 min.)
5. General Manager Report (10 min.)
6. Old Business (30 min.)
  - a) Broadband Update
  - b) Adjudication Update
  - c) Geothermal Update
7. New Business (20 min.)
  - a) Reject All Bids for the D Station and Control Improvements Project
  - b) Approve Resolution No. 847 – Cancellation of Warrant
  - c) Approve Resolution No. 848 – Cancellation of Warrant
  - d) Call for Special Commission Meeting on April 16, 2024
8. Operations Report (10 minutes)
9. Commissioner Reports (10 minutes)
  - a) Upcoming Per Diem Requests
10. Public Comment (10 minutes– Individual speakers: 3 min.)
11. Executive Session: RCW 42.30.110(1)(i) Potential Litigation – Water Rights Adjudication (estimated 15 minutes)
12. Adjourn (Estimated 10:00 a.m.)

**Notice:**

All Commissioners will participate either in-person, via Zoom/internet or teleconference.

**The public meeting can be accessed:** In-person at location announced;

**By internet:** <https://us02web.zoom.us/j/89944841916>

**Or telephone:** Dial 1 (253) 215 8782 or 1 (346) 248 7799

**Webinar ID:** 899 4484 1916

### Next Commission Meetings

April 23 & May 14, 2024 | 8:15 a.m. | Regular Meetings – District Office  
1705 Trigg Road, Ferndale, WA 98248

*or other location announced*

Contact: Ann Grimm, Commission Clerk (360) 384-4288 x 27

[info@pudwhatcom.org](mailto:info@pudwhatcom.org)

[www.pudwhatcom.org](http://www.pudwhatcom.org)

# DRAFT

AGENDA ITEM #3a  
April 9, 2024

## MINUTES OF THE REGULAR MEETING OF THE COMMISSION

March 26, 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: General Manager Chris Heimgartner; Andrew EntriKin, Broadband Program Manager; Ann Grimm, Executive Assistant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Aaron Peterson, IT/SCADA Technician; Garrett Love-Smith, Project Manager; Kurt Wank, Director of Utility Operations; and Annette Smith, Director of Finance; and Stephanie Hooper, Accountant I.

Public attending:  
Rick Maricle  
Dave Olson  
Jack Wellman, PSE

### 2. Approval of Agenda

Sitkin requested to add a thirty-minute Executive Session to discuss the performance evaluation of a public employee and potential litigation.

**ACTION:** Commissioner Grant made the motion to APPROVE THE AGENDA MARCH 26, 2024 AS AMENDED. Commissioner Deshmane second the motion. Motion passed unanimously.

### 3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting of March 12, 2024;
- b) Approval of the Claims of March 26, 2024:

VENDOR NAME	AMOUNT
BAKER SEPTIC TANK PUMPING	309.51
BONNEVILLE POWER ADMINISTRATION	651,697.00
CARL'S MOWER & SAW, INC	1,087.99
CESCO NEW CONCEPT CHEMICAL PRODUCTS	117.18
CHMELIK SITKIN & DAVIS	11,801.12
COBB, FENDLEY & ASSOCIATES	5,060.96
COMCAST	194.86
COMCAST - NWRC	300.00
CULLIGAN NORTHWEST	102.33
EAGLE EYE POWER SOLUTIONS, LLC	4,190.15
FASTENAL	385.04
FERNDAL ACE HARDWARE	36.97
GOODWIN, CHRISTOPHER	500.00
GUARDIAN SECURITY SYSTEMS, INC	2,492.52
HEALTH PROMOTIONS NORTHWEST	150.00
INTERNAL REVENUE SERVICE	21,379.76
MASSMUTUAL RETIREMENT SVCS LLC	12,840.00
NORTH COAST ELECTRIC COMPANY	5,104.03
P&P EXCAVATING, LLC	4,577.49
PAYLOCITY	449.16
PAYROLL	227,269.29

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PLATT ELECTRIC SUPPLY CO	653.07
POTELCO, INC	91,442.22
PUBLIC UTILITY RISK MANAGEMENT SERVICES	227.14
PUGET SOUND ENERGY, INC	189.89
RH2 ENGINEERING, INC	238.83
SOUND PUBLISHING	111.72
STAR RENTALS	1,705.78
TUPPER MACK WELLS PLLC	9,621.50
WA FEDERAL VISA CARD MEMBER SERVICES	6,830.35
WA ST DEPT OF REV PRIVLGE	218,538.70
WA ST DEPT OF REVENUE - EXCISE TAX	81,894.50
<u>WESTERN CONFERENCE OF TEAMSTERS</u>	<u>8,225.00</u>
<b>GRAND TOTAL</b>	<b>\$1,369,724.06</b>

**ACTION:** Commissioner Grant made the motion to APPROVE THE CONSENT AGENDA OF MARCH 26, 2023. Commissioner Deshmane second the motion. Motion passed unanimously.

4. **Public Comment** – None made.

5. **General Manager’s Report**

The General Manager discussed Western power markets.

6. **Old Business**

a) **Broadband Program Update**

Entrikin provided an update on Point Roberts and future BEAD funding.

b) **Adjudication Update**

Sitkin provided update.

c) **Legislative Update** – no update.

d) **Geothermal Update**

Legislative update: ESSB 6039 will be signed by the Governor. Grant is working on a press release with Representative Ramel.

Commissioner Arnett suggested a resolution supporting the CCA be brought to the Commission in August.

7. **New Business**

a) **Approve Purchase of Rockwell Variable Frequency Drive**

Staff requested that North Coast provide a quote to replace and install a new 480V VFD. On March 18, 2024, the District received the following quote from North Coast:

**Rockwell 480V VFD            \$298,735.68 (tax not included)**

Staff recommends proceeding with the purchase of the VFD from North Coast. There is no fiscal impact as the VFD and installation has been budgeted for 2024 under line-item CIP: RW-48

**ACTION:** Commissioner Grant made the motion to APPROVE THE PURCHASE FOR A NEW 700HP 480V ROCKWELL VFD AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE PURCHASE ORDER. Commissioner Deshmane second the motion. Motion passed unanimously.

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## 8. Operations Report

Wank reported on Water Treatment Plant 1. An update regarding the plans/rebuild of Plant 1 was requested by Commissioner Grant.

## 9. Commissioner Reports

Grant:

- Will be in conversation with the BPA transmission group on what it would take for the geothermal project.

Deshmane:

- Plans to attend the annual Lake Whatcom joint meeting with County Council and City Council;
- Plans to attend the WPUDA committee meetings and Public Power Council meeting next month;

Arnett:

- Will plan to attend the WPUDA Water Committee meeting on Thursday.
- Reconfirmed the per diem discussion and reviewing Commissioners expenses.
- Commented on District policies which need to be updated. Sitkin said the policies and employee handbook is in the process of being updated.

## 10. Public Comment – None made.

## 11. Executive Session

Commissioner Arnett requested an Executive Session to review the qualifications and/or performance of a public employee and potential litigation. Estimated time was 30 minutes; adjournment time for Executive Session at 10:05 a.m. No action is anticipated after Executive Session. After a short recess, the Commission adjourned to Executive Session at 9:36 a.m.

At 10:05 a.m. an additional ten minutes was requested;

At 10:15 a.m. an additional five minutes was requested.

### Executive Session Adjourn

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 10:19 a.m.

## 12. Adjourn

There being no further business for the regular meeting, Commissioner Arnett adjourned the regular meeting at 10:20 a.m.

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Jaime Arnett, President/Commissioner

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Atul Deshmane, Vice President/Commissioner

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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/>

## Action Memo

**To:** Commissioners Arnett, Deshmane and Grant  
**From:** Garrett Love-Smith, Project Manager  
**Date:** April 9, 2024  
**Re:** Reject All Bids for RW-M-7 D Station Flow and Control Project

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**Requested Action:** REJECT ALL BIDS FOR RW-M-7 D STATION FLOW AND CONTROL PROJECT.

**Background:** The District owns and operates the D Station located at the end of Aldergrove RD that is the final section of the water transmission line that feeds BP Refinery. In 2021 it was determined that majority of the D Station was in need for major upgrades from the original 1964 design. The District contracted out the design work to RH2 Engineering to install a new vault along with redundant lines in case of repairs. In November of 2023 the designs were finalized with input provided by both the District and BP.

On March 29, 2024, the District received and publicly read aloud two (2) bids submitted for this project. The Engineer's Estimate for the project is \$485,400.00 (tax not included). The two bids are listed below:

<b>Construction Bids</b>	<b>Bid (no tax)</b>
Award Construction	\$1,098,500.00
Neptune Construction	\$1,210,550.00

Both Award and Neptune's Bid price exceeds the Engineer's estimate by more than 15%. Therefore, District staff has determined that the bids from Award and Neptune are non-responsive.

**Fiscal Impact:** The rejection of the D Station Flow and Control Project Bids has no fiscal impact on the District. Staff will continue efforts to work with RH2 to capture better cost for the engineers estimate for the project (RW-M-7).

**Recommended Action:** REJECT ALL BIDS FOR RW-M-7 D STATION FLOW AND CONTROL PROJECT.

AGENDA ITEM #7b  
April 9, 2024

## Action Memo

**To:** Commissioners Arnett, Deshmane, and Grant  
**From:** Stephanie Hooper, Accountant I  
**Date:** April 9, 2024  
**Re:** Approve Resolution No. 847 – Cancellation of Warrant

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**Requested Action:** APPROVE RESOLUTION NO. 847 AUTHORIZING CANCELLATION OF WARRANT FOR GARY'S PLUMBING AND HEATING.

**Background:** Warrant No. 1187809 was issued on March 26, 2024 in the amount of \$1,012.09 to Gary's Plumbing and Heating. The invoice was paid earlier by credit card. The District has notified the County that the Warrant has not been tendered and has asked the County to cancel and disregard the Warrant. A new Warrant will not be issued.

**Fiscal Impact:** No fiscal impact.

**Recommended Action:** APPROVE RESOLUTION NO. 847 AUTHORIZING CANCELLATION OF WARRANT FOR GARY'S PLUMBING AND HEATING.

**RESOLUTION NO. 847**

**RESOLUTION BY THE BOARD OF COMMISSIONERS  
OF PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY (DISTRICT)  
AUTHORIZING THE CANCELLATION  
OF WARRANT NO. 01187809**

**WHEREAS**, the warrant referenced in Exhibit A (the “Warrant”) was issued on the basis of an invoice (the “Invoice”) received from Gary’s Plumbing and Heating (Gary’s);

**WHEREAS**, following the Commission’s authorization of the issuance of the Warrant, the County’s Administrative Services Department (“County”) printed the original Warrant on March 26, 2024; however, the Invoice had already been paid by credit card. The District notified the County that the Warrant was issued in error and has asked the County to cancel and disregard the Warrant;

**WHEREAS**, the County has provided the Warrant that was issued on March 26, 2024, was issued in error, the Warrant having not been tendered to Gary’s, the District does now wish to cancel the Warrant, as provided by law; and

**NOW THEREFORE BE IT RESOLVED** that the District hereby cancels the warrant listed in Exhibit A.

**ADOPTED** by the Commission of Public Utility District No.1 of Whatcom County at its regular meeting held on the 9<sup>th</sup> day of April, 2024.

**PUBLIC UTILITY DISTRICT NO.1  
Of WHATCOM COUNTY**

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Jaime Arnett, President/Commissioner

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Atul Deshmane, Vice President/Commissioner

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Christine Grant, Secretary/Commissioner

**RESOLUTION NO. 847**

Exhibit A  
Cancellation of Warrant

<b>Warrant No.</b>	<b>Warrant Date</b>	<b>Vendor</b>	<b>Amount</b>
01187809	3/26/2024	Gary’s Heating and Plumbing	(\$1,012.09)

AGENDA ITEM #7c  
April 9, 2024

## Action Memo

**To:** Commissioners Arnett, Deshmane, and Grant  
**From:** Stephanie Hooper, Accountant I  
**Date:** April 9, 2024  
**Re:** Approve Resolution No. 848 – Cancellation of Warrant

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**Requested Action:** APPROVE RESOLUTION NO. 848 AUTHORIZING CANCELLATION OF WARRANT FOR AARON PETERSON.

**Background:** Warrant No. 1187822 was issued on March 26, 2024 in the amount of \$250.23 to Aaron Peterson. The invoice was paid by company credit card and the warrant now needs to be cancelled. The District has notified the County that the Warrant has not been tendered and has asked the County to cancel and disregard the Warrant. A new Warrant will not be issued.

**Fiscal Impact:** No fiscal impact.

**Recommended Action:** APPROVE RESOLUTION NO. 848 AUTHORIZING CANCELLATION OF WARRANT FOR AARON PETERSON.



**RESOLUTION NO. 848**

**RESOLUTION BY THE BOARD OF COMMISSIONERS  
OF PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY (DISTRICT)  
AUTHORIZING THE CANCELLATION  
OF WARRANT NO. 01187822**

**WHEREAS**, the warrant referenced in Exhibit A (the “Warrant”) was issued on the basis of reimbursement of an item purchased from Whistle Workwear (the “Invoice”) received from Aaron Peterson;

**WHEREAS**, following the Commission’s authorization of the issuance of the Warrant, the County’s Administrative Services Department (“County”) printed the original Warrant on March 26, 2024; however, the Invoice had already been paid by company credit card, not a personal credit card. The District notified the County that the Warrant was issued in error and has asked the County to cancel and disregard the Warrant;

**WHEREAS**, the County has provided the Warrant that was issued on March 26, 2024, was issued in error, the Warrant having not been tendered to Aaron Peterson, the District does now wish to cancel the Warrant, as provided by law; and

**NOW THEREFORE BE IT RESOLVED** that the District hereby cancels the warrant listed in Exhibit A.

**ADOPTED** by the Commission of Public Utility District No.1 of Whatcom County at its regular meeting held on the 9<sup>th</sup> day of April, 2024.

**PUBLIC UTILITY DISTRICT NO.1  
Of WHATCOM COUNTY**

\_\_\_\_\_  
Jaime Arnett, President/Commissioner

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Atul Deshmane, Vice President/Commissioner

\_\_\_\_\_  
Christine Grant, Secretary/Commissioner

**RESOLUTION NO. 848**

Exhibit A  
Cancellation of Warrant

<b>Warrant No.</b>	<b>Warrant Date</b>	<b>Vendor</b>	<b>Amount</b>
01187822	3/26/2024	Aaron Peterson	(\$250.23)

AGENDA ITEM #7d  
April 9, 2024

## Action Memo

**To:** Commissioners Arnett, Deshmane, and Grant  
**From:** Chris Heimgartner, General Manager  
**Date:** April 9, 2024  
**Re:** Call for Special Commission Meeting

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**Requested Action:**

CALL FOR A SPECIAL COMMISSION MEETING FOR THE COMMISSION RETREAT ON TUESDAY, APRIL 16, 2024, FROM 1:30 PM TO 5:30 PM, LOCATED AT THE FOUR POINTS SHERATON HOTEL/CONFERENCE CENTER, 714 LAKEWAY DRIVE, BELLINGHAM, WA.

**Background:**

Crina Hoyer Consulting will facilitate a half-day Commission and Staff Retreat.

The purpose of the Special Meeting shall be to:

1. Call to Order
2. Commission and Staff Leadership and Planning Retreat
3. Next Steps
4. Adjourn

This agenda is subject to changes. Action may be taken on the item(s) during discussion. The meeting is expected to last four (4) hours. This is an in-person meeting only. There is no remote attendance available.

**Recommended Action:**

CALL FOR A SPECIAL COMMISSION MEETING FOR THE COMMISSION RETREAT ON TUESDAY, APRIL 16, 2024, FROM 1:30 PM TO 5:30 PM, LOCATED AT THE FOUR POINTS SHERATON HOTEL/CONFERENCE CENTER, 714 LAKEWAY DRIVE, BELLINGHAM, WA.