

**PUBLIC UTILITY DISTRICT No. 1
of Whatcom County**

Agenda for the Regular Meeting of December 10, 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 minutes)
 - a) Approval of the Minutes of the Regular Meeting of November 26, 2024
 - b) Approval of Claims for December 10, 2024
4. Public Comment (10 minutes – Individual speakers: 3 minutes)
5. General Manager Report (10 minutes)
6. Operations Report (10 minutes)
7. Old Business (30 minutes)
 - a) Broadband Update
 - b) Adjudication Update
 - c) Geothermal Update
 - d) Strategic Plan Update
8. Public Hearing Regarding the Proposed Final Budget for PUD No. 1 of Whatcom County
9. New Business (30 minutes)
 - a) Action 1: Approve Professional Services Agreement Dave Olson, Cornerstone Management Inc.
 - b) Resolution 1: Resolution No. 864 A Resolution by The Commission Of Public Utility District No. 1 Of Whatcom County ("District") Adopting The District Budget For The 2025 Calendar Year
 - c) Resolution 2: Resolution No. 865 A Resolution by the Commission of Public Utility District No. 1 of Whatcom County ("DISTRICT") Adopting INDUSTRIAL Water Utility Water Rates, AND GRANDVIEW UTILITY SERVICE RATES for 2025
 - d) Resolution 3: Resolution No. 866 A Resolution by The Commission Of Public Utility District No. 1 Of Whatcom County ("DISTRICT") Adopting Rates And Charges RELATED TO USE AND OPERATION OF THE District's ELECTRIC UTILITY For 2025
10. Commissioner Reports (10 minutes)
 - a) Upcoming Per Diem Requests
Commissioner Arnett: None as of publication
Commissioner Ury: None as of publication
Commissioner Deshmane: None as of publication
11. Public Comment (10 minutes– Individual speakers: 3 minutes)
12. Executive Session: Public Employee Performance Discussion (20 mins), Potential litigation (15 mins). **30 Minutes Total and No Action Will Be Taken During the Session**
13. Adjourn (Estimated 10:20 AM)

2024 BOARD OF COMMISSIONERS

JAIME ARNETT
ATUL DESHMANE
EDDY URY

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/89891075147>

NOTE: IF ATTENDING VIA ZOOM WE WOULD APPRECIATE YOUR FULL NAME FOR THE COMMISSION RECORD THOUGH IT IS NOT REQUIRED

Or telephone: Dial 1 (253) 215 8782 or 1 (253) 205 0468

Webinar ID: 898 9107 5147

Next Commission Meetings

December 17, 2024 & January 14, 2025 |8:15 a.m.| Regular Meetings

Meetings to be held at the District Office

1705 Trigg Road, Ferndale, WA 98248

or other location announced

Contact: Chris Heimgartner, General Manager (360) 384-4288 x 119

info@pudwhatcom.org

www.pudwhatcom.org

Attendee Report

Report Generated: 11/26/2024 13:22

Topic	Webinar ID	Actual Start Time	Actual Duration (min)	Unique Viewers	Total User	Max Concurrent	Enable Registration
November	846 3058 4729	11/26/2024 8:05	154	12	19	10	No

Host Details

Attended	User Name (Original Email)	Join Time	Leave Time	Time in Session	Is Guest	Country/Region Name
Yes	Mike M. Whatcom mikemacomber@pud	11/26/2024 8:05	11/26/2024 10:38	154	No	United States

Panelist Details

Attended	User Name (Original Email)	Join Time	Leave Time	Time in Session	Is Guest	Country/Region Name
Yes	Annette Smith - W annettesmith@pudwh	11/26/2024 8:17	11/26/2024 10:38	142	No	United States
Yes	Kurt Wank kurtwank@pudwhate	11/26/2024 8:15	11/26/2024 10:38	144	No	United States
Yes	Whatcom PUD zoom@pudwhatcom.c	11/26/2024 8:06	11/26/2024 10:38	153	No	United States
Yes	Brian Walters brianwalters@pudwh	11/26/2024 8:14	11/26/2024 10:38	145	No	United States

Attendee Details

Attended	User Name (Original Email)	Join Time	Leave Time	Time in Session	Is Guest	Country/Region Name
Yes	Michael Macomber (Michael)	11/26/2024 8:05	11/26/2024 10:38	153	Yes	United States
Yes	Rick Maricle	11/26/2024 8:05	11/26/2024 8:11	6	Yes	United States
Yes	Rick Maricle	11/26/2024 8:16	11/26/2024 9:24	69	Yes	United States
Yes	Rick Maricle	11/26/2024 9:34	11/26/2024 10:22	48	Yes	United States
Yes	Aspen Cates-Doglio	11/26/2024 8:10	11/26/2024 10:11	122	Yes	United States
Yes	Annette Smith - W annettesmith@pudwh	11/26/2024 8:11	11/26/2024 8:17	6	No	United States
Yes	Sam	11/26/2024 8:38	11/26/2024 9:22	45	Yes	United States
Yes	stephanieh	11/26/2024 8:05	11/26/2024 10:38	154	Yes	United States
Yes	garrettl	11/26/2024 8:13	11/26/2024 10:11	118	Yes	United States
Yes	Rebecca Schlotterl rebeccas@pudwhatco	11/26/2024 8:12	11/26/2024 10:38	147	No	United States
Yes	Whatcom PUD zoom@pudwhatcom.c	11/26/2024 8:06	11/26/2024 8:06	1	No	United States
Yes	Andi Douglass	11/26/2024 8:11	11/26/2024 10:11	121	Yes	United States
Yes	Ross, Josh	11/26/2024 8:23	11/26/2024 8:56	33	Yes	United States
Yes	Jon Littlefield	11/26/2024 8:27	11/26/2024 10:38	132	Yes	United States

**MINUTES OF THE REGULAR
MEETING OF THE COMMISSION
November 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 at the meeting included:

COMMISSION AND STAFF

Atul Deshmane	Commissioner
Jaime Arnett	Commissioner
Todd Lagestee	Commissioner
Jon Sitkin	Legal Counsel
Chris Heimgartner	General Manager
Andrew Entrikin	Director – Broadband and New Power Supply
Annette Smith	Director of Finance
Brian Walters	Assistant General Manager
Garrett Love-Smith	Engineering Manager
Joseph Shay	Clerk of the Board / Records
Kurt Wank	Assistant General Manager
Jon Littlefield	Electric Systems Supervisor
Lisa Moeller	Director – HR & Communications
Mike Macomber	IT/SCADA Technician
Rebecca Schlotterback	Contracts and Regulatory Compliance Manager
Stephanie Hooper	Accountant I

VISITORS

Rick Maricle	Citizen
Aspen Cates-Doglio	Citizen
Sam	Citizen
Andi Douglass	Citizen
Josh Ross	Citizen
Jamie Douglass	Citizen

2. Approval of Agenda

ACTION:

Joseph Shay, Clerk to the Board noted the addition of an action item requesting approval of a professional services agreement with ADP Resources. Commissioner Deshmane made a motion to approve the agenda with the additional action item. Commissioner Lagestee seconded the motion. The motion passed unanimously.

3. Approval of Consent Agenda

a) Approval of the Minutes of Regular Commission Meeting of November 12, 2024, Special Commission Meeting of November 19, 2024 & Approval of the Claims of November 26, 2024:

Commissioner Lagestee made a motion to approve the Consent Agenda as a whole including both the minutes and the claims. Commissioner Deshmane seconded the motion. The motion passed unanimously.

Claims of November 12, 2024:

ANVIL CORPORATION	1,855.00
INDUSTRIAL SUPPLY, INC	296.05
BHAM PROMOTIONAL PRODUCTS	27.25
BONNEVILLE POWER ADMINISTRATION	907,727.00
CDW/COMPUTER DISCOUNT WAREHOUSE	12,056.48
CESCO NEW CONCEPT CHEMICAL PRODUCTS	182.09
CHMELIK SITKIN & DAVIS	13,520.44
CIVIC GROUP	5,000.00
COMCAST	326.92
COMCAST - NWRC	300.00
CRABTREE, DEVIN	294.98
FASTENAL	74.47
FERNDALE ACE HARDWARE	122.23
FOSTER GARVEY PC	11,144.00
GUARDIAN SECURITY SYSTEMS, INC	233.05
HD FOWLER CO, INC	131.60
HEIMGARTNER, CHRIS	471.73
INTERNAL REVENUE SERVICE	22,515.92
IVOXY CONSULTING LLC	4,695.35
MANAGEMENT SERVICES NW	689.61
MASSMUTUAL RETIREMENT SVCS LLC	12,635.00
MOTION AND FLOW CONTROL PRODUCTS INC	91.39
NESS CRANE SERVICE, INC	3,429.10
NORTH COAST ELECTRIC COMPANY	12,360.23
NORTHWEST CASCADE, INC.	165.50
ODP BUSINESS SOLUTIONS LLC	399.60
PAYLOCITY	189.64
PAYROLL	260,635.36

PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	201.92
PLATT ELECTRIC SUPPLY CO	68.34
PUD #1 OF WHATCOM COUNTY	1,250.00
PUGET SOUND ENERGY, INC	1,545.25
STAR RENTALS	197.30
US BANK	2,297,745.87
VALVOLINE	138.68
WA FEDERAL VISA CARD MEMBER SERVICES	11,884.30
WA PUBLIC UTILITY DISTRICTS ASSOCIATION	110.00
WA ST AUDITOR'S OFFICE	9,104.50
WA ST DEPT OF REVENUE - EXCISE TAX	92,178.98
WASHINGTON ALARM, INC.	156.21
WESTERN CONFERENCE OF TEAMSTERS	3,356.50
GRAND TOTAL	\$ 3,689,507.84

4. **Public Comment** – Jamie Douglass addressed the commission regarding broadband and asked that the commission consider working with other local groups on shovel ready broadband projects. Mr. Douglass also voiced his support for publicly owned broadband infrastructure.
5. **General Manager’s Report** – General Manager Heimgartner informed the commission that next Wednesday (December 4, 2024) he will be attending the Citizen’s Action Committee for the Hydrogen Hub as the PUD’s representative to that committee. The General Manager also informed the commission that as soon as the new PUD commissioner arrives, he will be given new commissioner training. The General Manager noted that a new contract with Crina Hoyer was signed and that she would be reaching out to the commissioners individually next week.
6. **Operations Report** – Kurt Wank, Assistant General Manager reported that intake 5 at plant 1 has been repaired and is fully operational. Mr. Wank also reported that the clear wells at Plant 2 have been cleaned.
7. **Old Business**
 - a) **Broadband Update** – General Manager Heimgartner and the commission reviewed the timeline of events leading up to the decision to be made at this meeting regarding the direction of the PUD in applying for BEAD Grant funding for broadband. After a further detailed discussion Commissioner Deshmane made a motion that the PUD move forward with a partnership with the Port of Bellingham and apply for BEAD Grant funding using an indefeasible right of use (IRU) model similar in style to that which is currently used by the Port of Bellingham. Commissioner Arnett seconded the motion. The motion passed 2 to 1 with Commissioner Lagestee voting nay.
 - 1) **Action 1: Approve Agreement For Professional Services With ADP Resources & Authorize The District’s General Manager Or His Designee To Execute The Agreement** – The General Manager presented the commission with a request for action to approve a professional services agreement with ADP Resources to assist with the BEAD application process. After discussion and review Commissioner Lagestee made a motion to approve the execution of the agreement. Commissioner Deshmane seconded the motion. The motion passed unanimously.

b) Adjudication Update – Legal counsel reported to the Commission that there is a December 3rd hearing upcoming. Department of Ecology has filed their motion seeking the return of the summons on May 1, 2026. The expectation is that the court will instruct the Department of Ecology to issue their summons.

c) Geothermal Update – The General Manager briefed the commission that the joint Nooksack meeting regarding the geothermal project is being proposed for sometime in April or May 2025.

d) Strategic Plan Update – Legal Counsel suggested to the commissioners and staff that a strategic planning consultant with background in public utilities would be beneficial in this process. The commission agreed and directed the General Manager to seek out bids from qualified consultants and bring them back to the commission for consideration.

e) Report 1: Final Draft Budget Presentation – Annette Smith, Finance Director presented to the commissioners a report on the final draft budget. The Finance Director thoroughly explained the proposed budget for 2025 and informed the commission that there would be a public hearing at the December 10, 2024 commission meeting regarding the final budget and following the public hearing resolutions accepting the proposed final budget would be presented to the commission for consideration.

8. New Business

a) Resolution No. 863 A Resolution Of The Board Of Commissioners Of Public Utility District No. 1 Of Whatcom County (“District”) Honoring Commissioner Todd Lagestee – General Manager Heimgartner read aloud Resolution No. 863 honoring Commissioner Todd Lagestee for his service to the commission and the citizens of Whatcom County. Commissioner Arnett made a motion to approve the resolution. Commissioner Deshmane seconded. The adoption of the resolution passed unanimously.

9. Commission Reports/Per Diem Requests

a) Commission Reports / Per Diem Requests:

Commissioner Arnett reported that she was part of the Washington State Auditors exit meeting with PUD staff. Commissioner Arnett commended the PUD staff on their clean audit and their 18 years total of clean audits.

Commissioner Lagestee had nothing to report at the time of the meeting.

Commissioner Deshmane had nothing to report at the time of the meeting.

10. Public Comment – No public comment.

11. Executive Session

There was no Executive Session following the meeting.

12. Adjourn

There being no further business Commissioner Arnett adjourned the meeting at 9:38 a.m.

Jaime Arnett, President/Commissioner

Atul Deshmane, Vice President/Commissioner

Todd Lagestee, 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/>



Public Utility District No. 1 of Whatcom County
(360) 384-4288

**NOTICE OF PUBLIC HEARING REGARDING THE PROPOSED 2025 BUDGET FOR
PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY**

Notice is hereby given that the Board of Commissioners of Public Utility District No. 1 of Whatcom County (District) will hold a public hearing at the District's Regular Commission Meeting on **Tuesday, December 10, 2024** at 8:15 A.M. at the District's Administration Office, 1705 Trigg Road, Ferndale, WA.

The purpose of the hearing will be to receive public comment on the proposed 2025 budget. The proposed budget is available for review on the District website at the following link, under Annual Budget Books:

<https://www.pudwhatcom.org/the-commission/financial-documents/>

All Commissioners will participate in-person, Zoom platform or by teleconference:

To attend the public hearing via Zoom/internet:

<https://us02web.zoom.us/j/89891075147>

Or by telephone (253) 215-8782;

Webinar ID 898 9107 5147

PUBLIC UTILITY DISTRICT No.1

of Whatcom County

1705 Trigg Road • Ferndale, WA 98248
P: (360) 384-4288 • F: (360) 384-4849

Memo

To: Commissioners Deshmane, Grant, and Murphy

From: Chris Heimgartner, General Manager

Date: December 3, 2024

Re: Approve Professional Services Agreement Dave Olson, Cornerstone Management Inc.

Requested Action – APPROVE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH DAVE OLSON, CORNERSTONE MANAGEMENT INC., TO PERFORM TECHNICAL SERVICES FOR THE WHATCOM PUD AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT.

Background – Since 2009, Whatcom PUD has contracted with Dave Olson, Cornerstone Management Inc., (Olson) to provide technical assistance to water associations, water districts, and other potable water purveyors as directed by the Whatcom PUD. Projects have included grants authorized and funded by the Washington State Department of Health (DOH) which focused on North Whatcom County water issues.

Beginning in 2019, Olson was contracted to assist the Whatcom PUD with the update to the Whatcom PUD's Comprehensive Drinking Water System Plan. The update was approved by the Commission in September 2021 for final review by agencies. Olson has also provided technical assistance on various Whatcom PUD potable water system issues as directed by Whatcom PUD staff.

Whatcom PUD staff recommends that the Whatcom PUD continue to contract with Olson to provide technical services as directed by the Whatcom PUD. Work will be performed under individual Work Orders as needed and approved by the Whatcom PUD Commission or the General Manager per the Whatcom PUD's Purchasing Policy.

Fiscal Impact – The PSA has no fiscal impact to the Whatcom PUD. Work Orders associated with the Agreement will have specific budgets and are covered in the 2025 Whatcom PUD Budget.

Recommended Action – APPROVE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH DAVE OLSON, CORNERSTONE MANAGEMENT INC., TO PERFORM TECHNICAL SERVICES FOR THE WHATCOM PUD AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT.

**STANDARD AGREEMENT
FOR PROFESSIONAL CONSULTING SERVICES**

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2024, by and between the **PUBLIC UTILITY DISTRICT NO. 1 of WHATCOM COUNTY**, 1705 Trigg Road Ferndale, WA 98248, hereinafter called the "Whatcom PUD," and **DAVE OLSON, CORNERSTONE MANAGEMENT, INC** having an address of 6993 Mission Road, Everson, WA 98247 hereinafter called "Consultant," for projects generally described as:

Technical Services to provide assistance to Whatcom PUD, water associations, water districts, and other water purveyors as directed by Whatcom PUD

WHEREAS, Whatcom PUD may need technical water system support, and may have the opportunity to assist water associations, water districts, and other water purveyors when requested by such organizations; and

WHEREAS, Whatcom PUD will pursue and obtain certain technical services consisting of those services necessary to perform such services for the Whatcom PUD, water associations, water districts, and other water purveyors; and

WHEREAS, the selection of the consultants, and the Consultant herein, were made after the completion of a process that complied with all provisions of Federal, State, and local laws concerning selection of professional services.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants set forth herein, the parties agree as follows:

1. **Scope of Services.** The specific assignments for the Consultant will be identified from time to time by Whatcom PUD. The Consultant will prepare and submit to Whatcom PUD a proposed Work Order which shall include the proposed scope of services and fee estimate for the proposed assignment. If acceptable, Whatcom PUD will execute the Work Order for the specific assignment. The scope of Work Orders is hereinafter referred to as “Work”. Services of the Consultant shall conform with the standard of care applicable to professionals providing similar such services in the State of Washington. All Work Orders must be approved in writing and approved in advance by the Commission and/or General Manager of Whatcom PUD. The terms and conditions of this Agreement shall apply in all Work Orders approved by the Whatcom PUD, unless a Work Order contains terms and conditions different than those provided herein. Any Work Order and this Agreement shall be interpreted to give full meaning to all provisions. In the event that any provision of this Agreement is in conflict with any provision of an approved Work Order, the more specific shall control, and if a conflict still exists, then the Work Order shall control the specific conflicting provision.

2. **Term.** The term of this Agreement shall commence on execution of this Agreement until all tasks associated with the scope of services herein, as may be amended, have been completed by Consultant or December 31, 2028, whichever is sooner, unless terminated earlier as provided herein.

3. **Termination.** Whatcom PUD reserves the right to terminate this Agreement at any time by sending written notice of termination to the Consultant. The notice shall specify a termination date at least fourteen (14) calendar days after the date the notice is issued. The notice shall be effective upon the earlier of either actual receipt by the Consultant (whether by fax, mail, delivery or other method reasonably calculated to be received by the Consultant in a reasonably prompt manner) or three (3) calendar days after issuance of the notice. Upon the notice date, the Consultant shall immediately commence to end the Work in a reasonable and orderly manner. Unless terminated for the Consultant's material breach, the Consultant shall be paid or reimbursed for: (a) all hours worked and eligible expenses incurred up to the notice date, less all payments previously made; and (b) those hours worked and eligible expenses incurred after the notice date, but prior to the termination date, that were reasonably necessary to terminate the Work in an orderly manner. The notice shall be sent by the United States Mail to the Consultant's address provided herein, postage prepaid, certified or registered mail, return receipt requested, or by hand delivery. In addition, the notice may also be sent by any other method reasonably believed to provide the Consultant actual notice in a timely manner, such as fax. Whatcom PUD does not by this Section waive, release or forego any legal remedy for any violation, breach or non-performance of any of the provision of this Agreement. At its sole option, Whatcom PUD may deduct from the final payment due the Consultant (a) any damages, expenses or costs arising out of any such violations, breaches, or non-performance and (b) any other back charges or credits.

4. **Compensation and Payment.** Whatcom PUD shall pay the Consultant only for completed Work and for services actually rendered which are described in each Work Order. Such payment shall be full compensation for Work performed or services rendered, including, but not limited to, all labor, materials, supplies, equipment and incidentals necessary to complete the Work. The Consultant shall obtain the prior written approval of Whatcom PUD for any charges for additional services by the Consultant, the additional services of others retained by the Consultant, or the furnishing of additional supplies, materials or equipment. The Consultant shall not be entitled to compensation for any such additional charges incurred in violation of this paragraph.

4.1 The Consultant shall submit monthly statements, including project budget status and a narrative progress description of services rendered in a form and in such detail as requested by Whatcom PUD. Whatcom PUD shall make prompt monthly payments for work completed to Whatcom PUD's satisfaction and billed before the first day of the month. Whatcom PUD shall review and consider for approval all bills submitted one week prior to a regularly scheduled meeting of Whatcom PUD Commissioners. After approval of the Consultant's statement of bill, Whatcom PUD shall forward the approval to the County Treasurer for payment in the normal course of events. In no event shall Whatcom PUD be charged interest on payments due under this Agreement. Whatcom PUD shall not be obligated to pay for services deemed unsatisfactory.

5. **Compliance With Laws.** All Federal, State and local laws applicable in the rendering of the services by the Consultant shall be complied with in all respects by the Consultant, as shall all rules and regulations of Whatcom PUD and any other governmental agency. The Consultant shall register, as required by RCW 23B.15.010, to do business in the State of Washington and provide proof of the same to Whatcom PUD.

6. Project Management. Whatcom PUD's designated representative may at any time issue written directions within the general scope of this Agreement. If any such direction causes an increase or decrease in the cost of this Agreement or otherwise affects any other provision of this Agreement, the Consultant shall immediately notify the designated representative in writing and take no further action concerning those written directions until such time as the parties have executed a written change order. No additional work shall be performed or charges incurred unless and until Whatcom PUD approves in writing the change order and the increased cost thereof. Any work done in violation of this paragraph shall be at the sole expense of the Consultant.

7. Recordation of Documents Affecting Title. Prior to the execution or recordation of any documents affecting title to any property, the said document shall be reviewed by Whatcom PUD. Whatcom PUD shall be responsible for all costs associated with such review.

8. Conflict of Interest. Consultant covenants that it presently has no interest and shall not acquire an interest, directly or indirectly, which would conflict in any manner or degree with its performance under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by it or any of its subcontractors.

9. Insurance. Consultant shall procure and maintain during the term of this Agreement the following insurance:

a. Comprehensive general liability policy covering all claims for personal injury (including death) and/or property damage arising out of Consultant's services. The limits of liability shall be not less than One Million Dollars (\$1,000,000) for each occurrence and in the aggregate unless Whatcom PUD approves in writing a lesser limit.

b. Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles used by or on behalf of Consultant. The limits of liability shall be not less than One Million Dollars (\$1,000,000) for each occurrence and in the aggregate unless Whatcom PUD approves in writing a lesser limit.

c. Workers Compensation Insurance as required by law.

9.1 The foregoing insurance policies shall name Whatcom PUD as an additional insured. Consultant shall provide two (2) certificates of insurance and, if requested, copies of any policy to Whatcom PUD. Receipt of such certificate or policy by Whatcom PUD does not constitute approval by Whatcom PUD of the terms of such policy. Furthermore, the policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to Whatcom PUD except upon forty-five (45) days prior written notice from the insurance company to Whatcom PUD; (iii) contain an express waiver of any right of subrogation by the insurance company against Whatcom PUD and Whatcom PUD's elected officials, employees, or agents; (iv) expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Consultant which might otherwise result in a forfeiture of said insurance; and (v) in regard to physical property damage coverage, expressly provide that all proceeds shall be paid jointly to Whatcom PUD and Consultant.

9.2 If Consultant fails to procure and maintain the insurance described above, Whatcom PUD shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums. Consultant shall pay to Whatcom PUD upon demand the full amount paid by Whatcom PUD, or Whatcom PUD may offset such premiums against amounts to be paid to Consultant.

10. **Indemnification.** Consultant shall indemnify and hold Whatcom PUD harmless from and against all costs and losses, and all claims, demands, suits, actions, payments and judgments, arising from personal injury or otherwise, brought or recovered against Whatcom PUD by reason of any negligent act or omission of Consultant, its directors, officers, agents or employees in the performance and execution of the Services hereunder, including any and all expenses, legal or otherwise, incurred by Whatcom PUD or its representatives in the defense of any claim or suit.

11. **Confidentiality.** Any reports, documents, questionnaires, records, information or data given to or prepared or assembled under this Agreement which Whatcom PUD requests to be kept confidential shall not be made available by the Consultant to any individual or organization without prior written approval of Whatcom PUD, except as may be ordered by a court of competent jurisdiction. The provisions of this section shall survive the expiration or earlier termination of this Agreement. No reports, records, questionnaires, software programs provided by Whatcom PUD or other documents produced in whole or in part by the Consultant under this contract shall be the subject of an application for copyright by or on behalf of the Consultant.

12. **Property of Whatcom PUD.** All Plans, Reports, Documents, Photographs, Drawings, and Specifications that are generated by the Consultant for Whatcom PUD under this contract are and shall remain the property of Whatcom PUD whether the Project for which they are made is executed or not. The Consultant assumes no liability for any use of the Drawings and Specifications other than that originally intended for this Project. The Consultant shall retain originals during the performance of the Services and reproducible copies shall be provided as requested by Whatcom PUD. Upon completion of the work, the originals of all Plans, Drawings and Specifications shall be delivered to Whatcom PUD.

13. **Electronic Transmission.** All electronically transmitted output must be compatible with existing Whatcom PUD software and must be accompanied by at least one (1) copy of written reports. Consultant shall check with Whatcom PUD for software application and system compatibility.

14. **Contamination.** For the purpose of this clause, contamination conditions shall mean the actual or alleged existence, discharge, release or escape of any irritant, pollutant, contaminant, or hazardous substance into or upon the atmosphere, land, groundwater, or surface water of or near the property. Consultant will promptly notify Whatcom PUD of contamination conditions, if identified.

15. **No Employment Relation Created.** Consultant is an independent contractor, who will provide services to Whatcom PUD. The Parties are not “partners” and this Agreement does not create a partnership, joint venture relationship or an employer-employee relationship. The relationship between Whatcom PUD and the Consultant is not and shall not be construed to be an

employment relationship under any circumstance, and shall be construed only to be an independent contractor relationship with Whatcom PUD.

16. **Industrial Insurance Act Defense Waiver.** The Consultant expressly waives any claim of defense against Whatcom PUD as may be provided by the Industrial Insurance Act, RCW 51.04.010 *et seq.* for any claim asserted by any person (or relative or estate thereof) for injury or death sustained during the course of the Contract work.

17. **Subconsultants.** Contractor shall notify Whatcom PUD in writing of all subconsultants hired or utilized by Consultant. At the time of project completion, the Consultant agrees to certify to Whatcom PUD that all sub-consultants have been paid in full. Consultant shall be solely responsible for the performance of any sub-consultant. All such subconsultants shall possess all licenses and insurance as required by the laws of the State of Washington.

18. **Discrimination.** In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status, or being handicapped, a disadvantaged person, or a disabled or Vietnam era veteran. The Consultant shall take affirmative action to ensure that the employees are treated during employment without regard to, their race, color, religion, sex, national origin, age, marital status, or being handicapped, or disadvantaged person, or disabled or Vietnam era veteran.

19. **Understanding of Agreement.** Each party acknowledges that such party has read this Agreement and understands its contents, that such party has had the opportunity to have this Agreement reviewed by an attorney of such party's choice, and that such party either has consulted with an attorney or voluntarily has chosen not to consult with an attorney before signing this Agreement.

20. **Litigation/Arbitration.** In the event either party herein finds it necessary to bring an action against the other party to enforce any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Agreement by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding shall be paid all costs and attorneys' fees incurred by the other party, and in the event any judgment is secured by such prevailing party all such costs and attorneys' fees of collection shall be included in any such judgment. In the event of any dispute arising between the parties to this Agreement, any such dispute shall be submitted to binding arbitration as provided herein. The parties shall select an independent and unbiased arbitrator who is not affiliated directly or indirectly with either party within ten (10) days after any party demands arbitration. If the parties fail to select or cannot agree upon an arbitrator within this time, then they shall make application to the Superior Court of Whatcom County, pursuant to RCW 7.04 *et seq.*, for an order appointing an arbitrator. Such application may be made at any time after the ten (10) day period has expired. Upon application to the court for an arbitrator, the Court shall select an arbitrator who shall render his/her decision no later than sixty (60) days after his/her appointment. If the arbitrator requests a hearing prior to rendering his/her decision, such hearing shall be held in Whatcom County, Washington within thirty (30) days of the arbitrator's appointment. The arbitrator's decision shall be binding on both parties. Each party shall bear its own expenses associated with the arbitration but shall share equally the costs of the arbitrator. RCW Chapter 7.04 and Rules 5.2 through 5.4 of the Mandatory Arbitration Rules for Superior Court ("MAR") shall govern the arbitration. In the

event of any inconsistencies between the Binding Arbitration Clause, RCW Chapter 7.04, and MAR 5.2 through 5.4, the terms of the Binding Arbitration Clause shall take precedence over RCW Chapter 7.04 and MAR 5.2 through 5.4; and RCW Chapter 7.04 shall take precedence over MAR 5.2 through 5.

21. **Notices.** All notices, demands, requests, consents and approvals which may or are required to be given by any party to any other party hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

Whatcom PUD: Chris Heimgartner, General Manager
Public Utility District No. 1 of Whatcom County
1705 Trigg Road | PO Box 2308
Ferndale, WA 98229

Consultant: Dave Olson
Cornerstone Management. Inc.
6993 Mission Rd
Everson, WA 98247

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

22. **Amendment.** No modification, termination or amendment of this Agreement may be made except by written agreement signed by all parties, except as provided herein.

23. **Waiver.** No failure by any of the foregoing parties to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term or condition. Any party hereto, by notice and only by notice as provided herein, may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other party hereto. No waiver shall affect or alter this Agreement, and each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

24. **Captions.** The captions of this Agreement are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Agreement.

25. **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

26. **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

27. **Neutral Authorship.** Each of the provisions of this Agreement has been reviewed and negotiated and represents the combined work product of all parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

28. **Governing Law.** This Agreement and the right of the parties hereto shall be governed by and construed in accordance with the laws of the State of Washington.

29. **Time of Performance.** Time is specifically declared to be of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

30. **Entire Agreement.** The entire agreement between the parties hereto is contained in this Agreement and the exhibits hereto, and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. This Agreement may be amended only by written instrument executed by the parties subsequent to the date hereof. The Consultant specifically understands that no Whatcom PUD employees other than the project manager or his/her supervisors are authorized to direct the work of the Consultant and/or amend this Agreement.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WHATCOM PUD:

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

By: _____

Title: General Manager

Date signed: _____

CONSULTANT:

CORNERSTONE MANAGEMENT, INC.

By: _____

Title: _____

Firm's EIN: _____

Date signed: _____

Action Memo

To: Commissioners Arnett, Deshmane, Ury

From: Annette Smith, Director of Finance

Date: December 10, 2024

Re: 2025 Budget and Rates Resolutions

Requested Action – Approve Resolutions 864, 865, and 866 for the District’s 2025 budget and rates

Background – Following the presentations to the Commission, customers, and following the public hearing on the draft 2025 budget, staff is recommending the Commission adopt the 2025 budget and rates for water and electric services. To do this, a series of resolutions are passed for the budget of the upcoming year and also the appropriate rates and charges for each utility. The following resolutions are presented for approval for the 2025 year:

Resolution 864 – Adopting the District Operating and Capital Budget for the 2025 calendar year, including an Emergency Reserve level set at \$360,000

Resolution 865 – Adopting the Industrial Water Utility water rates and Grandview water rates for 2025

Resolution 866 – Adopting the Electric Utility rates for calendar year 2025

Fiscal Impact – Establish rates to appropriate 2025 levels to reflect 2025 Operating and Capital Budgets

Requested Action – Approve Resolution 864 Adopting the District Operating and Capital Budget for 2025, including an Emergency Reserve level set to \$360,000

Requested Action – Approve Resolution 865 Adopting the Industrial and Grandview water rates for 2025

Requested Action – Approve Resolution 866 Adopting the Electric Utility rates for 2025

RESOLUTION NO. 864

**A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY ("DISTRICT")
ADOPTING THE DISTRICT BUDGET FOR THE 2025 CALENDAR YEAR**

WHEREAS, in conformity with the laws of the State of Washington, this Commission prepared a proposed budget of contemplated financial transactions of the District for the ensuing year;

WHEREAS, the Commissioners of the District held a public hearing on the budget at the regular Commissioners meeting, on December 10, 2024, to review said budget;

WHEREAS, the Commissioners established Resolution 728, a “Financial Management Policy” where the restricted Emergency Reserve would be reviewed annually during the budget process;

WHEREAS, the Commissioners deemed it to be in the best interest of the District that the budget for the year January 1 to December 31, 2025, be finally determined and adopted as set out below, and

NOW, THEREFORE, BE IT RESOLVED, that the Commissioners of Public Utility District No. 1 of Whatcom County do hereby adopt the budget as finally determined as set forth in Exhibit A attached for Industrial Water Utility, Grandview Utility, Broadband, Electric Utility, and Exhibit B for Capital Budget hereto, and do fix the final amount of expenditures for the ensuing year in words and figures as set forth in the copy of said budget attached to the original copy of this Resolution, which budget is set forth in the official records of the Commission directly below the entry of this Resolution. The individual utility budgets, Emergency Reserve and Capital Budget amounts are as follows:

<u>Exhibit A</u>	
Industrial Water Utility	\$ 14,849,791
Grandview Utility	330,627
Broadband	92,570
<u>Electric Utility</u>	<u>12,583,647</u>
Total Budget:	\$ 27,856,635

<u>Exhibit B</u>	
Capital Budget (for 2025)	\$ 28,699,754
Emergency Reserve (for 2025)	\$ 360,000

ADOPTED by the Commission of the Public Utility District No. 1 of Whatcom County at its regular meeting held on the 10th day of December 2024.

**Public Utility District No. 1
of Whatcom County**

President/Commissioner

Secretary/Commissioner

Commissioner

Exhibit A

WHATCOM PUD						
2025 Operating Budget		INDUSTRIAL WATER	GRANDVIEW	BROADBAND	ELECTRIC	TOTAL COMBINED BUDGET
BUDGET AT A GLANCE		UTILITY	UTILITY	UTILITY	UTILITY	
		403	411	473	481	
BUDGETED OPERATING REVENUE		<i>(Cherry Point Ind., Irrigation, Temp)</i>	<i>(Potable, Non-potable Water & Fire)</i>			
	TOTAL DISTRICT SERVICE REVENUE (Includes Irrigation)	\$ 14,668,375	\$ 327,172	\$ 92,400	\$ 2,503,350	\$ 17,591,297
	TOTAL ELECTRIC "PASS-THRU" REVENUE	-	-	-	10,018,108	10,018,108
	TOTAL BUSINESS SERVICES REVENUE	27,262	196	170	23,302	50,930
	TOTAL INTEREST AND OTHER REVENUE	154,153	3,259	-	38,887	196,300
	TOTAL BUDGETED OPERATING REVENUE	\$ 14,849,791	\$ 330,627	\$ 92,570	\$ 12,583,647	\$ 27,856,635
BUDGETED OPERATING COSTS						
LABOR AND BENEFITS						
	TOTAL LABOR & BENEFITS - OPERATIONS & MAINTENANCE	\$ 1,624,454	\$ 84,029	\$ -	\$ 326,227	\$ 2,034,710
	TOTAL LABOR & BENEFITS - ADMINISTRATION	1,521,643	33,147	111,639	946,310	2,612,739
	TOTAL LABOR AND BENEFITS	\$ 3,146,097	\$ 117,177	\$ 111,639	\$ 1,272,537	\$ 4,647,449
	TOTAL LABOR	2,144,478	79,422	78,053	863,915	3,165,868
	TOTAL BENEFITS	1,001,619	37,754	33,586	408,622	1,481,581
VARIABLE O&M EXPENSE						
	TOTAL PURCHASED WATER	\$ -	\$ 4,238	\$ -	\$ -	\$ 4,238
	TOTAL PURCHASED POWER	634,348	2,025	-	9,447,063	10,083,436
	TOTAL TAXES ON "PASS-THRU" POWER COSTS	-	-	-	552,669	552,669
	TOTAL WATER PURIFICATION	560,336	1,158	-	-	561,494
	TOTAL VARIABLE O&M EXPENSE	\$ 1,194,684	\$ 7,421	\$ -	\$ 9,999,732	\$ 11,201,837
FIXED O&M EXPENSE						
	TOTAL O&M SERVICES	\$ 193,994	\$ 32,971	\$ 14,500	\$ 12,084	\$ 253,549
	TOTAL MATERIAL AND SUPPLIES	206,127	1,574	-	37,034	244,735
	TOTAL EXTRAORDINARY MAINTENANCE	380,000	-	-	265,000	645,000
	TOTAL FIXED O&M EXPENSE	\$ 780,121	\$ 34,545	\$ 14,500	\$ 314,118	\$ 1,143,284
ADMINISTRATION, PLANNING & BUSINESS DEVELOPMENT (P&BD)						
	TOTAL OUTSIDE SERVICES - ROUTINE	\$ 333,066	\$ 10,317	\$ 11,145	\$ 286,472	\$ 641,000
	TOTAL OUTSIDE SERVICES - PLANNING & DEV	564,494	54	47	31,405	596,000
	TOTAL INSURANCE	141,802	9,610	369	64,740	216,520
	TOTAL OFFICE EXPENSE	208,209	1,425	1,310	156,671	367,614
	TOTAL SUBSCRIPTIONS & MEMBERSHIPS	22,576	149	838	34,944	58,507
	TOTAL FEES, PERMITS, & ASSESSMENTS	9,499	743	3	423	10,669
	TOTAL ADVERTISEMENTS & NOTICES	-	-	5,274	-	5,274
	TOTAL MILEAGE & VEHICLES EXPENSE	11,616	58	50	15,602	27,327
	TOTAL EDUCATION & CONFERENCES	28,132	151	131	23,292	51,705
	TOTAL PAYMENT TO ELECTRIC	211,350	-	-	-	211,350
	TOTAL MISCELLANEOUS AND ELECTIONS	1,290	3,842	2	277	5,411
	SUBTOTAL ADMIN AND P&BD BEFORE TAXES	\$ 1,532,033	\$ 26,349	\$ 19,169	\$ 613,825	\$ 2,191,377
	TOTAL OTHER TAXES	888,693	19,871	447	143,543	1,052,555
	TOTAL ADMIN, PLANNING & BUSINESS DEV	\$ 2,420,726	\$ 46,221	\$ 19,616	\$ 757,368	\$ 3,243,931
	SUBTOTAL OPERATING BUDGET	\$ 7,541,629	\$ 205,363	\$ 145,755	\$ 12,343,755	\$ 20,236,501
BUSINESS SERVICES						
	TOTAL BUSINESS SERVICES - DIRECT COSTS	\$ 27,262	\$ 196	\$ 170	\$ 23,302	\$ 50,930
	TOTAL BUSINESS SERVICES	\$ 27,262	\$ 196	\$ 170	\$ 23,302	\$ 50,930
CAPITAL COSTS						
	TOTAL TRANSFERS FOR CAPITAL PROJECTS	\$ 1,500,000	\$ 30,000	\$ 20,000	\$ 500,000	\$ 2,050,000
	TOTAL INTERFUND PAYMENT FOR CAPITAL COSTS	(65,000)	65,000	-	-	-
	TOTAL DEBT SERVICE - OPERATING FUNDS	6,823,632	-	-	468,730	7,292,362
	TOTAL CAPITAL COSTS	\$ 8,258,632	\$ 95,000	\$ 20,000	\$ 968,730	\$ 9,342,362
	SUBTOTAL BUDGET BEFORE RESERVES	\$ 15,827,522	\$ 300,559	\$ 165,925	\$ 13,335,787	\$ 29,629,793
	TOTAL CHANGE IN OPERATING RESERVES	\$ (977,732)	\$ 30,068	\$ (73,355)	\$ (752,140)	\$ (1,773,158)
	TOTAL BUDGETED OPERATING COSTS	\$ 14,849,791	\$ 330,627	\$ 92,570	\$ 12,583,647	\$ 27,856,635

Exhibit B

WHATCOM PUD

2025 Capital Improvement Budget (CIP)

CIP Number	Project Name	2024 Projected	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2025-2029 Budget
INTERNAL SERVICES								
IS-1	Admin Office Remodel	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
IS-5	Administrative Staff Vehicles	-	-	45,000	-	45,000	-	90,000
IS-12	SCADA System Analysis, Equipment Eval & Upgrade	18,000	40,000	100,000	40,000	40,000	40,000	260,000
IS-14	Office Equipment and Computer HW & SW Replace	8,623	43,000	7,000	98,000	13,000	7,000	168,000
IS-15	Communications Backbone System Build-out and Upgrade	293,114	150,000	150,000	300,000	300,000	300,000	1,200,000
IS-20	Document Management Software	-	-	50,000	-	-	-	50,000
	Sub-Total (IS) Internal Services CIP Projects	\$ 319,737	\$ 308,000	\$ 352,000	\$ 438,000	\$ 398,000	\$ 347,000	\$ 1,843,000
INDUSTRIAL WATER								
RWL	PROJECT MANAGEMENT	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 307,034	\$ 400,000	\$ 1,907,034
RW-14	Water Utility Vehicles	-	55,000	-	55,000	46,000	46,000	202,000
RW-22	Install Main Line Valves on Distribution System	-	450,000	200,000	200,000	200,000	200,000	1,250,000
RW-27	Water Utility Major Non Vehicle Equipment	-	10,000	10,000	10,000	10,000	10,000	50,000
RW-28	Water Treatment Plant 1 Project	153,988	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
RW-33	Petrogas Meter/Valve Relocate	3,418	272,000	-	-	-	-	272,000
RW-34	PSE-Whitehorn Meter/Valve Relocate	243	-	480,000	-	-	-	480,000
RW-35	Plant 1 & 2 VFD Replacement & Additions	821,379	850,000	-	-	-	-	850,000
RW-38	Plant 1 Rebuild	904,507	14,000,000	42,500,000	41,000,000	4,700,000	8,000,000	110,200,000
RW-41	Cathodic Protection	-	-	50,000	-	-	-	50,000
RW-44	D Station Improvements	454,073	160,000	-	-	-	-	160,000
RW-45	Replace Hydrant valves on Douglas Road	30,000	-	-	-	-	-	-
RW-46	Phillips 66 Booster Pump	644	1,800,000	-	-	-	-	1,800,000
RW-47	Intake Screens	50,000	350,000	500,000	-	-	-	850,000
RW-48	Replace Intake or Hi-head pump and motors	786,899	-	-	-	-	-	-
RW-49	Complete Fence around WTP1	38,000	-	-	-	-	-	-
RW-50	Plant 2 New storage	-	50,000	350,000	-	-	-	400,000
RW-51	Basic PVC Waterline replace with stainless	-	25,000	25,000	25,000	-	-	75,000
RW-52	Replace Kaizer Intake Air compressors	-	60,000	-	-	-	-	60,000
RW-53	Intake Water sprayer system replace air scour	-	125,000	-	-	-	-	125,000
RW-54	Floc Replacement	-	35,000	-	-	-	-	35,000
RW-55	Power to the Intertie vault	-	150,000	-	-	-	-	150,000
RW-56	WTP1 Intake Screen Rework	-	150,000	350,000	-	-	-	500,000
RW-57	Replace wood in basins	-	40,000	40,000	-	-	-	80,000
RW-98	Water Basin Enclosures	28,392	3,500,000	-	-	-	-	3,500,000
	Sub-Total (RW) Industrial Raw Water CIP Projects	\$ 3,271,544	\$ 23,482,000	\$ 45,905,000	\$ 42,690,000	\$ 6,263,034	\$ 9,656,000	\$ 127,996,034
GRANDVIEW								
GVL	PROJECT MANAGEMENT	\$ -	\$ 6,435	\$ 2,711	\$ 263	\$ 239	\$ 208	\$ 9,856
GVP-4	Grandview Fire System Rehab	-	10,000	10,000	10,000	10,000	10,000	50,000
GVP-3	Grandview Potable System Improvements	27,150	50,000	50,000	-	-	-	100,000
GVP-4	Potable Plant Land Acquisition	1,465	75,000	-	-	-	-	75,000
GVP-7	Replace Booster Pump Well Diesel	-	30,000	-	-	-	-	30,000
	Sub-Total (GV) Grandview Water CIP Projects	\$ 28,615	\$ 171,435	\$ 62,711	\$ 10,263	\$ 10,239	\$ 10,208	\$ 264,856
ELECTRIC								
EL	PROJECT MANAGEMENT	\$ -	\$ 13,320	\$ 14,572	\$ 14,476	\$ 13,428	\$ 14,441	\$ 70,237
E-6	115 kV Transmission Structure/Conductor Upgrades	54,195	95,000	50,000	50,000	50,000	50,000	295,000
E-15	Electric Utility Vehicles	-	-	47,000	-	-	47,000	94,000
E-22	Upgrade/Replace Ferndale Substation	349,731	-	-	-	-	-	-
E-25	Non-Vehicle Equipment	-	10,000	10,000	10,000	10,000	10,000	50,000
E-26	Substation Security	51,819	-	-	-	-	-	-
E-28	Refinery Substation Capacity Upgrades	106,765	550,000	-	-	-	-	550,000
E UNPLAN	Unplanned Electric Projects	32,731	-	-	-	-	-	-
	Sub-Total (E) Electrical CIP Projects	\$ 595,241	\$ 668,320	\$ 121,572	\$ 74,476	\$ 73,428	\$ 121,441	\$ 1,059,237
BROADBAND								
BB-1	Pt Roberts Fiber Project	302,255	3,425,000	-	-	-	-	3,425,000
	Sub-Total (BB) Broadband CIP Projects	\$ 302,255	\$ 3,425,000	\$ -	\$ -	\$ -	\$ -	\$ 3,425,000
EXTRAORDINARY MAINTENANCE								
RW-M-2	Clean Sediment Settling Ponds	\$ -	\$ 165,000	\$ 165,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 855,000
RW-M-7	D Station Reliability Upgrades	709,523	-	-	-	-	-	-
RW-M-10	High Head Pump Re-build (Annual Maint Project)	101,407	125,000	125,000	125,000	125,000	125,000	625,000
RW-M-13	Demolish BP Intake	156,234	-	-	-	-	-	-
RW-M-14	Demolish Communication Tower at Bender Park	-	50,000	-	-	-	-	50,000
RW-M-15	Paint Exterior of Buildings	-	40,000	40,000	-	-	-	80,000
E-M-1	Transmission Line Vegetation Management	61,255	25,000	25,000	25,000	25,000	25,000	125,000
E-M-3	Substation Maintenance	204,590	100,000	100,000	100,000	100,000	100,000	500,000
E-M-4	Aerial Inspection of line and Substations	38,850	40,000	40,000	40,000	120,000	40,000	280,000
E-M-5	Enterprise Substation Maint	-	100,000	100,000	100,000	-	-	300,000
MMISC	Miscellaneous Extraordinary Maintenance	61,184	-	-	-	-	-	-
	Sub-Total (M) Maintenance Projects	\$ 1,333,044	\$ 645,000	\$ 595,000	\$ 565,000	\$ 545,000	\$ 465,000	\$ 2,815,000
	Grand Total	\$ 5,850,435	\$ 28,699,754	\$ 47,036,284	\$ 43,777,738	\$ 7,289,700	\$ 10,599,650	\$ 137,403,126

RESOLUTION NO. 865

**A RESOLUTION BY THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF
WHATCOM COUNTY (“DISTRICT”)
ADOPTING INDUSTRIAL WATER UTILITY
WATER RATES, AND GRANDVIEW UTILITY SERVICE RATES FOR 2025**

WHEREAS, the DISTRICT’s policy for determining water rates involves an annual adjustment of water rate components based on planned capital improvements and budget changes to the utility; and

WHEREAS, at the regular meeting of the Commission on December 10, 2024, a public hearing was held to solicit comments on the proposed 2025 District Budget, and

WHEREAS, after notice to water customers the Board of Commissioners discussed and reviewed the proposed 2025 Water Utility Rates and proposed 2025 District Budget at the regular meeting of the Commission on November 26, 2024; and

WHEREAS, the Commission approved the 2025 District Budget at the regular meeting of the Commission on December 10, 2024,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Whatcom County will adopt the Industrial Water Utility Rates and Grandview Utility Rates for 2025 which includes the following documents:

- Exhibit A - Industrial Water Utility 2025 Rates
- Exhibit B - Industrial Water Utility 2025 Other Rates and Revenue
- Exhibit C - Grandview Water Utility 2025 Service Rates

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting held on the 10th day of December, 2024.

**Public Utility District No. 1 of
Whatcom County**

President/Commissioner

Attest: Secretary/Commissioner

Commissioner

Exhibit A

Industrial Water Utility 2025 Rates

Retail Unit Costs	2024	2025	% Change
Cherry Point			
Fixed Capital Charge (mgd)	\$11,000.00	\$17,000.00	54.5%
Fixed Operating Charge (mgd)	\$21,000.00	\$23,500.00	11.9%
Fixed Fire Charge	\$1,200.00	\$1,300.00	8.3%
Fixed Potable Charge	\$90.75	\$115.00	26.7%
Cherry Point Consumption Rate (mg)	\$465.28	\$488.37	5.0%
Irrigation (separate increase)			
Fixed Charge	\$665.25	\$699.00	5.1%
Consumption Charge (mg)	\$1,503.00	\$1,577.90	5.0%
Temporary (separate increase)			
Fixed Charge	\$315.00	\$335.00	6.3%
Consumption Charge (mg)	\$3,307.50	\$3,448.10	4.3%
Projected Sales	\$11,691,947	\$14,938,421	27.8%

Customer Revenues	QIC (MGD)	QIO (MGD)	EST USAGE (MG)	MONTHLY FIXED CHARGES				Monthly Fixed	Annual Fixed \$	Annual Consumption \$	Annual Total \$	2025 % Increase
				Fixed Capital	Fixed Operating	Fixed Fire	Fixed Potable					
Cherry Point												
ALCOA INTALCO	2.8	0.18	4.40	\$ 47,600	\$ 4,230	\$ -	\$ -	\$ 51,830	\$ 621,960	\$ 2,149	\$ 624,109	49.7%
BN/SF	0	0	-	-	-	1,387	-	1,387	16,643	-	16,643	15.6%
BP CHERRY POINT	23.6	12.6	2,616.00	401,200	296,100	-	-	697,300	8,367,600	1,277,567	9,645,167	28.5%
ALA ENERGY	0.05	0.03	10.60	850	705	-	-	1,555	18,660	5,177	23,837	24.9%
CHEMCO	0.02	0.01	0.22	340	235	-	-	575	6,900	107	7,007	33.2%
GATEWAY PACIFIC TERMINAL	0	0	-	-	-	-	-	-	-	-	-	0.0%
PHILLIPS 66	6	4	1,303.00	102,000	94,000	-	-	196,000	2,352,000	636,342	2,988,342	24.2%
CORNERSTONE COMMUNITY CHURCH	0	0	-	-	-	624	-	624	7,489	-	7,489	15.6%
PRAXAIR	0.14	0.07	10.65	2,380	1,645	-	139	4,164	49,970	5,201	55,171	30.8%
PSE WHITEHORN	0.29	0.04	3.30	4,930	940	-	-	5,870	70,440	1,612	72,052	44.4%
PSE FERNDAL E GEN STN	2.7	2	502.00	45,900	47,000	-	-	92,900	1,114,800	245,160	1,359,960	24.3%
FREE RAIN FARMS	0.02	0.01	3.14	340	235	-	-	575	6,900	1,535	8,435	27.4%
GRANDVIEW	0.01	0.01	1.74	170	235	-	-	405	4,860	851	5,711	22.8%
IRRIGATION			62.38						22,368	98,423	120,791	5.0%
TEMPORARY			0.69						1,340	2,366	3,706	5.0%
Total			4,518.12						\$12,661,931	\$ 2,276,490	\$ 14,938,421	27.8%

*Annual Revenue estimated based on forecasted consumption

Exhibit B

WHATCOM PUD

Industrial Water Utility

2025 Other Rates and Revenue

		Rate as set by Commission	Rate Last Year
Excess Usage Fee		\$ 1,092.35 per af	\$ 884.87 per af
Excess Demand Fee		\$ 282,000.00 per mgd	\$ 252,000.00 per mgd
Minimum Charge for Customer Assistance		\$ 100.00	\$ 100.00
Minimum Reconnection Fee		\$ 500.00	\$ 500.00
Direct Charges:			
	Praxair potable	\$ 120.00	\$ 91.00
	Temporary Water Fixed	\$ 335.00	\$ 315.00
	Temporary Water Variable	\$ 3.45	\$ 3.31 per 1,000 g

Exhibit C

WHATCOM PUD GRANDVIEW UTILITY 2025 Service Rates & Revenue

Account	Meter #	Company	Potable Meter Equivalent (ME) Used	Monthly Fixed Potable Meter Charge	Monthly Fixed Fire Charge	Annual Fixed Charges	Estimated Potable Usage (ccf)	Estimated Non-Potable Usage (ccf)	Annual Volume Revenue	Total Annual Revenue
				Fixed Potable Meter Charge	\$ 118.00	Per ME				
				Fixed Fire Charge	\$ 216.00	Per connection				
				Volume Potable Charge	\$ 25.29	Per ccf				
				Volume Non-Potable Charge	\$ 15.00	Per ccf				
02-0001	1	Kona Usa	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	29	0	\$ 726.83	\$ 4,734.83
02-0002	2	Crystal Creek Logistics	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	0	0	\$ -	\$ 4,008.00
02-0003	3	Crystal Creek Logistics	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	0	0	\$ -	\$ 4,008.00
02-0004	4	Crystal Creek Logistics	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	27	0	\$ 693.02	\$ 4,701.02
02-0005	5	MJ Marine Exhaust	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	3	0	\$ 77.75	\$ 4,085.75
02-0006	6	Perry Pallet	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	90	0	\$ 2,265.01	\$ 6,273.01
02-0007	7	Homefire Prest Logs	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	132	0	\$ 3,329.90	\$ 7,337.90
02-0008	8	Montigo Del Ray	1.67	\$ 197.06	\$ 216.00	\$ 4,956.72	57	0	\$ 1,436.76	\$ 6,393.48
02-0009	9	Silvatar Forest Products	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	4	0	\$ 101.42	\$ 4,109.42
02-0009	9.5	Silvatar Forest Products	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	124	0	\$ 3,127.06	\$ 7,135.06
02-0013	13	Western Refinery Svc	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	785	0	\$ 19,844.15	\$ 23,852.15
02-0013	13.5	Western Refinery Svc	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	18	0	\$ 456.38	\$ 4,464.38
02-0014	13.6	Western Refinery Svc	1.00	\$ 118.00	\$ -	\$ 1,416.00	875	0	\$ 22,126.06	\$ 23,542.06
02-0015	15	Management Services NW	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	104	0	\$ 2,619.97	\$ 6,627.97
02-0017	17	Nuova Distribution USA	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	97	0	\$ 2,450.94	\$ 6,458.94
02-0018	18	Co-Pac Properties	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	34	0	\$ 862.05	\$ 4,870.05
02-0022	22	Crystal Creek Logistics	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	3	0	\$ 74.37	\$ 4,082.37
02-0023	23	LGC US Asset Holdings, LLC	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	70	0	\$ 1,774.82	\$ 5,782.82
02-0029	29	Harken, Inc.	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	124	0	\$ 3,130.44	\$ 7,138.44
02-0030	30	Macron Metal USA	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	108	0	\$ 2,721.39	\$ 6,729.39
02-0033	33	Healthy Pet	3.33	\$ 392.94	\$ 216.00	\$ 7,307.28	97	0	\$ 2,450.94	\$ 9,758.22
02-0035	35	Alliance Door Products	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	5	0	\$ 138.60	\$ 4,146.60
02-0036	36	Sustainable Solutions	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	2	0	\$ 40.57	\$ 4,048.57
02-0038	38	Jansen & Jansen LLC	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	31	0	\$ 787.68	\$ 4,795.68
02-0039	39	Imco Construction	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	1	0	\$ 37.19	\$ 4,045.19
02-0040	40	Sahota, Dave	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	94	0	\$ 2,383.33	\$ 6,391.33
02-0041	41	Grandview Business Center	3.33	\$ 392.94	\$ 216.00	\$ 7,307.28	1,111	0	\$ 28,092.83	\$ 35,400.11
02-0042	42	Propack, Inc.	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	25	0	\$ 625.41	\$ 4,633.41
02-0044	44	Hughes/Lentz Family LLC	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	31	0	\$ 777.54	\$ 4,785.54
02-0045	45	Jensen Lee Properties	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	104	0	\$ 2,619.97	\$ 6,627.97
02-0046	46	PDC Rentals	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	8	0	\$ 209.60	\$ 4,217.60
02-0048	48	6819 Northgate Way LLC	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	19	0	\$ 480.05	\$ 4,488.05
02-0050	50	IMCO - Office	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	386	0	\$ 9,769.95	\$ 13,777.95
02-0051	51	IMCO - Shop	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	58	0	\$ 1,463.80	\$ 5,471.80
02-0052	52	Matia Contractors	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	128	0	\$ 3,228.48	\$ 7,236.48
02-0053	53	GV Lot 2 LLC	5.33	\$ 628.94	\$ 216.00	\$ 10,139.28	489	0	\$ 12,356.11	\$ 22,495.39
02-0054	54	GV Lot 2 LLC	2.30	\$ 271.40	\$ 216.00	\$ 5,848.80	188	0	\$ 4,749.75	\$ 10,598.55
02-0055	55	Border Safe Storage Solutions	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	53	0	\$ 1,335.34	\$ 5,343.34
02-0056	56	Delta Tech Industrial Park	0.00	\$ -	\$ 928.92	\$ 11,147.04	0	0	\$ -	\$ 11,147.04
02-0058	58	PES Holdings	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	153	0	\$ 3,871.80	\$ 7,879.80
02-0059	59	Method Homes	1.00	\$ 118.00	\$ 216.00	\$ 4,008.00	116	0	\$ 2,924.22	\$ 6,932.22
			50.96	\$ 6,013.28	\$ 9,352.92	\$184,394.40	5,780	0	\$146,161.47	\$330,555.87

ANY CUSTOMER SERVICE CALL-OUTS, INCLUDING DISCONNECTION AND RECONNECTION, MAY BE CHARGED A FEE OF \$75

***Annual Revenue estimated based on forecasted consumption**

RESOLUTION NO. 866

**A RESOLUTION BY THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF
WHATCOM COUNTY (“DISTRICT”)
ADOPTING RATES AND CHARGES RELATED TO USE AND OPERATION OF THE
DISTRICT’S ELECTRIC UTILITY FOR 2025**

WHEREAS, The Commissioners of the District has by prior Resolutions adopted certain rates or charges related to the operation of the District’s Electric Utility and the sale of electric energy to the District’s electric customers; and

WHEREAS, the proposed rates and charges that will be charged by the District’s electric utility for the year 2025, attached as Exhibit “A” hereto were provided to the District Commissioners on November 26, 2024 and were included in the proposed District Budget for 2025 approved in Resolution 864; and

WHEREAS, following the review of said proposed rates and charges, and review of all comments submitted by the District’s electric customer, said proposed rates and charges are determined to be fair and non-discriminatory, and provide adequate revenues sufficient for payment of principal and interest on such revenue obligations for which payment has not otherwise been provided and for all payments for which the District is obligated to set aside in any special fund or funds created for such purpose, and for the proper maintenance and operation of the electric utility and all necessary repairs, replacements and renewals thereof; and

WHEREAS, the District has through agreement with its electric customer passed through Bonneville Power Administration power and transmission rates and charges as they occur including the associated state taxes,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Whatcom County establish revised service charges related to the use and operation of the District’s Electric Utility and the sale of electric energy to be effective January 1, 2025 copies of which are attached as Exhibit “A” - Electric Utility Budget Rates and Charges, hereto,

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting held on the 10th day of December, 2024.

**Public Utility District No. 1 of
Whatcom County**

President/Commissioner

Attest: Secretary/Commissioner

Commissioner

Exhibit A

WHATCOM PUD

Electric Utility

2025 District Service Rates

RESULTS	PASS-THRU	ELECTRIC	WATER	TOTAL
Revenue Requirement	\$ 10,029,903	\$ 2,292,000	\$ 211,350	\$ 12,533,253
General Service Charge/month		\$ 191,000	\$ 17,612	\$ 208,612
Previous General Service/mo		\$ 190,000	\$ 9,875	\$ 199,875
% Revenue Change		1%	78%	4.4%

District Operating Expenses

Labor & Benefits	\$ 1,272,537
Purchased Power	9,447,063
O&M Expenses	49,118
Extraordinary Maintenance	265,000
Admin Expenses	637,127
Taxes	696,212

Total District Operating Expenses \$ 12,367,057

Debt Service

2021 LTGO Bond Debt Service (P&I) - Refinance 2010B	130,530
2021 LTGO Bond Debt Service (P&I) - New money	338,200

Total District Debt Service \$ 468,730

Capital Transfer 500,000

Less Miscellaneous Revenue (62,189)

Partial Year Cash Adjustment 11,795

Increase (Decrease) of Operating Reserves (752,140)

Revenue Requirement \$ 12,533,253