

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

**January 28, 2023**

**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 Atul Deshmane. Said meeting was open to the public and notice thereof had been given as required by law. Those present included: Commissioner Christine Grant, Commissioner Jaime Arnett; 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; 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; Garrett Love-Smith, Project Manager; Traci Irvine, Accountant I; Jon Littlefield, Electric System Supervisor; and Kurt Wank, Director of Utility Operations.

Public attending:

Rick Maricle, Citizen	Jack Wellman, PSE
Lauren Turner, Phillips 66	Eric Hirst, Citizen
Andrew Redding, Whatcom Democrats	

**2. Approval of Agenda**

No changes.

**ACTION:** Commissioner Grant made the motion to APPROVE THE AGENDA OF JANUARY 24, 2023. Commissioner Arnett second the motion. Motion passed unanimously.

**3. Approval of Consent Agenda**

- a) Approval of Meeting Minutes of the Regular Meeting, January 10, 2023;
- b) Approval of the Claims of January 24, 2023:

<b>VENDOR NAME</b>	<b>AMOUNT</b>
AT&T MOBILITY	1,467.86
BAKER SEPTIC TANK PUMPING	608.16
BONNEVILLE POWER ADMINISTRATION	522,999.00
CDW/COMPUTER DISCOUNT WAREHOUSE	4,789.43
CENTRAL WELDING SUPPLY	336.22
CHMELIK SITKIN & DAVIS	4,200.50
CNA SURETY	399.26
COMCAST	191.57
COMCAST - NWRC	304.50
CONSOR NORTH AMERICA, INC.	87,959.95
CULLIGAN NORTHWEST	102.13
EDGE ANALYTICAL LABORATORIES	24.00
EXACT SCIENTIFIC SERVICES INC.	27.00
FERNDALE ACE HARDWARE	97.84
FERNDALE CITY OF	234.01
GDS ASSOCIATES (EES CONSULTING)	11,205.00
HARDWARE SALES, INC	304.63
INTERNAL REVENUE SERVICE	21,628.93
LITHTEX NW LLC	4,488.45
LYNDEN TRIBUNE	1,600.11
MASSMUTUAL RETIREMENT SVCS LLC	12,600.00
NORTHWEST CASCADE, INC.	118.50
NW RIVERPARTNERS	6,160.00
P&P EXCAVATING, LLC	6,957.76
PAYLOCITY	183.16
PAYROLL	230,656.87
PLATT ELECTRIC SUPPLY CO	761.68
PUBLIC UTILITY RISK MANAGEMENT SERVICES	51,898.89
PUD #1 OF WHATCOM COUNTY	1,336.27
PUGET SOUND ENERGY, INC	780.28
SPECIAL-T STRIPING & SIGN COMPANY	54.40
TUPPER MACK WELLS PLLC	7,638.00
WA FEDERAL VISA CARD MEMBER SERVICES	6,910.70
WA PUBLIC UTILITY DISTRICTS ASSOCIATION	14,690.00
WA ST DEPT OF REVENUE - EXCISE TAX	68,451.70
WA ST DEPT OF REVENUE - LEASEHOLD TAX	787.10
WESTERN CONFERENCE OF TEAMSTERS	8,778.00
WHATCOM COUNTY ADMINISTRATIVE	4,231.50

WHATCOM COUNTY AUDITOR	174,638.32
WHATCOM FARMERS CO-OP	1,373.15
<b>GRAND TOTAL</b>	<b>\$1,261,974.83</b>

**ACTION:** Commissioner Grant made the motion to APPROVE THE CONSENT AGENDA OF JANUARY 24, 2023. Commissioner Arnett second the motion. Motion passed unanimously.

**4. Public Comment**

Eric Hirst commented on water use efficiency.

**5. Old Business**

**a) Broadband Program Update**

Entrikin and Heimgartner updated the Commission regarding grant submissions sent to the State Broadband Office on January 17. There are three grant applications totaling approximately \$8.1 million that were submitted. The projects will be open access, publicly-owned, gig services, and affordability. Notice of Awards will be at the end of February:

- \$3.5 million grant application covering Point Roberts with 1,274 customers; Whatcom County has approved a 10% funding match.
- \$4.1 million grant covering the Glacier area with 1,100 customers, with a 10% funding match with ZIPLY.
- \$473,000 grant for the Ravencrest area with 13 customers, with a 10% funding match with Pogozone.

**6. New Business**

**a) Approve Resolution No. 828 – Cancellation and Reissue of Warrant**

Due to a wrong vendor number, Warrant No. 1160374 was issued on January 3, 2023, in the amount of \$4,231.50 to Whatcom County Planning was in error and the warrant has not been tendered. The District has requested that the County cancel Warrant No. 1160374. A new warrant will be issued, payable to with correct vendor number to Whatcom County Administrative Services.

**ACTION:** Commissioner Grant made the motion to APPROVE RESOLUTION NO. 828 AUTHORIZING CANCELLATION AND REISSUE OF WARRANT. Commissioner Arnett second the motion. Motion passed unanimously.

**b) Approve Amendment No. 1 to Exhibit A – Interlocal Agreement with Jefferson County PUD**

The District entered into an Interlocal Agreement with Jefferson PUD on May 10, 2021. Jefferson PUD, via a letter dated January 5, 2023, has requested that the District transfer \$100,000 of its remaining EEI budget for FY 2022-23 to the PUD. If approved, the District will have sufficient remaining BPA EEI Program Budget for FY 2022-23 to cover any District sponsored energy efficiency projects occurring before the end of the BPA rate period. The District will receive another EEI budget allocation for the next BPA rate period, which begins October 1, 2023. There is no fiscal impact to the District.

**ACTION:** Commissioner Grant made the motion to APPROVE AMENDMENT 1 TO EXHIBIT A TO THE INTERLOCAL AGREEMENT WITH PUBLIC UTILITY DISTRICT NO.1 OF JEFFERSON COUNTY, WHICH TRANSFERS \$100,000 OF THE DISTRICT’S REMAINING BPA EEI PROGRAM BUDGET FOR BPA FY 2022-23 TO JEFFERSON PUD AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO SIGN THE AMENDMENT DOCUMENT. Commissioner Arnett second the motion. Motion passed unanimously.

**c) Approve First Amendment to Employment Agreement with General Manager**

On February 1, 2022, the Commission approved the Employment Agreement with Chris Heimgartner. In summary, Sitkin said the proposed first amendment to the Agreement adds language as described to: (i) establish that the cost-of-living adjustment for 2023 will be 7.5% and will be based on a designated consumer price index in subsequent years; and (ii) clarify that vacation accrual is set at four weeks per year without acceleration.

**ACTION:** Commissioner Grant made the motion to APPROVE THE FIRST AMENDMENT TO EMPLOYMENT AGREEMENT WITH CHRIS HEIMGARTNER EFFECTIVE JANUARY 1, 2023. Commissioner Arnett second the motion. Commissioners Grant and Arnett voted aye. Commissioner Deshmane did not vote. Motion passed without objection.

**d) Approve Resolution No. 829 – Reappoint Chmelik, Sitkin and Davis, P.S.**

The District appointed Jon Sitkin and the law firm of Chmelik Sitkin & Davis P.S. as District Legal Counsel in year 2006 and reappointed the firm as District Legal Counsel in 2012, 2016, 2018 and 2020. Staff recommends that the Commission review the appointment of Legal Counsel and the reappointment of Jon Sitkin and Chmelik Sitkin & Davis P.S. law firm for an additional two-year time period, ending December 31, 2024.

The Legal Services Agreement provides for the rate to be charged by Sitkin and other Counsel at Chmelik Sitkin and Davis P.S. Chmelik Sitkin and Davis P.S. deferred its scheduled increase in the municipal rate cap due to the COVID Pandemic. This contract will fix the capped rate for two years. This capped rate is the same as charged to other municipal entities by Chmelik Sitkin and Davis P.S. All costs are budgeted by the District.

**ACTION No:** Commissioner Grant motioned to ADOPT RESOLUTION NO. 829 – A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) TO REAPPOINT JON SITKIN AND CHMELIK SITKIN AND DAVIS P.S. AS DISTRICT LEGAL COUNSEL TO THE DISTRICT AND AUTHORIZE THE GENERAL MANAGER TO ENTER INTO THE LEGAL SERVICES AGREEMENT WITH CHMELIK SITKIN AND DAVIS P.S. Commissioner Arnett second the motion. Motion passed unanimously.

## 7. General Manager Report

- The public records request made by Jon Humphrey is now closed and considered abandoned, as he did not access the January release of records. Approximate final costs for the District are just over \$50,000.
- Water 201 Workshop – Special workshop/meeting to address the operational side of the PUD. A tentative date of February 23 at 8:15 a.m. was discussed.
- Electric Feasibility Study has been delayed and should be ready by end of January.
- The District is looking at installing solar panels at the administration office.
- Will be attending a meeting this afternoon at the Port with Mt. Baker Ski Area to discuss electrification to the ski area.

## 8. Operations Report

Walters complimented the water crew, electric operations, and IT staff on the job well done during the frazil ice/freezing river conditions over the holidays. Commissioner Grant personally sent the crew a thank you letter for their hard work. A debrief meeting was held last week and there are many measures to analyze such as adding covers over the settling basins at Plant 2 and Plant 1 (indicated as part of the rebuild), and the design of the intake screens at Plant 2 to be considered to help avoid ice buildup on the screens. Some of the projects may require a movement of budget funds, however, no additional funding to the 2023 budget is expected.

## 9. Commissioner Reports

Grant:

- Attended the WPUDA committee meetings via Zoom, will be attending in-person for February.
- Met with Eric Hirst and Steve Jilk regarding water use efficiency. Jilk also commented on water use efficiency and other work done through the water supply planning process and Whatcom Conservation District reported on mainly irrigation water use efficiency measures titled *Ag Water Management*. Jilk will send it out to the Commission. Heimgartner added that this may or may not be an opportunity for PUD advocacy and if/how does it fit for the PUD?
- Energy NW orientation as the District representative; Board of Directors meeting is tomorrow.
- Complimented on our new logo, now on the website.
- Would like an update on the Social Media plan. (Policies are under review with Legal Counsel.)

Arnett:

- Attended the WPUDA meetings, including new commissioner orientation, Board of Directors meeting and legislative reception at the Capitol.
- Plans to attend the February committee meetings.
- Is interested in helping with the District’s communication/social media plan. After meeting all the District employees, she is concerned about additional workload for staff.

Deshmane:

- Will be attending the February WPUDA Committee meetings.
- Has concerns with:
  - WPUDA language on *net metering allowance* up to 4%.
  - Regarding local control (Possible oversight from Legislative and Executive governments).
  - Grid reliability (Governor vetoed the bill, passed by both houses, has been reintroduced).
  - Streamlined process for transmission systems.
- Intalco project – no longer going forward due to unavailability low-cost energy.
- Removal of Lower Snake River dams are a topic of conversation again.

## 10. Public Comment

- Rick Maricle commented on Phillips66 Refinery’s energy efficiency projects and Bonneville Power Administration’s funding requirements and/or evidence of successful project implementation.

- Andrew Redding emailed a comment and article from Crosscut.com regarding *FCC broadband service maps disputed at thousands of Washington locations*.

**11. Executive Session**

Commission President Deshmane requested an Executive Session pursuant to RCW 42.30.110(i) – Potential Litigation, relating to water rights adjudication and general litigation matters. Estimated time for Executive Session was thirty (30) 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 10:00 a.m.


- At 10:30 a.m. an additional fifteen (15) minutes was requested.

**Executive Session Adjourn**

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 10:47 a.m.

**12. Adjourn**

There being no further business for the regular meeting, Commissioner Deshmane adjourned the regular meeting at 10:48 a.m.

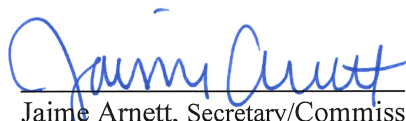


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Atul Deshmane, President/Commissioner

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Christine Grant, Vice President/Commissioner



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Jaime Arnett, 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/2023-agendas-packets-meeting-minutes-recordings/>