

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

February 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; Mike Macomber, IT/SCADA Technician; Aaron Peterson, IT/SCADA Technician; Traci Irvine, Accountant I; and Kurt Wank, Director of Utility Operations.

Public attending:

Rick Maricle Dave Olson
Max and Carole Perry Paul Knippel, City of Ferndale
Jack Wellman, PSE

2. Approval of Agenda

New Business 6a and Executive Session was added.

ACTION: Commissioner Grant made the motion to APPROVE THE AGENDA OF FEBRUARY 28, 2023 AS AMENDED. Commissioner Arnett second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting, February 14, 2023;
- b) Approval of the Claims of February 28, 2023:

VENDOR NAME	AMOUNT
ALUMICHEM CANADA INC	30,530.00
APSCO, LLC	33,227.14
ARBITRAGE GROUP INC.	1,000.00
ARNETT, JAIME	296.21
BONNEVILLE POWER ADMIN.	668,472.00
CENTRAL WELDING SUPPLY	336.22
CHMELIK SITKIN & DAVIS	11,612.00
COMCAST	191.57
COMCAST - NWRC	300.00
CONSOR NORTH AMERICA, INC.	63,110.03
CORNERSTONE MANAGEMENT, INC.	1,204.00
DESHMANE, ATUL	205.67
ELECTRIC POWER SYSTEMS - EPS	555.00
FCS GROUP	7,535.00
FERNDALE ACE HARDWARE	18.52
GDS ASSOCIATES (EES CONSULTING)	3,150.00
GENEVA CONSULTING	16,215.50
GOODWIN, CHRISTOPHER	400.00
GRANT, CHRISTINE	153.27
GRAY MATTER SYSTEMS, LLC	1,679.10
GUARDIAN SECURITY SYSTEMS, INC	228.06
HARDWARE SALES, INC	229.49
INDUSTRIAL SOFTWARE SOLUTION	14,508.96
INDUSTRIAL SUPPLY, INC	182.75
INSIGHT PUBLIC SECTOR, INC.	3,356.71
INTERNAL REVENUE SERVICE	22,012.27
KNOWBE4, INC.	1,035.34
MAC & MAC ELECTRIC INC.	1,049.70
MASSMUTUAL RETIREMENT SVCS LLC (EMPOWER)	12,800.00
NORTHWEST CASCADE, INC.	118.50
PACIFIC SURVEY & ENGINEERING	14,585.25
PAYLOCITY	449.16
PAYROLL	232,941.09
PLATT ELECTRIC SUPPLY CO	217.59
PORTAL WAY FARM & GARDEN	10.86
PUD #1 OF WHATCOM COUNTY	300.00
PUGET SOUND ENERGY, INC	2,168.88
SHRED-IT USA	52.20
SMITH MECHANICAL	545.39
STAR RENTALS	1,705.78

TUPPER MACK WELLS PLLC	17,286.00
TYLER TECHNOLOGIES-INCODE	494.59
WA FEDERAL VISA CARD MEMBER SERVICES	2,894.13
WA ST DEPT OF REV PRIVLGE	229,784.81
WA ST DEPT OF REVENUE - EXCISE TAX	77,180.43
WASHINGTON ALARM, INC.	141.75
WEST COAST MARINE SERVICES	36,986.56
WESTERN CONFERENCE OF TEAMSTERS	9,373.00
WHATCOM COUNTY TREASURER	708.01
WHATCOM LAND TITLE	350.00
WONDERWARE PACWEST	14,508.96
GRAND TOTAL	\$1,538,397.45

ACTION: Commissioner Arnett made the motion to APPROVE THE CONSENT AGENDA OF FEBRUARY 28, 2023. Commissioner Grant second the motion. Motion passed unanimously.

4. Public Comment - No comment.

5. Old Business

a) Broadband Program Update

Heimgartner updated the Commission regarding the three grant submissions sent to the State Broadband Office on January 17.

Entrikin reported on the Digital Equity meeting last Thursday. Several stakeholders met with WSU Extension Services who will work with each county to develop a work plan.

Commissioner Grant commented on the WPUA broadband action team regarding worksheet forms presented at their last meeting.

Grant inquired about the two Interlocal Agreements pending with Whatcom County: (1) Adding a County staff member to the Port/PUD Broadband Steering Committee and (2) the PUD providing assistance to the County on technical assistance and broadband GIS. Heimgartner replied he has received a draft version from the County, and has been referred on to Port and PUD legal counsel for review. The PUD is still awaiting word on the later agreement.

b) Adjudication Update

Sitkin provided an update House Bill 1792 which relates to modifying timelines and other initial procedural actions in a water rights adjudication. A Budget Proviso for the State Department of Ecology (DOE) is also moving forward (ref SB 5187/HB 1140 Operating Budget).

6. New Business

a) Approve Temporary Work Area Easement for the City of Ferndale

COF has requested an easement for use as a laydown area for materials and equipment to be used for the levee repair project. COF is working on this project in coordination with the U.S. Army Corps of Engineers. The location on District property is in close proximity to the levee repair site and is the only available property in the immediate area with a secure fenced perimeter.

There is no budget impact resulting from the granting of this Easement. City of Ferndale representative Paul Knippel thanked staff and the Commission for their assistance with the project.

ACTION: Commissioner Grant made the motion to APPROVE THE TEMPORARY WORK AREA EASEMENT FOR THE CITY OF FERNDALE AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO SIGN THE DOCUMENT. Commissioners Grant and Arnett voted aye. Commissioner Deshmane did not vote. Motion passed without objection.

7. General Manager Report

- Heimgartner will be away for the March 14 meeting; Walters will cover;
- Discussion of *The Seattle Times* article on Puget Sound Energy's plan for renewables;
- Regarding solar panel project for the District, the Request for Proposals should be ready for publication in late March/early April.

8. Operations Report

- Water Ops: Walters reported that river conditions came close to hazardous conditions; however, the water operations staff did not have to deal with frazil ice issues last Friday. The new air compressor at Plant 1 was tested in real-time conditions and worked well. At the next frazil ice event, crews may rent an additional diesel-run compressor, just in case of emergency.
- Electric Ops: Regarding District power consumption prices and our relationship with Bonneville Power Administration (BPA) and cost savings with our contracts.
BPA's 2022 Tier 1 power costs relative to our load:

\$35.35 per megawatt hour (MWh) – power supply
\$5.00 per megawatt hour (MWh) – transmission/capacity/other services
\$0.33 per MWh – Regulatory costs absorbs/meeting NERC reliability standards
\$40.42 per MWh total delivery cost to Whatcom PUD’s system (not to our customers)

In comparison: Recent Mid-C prices for next day availability were \$87.50 per MWh On-Peak and \$93.00 per MWh Off-Peak. Price does not include transmission.

Solar Project Costs – Example of a proposed Eastern Washington project:

\$60.00 per MWh to project bus bar
\$22.00 per MWh for load firming and shaping
\$5.00 per MWh for power transmission/transport
\$87.00 total delivery cost to Whatcom PUD’s system

The Ruby Flats Project is about to announce pricing in April; numbers are in-line with Mid-C, as unshaped/ancillary projects, and does not include transmission pricing. Heimgartner said it is marginal market cost.

9. Commissioner Reports

Arnett:

- Attended the February WPUDA Committee meetings and *Day on the Hill* in Olympia.
- Met with Commissioner Don Montfort from Birch Bay Water and Sewer District to talk about water.
- Had a discussion with Eric Hirst regarding water use efficiency in WRIA-1.

Grant:

- Attended the February WPUDA committee meetings in person;
- Discussed water use efficiency with Senator Shewmake, ideas for a local water exchange, and interest in the Stage 3 of the Water Supply Plan and how it moves forward.

Deshmane:

- Attended the February WPUDA committee meetings in person;
- Discussed Hirst’s comments on water use efficiency and the Whatcom Conservation District’s study;
- Is glad that WPUDA is addressing transmission issues and energy supply;
- Lower Snake River Dams removal issue – noted that Clallam County PUD is now taking a neutral stance.

10. Public Comment

Rick Maricle asked how “digital equity” differs from the PUD’s efforts at providing “digital access”.

11. Executive Session

Commission President Deshmane requested an Executive Session pursuant to RCW 42.30.110(1)(i) Potential Litigation – (a) Water Rights Adjudication and (b) 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 Executive Session. After a short break, the Commission adjourned to Executive Session at 9:45 a.m.


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

Executive Session Adjourn


There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 10:45 a.m.

12. Adjourn

There being no further business for the regular meeting, Commissioner Deshmane adjourned the regular meeting at 10:46 a.m.



Atul Deshmane, President/Commissioner



Christine Grant, Vice President/Commissioner



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/>