

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

**May 23, 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: Chris Heimgartner, General Manager; Assistant General Manager Brian Walters; Ann Grimm, Executive Assistant; Andrew Entrikin, Broadband Program Manager; Steve Jilk, In-House Consultant; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Aaron Peterson, IT/SCADA Technician; Mike Macomber, IT/SCADA Technician; Traci Irvine, Accountant I; Garrett Love-Smith, Project Manager; Paul Siegmund, Manager of Automation and Technology; and Kurt Wank, Director of Utility Operations.

Public attending:

Dave Olson, Citizen

Rick Maricle, Citizen

Jack Wellman, PSE

Robin Dexter, Environmental Caucus

Lauren Turner, P66

**2. Approval of Agenda**

*Performance Evaluation of a Public Employee* will be added to Executive Session.

**ACTION:** Commissioner Grant made the motion to APPROVE THE AGENDA OF MAY 23, 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, May 9, 2023;
- b) Approval of the Meeting Minutes of the Special Meeting, May 16, 2023; and
- c) Approval of the Claims of May 23, 2023:

<b>VENDOR NAME</b>	<b>AMOUNT</b>
APPLIED DIGITAL IMAGING	32.64
INDUSTRIAL SUPPLY, INC	340.07
BONNEVILLE POWER ADMINISTRATION	746,876.00
BRANOM EQUIPMENT	5,868.93
CENTRAL WELDING SUPPLY	96.48
CESCO NEW CONCEPT CHEMICAL PRODUCTS	1,799.28
CHMELIK SITKIN & DAVIS	10,314.00
COMCAST	191.61
COMCAST - NWRC	300.00
CULLIGAN NORTHWEST	146.56
DESHMANE, ATUL	1,232.69
EDGE ANALYTICAL LABORATORIES	24.00
FERGUSON ENTERPRISES, INC	44.91
FERNDALE ACE HARDWARE	26.53
GRAINGER	270.50
GRANICH ENGINEERED PRODUCTS, INC.	3,802.09
GUARDIAN SECURITY SYSTEMS, INC	228.06
HACH COMPANY	362.25
HARDWARE SALES, INC	316.31
INTERNAL REVENUE SERVICE	20,908.03
K ENGINEERS, INC.	2,156.00
LES SCHWAB TIRE CENTER	747.97
LOOMIS, CHRIS	450.00
MANAGEMENT SERVICES NW	689.62
MASSMUTUAL RETIREMENT SVCS LLC	12,800.00
NESS CRANE SERVICE, INC	2,035.54
PARAMOUNT SUPPLY COMPANY	643.17
PAYLOCITY	183.16
PAYROLL	222,157.31
PETE'S AUTO REPAIR LLC	283.05
PLATT ELECTRIC SUPPLY CO	449.91
PUBLIC UTILITY RISK MANAGEMENT SERVICES	8,596.11
PUD #1 OF WHATCOM COUNTY	12.47
PUGET SOUND ENERGY, INC	713.42
RDS - RECYCLING & DISPOSAL SERVICE	40.31
RH2 ENGINEERING, INC	2,372.08

SCHLOTTERBACK, REBECCA	87.81
STAR RENTALS	2,432.15
TUPPER MACK WELLS PLLC	17,557.00
US BANK	348,214.85
VALVOLINE	68.43
WA FEDERAL VISA CARD MEMBER SERVICES	8,206.16
WA ST DEPT OF REVENUE - EXCISE TAX	84,234.70
WASHINGTON ALARM, INC.	141.75
WESTERN CONFERENCE OF TEAMSTERS	8,599.50
<b>GRAND TOTAL</b>	<b>\$1,517,053.41</b>

**ACTION:** Commissioner Grant made the motion to APPROVE THE CONSENT AGENDA OF MAY 23, 2023. Commissioner Arnett second the motion. Motion passed unanimously.

**4. Public Comment** - No comments.

**5. Old Business**

**a) Broadband Program Update**

- Entrikin provided a draft timeline of the next steps for the Point Roberts project, after the PUD officially accepts the grant award from the Washington State Broadband Office. The initial planning phase will occur June – December 2023; potential construction beginning in 2024.
- Infeasible Rights of Use versus Master Services Agreements was discussed.

**b) Adjudication Update**

Sitkin said Robin McPherson (Ecology) and Bill Clarke (Ag Water Board counsel) indicated a Continuing Legal Education session on adjudication for Whatcom County Bar Association members is planned for September. The meeting will be open to all. Information forthcoming.

Commissioner Grant suggested grant funding sources to be accessed through the Water Smart Grant Program, and requested an update on the next phase of the Regional Water Supply Plan.

Sitkin anticipates an Executive Session in late September or early October on adjudication overview with additional PUD legal counsel in attendance. Date to be determined.

**c) Future of Lower Snake River Dams**

*Part 1:* Discussion ensued to end the District’s membership with Northwest RiverPartners.

**ACTION:** Commissioner Deshmane made the motion to TERMINATE THE NORTHWEST RIVERPARTNERS MEMBERSHIP AND NOT RENEW. Commissioner Grant second the motion. Motion passed unanimously.

*Part 2:* Commissioner Grant provided a memo on her position of the removal of the Lower Snake River Dams (LSRD) issue at present. In order to facilitate discussion, she asked of the Commission to consider two questions:

- Should the Whatcom PUD Commission take a stance on the issue of breaching the LSRDs?
- Should the Whatcom PUD Commission consider the adoption of a resolution relating to breaching the LSRDs?

Commissioner Deshmane added a supplemental memo on his LSRD position after the packet was distributed. Discussion followed. Commissioner Arnett raised the question of commission communications related to Grant’s memo and Deshmane’s supplemental provided in addition to the agenda packet. Sitkin clarified the transparency in accordance to the Open Public Meetings Act.

Commissioner Grant indicating she would be attending and commenting on the *US Government Listening Session on the Columbia River Basin* on May 25. The Commission agreed for her to share the following and that Whatcom PUD has not approved a resolution to support this statement:

- One of Whatcom County’s key industries is commercial fishing. Restoring Snake River salmon to fishable numbers is an economic benefit to Whatcom County and our entire region.
- We see a path to restore a free-flowing Snake River with minimal rate impacts on Northwest public power rate payers. That path will require significant federal financial support.
- We support the planning underway to find solutions to replace the clean energy, irrigation and transportation services of the four Lower Snake River dams.

**d) Electric Expansion Feasibility Study “Open House” in Bellingham**

Discussion of a second open house/workshop regarding the feasibility study was discussed. The topic will be discussed in-depth at the second Commission Meeting in July.

**6. New Business**

**a) Approve Update to the District’s Payroll Policy and Procedures**

The Payroll Policy and Procedures document has been updated to reflect administrative changes to the payroll system accounting and today’s amendment includes a section defining “special contract employees.”

**ACTION:** Commissioner Arnett made the motion to APPROVE THE UPDATE TO THE DISTRICT’S PAYROLL POLICY AND PROCEDURES, AS AMENDED. Commissioner Grant second the motion. Motion passed unanimously.

**7. Approve Schedule for Development of the 2024 District Operating and Capital Budget**

Finance Director Smith presented the schedule for developing the 2024 budget:

*Commission receives 2023 First-Half Financial Report.....August 8, 2023*  
*Commission Work Session to discuss budget parameters..... September 12, 2023*  
*Draft 2024 Budget presented to Commission..... October 24, 2023*  
*Customer Meetings on draft budget..... November 6 – 8, 2023*  
*Revised budget presentation/budget public hearing ..... November 21, 2023*  
*2024 Budget/Rates approved..... December 12, 2023*

**ACTION:** Commissioner Grant made the motion to APPROVE THE SCHEDULE FOR DEVELOPMENT OF THE 2024 DISTRICT OPERATING AND CAPITAL BUDGET. Commissioner Arnett second the motion. Motion passed unanimously.

**8. General Manager Report**

- In reviewing recent expense reimbursement reports, Heimgartner said there is more travel than originally planned for. As a reminder, original, itemized receipts (not photocopies) must be included with the expense reimbursement form, and if meetings/conferences are available to attend virtually, he recommends using this cost-effective method instead.

**9. Operations Report**

- Walters said there has been an uptick in permitting requests/new facilities for the Grandview/I-5 Industrial Center/Northgate Industrial area which may require an update to the District’s potable water system. Communication lines need to be re-established in terms of notification of permit requests/approvals, etc., between the District and Fire District 7, Whatcom County, and City of Ferndale.
- It’s time to revisit the need for District-owned water storage for the Industrial Water System. When activity happens on the customer side, things such as rapid increase/decrease in water flows can affect pressure fluctuation on the District’s system and pumps and potentially cause problems.

**10. Commissioner Reports**

Grant:

- Attended the Lummi Nation First Salmon Ceremony;
- Presented to the Whatcom County Climate Advisory Committee;
- Attended the WRIA-1 Environmental Caucus meeting;
- Will be attending Energy Northwest meetings in Richland this week;
- Will be on vacation for the June 13 meeting;

Arnett:

- WPUDA mentor, Debra Lester from Kitsap PUD visited her on Friday;
- Would like to meet with Ann Grimm to discuss the District’s Social Media Program.

Deshmane:

- Attended the Lummi Nation First Salmon Ceremony;
- Attended the WRIA-1 Environmental Caucus meeting;
- Attended the Public Power Council meeting in Portland;
- Will not be traveling to the Public Utility Risk Management Services upcoming meeting but attending virtually. Future PUMRS meeting attendance will be via the General Manager and/or Finance Director.

**11. Public Comment – None made.**

**12. Executive Session**

Commission President Deshmane requested an Executive Session pursuant to RCW 42.30.110(1)(i) Potential Litigation (a) Water Rights and (b) Condemnation; and RCW 42.30.110(1)(g): To review the qualifications and/or performance of a public employee. 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 recess, the Commission adjourned to Executive Session at 10:10 a.m.

- At 10:40 a.m., an additional twenty minutes was requested;
- At 11:15 a.m., an additional fifteen minutes was requested.

**Executive Session Adjourn**

There being no further business for Executive Session, the Commission rejoined the Regular Commission Meeting at 11:25 a.m.

**13. Adjourn**

There being no further business for the regular meeting, Deshmane adjourned the regular meeting at 11:26 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/>