

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

December 12, 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 Atul Deshmane, Commissioner Christine Grant, Commissioner Jaime Arnett and Legal Counsel Jon Sitkin. Staff: Chris Heimgartner, General Manager; Assistant General Manager Brian Walters; Andrew Entrikin, Broadband Program Manager; Ann Grimm, Executive Assistant; 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; Kurt Wank, Director of Utility Operations; Stephanie Hooper, Accountant I; Devin Crabtree, Chief Water Operator; and Garrett Love-Smith, Project Manager.

Public attending:

Jack Wellman, Puget Sound Energy
Tyler McDevitt, Phillips66

2. Approval of Agenda

No changes.

ACTION: Commissioner Grant made the motion to APPROVE THE AGENDA DECEMBER 12, 2023. Commissioner Arnett second the motion. Motion passed unanimously.

3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting of November 28, 2023; and
- b) Approval of the Claims of December 12, 2023:

VENDOR NAME	AMOUNT
ALUMICHEM CANADA INC	93,824.00
BELLINGHAM HERALD	899.71
BRANOM EQUIPMENT	630.66
CDW/COMPUTER DISCOUNT WAREHOUSE	1,556.51
CELTIC CLEANER, INC.	665.00
CENTRAL WELDING SUPPLY	96.48
CORNERSTONE MANAGEMENT, INC.	1,376.00
CRABTREE, DEVIN	87.71
ENERGY NORTHWEST	6,211.99
FCS GROUP	1,652.50
FERNDALE ACE HARDWARE	144.54
FERNDALE AUTO PARTS	34.57
FLOWSERVE FSD CORPORATION	14,831.45
GRAYBAR ELECTRIC COMPANY, INC	472.80
HEALTH PROMOTIONS NORTHWEST	150.00
K ENGINEERS, INC.	217.50
LEN HONCOOP GRAVEL, INC.	192,052.58
MILLS ELECTRIC	1,764.60
NORTHWEST FIBER DBA ZIPLY FIBER	1,450.16
NP INFORMATION SYSTEMS (3-D CORP)	269.82
NW PUBLIC POWER ASSOCIATION	5,878.90
P&P EXCAVATING, LLC	59,038.33
PACIFIC POWER BATTERIES	217.60
PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	201.66
PLATT ELECTRIC SUPPLY CO	140.34
PUBLIC UTILITY RISK MANAGEMENT SERVICES	74.96
PUGET SOUND ENERGY, INC	7,810.83
REGENCE BLUE SHIELD	46,733.93
REISNER DISTRIBUTION, INC	1,400.76
RICOH USA	254.86
SSC - SANITARY SERVICE COMPANY	636.51
STAR RENTALS	1,705.78
STERICYCLE ENVIRONMENTAL SOLUTIONS	57.94
TEAMSTER LOCAL #231	616.00
UNITED WAY OF WHATCOM COUNTY	692.00
UTILITIES UNDERGROUND LOCATION	24.51

VALVOLINE	68.42
WASHINGTON DENTAL SERVICE	2,941.95
WASHINGTON TEAMSTERS WELFARE	13,567.40
YEAGER'S SPORTING GOODS	245.99
GRAND TOTAL	\$460,697.25

- c) Commissioner Deshmane Per Diem Expense Reimbursement Request
- d) Approve Resolution No. 844 – Increasing Monthly Compensation for Commissioners

ACTION: Commissioner Grant made the motion to APPROVE THE CONSENT AGENDA OF DECEMBER 12, 2023. Commissioner Arnett second the motion. Motion passed unanimously.

4. Public Comment – None made.

5. General Manager’s Report

- Continues to work on the draft letter/decision document on the geothermal project;
- Dec. 19 Commission Meeting is online only to approve claims;
- Environmental Protection Agency (EPA) notice of grant programs; which could include projects such as the electric line extension project from Glacier to Mt. Baker Ski Area; and a possible state grant for engineering purposes.

6. Old Business

a) Broadband Program Update

- Point Roberts Broadband Project Request for Qualifications – EntriKin reported after evaluating the responses, one of the six engineering firms has been selected; the District is now working on contract negotiations and expects to prepare for Commission approval in January.
- Countywide Franchise for Telecom process received minor edits from the County Council; next steps include council introduction/approval and a public hearing planned in January.

b) Adjudication Update

- Sitkin continues discussions with tribal attorneys and the Ag Board;
- Developing a list of topical procedures to assist with streamlining the adjudication;
- A court commissioner (other than a Superior Court Judge) will need to be appointed to oversee the Nooksack adjudication process – there are over 10,000 water right holders;
- Working on a draft provision that adjudication cases should take priority over civil cases in court and that there should not be any jury trials which could hold up the process.

c) Geothermal Update

- *Clean Energy Research Development and Demonstration Grants* – The District submitted a concept paper for a study on December 5. Agencies will be notified if the proposal is feasible to move forward to the application stage in February 2024.
- *Nomination of Lands* – Reached out to Bureau of Land Management regarding the lease timeframe was estimated at two years. A new environmental impact statement may not need to be repeated, and could shorten the timeline.
- Commissioner Grant commented on her recent discussions with the Whatcom Democrats, Senators Lovelett and Ramel; the Nooksack Tribal Council would like to meet with Grant and Heimgartner in January; and she has contacted NW Indian College regarding energy study programs.

d) Board Retreat Discussion

- No report – will be included in the January 9 Commission Meeting.

7. New Business

a) Approval of 2024 Budget and Rates Resolution

- i. Approve Resolution No. 839 – Adopt District Budget for 2024 including Emergency Reserve Level set at \$360,000

ACTION: Commissioner Grant made the motion to APPROVE RESOLUTION NO. 839 – ADOPT DISTRICT BUDGET FOR 2024 INCLUDING EMERGENCY RESERVE LEVEL SET AT \$360,000. Commissioner Arnett second the motion. Motion passed unanimously.

- ii. Approve Resolution No. 840 – Adopt Industrial Raw Water Utility Rates and Grandview Water Rates for 2024

ACTION: Commissioner Grant made the motion to APPROVE RESOLUTION NO. 840 – ADOPT INDUSTRIAL RAW WATER UTILITY RATES AND GRANDVIEW WATER RATES FOR 2024. Commissioner Arnett second the motion. Motion passed unanimously.

- iii. Approve Resolution No. 841 – Adopt Electric Utility Rates for 2024

ACTION: Commissioner Grant made the motion to APPROVE RESOLUTION NO. 841 – ADOPT ELECTRIC UTILITY RATES FOR 2024. Commissioner Arnett second the motion. Motion passed unanimously.

b) Approve Resolution No. 842 – Delegation of Authority

The master policy directive of the Commission of the Public Utility District No. 1 of Whatcom County was originally adopted as Resolution No. 559 on November 27, 2007, for the purpose of establishing the delegated administrative powers and duties of the General Manager and designees. This is a recommendation to amend the Delegation of Authority to remain in effect until December 31, 2025, unless it is extended prior to that date.

This amendment includes two updates under Exhibit A – Authorized Purchasing Limits: Increasing the amount of the Director of Utility Operations and adding Director of Broadband to the list.

ACTION: Commissioner Grant made the motion to APPROVE RESOLUTION NO. 842 FOR THE DISTRICT’S DELGATING ADMINISTRATIVE POWERS AND DUTIES OF THE GENERAL MANAGER AND DESIGNEES REPEALING ALL PRIOR RESOLUTIONS DEALING WITH THE SAME SUBJECT MATTER. Commissioner Arnett second the motion. Motion passed unanimously.

c) Approve Resolution No. 843 – Amend Compensation Policy for Administrative Employees

This resolution amends two salary ranges and an increase to the District’s Retirement Contribution (in lieu of PERS) at 9.39%, effective January 1, 2024.

ACTION: Commissioner Arnett made the motion to ADOPT RESOLUTION NO. 843 – A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE POLICY FOR EMPLOYEE COMPENSATION FOR ADMINISTRATIVE EMPLOYEES FOR THE PURPOSES OF UPDATING SALARY RANGES AND RETIREMENT CONTRIBUTION AMOUNT. Commissioner Grant second the motion. Motion passed unanimously.

d) Approve Commission Meeting Schedule for 2024

To provide the general meeting schedule for the Commission, District staff and public for year 2024, and to review potential meeting date changes, the Commission meeting schedule is presented for consideration. During the year, meeting schedules may be revised to respond to individual needs, other industry training and meeting schedules, as well as federal holidays.

ACTION: Commissioner Grant made the motion to APPROVE THE COMMISSION MEETING SCHEDULE FOR 2024. Commissioner Arnett second the motion. Motion passed unanimously

e) Elect Commission Officers for 2024

Each year, the Commission nominate and elect officers for the Board of Commissioners for the upcoming calendar year. The Commission takes action on the election of officers without recommendation from staff.

ACTION: Commissioner Grant made the motion to: NOMINATE JAIME ARNETT AS PRESIDENT; ATUL DESHMANE AS VICE PRESIDENT AND CHRISTINE GRANT AS SECRETARY. Commissioner Arnett second the motion. Motion passed unanimously.

f) Select Committee Commission Representatives/Staff Alternates for 2024

Each year, the Commission acts to approve Commission and staff representatives to agencies that the District is a member. The following agencies should have representatives designated by the Commission to speak on behalf of the District, as appropriate.

1. Washington Public Utility Districts Association for 2024:

Committee	Primary Representative	Alternate
Board of Directors	Christine Grant	Jaime Arnett
Managers	Chris Heimgartner	Brian Walters
Government Relations	Jaime Arnett	Christine Grant
Communications	Jaime Arnett	Christine Grant
Energy	Christine Grant	Atul Deshmane
Water	Christine Grant	Jaime Arnett
Telecom (non-voting)	Atul Deshmane	Christine Grant

2. Whatcom County Economic Development Investment (EDI) Board

Current: Deshmane is the representative and will be the 2024 designee.

3. **Whatcom County Council of Governments (WWCOG) Associate Membership:**
Current: Grant is the elected representative, Heimgartner is the alternate; to remain the same for 2024.
4. **Public Utility Risk Management Services (PURMS)**
Current: Deshmane is the elected representative, Heimgartner and Smith as voting alternates; to remain the same for 2024.
5. **Watershed Resource Inventory Area (WRIA):** Appoint Management Board Representative and Alternate; and, Appoint Planning Unit Representative and Alternate.

WRIA-1	Representative	Alternate
Management Board	Jaime Arnett	Chris Heimgartner
Planning Unit	Chris Heimgartner	Rebecca Schlotterback

6. **Energy Northwest** Representative Alternate
Christine Grant Atul Deshmane
7. **Port/PUD Broadband Steering Committee** Representative Staff
Chris Heimgartner Andrew Entrikin

ACTION: Commissioner Grant made the motion to SELECT DISTRICT REPRESENTATIVES TO THE FOLLOWING AGENCIES. Commissioner Arnett second the motion. Motion passed unanimously.

1. **WASHINGTON PUBLIC UTILITY DISTRICTS ASSOCIATION (WPUDA) for 2024**
CHRISTINE GRANT AS DISTRICT REPRESENTATIVE

ASSOCIATION COMMITTEES	PRIMARY	ALTERNATE
<i>BOARD OF DIRECTORS</i>	GRANT	ARNETT
<i>MANAGERS COMMITTEE</i>	HEIMGARTNER	WALTERS
<i>GOVT RELATIONS</i>	ARNETT	GRANT
<i>COMMUNICATIONS</i>	ARNETT	GRANT
<i>ENERGY</i>	DESHMANE	GRANT
<i>WATER</i>	ARNETT	DESHMANE
<i>TELECOM</i>	DESHMANE	GRANT

2. **WHATCOM COUNTY ECONOMIC DEVELOPMENT INVESTMENT (EDI) BOARD 2024**

PRIMARY: DESHMANE ALTERNATE: HEIMGARTNER

3. **WHATCOM COUNTY COUNCIL OF GOVERNMENTS (WCCOG) 2024**

PRIMARY: GRANT ALTERNATE:

4. **PUBLIC UTILITY RISK MANAGEMENT SERVICES (PURMS) 2024**

PRIMARY: DESHMANE VOTING ALTERNATES: HEIMGARTNER AND SMITH

5. **WRIA1 WATERSHED MANAGEMENT BOARD 2024**

PRIMARY: ARNETT ALTERNATE: HEIMGARTNER

WRIA 1 PLANNING UNIT 2024

PRIMARY: HEIMGARTNER ALTERNATE: SCHLOTTERBACK

6. **ENERGY NORTHWEST 2024**

PRIMARY: GRANT ALTERNATE: DESHMANE

7. **PORT/PUD BROADBAND STEERING COMMITTEE 2024**

PRIMARY: HEIMGARTNER ALTERNATE: ENTRIKIN

- g) **Approve Amendment No. 1 to Professional Engineering Services Agreement with RH2 Engineering**

The amendment extends the term of the agreement an additional year, to December 31, 2024. As work is required, a scope of work and budget will be included in work orders to be approved by the Commission or General Manager in accordance with the District's policy.

ACTION: Commissioner Arnett made the motion to APPROVE AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES WITH RH2 ENGINEERING AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE AMENDMENT WITH RH2.

8. Operations Report

- Walters reported the selection of engineering firms from the Statement of Qualifications are now at the contract negotiation phase. These firms offer a variety of expertise and approval of Professional Services Agreement(s) are forthcoming in January.
- Ruby Flats Solar Project - Energy Northwest is asking members who want to participate in the project to submit a nonbinding letter of commitment. The estimated output is 127 MWh, online date would be mid to late 2025 and some terms of the contract were also released. More information is forthcoming.

9. Commissioner Reports

Grant:

- Had an in-person meeting with Eric Hirst;
- Geothermal update (above); and
- Is interested in Puget Sound Energy's *Demand Response Program*.

Arnett:

- Attending the WRIA1 Management Board meeting this week.

Deshmane:

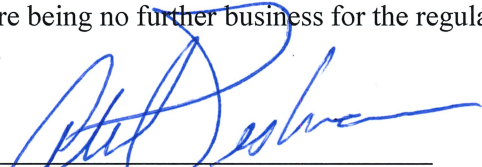
- Attending a meeting with Rob Fix (Port) and the Mayor and staff of the City Ferndale on Thursday to discuss economic development at Grandview, will take a per diem;
- Plans to listen to the WRIA1 Management Board and the Ag Board meetings this week.
- Has had discussions with Heimgartner relating to adjudication and water.

Sitkin readdressed the Per Diem compensation policy, which includes a list of Commission-preapproved meetings which Commissioners may attend. For other non-approved per diem requests, the practice has been if there is no objection, it is deemed approved. The Per Diem Policy and new forms will be reviewed in early 2024.

10. Public Comment – None made.

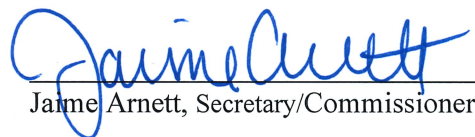
11. Adjourn

There being no further business for the regular meeting, Deshmane adjourned the regular meeting at 9:52 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/>