

PUBLIC UTILITY DISTRICT No. 1 of Whatcom County

Agenda for the Regular Meeting of May 28, 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 min.)
 - a) Approval of the Minutes of the Special Meeting of 21, 2024
 - b) Approval of the Minutes of the Regular Meeting of May 14, 2024
 - c) Approval of Claims for May 28, 2024
4. Oath of Office for New Interim Commissioner
5. Public Comment (10 minutes – Individual speakers: 3 min.)
6. General Manager Report (10 min.)
7. Old Business (30 min.)
 - a) Broadband Update
 - b) Adjudication Update
 - c) Geothermal Update
8. New Business (20 min.)
 - a) Approve Resolution No.849 – Cancellation of Warrant
 - b) Discuss June and July Commission Work Sessions
9. Operations Report (10 minutes)
10. Commissioner Reports (10 minutes)
 - a) Upcoming Per Diem Requests
11. Public Comment (10 minutes– Individual speakers: 3 min.)
12. Executive Session: RCW 42.30.110(1)(i) Potential Litigation – Water Rights Adjudication (20 minutes)
13. Adjourn (Estimated 10:20 a.m.)

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/88923498297>

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

Webinar ID: 889 2349 8297

Next Commission Meetings

June 11 & June 25, 2024 | 8:15 a.m. | Regular Meetings – District Office
1705 Trigg Road, Ferndale, WA 98248

or other location announced

Contact: Chris Heimgartner, General Manager (360) 384-4288 x 19

info@pudwhatcom.org

www.pudwhatcom.org

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MINUTES OF THE SPECIAL MEETING OF THE COMMISSION

AGENDA ITEM #3a
May 28, 2024

May 21, 2024

1. Call to Order

The special meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 3:00 p.m. by Commissioner Jaime Arnett. The meeting was open to the public as an in-person meeting only with notice thereof given as required by law. Those present included: Commissioner Atul Deshmane, Commissioner Jaime Arnett and Legal Counsel Jon Sitkin. Staff: Assistant General Manager Brian Walters

Public attending:

Eddy Ury	Lisa Lindsey – Phillips 66
Andrew Reding	Tyler McDevitt – Phillips 66
Todd Lagestee	Brian Heinrich – PSE

2. Approval of Agenda

ACTION: Commissioner Deshmane made the motion to APPROVE THE AGENDA OF May 21, 2024. Commissioner Arnett seconded the motion. Motion passed unanimously.

3. Interview Candidates for Vacant Commissioner

Commissioners Arnett and Deshmane interviewed three candidates nominated to fill on an interim basis the District 1 Commissioner position vacated by former Commissioner Christine Grant. All three candidates submitted their resumes as requested and responded to the Commissioners questions, which were the same for all three. The candidates interviewed were:

Andrew Reding
Eddy Ury
Todd Lagestee

4. Executive Session to Evaluate Qualifications of Candidates per RCW 42.30.110(1)(h)

At 3:55 PM at the conclusion of interviews, Commissioner Arnette announced that the Commission would go into Executive Session to discuss the interviewed candidates qualifications and that the Executive Session would last 30 minutes.

At 4:10 PM, the Commission came out of Executive Session and announced to the public that there would be a 15 minute recess before resuming the open public meeting.

5. Public Meeting Resumes

At 4:25 PM, the open public meeting resumed. Commissioners Arnett and Deshmane briefly discussed the Commissioner candidates qualifications and interview responses and the difficulty of making a decision.

ACTION: Commissioner Deshmane made a motion to appoint candidate Todd Lagestee to fill the vacant District 1 position until the November election results are validated. Commissioner Arnett seconded the motion and the motion was passed unanimously.

Commissioner Arnett then asked for public comment and none was provided. Commissioner Arnett then asked Todd Lagestee to comment. Mr.Lagestee accepted the nomination and thanked the Commissioners for their consideration and decision.

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ACTION: Commissioners Arnett and Deshmane signed Resolution 850 naming Todd Lagestee as the Appointed Interim Commissioner to fill the District 1 vacant position for Public Utility District No.1 of Whatcom County

Mr. Lagestee was then informed that he would take the Oath of Office and be sworn in at the May 28 Commission meeting.

6. **Adjourn**

There being no further business for the regular meeting, Commissioner Arnett adjourned the Special Meeting at 4:45 P.M.

Jaime Arnett, President/Commissioner

Atul Deshmane, Vice President/Commissioner

RESOLUTION NO. 850

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY APPOINTING AN INTERIM COMMISSIONER TO REPRESENT PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (DISTRICT).

WHEREAS, Public Utility District No. 1 of Whatcom County (District) is a special purpose district established under the laws of the State of Washington; and

WHEREAS, the PUD Board of Commissioners is comprised of three District Commissioners, one from each District comprising the PUD District; and

WHEREAS, the District 1 PUD Commissioner position has been vacant since May 1, 2024 following the resignation of the elected Commissioner; and

WHEREAS, RCW 54.12.010(5) and RCW 42.12.080 provide that when one vacant position of an elected nonpartisan governing body of a special purpose district such as the District is vacant, the remaining members of the governing body shall, after publication of the vacancy and call for nominees as required by RCW 42.12.080(1), appoint a qualified person to fill the vacant position to serve until the next general election and the election of a new Commissioner for the remaining term of the District 1 Commission position; and

WHEREAS, RCW 54.12.010 (3) provides that a qualified person is a registered voter who resides in PUD Commission District No. 1; and

WHEREAS, pursuant to RCW 42.12.080(1), the District advertised for candidates to fill the vacant position for District 1 PUD Commissioner from May 3, 2024 through May 20, 2024; and

WHEREAS, Mr. _____ submitted his candidacy for the position, has represented that he is a registered voter residing in PUD District 1 as required by RCW 54.12.010(3), was interviewed by the Board of Commissioners on this date at a duly noticed special meeting of the Commission, and the Commission found him to be qualified to fill the term of District 1 PUD Commissioner until the next general election in November 2024 is certified by the Whatcom County Auditor.

NOW, THEREFORE, BE IT RESOLVED by the District Board of Commissioners that Mr. _____ is appointed PUD Commissioner for District 1 to serve until the next general election in November 2024 is certified by the Whatcom County Auditor, provided that if the Whatcom County Auditor determines that Mr. _____ is not a registered voter in PUD Commission District No. 1, then this appointment shall be deemed null and void immediately without further action required.

ADOPTED by the Commission of Public Utility District No.1 of Whatcom County, the ____ day of _____, 2024, and duly authenticated in open session by signatures of the Commissioners being present and voting in favor thereof.

**PUBLIC UTILITY DISTRICT NO.1
Of WHATCOM COUNTY**

Jamie Arnett, President Commissioner

Atul Deshmane, Vice President Commissioner

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AGENDA ITEM #3b
May 28, 2024

MINUTES OF THE REGULAR MEETING OF THE COMMISSION

May 14, 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 included: Commissioner Atul Deshmane, Commissioner Jaime Arnett and Legal Counsel Peter Ruffato. Staff: General Manager Chris Heimgartner; Andrew Entrikin, Broadband Program Manager; Rebecca Schlotterback, Manager of Contracts and Regulatory Compliance; Aaron Peterson, IT/SCADA Technician; Garrett Love-Smith, Project Manager; Kurt Wank, Director of Utility Operations; and Annette Smith, Director of Finance; Stephanie Hooper, Accountant I; and Jon Littlefield, Electric System Supervisor.

Public attending:

Rick Maricle	Eddy Ury
	Tyler McDevitt
Todd Lagestee	Jack Wellman

2. Approval of Agenda

ACTION: Commissioner Deshmane made the motion to APPROVE THE AGENDA OF APRIL 23, 2024 AS AMENDED. Commissioner Arnette seconded the motion. Motion passed unanimously.

3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting of April 23, 2024;
- b) Approval of Meeting Minutes of the Special Meeting of April 16, 2024;
- c) Approval of Meeting Minutes of the Special Meeting of April 30, 2024;
- d) Approval of Meeting Minutes of the Special Meeting of May 2, 2024
- e) Approval of the Claims of May 14, 2024:

VENDOR NAME	AMOUNT
APPLIED DIGITAL IMAGING	6.54
INDUSTRIAL SUPPLY, INC	156.65
BHAM TECH COLLEGE	2,890.00
BONNEVILLE POWER ADMINISTRATION	595,324.00
BRIM TRACTOR COMPANY	451.15
CESCO NEW CONCEPT CHEMICAL PRODUCTS	117.39
CIVIC GROUP	5,000.00
COMCAST	194.91
COMCAST - NWRC	300.00
CONSOR NORTH AMERICA, INC.	117,472.25
CULLIGAN NORTHWEST	285.43
DESHMANE, ATUL	140.96
EDGE ANALYTICAL LABORATORIES	91.00
FERNDALE ACE HARDWARE	55.65
FERNDALE AUTO PARTS	146.49
GATEWAY CONTROLS	716.67
HARDWARE SALES, INC	49.01
HEALTH PROMOTIONS NORTHWEST	150.00
INTERNAL REVENUE SERVICE	22,645.42

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KCDA PURCHASING COOPERATIVE	701.90
LITHTEX NW LLC	112.94
MASSMUTUAL RETIREMENT SVCS LLC	12,440.00
NORTHWEST CASCADE, INC.	173.43
P&P EXCAVATING, LLC	4,345.47
PAYLOCITY	183.16
PAYROLL	243,841.58
PLATT ELECTRIC SUPPLY CO	123.73
PUBLIC UTILITY RISK MANAGEMENT SERVICES	55,916.09
PUD #1 OF WHATCOM COUNTY	1,676.99
PUGET SOUND ENERGY, INC	1,629.40
RH2 ENGINEERING, INC	1,301.49
SMITH MECHANICAL	2,247.48
STAR RENTALS	1,708.88
TOTH AND ASSOCIATES, INC	5,312.50
TUPPER MACK WELLS PLLC	10,302.50
VALVOLINE	102.63
WA FEDERAL VISA CARD MEMBER SERVICES	3,766.91
WA PUBLIC UTILITY DISTRICTS ASSOCIATION	75.00
WA ST DEPT OF RETIREMENT SYSTEMS	25.00
WA ST DEPT OF REVENUE - EXCISE TAX	79,735.50
WA ST DEPT OF REVENUE - LEASEHOLD TAX	707.10
<u>WESTERN CONFERENCE OF TEAMSTERS</u>	<u>8,760.50</u>
GRAND TOTAL	\$1,181,383.70

ACTION: Commissioner Deshmane made the motion to APPROVE THE CONSENT AGENDA OF MAY 14, 2024. Commissioner Arnette seconded the motion. Motion passed unanimously.

4. Public Comment – None made.

5. General Manager’s Report

The outcome of the retreat discussed the retreat. The next step is to meet to discuss strategy. Arnett said she is looking forward to holding ‘work sessions’ and holding meetings in different locations of the county. Heimgartner plans to hold a meeting in June regarding power markets.

6. Old Business

a) Broadband Program Update

EntriKin provided an update on Point Roberts, the State Broadband Office’s Challenge Process, and more was discussed.

b) Adjudication Update

No update.

c) Geothermal Update

Routine Status Report.

7. New Business

a) Action Memo to award bid for demolition of the BP intake structure. **ACTION:** Commissioner Deshmane made the motion to award the bid, Commissioner Arnett seconded and the motion passed unanimously.

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b) **Action Memo to Review and Accept District's Annual Report.** **ACTION:** Commissioner Deshmane made the motion to accept the report with Commissioner Arnett seconding. Motion passed unanimously.

c) **Commissioner Deshmane moved to call a Special Meeting on May 21 at 3:00 to interview candidates for the vacant interim Commissioner position.** Commissioner Arnett seconded and the motion passed unanimously.

8. Operations Report

Walters reported that the crew is ramping up for summer maintenance activities. Water supply's impact on hydro operations is shaping up to be a different year than last, snowpack is way below normal ranges for this time of year.

9. Commissioner Reports

Deshmane:

- Tidal project with Opalco.
- Lummi municipalization
- Many other topics.

Arnett:

- No Extraordinary meetings to report.

10. Public Comment

Todd Lagestee commented candidates being able to respond in writing to questions if they couldn't attend the interview. He opined that candidates who did attend should be able to submit written answers as well.

11. Executive Session

No Executive Session was held.

12. Adjourn

There being no further business for the regular meeting, Commissioner Arnett adjourned the regular meeting at 10:30 a.m.

Jaime Arnett, President/Commissioner

Atul Deshmane, Vice President/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/>

Return Completed Oath for Recording To:
Stacy Henthorn
Whatcom County Auditor's Office
311 Grand Avenue, Suite 103
Bellingham, Washington 98225



Oath of Office ***Appointed Official***

I, **Gregory Todd Lagestee**, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution and laws of the State of Washington, and that I will faithfully and impartially perform and discharge the duties of the office of

Public Utility District No. 1
Commissioner District 1

Title of Elected Official

in and for the County of Whatcom, State of Washington, according to law and to the best of my ability.

Gregory Todd Lagestee

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

OR

Authorized Official and Title



CERTIFICATE OF APPOINTMENT

State of Washington)
) ss.
County of Whatcom)

The undersigned officers of _____ do
(Commission, Council, or Board Making Appointment)

hereby appoint _____ of
(Person Appointed)

(Appointee's Address)

to the office of _____
(Office and Position)

This appointment will end on _____.

Signed this _____ day of _____, 20____.

(Signature)

(Printed Name and Title)

(Signature)

(Printed Name and Title)

(Signature)

(Printed Name and Title)

AGENDA ITEM #8a
May 28, 2024

Action Memo

To: Commissioners Arnett and Deshmane
From: Stephanie Hooper, Accountant I
Date: May 28, 2024
Re: Approve Resolution No. 849 – Cancellation of Warrant

Requested Action: APPROVE RESOLUTION NO. 849 AUTHORIZING CANCELLATION OF WARRANT FOR GUARDIAN SECURITY SYSTEMS.

Background: Warrant No. 01187810 was issued on March 26, 2024 in the amount of \$904.00 based on an “estimate” and not an “invoice” in error. The District has notified the County that the Warrant has not been tendered and has asked the County to cancel and disregard the Warrant. A new Warrant will not be issued.

Fiscal Impact: No fiscal impact.

Recommended Action: APPROVE RESOLUTION NO. 849 AUTHORIZING CANCELLATION OF WARRANT FOR GUARDIAN SECURITY SYSTEMS.

RESOLUTION NO. 849

**RESOLUTION BY THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY (DISTRICT)
AUTHORIZING THE CANCELLATION
OF WARRANT NO. 01187810**

WHEREAS, the warrant referenced in Exhibit A (the “Warrant”) was issued on the basis of an “estimate” from Guardian Security.

WHEREAS, following the Commission’s authorization of the issuance of the Warrant, the County’s Administrative Services Department (“County”) printed the Warrant, which was issued in error, as it was an “estimate” and not an “invoice”.

WHEREAS, The County has provided the Warrant that was issued on March 26, 2024, was issued in error, and the Warrant having not been tendered to Guardian Security Systems, the District does now wish to cancel the Warrant, as provided by law; and

NOW THEREFORE BE IT RESOLVED that the District hereby cancels the warrant listed in Exhibit A.

ADOPTED by the Commission of Public Utility District No.1 of Whatcom County at its regular meeting held on the 28th day of May, 2024.

**PUBLIC UTILITY DISTRICT NO.1
Of WHATCOM COUNTY**

Jaime Arnett, President/Commissioner

Atul Deshmane, Vice President/Commissioner

Secretary/Commissioner

**Resolution No. 849 Exhibit A
Cancellation of Warrant**

Warrant No.	Warrant Date	Vendor	Amount
01187810	March 26, 2024	Guardian Security Systems	(\$904.00)