

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
COMMISSIONERS' BUDGET WORK SESSION

Agenda

November 3, 2020

4:00 p.m.

Pursuant to Governor Jay Inslee's Proclamation 20-28.11, Public Utility District No. 1 of Skagit County Board of Commissioner meetings will be held virtually through ZOOM Cloud Meetings.

Join our meeting: <https://us02web.zoom.us/j/84003291857?pwd=dWhLc2JGejNuZDZsM1dUbTN3eTEzdz09>

Meeting ID: 840 0329 1857

Passcode: 313560

Or dial: 1-253-215-8782

Please turn your audio and video off during the meeting.

CALL TO ORDER

2021 BUDGET REVIEW

- Administration
- Human Resources
- Safety
- Information Technology
- Community Relations

ADJOURNMENT

This work session is open to Commissioners, Management, other District staff, Consultants and the public. It is not the opportunity to give public testimony, but if the Board members request input from individuals in the audience, those people may speak.

The principal purpose of the work session is to allow employees of the District and the Board to communicate with each other and/or the Consultants, answer Board questions, and get the Board's opinions and input regarding the subject topic(s).

	A	B	E	F
3	2021 BUDGET REQUESTS - ATTACHMENT A			
4	Department	Projects	2021	Notes
5	Admin	Professional Services	\$ 103,000	Professional services related to District policies, employment law consultation, contract law clarification, Water Rights, and general counsel.
6	Admin	Education and Professional Development	\$ 14,000	This includes related costs for Admin staff for WPUDA Association memberships, meetings, training in public records & state archives, and AWWA Annual Conference.
7		Administration Total	\$ 117,000	
8	Commission	Education and Professional Development	\$ 10,000	WPUDA Association meetings, WPUDA Water Workshop, WPUDA Annual Conference, AWWA-PNWS Annual Conference and AWWA Annual Conference.
9		Commission Total	\$ 10,000	
10	HR	Education and Professional Development	\$ 4,500	CE requirements for SPHR & SHRM-SCP, training in employment law, benefits administration, labor relations, employee relations. Key events NPELRA Conference, Labor Law & Arbitration Institute Conference, AWC Labor Relations Institute, & WPELRA Conference/meetings.
11	HR	Professional Services	\$ 27,500	Background Checks, investigations, training & development PUD staff, Employment issues, Evaluations.
12		Human Resources Total	\$ 32,000	
13	Safety	Education and Professional Development	\$ 13,240	First Aid, CPR, BBP training, Fork lift certification, flagger & BNSF safety
14		Safety Total	\$ 13,240	
15	Finance	Education and Professional Development	\$ 9,500	WFOA finance officer's training, annual payroll training conference, WPUDA finance officer's semi-annual meetings and records manager's semi-annual meetings, GFOA GAAP update, payroll, accounting, CEUs purchasing & stores.
16	Finance	Professional Services	\$ 96,000	Annual audit costs State Auditor's Office, contracted audit services, attorney foreclosure services on delinquent LUD assessments, Millman actuarial evaluation for OPEB requirements.
17		Finance Total	\$ 105,500	
18	Cust / Billing	NorthStar Upgrade & Utilization Review	\$ 34,000	NorthStar regular version upgrade & consulting, analysis, and utilization Review. Review existing NorthStar processes and setup. Adopt and implement changes based on best practices.
19	Cust / Billing	Lockbox - "Lockbox Services"	\$ 25,000	Continue utilizing secure mail facility to receive utility payments.
20	Cust / Billing	Education and Professional Development	\$ 14,000	Harris Conference NorthStar, web training NorthStar, WPUDA, PUG, WETRC Training CEUs, Cross Connect Exam, WDM1 certification
21		Customer Service / Billing Total	\$ 73,000	

	A	B	E	F
4	Department	Projects	2021	Notes
22	IT	DOH Security Mandates - & Remote Sites	\$ 150,000	Security enhancements at remote sites. Nookachamps, Rockport, Cerdargrove, Marblemount, Skagit View Village. Bradshaw and Rudene boosters.
23	IT	SIEM & Log Management System	\$ 45,000	Implementation of Log Management to capture information for system security information and event management.
24	IT	Out of Region Disaster Recovery	\$ 78,000	Locating our disaster recovery site infrastructure out of the Pacific Northwest.
25	IT	Storage Hardware Upgrades (Program)	\$ 350,000	Upgrade the Network Attached Storage (NAS) and network switches on the main campus, 9th & Highland, and the Water Treatment Plant.
26	IT	Service & Work Order Interface	\$ 40,000	Integration between NorthStar and CityWorks. Eliminates paper Service Orders and provide greater efficiency between customer service & meter crew.
27	IT	Radio communications survey	\$ 40,000	Consultant to perform a Radio site to site survey. Look for efficiencies for transferring data (truck to truck) and remote sites by radio. Leverage our existing frequency license.
28	IT	Phone Cloud Telephone Services	\$ 35,000	Emergency cut over redundancy so that we have a backup phone system.
29	IT	Tempered Networks Deployment	\$ 6,000	Hardware deployment for increasing system security around ICS (Industrial Control Systems)
30	IT	Education and Professional Development	\$ 38,000	Security Strategic Planning, Northstar & Cayenta, Interconnecting Network devices, SANS Security Training, Software user Conferences
31	IT	Professional Services	\$ 100,000	Security & optimization analysis of IT infrastructure to improve performance, reliability, and operations. On call network support.
32		IT Total	\$ 882,000	
33	Outreach	Community Outreach	\$ 21,500	Includes: School Field trips to Judy Reservoir, Curriculum Materials, teaching materials, DVD, Giveaways, Sponsorships, and Subscriptions / Memberships / Meetings, Chamber meetings, and training tools).
34		Community Outreach Total	\$ 21,500	
35	Meters	Badger Meters Transmitters	100,000	Useful life of transmitters (batteries) - needs to be replaced
36	OPS	Inspection of High Useage Pumps	\$ 10,000	Continued repair & maintenance of high use pumps by third party
37	OPS	PRV Parts for Annual Repair Program	\$ 50,000	Continued repair & maintenance of our control valve assets
38	OPS	Mag Meter Heads	\$ 5,000	Replacement of legacy meter heads at two locations to allow SCADA communications
39	OPS	Alger Well Generator	\$ 10,000	It will provide emergency power to the Alger system in a sustained power outage.
40	OPS	Vehicle Replacement Program	\$ 100,000	Continue evaluating & replacing fleet on annual basis. Optimizing fleet purchase & sale to minimize ownership costs. Convert Electrician, Kerry totaled van
41	OPS	CAT 309 Hydraulic Excavator	\$ 148,000	Replace existing John Deere 85 that is beyond its useful life

	A	B	E	F
4	Department	Projects	2021	Notes
42	OPS	Two Ton Service Truck	\$ 135,000	Replace oldest service truck (1990) to prevent downtime due to repairs
43	OPS	Cellular SCADA	\$ 40,000	Add cellular data comms to SCADA site will reduce monthly broadband costs long term
44	OPS	Annual reservoir cleaning/Inspections	\$ 40,000	Annual reservoir cleaning and inspection to maintain water quality and asset management of facilities, WTP inspections rolled into this fund in 2021
45	OPS	Repair & Maintenance Main Campus	\$ 40,000	Miscellaneous repairs on plant and facility of main campus due to age of facility
46	OPS	Education and Professional Development	\$ 13,000	Annual CEU's and job specific training for Operators, Water Quality personnel and WTP. AWWA, WPUDA, RO, and other pertaining WQ conferences. SCADA Software training. Wonderware training, Pumps & motor HVAC training
47	OPS	Professional Services	\$ 75,000	Risk & Resiliency Assessment & Emergency Response Plan Professional Services. EPA mandate to complete a risk and resiliency study by Dec 31, 2020. Update emergency response plan in 2021.

	A	B	E	F
4	Department	Projects	2021	Notes
48		OPS / Equipment / Facilities Total	\$ 591,000	
49	WTP	Upgrade SRD PLC	\$ 40,000	PLC system at SRD is at end of useful life
50	WTP	Software for WTP Alarms	\$ 12,000	WIN 911 Operating system. Notification of alarms outside of control room
51	WTP	Chlorine & Carbon Dioxide Alarm Integration	\$ 67,810	Improves safety & reliability capabilities of CO2 alarms for safety thru plant
52	WTP	Education and Professional Development	\$ 13,500	Annual CEU's and job specific training for Operators, Water Quality personnel and WTP. AWWA, WPUDA, RO, and other pertaining WQ conferences. SCADA Software training.
53		Water Treatment Plant Total	\$ 133,310	
54	Eng	Cross Connect Incentive Program	\$ 50,000	Ongoing program to incentive backflow devices
55	Eng	Education and Professional Development	\$ 12,000	WPUDA Water Workshop, and PNWS-AWWA. Water rights, watershed, cross connections, new software, ESRI, City works, and CEUs.
56	Eng	Professional Services	\$ 26,000	Watershed stream monitoring, dam surveying, legal descriptions, surveying, for easements
57		Engineering Total	\$ 62,000	
59				
60		Capital Total	\$ 1,236,000	
61		Education & Professional Development Total	\$ 141,740	
62		O&M Total	\$ 511,310	
63		Professional Services Total	\$ 352,500	
64		Grand Total	\$ 2,241,550	



2021 BUDGET WORKSHOP

NOVEMBER 3, 2020

ADMINISTRATION DEPARTMENT

Professional Services Requests

1. (5) Professional Services – includes costs for professional services related to District general counsel, policy review, lobbying services, representation on the Water Supply Task Force, bargaining and contract law clarification.

Education and Professional Development Requests

1. (6) Admin Training – includes costs for General Manager related to WPUDA Association meetings, local and national AWWA Conference, labor relations training, Utility Management training, and other WPUDA related events. Also includes cost related to records management training and WPUDA meetings for Executive Assistant.
2. (8) Commission Training – includes an allowance for each Commissioner for costs related to WPUDA Association meetings, WPUDA Water Workshop, WPUDA Annual Conference, and AWWA conferences.



2021 BUDGET WORKSHOP

NOVEMBER 3, 2020

HUMAN RESOURCES DEPARTMENT

Education and Professional Development Request

1. (10) HR Training – Training budget is 65% of last year and includes only necessary continuing education requirements for SPHR and SHRM-SCP certifications. This includes training in employment law, benefits administration, labor relations, employee relations, and other areas of the HR function.

Key areas in 2021 include: NPELRA (National Public Employer Labor Relations Association) conference, in addition to the CLRP professional certification (assuming it takes place in April), and Enduris will pay half of the conference fee once completed; a Labor Law & Arbitration Institute in the Spring or Fall; the AWC Labor Relations Institute Conference in Yakima (again, assuming it takes place), and Enduris scholarship pays for the registration fee; the WPELRA Fall Conference; and some monthly local SHRM chapter breakfast meetings that include an education topic.

Professional Services Requests

- (11) Professional Services – This request includes on an as-needed basis, workplace investigations and consulting, supervisor training and employee development / training initiatives (which for 2021 will include Discrimination and Harassment training), background checks, legal consultation for issues specific to employment, and some general consulting in the areas of labor issues or other as needed. It is impossible to know what will be needed in advance, so this is basically a contingency to cover potential issues that could arise. Since we are also headed into bargaining again in 2021 for the 2022-2024 CBA, it could also potentially include some compensation study assistance if that is deemed necessary.



2021 BUDGET WORKSHOP

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SAFETY DEPARTMENT

Education and Professional Development Requests

1. (13) Safety Training - The District has many regulatory safety training requirements. Examples include first aid and fire extinguisher training. 2021 is an off-cycle year for most safety-related competencies. COVID-19 restrictions on in-person meetings has hampered many efforts to conduct some training in 2020, including flagger recertification. Those trainings need to be revisited in 2021. The Safety & Risk Coordinator is a certified safety professional (CSP) and cross connection control specialist (CCCS). CEU's and extra training needs to be obtained to maintain this level of competence.

Professional Services

The District had experienced rising Workers Comp (WC) premiums with no relief. The District enrolled in a retrospective WC program. The administrative costs add to premium costs. But we expect premium refund checks from this program in July 2021 to begin offsetting and overtaking the additional premium costs. These refunds will be based on the District's ability to perform better than L&I's estimated claims costs. This could result in thousands in refunds per year.

Projects in 2020 Safety Budget

Janicki Creek Fish Screen Access Improvement (\$35,188) - This project will eliminate several fall hazards for our WTP operators who must frequently negotiate a wall to get to the screen to keep it clean. The project was initially started with a \$24,000 amendment in 2020 but the estimate was revised to include equipment, labor, and permitting costs for a total of about \$59,000 spread between 2020 and 2021.



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November 3, 2020

IT DEPARTMENT

Capital Budget Requests

1. (22) DOH Security Mandates & Remote Site Program – Mandated physical security updates for remote sites. Rockport and Marblemount are projected to receive upgrades for 2021.
2. (23) SIEM and Log Management – Implementation of Log Management to capture information for system security information and event management.
3. (24) Out of Region Disaster Recovery – Locating our disaster recovery site infrastructure out of the Pacific Northwest.
4. (25) Storage Hardware Upgrades – Upgrade the Network Attached Storage (NAS) and network switches on the main campus, 9th & Highland, and the Water Treatment Plant.
5. (26) Service and Work Order Interface – Integration between NorthStar and CityWorks. Eliminates paper Service Orders and provides greater efficiency between the Customer Service department and Meter crews.
6. (27) Radio Program (Voice Band and Equipment / SCADA and Security Broadband and Equipment) – Consultant to perform a Radio Survey to determine if there are efficiencies for transferring data (truck to truck) and remote sites by radio.
7. (28) Phone Cloud Telephone Services – Redundant phone services in case of an outage.
8. (29) Tempered Networks Deployment – Additional hardware to improve security around our virtualized Industrial Control Systems.



Education and Professional Development Requests

1. (30) IT training – NorthStar/Cayenta conference for Vivian. Office365 Admin training for Luis. Security Training for Management for Ben. IT Customer Support training for the entire team.

Professional Services Requests

1. (31) Professional Services – Security & optimization analysis of IT infrastructure to improve performance, reliability & operations. On-call network support to mitigate emergencies.



2021 BUDGET WORKSHOP

NOVEMBER 3, 2020

COMMUNITY RELATIONS

Budget Requests

1. (33) Community Outreach – Funding for school and community tours at Judy Reservoir; *Story of Drinking Water* curriculum materials; giveaway items and water use efficiency measures (water bottles, shower timers, showerhead kits); community sponsorships; subscriptions and memberships (Chambers, survey tools, photography).