

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
327 N. WENATCHEE AVENUE  
WENATCHEE, WA 98801**

**REGULAR COMMISSION MEETING**

**January 8, 2018**

**AGENDA**

**STUDY SESSION**

**10:00 A.M.**

1. Pledge of Allegiance and Safety Minute – Tracy Yount
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. Orondo River Park
4. Quarterly Load Growth Update
5. 2018 District Performance Plan

**BUSINESS SESSION**

**1:00 P.M.**

6. Public Hearing – LED Streetlight Rate

**Consent Agenda**

7. Minutes:

December 18, 2017 Regular Meeting

8. Vouchers:

Accounts Payable Summary Report dated January 3, 2018:

- a) Vouchers totaling \$25,611,722.33
- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period December 13, 2017 through January 2, 2018 in the amount of \$45,688.24.

- c) Approval of the net Payrolls, Warrant Nos. 235688 through 235708 and Advice Nos. 645104 through 645829 for the pay period ending 12/10/2017 in the amount of \$1,796,447.42;
  - d) Approval of the net Payrolls, Warrant Nos. 235709 through 235732 and Advice Nos. 645830 through 646612 for the pay period ending 12/24/2017 in the amount of \$2,049,585.69;
  - e) Approval of Warrant Nos. 23949 through 24053 totaling \$26,718.17 for claim payments from the workers' compensation self-insurance fund for the period ending January 1, 2018; and
  - f) Payment to Department of Ecology in the amount of \$168,691.73 on January 8, 2018 for Annual Hydropower License Fees (January 1, 2018 – December 31, 2018.)
9. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-72 WITH DAVID TISIOT GENERAL CONTRACTOR, LLC OF REDMOND, OR AND AUTHORIZING PAYMENT OF RETAINAGE

### **Regular Agenda**

- 10. A RESOLUTION APPROVING A NEW LED STREET LIGHT ELECTRIC RATE
- 11. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 16-099) WITH ANCHOR QEA, LLC TO PROVIDE PERMITTING ASSISTANCE
- 12. Manager Items
- 13. Commission Items
- 14. Commission Travel
- 15. Follow-up on Delegation of Action Items from Previous Board Meeting
- 16. Delegation of Action Items
- 17. Additional Public Comment\*
- 18. Matters of general business as may necessarily come before the Commission
- 19. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or

legal risks, as authorized by RCW 42.30.110(1)(i).

\* Members of the public are encouraged to ask specific questions after each item presented. This agenda item is for additional comments/questions related to matters not on the agenda.

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-72 WITH DAVID TISIOT GENERAL CONTRACTOR, LLC OF REDMOND, OR AND AUTHORIZING PAYMENT OF RETAINAGE

### FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 08-13325 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On September 18, 2017, the District entered into a contract (Bid No. 17-72) with David Tisiot General Contractor, LLC of Redmond, OR for Ohme Reservoir Roof Restoration, in the amount of \$44,000. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and.080.

The work in Field Work Order No. 1 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order No. 1, which is on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
Additional work and Contract Price increase	\$3,963.00
<b>Total</b>	<b>\$3,963.00</b>

Field Work Order No. 1 results in a net increase in the contract price for a new revised total price of \$47,963.00 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on December 12, 2017. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor, ratify Field Work Order No. 1 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

## ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Field Work Order No. 1 to Bid No. 17-72 with David Tisiot General Contractor, LLC for the work specified above, which will result in a net increase in the purchase price of \$3,963.00, for a total revised contract price of \$47,963.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 17-72 was completed on December 12, 2017, and the same is hereby accepted, subject to Section 3 hereof. Payment of retainage to the Contractor in the amount determined by the District's auditor to be due is authorized to be paid to the Contractor subject to Section 3 and Section 4 hereof, and subject to the provisions and limitations of Chapter 39.12 RCW (Prevailing Wages on Public Works) and 60.28 (Liens for Labor, Materials and Taxes on Public Works).

Section 3. This resolution shall not constitute an acceptance by the District of any work performed or goods supplied pursuant to the aforementioned contract, which are not in strict compliance with the contract terms and conditions.

Section 4. After the expiration of the forty-five (45) day period for giving the District notice of lien and after receipt of the Department of Revenue's certification of the Contractor's payment of taxes, the Employment Security Department's Certificate of Payment of Contributions, Penalties and Interest on Public works Contracts and the Department of Labor & Industries' Certificate of Release of the State's Lien on Public Works contracts and the District being satisfied that taxes certified as due or to become due are discharged and the filed claims of materialmen and laborers, if any, together with a sum sufficient to pay costs of foreclosing the liens and attorney's fees, have been paid, the District's General Manager is authorized and directed to withhold from the remaining retained amounts for claims the District may have against the Contractor, and the balance shall be paid to the Contractor. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to withhold an amount equal to unpaid taxes and unpaid claims, together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and the balance shall be paid to the Contractor.

DATED this 8TH day of JANUARY 2018.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A NEW LED STREET  
LIGHT ELECTRIC RATE**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County (“the District”), in compliance with RCW 54.24.080, is required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the District. The rates and charges shall be fair, nondiscriminatory, and shall be adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the payment has not otherwise been provided and all payments which the District is obligated to set aside in any special fund or funds created for such purpose, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof.

In 2014, the District began exploring costs and conservation benefits associated with replacing the existing high-pressure sodium streetlights with LED fixtures. The District launched a pilot-project in a few Wenatchee area neighborhoods to gauge resident impacts and support for a fixture conversion. Also in 2016, a contractor conducted a county-wide inventory of existing street and area lights. As a result of the inventory, smaller neighboring cities such as Cashmere, Chelan, Entiat and Leavenworth may be eligible to secure state funding to cover up to 100 percent of the cost to install energy-saving LED streetlights.

Converting existing high-pressure sodium street light fixtures to LED fixtures results in significant energy efficiency which translates into lower costs. Staff presented a proposed new LED Street Light Electric Rate as included in Exhibit A to commissioners during a regularly scheduled meeting on November 20, 2017. District commissioners directed staff to initiate the public process for the proposed new rate. District staff hosted three informational meetings. Public notices were provided and public meetings were held December 11, 2017 in Leavenworth, December 12, 2017 in Chelan, and December 20, 2017 in Wenatchee. A public hearing was held on January 8, 2017.

Staff recommends adopting a new LED Street Light Electric Rate to be effective upon completion of the fixture conversion project (TBD). The General Manager concurs with staff.

The proposed rates are attached as Exhibit A as “Electric Rate Schedule 7, 8, 9 and 10.”

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO.1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Commission held public informational meetings and a public hearing regarding the described proposed new LED Street Light rate. The Commission considered staff recommendations and public input.

Section 2. The new LED Street Light rates set forth in Exhibit A attached hereto are determined to be fair, reasonable, necessary and non-discriminatory. The rates set forth in Exhibit A as “Electric Rates 7, 8, 9 and 10” shall be effective upon completion of the LED conversion project.

Section 3. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such is categorically exempt under S.E.P.A. guidelines, W.A.C., Ch 197-1 1 -800(15)(i).

Section 4. This resolution rescinds and supersedes prior resolutions and Commission actions that are inconsistent with this resolution and exhibits. This resolution shall not render invalid any previous action by this Commission regarding rates, service regulations, policies, fees, charges or agreements except as specifically included in this resolution and exhibits.

Dated this 8th day of January, 2018.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal



**Exhibit A-New LED Streetlight Rate**

<b>Rate Schedule</b>	<b>Type</b>	<b>Description</b>	<b>Type</b>	<b>New Proposed LED Monthly Charge</b>
7	LED	Muni Owned Light w/District Maintain	Street	\$ <b>9.00</b>
7	LED	Non-Muni Owned Overhead Service on Existing Pole	Street	\$ <b>8.00</b>
7	LED	Muni Owned Overhead Using an Existing Pole	Street	\$ <b>5.80</b>
8	LED	Overhead Service Using New Pole	Street	\$ <b>10.50</b>
9	LED	Underground Service to PUD-Owned, Installed and Maintained by District	Cobrahead Street	\$ <b>9.10</b>
10	LED	Underground Service to PUD-Owned, Installed and Maintained by District	Decorative Street	\$ <b>9.10</b>

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 16-099) WITH ANCHOR QEA, LLC TO PROVIDE PERMITTING ASSISTANCE

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District entered into a Services Agreement (SA No. 16-099) on July 26, 2016, with Anchor QEA, LLC to provide permitting assistance, in an amount not to exceed \$75,000.

Resolution No. 16-14081 increased the contract price by \$150,000 for a revised contract price not to exceed \$225,000 on November 7, 2016.

Resolution No. 17-14140 increased the contract price by \$295,000 for a revised contract price not to exceed \$520,000 on May 15, 2017.

District staff had the need for additional services for permitting assistance regarding acquiring appropriate permits for a greater number of projects than anticipated in 2017, tracking permit conditions and reporting requirements, and reviewing mitigation monitoring reports. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff have identified that contract expenditures have exceeded the authorized level by approximately \$10,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 16-099 with Anchor QEA, LLC to provide permitting assistance in the amount of \$20,000, to ensure that the contract overage and any emergency permitting activities can be covered under the existing contract, for a total revised contract price not to exceed \$540,000.

The General Manager has reviewed District staff's recommendation and concurs in the same.

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON as follows:

Section 1. The General Manager is hereby authorized to execute Amendment No. 4 to Services Agreement (SA No. 16-099) with Anchor QEA, LLC to provide the additional services identified above. The revised contract price will not exceed \$540,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 8th day of January 2018.

ATTEST:	_____ President
_____ Vice President	_____ Secretary
_____ Commissioner	_____ Commissioner

Seal