

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

REGULAR COMMISSION MEETING

FEBRUARY 4, 2019

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Griselda Gonzalez
2. Approval of the Agenda
Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member
3. Quarterly District Performance Plan Status Update
4. Legislative Update
5. Strategic Planning Key Topics

BUSINESS SESSION

1:00 PM

6. Public Hearing – Rate Schedule 4

Consent Agenda

7. Minutes of the January 21, 2019 Special Meeting and the January 21, 2019 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated January 30, 2019:
 - a. Vouchers totaling \$9,406,041.07;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 16, 2019 through January 29, 2019 in the amount of \$23,455.28;
 - c. Approval of the net Payroll, Warrant Nos. 236355 through 236374 and Advice Nos. 667419 through 668149 for the pay period ending 01/20/2019 in the amount of \$1,923,828.74;

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- d. Approval of Warrant Nos. 25257 through 25324 totaling \$8,052.20 for claim payments from the workers' compensation self-insurance fund for the period ending January 28, 2019.
- e. Charge-Offs to Uncollectible Accounts over \$1,000.00 for December 2018 - \$2,422.08.

Regular Agenda

- 9. A RESOLUTION DECLARING BIOMARK, INC. OF BOISE, ID AS THE SOLE SOURCE SUPPLIER OF PASSIVE INTEGRATED TRANSPONDER TAGS FOR EVALUATION OF THE DISTRICT'S HATCHERY PROGRAMS OPERATED AS PART OF THE HABITAT CONSERVATION PLANS, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH BIOMARK, INC.
- 10. A RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO SERVICES AGREEMENT (SA-TA NO. 15-151) WITH TCF ARCHITECTURE PLLC. TO PROVIDE LONG TERM STRATEGIC FACILITIES PLAN
- 11. A RESOLUTION AUTHORIZING THE ISSUANCE OF A SECOND CONTRACT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT
- 12. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS (BID NO. 18-67) AND AUTHORIZING THE 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS BE OBTAINED BY NEGOTIATION
- 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SYSTEM AGREEMENT (SA NO. 16-169) WITH ACCENTURE, LLP OF HERNDON, VA TO PROVIDE ENTERPRISE SEARCH DEVELOPMENT SERVICES
- 14. Quarterly Energy Resources Update
- 15. Strategic Planning Key Topics
- 16. Manager Items
- 17. Commission Items
- 18. Commission Travel
- 19. Follow-up on Delegation of Action Items from Previous Board Meeting

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20. Delegation of Action Items

21. Additional Public Comment

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.

22. Matters of general business as may necessarily come before the Commission

23. 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g)

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

RESOLUTION NO. _____

A RESOLUTION DECLARING BIOMARK, INC. OF BOISE, ID AS THE SOLE SOURCE SUPPLIER OF PASSIVE INTEGRATED TRANSPONDER TAGS FOR EVALUATION OF THE DISTRICT'S HATCHERY PROGRAMS OPERATED AS PART OF THE HABITAT CONSERVATION PLANS, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH BIOMARK, INC.

FACTUAL BACKGROUND AND REASONS FOR ACTION

As part of the Rocky Reach and Rock Island Habitat Conservation Plans (HCP), the District has an obligation to evaluate the success of its hatchery programs and is committed to implementing a long-term monitoring and evaluation plan that has been approved by the HCP Hatchery Committees (Committees). The monitoring and evaluation plan is designed to provide the District and Committees with information to ensure the hatchery programs are successful and that the program goals are being met in an efficient and biologically prudent manner.

For the District to utilize downstream hydroelectric facilities as tag interrogation sites, its own upstream adult detection sites, and numerous tributary antennae locations, the Passive Integrated Transponder (PIT) tags need to be International Standards Organization (ISO) compatible and operate at a frequency of 134.2 KHZ. District staff and the Committees recommend using PIT tags to offer varied methods and location of detection and the most accurate life history and survival calculations for salmon and steelhead. The Digital Angel model TX 1411 SST has been specifically developed to provide maximum detection at custom antennae locations such as the sites the District and other entities employ. This tag has been developed for high performance fisheries applications where water speed is high and a long read range is necessary. The TX 1411 SST provides superior detection and is the highest performing tag of its kind available.

Biomark, Inc. is the sole distributor of the Digital Angel model TX 1411 SST and has provided the District with a letter certifying that they are the sole distributor of the TX 1411 SST tags and that the District has received the lowest price on the tags they offer to similarly situated customers.

Pursuant to RCW 54.04.070 and 39.04.280, the District may, when there is clearly and legitimately a sole source of supply, waive the statutory competitive bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 17-14215 requires that a declaration for sole source purchases over the statutory limits (\$60,000 per month) must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate Biomark, Inc. as the sole source supplier for 91,750 Digital Angel TX 1411 SST PIT tags in an

amount not to exceed \$252,312.50 (plus W.S.S.T). Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

The General Manager has reviewed staff's recommendations 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 Commission declares Biomark, Inc. to be the sole source supplier for Digital Angel TX 1411 SST PIT tags.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Biomark, Inc. as the sole source supplier for Digital Angel TX 1411 SST PIT tags.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Biomark, Inc. for the purchase of Digital Angel TX 1411 SST PIT tags at a cost not to exceed \$252,312.50 (plus W.S.S.T and shipping costs) without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 4th day of February 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 7 TO SERVICES AGREEMENT (SA-TA NO. 15-
151) WITH TCF ARCHITECTURE PLLC. TO
PROVIDE LONG TERM STRATEGIC FACILITIES
PLAN

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 16-14011 dated January 4, 2016 authorized a Services Agreement (SA-TA No. 15-151) with TCF Architecture PLLC to provide Long Term Strategic Facilities Plan, in an amount not to exceed \$980,000.

Resolution No. 17-14141 dated May 15, 2017 authorized an additional amount of \$208,000, for an amended not-to-exceed amount of \$1,188,000.

Resolution No. 17-14188 dated November 6, 2017 authorized an additional amount of \$4,000,000, for an amended not-to-exceed amount of \$5,188,000.

District staff has identified the need for additional services for analysis, planning, design, and construction support services. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 15-151 with TCF Architecture PLLC in the amount of \$6,000,000, for a total revised contract price not to exceed \$11,188,000.

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. 7 to Services Agreement (SA-TA No. 15-151) with TCF Architecture PLLC to provide the additional services identified above. The revised contract price will not exceed \$11,188,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 4th day of February 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF A SECOND CONTRACT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

On April 2, 2018, by Resolution No. 18-14232, the Commission of the District authorized the General Manager to invite sealed proposals to provide General Contractor Construction Manager (GCCM) services to the District in support of planned improvements to Rock Island Dam and Rocky Reach Dam operation and maintenance facilities. Work at both sites includes installation of site utilities and demolition, construction and/or refurbishment of buildings for fabrication, machine work, sandblast, paint, warehouse, office, crew facilities, storage, fueling, hazardous material handling and various other activities.

On August 20, 2018, by Resolution No. 18-14257, the Commission of the District Authorized the General Manager to enter into a contract (RFP No. 18-33) with Lydig Construction. This contract, known as the A133, governs the general terms between the District and Lydig for work done at both Rock Island Dam and Rocky Reach Dam operation and maintenance facilities.

Under the GCCM statute, RCW 39.10, parties in a GCCM agreement use an A133 contract to cover the more specific terms of the agreement. Resolution No. 18-14257 also authorized the Rock Island A133 contract for the work done at Rock Island Dam and included \$220,000 of negotiated pre-construction services for the Rock Island operation and maintenance facilities. A negotiated Guaranteed Maximum Price (GMP) to build the Rock Island Improvements has not been reached to date since pre-construction services have not been completed. Once pre-construction services have been completed, an amendment to the Rock Island A133 will be executed.

District staff is now prepared to begin design with the contracted architectural firm, TCF Architecture PLLC, for the Rocky Reach operations and maintenance facilities and is requesting approval to enter into a second A133 contract with Lydig Construction for pre-construction services at Rocky Reach Dam. As with the Rock Island project, when design is complete, Lydig and the District will negotiate a GMP to build the Rocky Reach Improvements and execute an amendment to the Rocky Reach A133 contract.

District staff recommends execution of the A133 contract with Lydig Construction for a not to exceed amount of \$300,000 for the Pre-Construction Services for the Rocky Reach operations and maintenance facilities. The revised overall contract amount after execution of the second contract would be a not-to-exceed amount \$520,000. The General Manager of the District concurs with District staff's recommendation.

ACTION

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

Section 1. The General Manager of the District is hereby authorized to enter into an A133 contract with Lydig Construction, Inc. for Rocky Reach Dam. The contract amount shall not exceed \$300,000, without prior Board approval, for a total revised contract amount of \$520,000. A copy of the contracts will be on file in the offices of the District.

DATED this 4th day of February 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS (BID NO. 18-67) AND AUTHORIZING THE 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Commission of Public Utility District No. 1 of Chelan County, by Resolution No. 18-14283 adopted on November 19, 2018, approved bidding documents for 28 MVA, 115/12.47 kV Substation Power Transformers (Bid No. 18-67). This Bid is for the initial purchase of two (2) power transformers for the Old Station area, with the option to purchase five (5) additional transformers in future years for other locations.

Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were opened on January 15, 2019 at 2:00 p.m. Pacific Time in the offices of the District.

Nine (9) bids were received pursuant to that invitation. The bid proposals either did not meet bid specifications or included material changes to the terms and conditions of the bid.

District staff is of the opinion that the bids were non-responsive and should be rejected. Resolution No. 17-14215 requires that the rejection of bids must come before the Commission for action when staff is recommending an action other than rebidding.

Pursuant to RCW 54.04.080, the District may procure the work on the open market and negotiate a contract rather than re-advertising if no bids are received. District staff recommends that, due to time constraints and project requirements, the 28 MVA, 115/12.47 kV Substation Power Transformers be procured by negotiation, rather than re-advertising for bids.

The General Manager of the District 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 as follows:

Section 1. The bids received to furnish 28 MVA, 115/12.47 kV Substation Power Transformers (Bid No. 18-67) are rejected. District staff is authorized to obtain 28 MVA, 115/12.47 kV Substation Power Transformers by negotiation and the General Manager (or his designee) is authorized to execute a contract for the same with acceptable terms and conditions.

DATED this 4th day of February 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 3 TO SYSTEM AGREEMENT (SA NO. 16-169)
WITH ACCENTURE, LLP OF HERNDON, VA TO
PROVIDE ENTERPRISE SEARCH DEVELOPMENT
SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14133 dated May 1, 2017 authorized a System Agreement (SA No. 16-169) with Search Technologies Corporation to provide enterprise search development and software implementation services along with three years of software licensing and support services, in an amount not to exceed \$544,940. Amendment No. 1 assigned the System Agreement to Accenture, LLP on December 27, 2017. Amendment No. 2 expanded the implementation services to incorporate Maximo documents and notes into the Enterprise Search system.

District staff has identified the need for additional services for expanding the Enterprise Search system to other District groups, adding more content sources, support through 2021, and software licensing through 2021. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$200,000.

District staff recommends that it is in the best interest of the District to amend System Agreement No. 16-169 with Accenture, LLP to add funds in the amount of \$500,000, for a total revised contract price not to exceed \$1,044,940. The additional fund estimated breakdown is as follows:

2019: \$200,000 for support and services
2020: \$120,000 for support and services
2021: \$120,000 for support and services + \$60,000 for licensing

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 an Amendment to System Agreement (SA No. 16-169) with Accenture, LLP to provide the additional services identified above. The revised contract price will not exceed \$1,044,940 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 4th day of February 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal