

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

REGULAR COMMISSION MEETING

February 6, 2017

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – Teresa Boushay
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. 4th Quarter 2016 District Performance Plan Status Update
4. 4th Quarter 2016 Energy Resources Update
5. 4th Quarter 2016 Finance Update
6. 4th Quarter 2016 Major Projects, Contracts and Projects Revisions
7. Legislative Update – External Affairs
8. Microwave and 2-way Radio Replacement Project Update

BUSINESS SESSION

1:00 P.M.

9. Automated Metering Infrastructure Presentation by Utiliworks Consulting

Consent Agenda

10. Minutes:

January 16, 2017

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11. Vouchers:

Accounts Payable Summary Report dated January 31, 2017:

- a) Vouchers totaling \$15,594,916.12;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments dated January 31, 2017 in the amount of \$60,835.03;
- c) Approval of the net Payrolls, Warrant Nos. 234988 through 235036 and Advice Nos. 627112 through 628524 for the pay period ending 1/22/2017 in the amount of \$3,424,688.38;
- d) Approval of Warrant Nos. 23107 through 23151 totaling \$21,202.40 for claim payments from the workers' compensation self-insurance fund for the period ending January 30, 2017.

Regular Agenda

Resolutions

12. A RESOLUTION RESCINDING AND REPLACING RESOLUTION NO. 15-13967; ADOPTING NEW TELECOMMUNICATION RATES FOR WHOLESALE TELECOMMUNICATIONS SERVICES BY SERVICE PROVIDERS ON THE DISTRICT'S BROADBAND SYSTEM
13. A RESOLUTION APPROVING THE AGREEMENT REACHED PURSUANT TO LABOR NEGOTIATIONS WITH LOCAL NO. 77 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS FOR THE PERIOD APRIL 1, 2017 THROUGH MARCH 31, 2018
14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 16-090) WITH JOSEPH P. BLASCHKA JR. DBA ADCOMM ENGINEERING TO PROVIDE THE DISTRICT WITH DEVELOPMENT OF THE REPLACEMENT OF THE MICROWAVE BACKHAUL SYSTEM AND LAND MOBILE SYSTEM
15. A RESOLUTION REJECTING ALL BIDS AND DECLARING NO BIDS WERE RECEIVED FOR THE ROCKY REACH SPILLWAY GATE BEARING REPLACEMENT PROJECT (BID NO. 16-79) AND AUTHORIZING THE GATE BEARING REPLACEMENT BE OBTAINED BY NEGOTIATION
16. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 17-007) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. OF RINGFIELD, CT FOR PLANNER STAFF AUGMENTATION

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17. 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.
18. Manager Items
19. Commission Items
20. Commission Travel
21. Follow-up on Delegation of Action Items From Previous Board Meeting
22. Delegation of Action Items
23. Additional Public Comment*
24. Matters of general business as may necessarily come before the Commission
25. 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 RESCINDING AND REPLACING RESOLUTION NO. 15-13967; ADOPTING NEW TELECOMMUNICATION RATES FOR WHOLESALE TELECOMMUNICATIONS SERVICES BY SERVICE PROVIDERS ON THE DISTRICT'S BROADBAND SYSTEM.

FACTUAL BACKGROUND AND REASONS FOR ACTION

Pursuant to RCW 54.16.330 and RCW 54.16.005, the District has constructed, and may cause to be constructed from time to time, a Broadband System through which the District is authorized to provide wholesale telecommunications services and facilities ("hereinafter Telecommunications Services") to entities authorized to provide telecommunications services to the general public and internet service providers at reasonable and nondiscriminatory rates.

The District must comply with the laws of the State of Washington, RCW 54.24.080, sound utility principles and the covenants of the District's Bond resolutions in establishing rates. The District is required to establish, maintain and collect rates which are fair, nondiscriminatory and adequate to provide revenues sufficient for the payment of the principal and interest on such revenue obligations for which 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. The District must also collect revenues for the proper operation and maintenance of the public utility and all necessary repairs, replacements and renewals.

In determining non-preferential and nondiscriminatory rates, terms and conditions, RCW 54.16.340 allows the District to consider such matters such as service quality, cost of service, technical feasibility of connection points on the District's system, time of response to service requests, system capacity, and other matters reasonably related to the provision of wholesale telecommunications services.

RCW 54.16.330 requires the District to account for any and all revenues and expenditures related to its wholesale telecommunications facilities and services separately from revenues and expenditures related to its internal telecommunications operations.

The District previously adopted rates for Telecommunications Services, pursuant to Resolution No. 15-13967.

From time to time, District staff reviews telecommunications services offered, actual usage and costs of the services, along with rate analysis to review market conditions. Doug Dawson of CCG Consulting has recommended that the District transitions to loop rates as part of completing the implementation of the 2012 Fiber Strategic Plan. Using CCG's expertise in rate development, Staff is recommending amending the Telecommunications Rates to better respond to market conditions and to accommodate service provider and end user needs and to bring the rate structure in line with usage trends.

Based on that action, staff recommends the following changes to the Telecommunications Rates:

- Rate structure additions and changes to Core Service offerings
 - Elimination of the Basic and Premium rate structure
 - Establish new Loop Rates for Data Local Loop (DLL) services
 - Establish new Aggregate Transport Bandwidth rates for bandwidth usage on DLL services
 - Offering POTS (phone) and/or Video Transport services as an additional option to the DLL service
 - Elimination of the DLL 25X2 and 60X6 services, as well as the wireless service
 - Addition of the IP Multicast service offerings
- Restructuring of VLAN services
 - Addition of Metro Ethernet Forum attributes to current VLAN services
 - Elimination of inter-county and intra-county distinction
 - Elimination of the lower speed 10 Mbps and 20 Mbps services
 - Addition of 50 Mbps service
 - Overall rate reduction
- Increase of 10% to all Dark Fiber Pathway rates, including Critical Dark Fiber
- Addition of Coarse Wave Division Multiplex (CWDM) services

Due to the addition of new service offerings, staff has determined it would be in the District's best interest to make the following additions and eliminations to Exhibit A, Telecommunications Definitions:

- Addition of Coarse Wave Division Multiplex (CWDM)
- Addition of Metro Ethernet Forum (MEF)
- Addition of Internet Protocol (IP) Multicast
- Elimination of Intra-County & Inter-County
- Elimination of Service Level defining Basic & Premium services
- Elimination of SOC-Service Order Code

As set forth in Exhibit A, Telecommunications Rates, attached hereto and incorporated herein by this reference.

Based upon District staff's evaluation and analyses, in conjunction with CCG Consulting, LLC, of the proposed changes to the Wholesale Telecommunications Rates, District staff recommends and the General Manager concurs, that the Wholesale Telecommunication Rates be adopted as set forth in this resolution at Exhibit A, attached hereto and incorporated herein by this reference, to be effective April 1, 2017.

The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such is categorically exempt under SEPA guidelines, WAC Ch. 197-11-800(15)(i).

ACTION

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

Section 1. Resolution No. 15-13967 is hereby rescinded and replaced, effective as of 24:00 hours on March 31, 2017.

Section 2. The Commission hereby adopts those Telecommunications Services categories, rates and conditions for service, as set forth in Exhibit A attached, entitled *Wholesale Telecommunication Services Rates*, pursuant to RCW 54.16.330 effective as of 24:00 hours Pacific Time on March 31, 2017.

DATED this 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

:

1. General Conditions of Service: All Wholesale Telecommunications Services shall be subject to Availability. In addition all of the following conditions shall be met for District provision of all Telecommunication Services referenced.

- A. Service Providers shall enter into a Telecommunications Access and Transport Services License Agreement (“Agreement”), in the form(s) approved by the District, make timely deposit and payment, as set forth in the Agreements, in order to avoid termination of service.
- B. Service Providers will be charged on a monthly basis according to the rates set in this document. Any additional charges that are incurred for special equipment, provisioning, or charges from other carriers will be passed on to and be the responsibility of the Service Provider.
- C. Unless otherwise specified, charges include the Network Termination Equipment (NTE) device at the District’s specified demarcation point. The Service Provider must supply, at its own cost, any additional equipment required to deliver services.
- D. Service Providers shall submit service requests to the District through the District’s approved and designated submission process. Upon approval of the request form and in compliance with District regulations, the service request will be completed at such time designated by the District.
- E. Service Providers will be charged Non-Recurring Charges (NRC) and other fees as set forth in the Wholesale Telecommunications Services Rates policy and the Wholesale Telecommunications Services Fees & Charges policy.
- F. Any request for special services outside of this document, Telecommunications Rates, shall be on an Individual Case Basis (ICB). All charges and fees incurred and corresponding rates will be determined at the time of request.

2. Definitions – Unless the context clearly indicates otherwise, the following definitions shall apply to this document, Telecommunications Rates.

24/7: An acronym to describe availability. The “24” relates to the number of hours in a day. The “7” relates to the number of days in a week.

95th Percentile: The pricing for Burstable Rate billing is based upon sustained bandwidth usage, which is determined on a monthly basis. The methodology for measuring sustained usage is as follows: The Network Terminating Equipment (NTE) is polled every 5 minutes for total bits ingress and total bits egress (on VLAN service polling only occurs on the ingress interface). The data is divided by 300 (the number of seconds in a 5 minute interval). This gives two averages (ingress, egress) for the 5-minute period. The averages become data points (a total of 17,280 in a 30 day month) which are tracked over the course of the customer's

monthly billing cycle all 17,280 data points are then ranked in ascending order the top 5% of the data points (864 measurements in a 30 day month) are disregarded and the customer is billed at the 95% level of usage. In the case of VLAN service as noted above only the INGRESS interface is polled therefore reducing the corresponding measurements by half. The usage on the ingress port is then applied for billing at the 95th percentile.

Asymmetrical: The term asymmetric (also asymmetrical or non-symmetrical) refers to any system, in which the data speed or quantity differs in one direction as compared with the other direction, averaged over time. Asymmetrical data flow can, in some instances, make more efficient use of the available infrastructure than symmetrical data flow, in which the speed or quantity of data is the same in both directions, averaged over time.

Availability: May be defined for all Telecommunication Services through standards reasonably determined by District staff or policies established by the District Board of Commissioners.

Backhaul: In a hierarchical telecommunications network the backhaul portion of the network comprises the intermediate links between the core network, distribution segments, and access endpoints typically aggregating telecommunications services or signals for the purpose of efficiently providing communication with network and Service Provider resources and products.

Bandwidth: The amount of data that can be passed along a communications channel in a given period of time. For analog devices, such as standard telephones, bandwidth is the range of frequencies that can be transmitted and is expressed in hertz (cycles per second). For digital devices, bandwidth is measured in bits per second. The wider the bandwidth, the faster data can be sent.

Baseband: A transmission medium through which digital signals are sent without frequency shifting. In general, only one communication channel is available at any given time.

Bit: Bit is a contraction of the term BInary digiT. It is the smallest unit of information (data) a computer can process, representing either high or low, yes or no, or 1 or 0. It is the basic unit in data communications. A bit can have a value of zero (a space) or one (a mark).

Broadband: A transmission method pertaining to or denoting a type of high-speed data transmission in which the bandwidth is shared by more than one simultaneous signal.

Burstable Rate: Burst is a term used in a number of information technology contexts to mean a specific amount of data sent or received in one intermittent operation. It can be contrasted with *streamed, paced, or continuous*. Generally, a burst operation implies that some threshold has been reached that triggers the burst. Depending on the particular technology, a burst operation can be intermittent at a regular or an irregular rate.

CIR-Committed Information Rate: An acronym which specifies the amount of guaranteed bandwidth (measured in bits per second) on a transmission service. Typically, when

acquiring a network service, a network provider may specify the CIR level that is less than or equal to the port speed of the circuit and/or service. The network provider may provide Service Level Assurances in which conforming data not exceeding the CIR level will be delivered through the provider's network circuit only and does not provide assurance beyond the service's Network Terminating Equipment (NTE). The presence of a CIR on a service does not eliminate data traffic exceeding the CIR. Data traffic exceeding the CIR may be transmitted upon the medium, however that traffic exceeding the CIR is queued and placed upon the medium and is subject to discard should the circuit or service exceed the CIR threshold and experience network congestion.

Coarse Wave Division Multiplex (CWDM): Coarse wavelength-division multiplexing (WDM) is a technology which multiplexes a number of optical carrier signals onto a single optical fiber by using different wavelengths (i.e., colors) of laser light defined under ITU ITU-T G.694.2.

Colocation: In general, co-location is moving or placing things together, sometimes implying a proper order. This term (often spelled "colocation") is used to mean the provision of space for a customer's telecommunications equipment on the service provider's premises. For example, a Web site owner could place the site's own computer servers on the premises of the Internet service provider (ISP). Or an ISP could place its network routers on the premises of the company offering switching services with other ISPs. The alternative to co-location is to have the equipment and the demarcation point located at the customer's premises. The District offers co-location on a wholesale basis to Service Providers.

Critical Dark Fiber Pathway. A Critical Path Dark fiber Pathway is formally defined by the associated Critical Path Dark Fiber Service Level Agreement (SLA) contained within the Telecommunications Facilities License Agreement. The SLA defines a response and restoration time along with credits should the SLA not be met.

DLL-Data Local Loop: Term used to describe the connection between the Service Provider's End-users and a central aggregation point on a network often termed a Central Office. *See Also: Local Loop*

DS-1 (T-1) Business Transport Services: Delivers a DS-1 (T-1) standard 1.544 Mbps in support of 24 voice or data connections each encoded at 64Kbps.

End-user: A customer of a Service Provider receiving telecommunications services over the District's telecommunications network. Each customer billed by the Service Provider is considered a separate End-user. For example, a Duplex with each unit-owner or tenant billed separately by the Service Provider is considered two End-users.

Ethernet: Layer 2 networking technology widely used as the connection mechanism for local area networking. Originally introduced in 1980, Ethernet has become the defacto standard for many networked systems worldwide. Computing systems utilize Ethernet for communicating by assembling data into packets which are transmitted over the wire or "Ether". Ethernet speeds

originally began widespread adoption at the 10 Mbps level and have since increased at 10x intervals so that today 100 Mbps is the typical speed for computers on Local Area Network Connections. 1000 Mbps or 1Gbps (Gigabits/sec) is also common to high-speed workstations, computers, and homes, 10 Gbps is typically a metro backbone link, and 100 Gbps are typically used on Internet Backbone connections between providers.

Fixed Rate: A specific amount of data sent or received in one continuous operation, usually done at a regular or preset rate.

Gateway: A device used to provide an entrance and exit to a communications network.

Gbps: Gigabits per second. Gig is one thousand million bits per second.

Internet Access Provider (IAP): One of several large companies that offers access directly to the Internet. An IAP has the equipment and the telecommunication line access required to have a point-of-presence (PoP) on the Internet for the geographic area served.

Internet Protocol (IP) Multicast: A method of sending Internet Protocol (IP) datagrams to a group of interested receivers in a single transmission. It is often employed for streaming media applications on the Internet and private networks. The method is the IP-specific version of the general concept of multicast networking. IP multicast is a technique for one-to-many and many-to-many real-time communication over an IP infrastructure in a network. It scales to a larger receiver population by requiring neither prior knowledge of a receiver's identity nor prior knowledge of the number of receivers. Multicast uses network infrastructure efficiently by requiring the source to send a packet only once, even if it needs to be delivered to a large number of receivers. The nodes in the network (typically network switches and routers) take care of replicating the packet to reach multiple receivers such that messages are sent over each link of the network only once.

ISP-Internet Service Provider: An Internet Service Provider may provide other services than just Internet as the term implies. *See Also: Service Provider.*

Layer 2: Layer 2 refers to the Data Link layer of the commonly-referenced multilayered communication model, Open Systems Interconnection (OSI). The Data Link layer is concerned with moving data across the physical links in the network. In a network, the switch is a device that redirects data messages at the layer 2 level, using the destination Media Access Control (MAC) address to determine where to direct the message.

Layer 3: Layer 3 refers to the Network layer of the commonly-referenced multilayered communication model, Open Systems Interconnection (OSI). The Network layer is concerned with knowing the address of the neighboring nodes in the network, selecting routes and quality of service, and recognizing and forwarding to the Transport layer incoming messages for local host domains.

Local Loop: A local loop is the connection from a communication company's central office in a locality to its customers' premises, at homes and businesses. The District currently provides Local Loops via fiber-optics.

MAC/MAC Address: MAC is an abbreviation and acronym applied to the term Media Access Control. A "MAC Address" is a hardware identification number that uniquely identifies each device on a network. The MAC address is manufactured into every network card, such as an Ethernet card, and therefore cannot be changed. A network device needs to have a unique MAC address. MAC addresses are made up of six two-digit hexadecimal numbers, separated by colons. For example, an Ethernet card may have a MAC address of 00:0d:83:b1:c0:8e.

Mbps: Mbps stands for millions of bits per second or megabits per second and is a measure of bandwidth (the total information flow over a given time) on a telecommunications medium. Depending on the medium and the transmission method, bandwidth is also sometimes measured in the Kbps (thousands of bits or kilobits per second) range or the Gbps (billions of bits or gigabits per second) range.

Meet-me: A pre-determined point between communications networks, where information is transferred and/or cross connected.

Metro Ethernet Forum (MEF): Metropolitan Ethernet (Metro Ethernet) refers to using carrier Ethernet technology in metropolitan networks. Corporations, academic institutions and government agencies in large cities use Metro Ethernet to connect branch campuses and offices to the Internet. Metro Ethernet connects business local area networks (LAN) and end users to wide area networks (WAN) or the Internet. Metro Ethernet is a service provider collection of Layer 2 or Layer 3 switches or routers connected through optical fiber. The topology may be a ring, hub and star or full or partial mesh.

MRC: Monthly Recurring Charge, occurring every month.

Multihomed/Multihoming: Refers to a computer or device connected to more than one computer network or service. It can be used, for example, to increase the reliability of an Internet Protocol (IP) network, such as a user served by more than one Internet service provider.

NRC: Non-Recurring Charge, a one-time charge.

NTE-Network Terminating/Termination Equipment: Defines the terminating device installed by the District, delivering services to the Service Provider's End-users. The term NTE is interchangeable with Customer Premises Equipment (CPE), Premise Gateway Device (PGD), and/or Optical Network Terminal (ONT).

ONT-Optical Network Terminal: Defines the terminating device installed by the District, delivering services to the Service Provider's End-users. Also may be referred to as a Premises Gateway Device (PGD), Customer Premises Equipment (CPE) and/or Network Terminating Equipment (NTE).

Pathway: A communications pathway is analogous to a circuit, which connects two or more points to exchange information.

PGD-Premises Gateway Device: Defines the terminating device installed by the District, delivering services to the Service Provider's End-users. Also may be referred to as an Optical Network Terminal (ONT), Customer Premises Equipment (CPE) and/or Network Terminating Equipment (NTE).

Point-to-Point: Connecting location A with location B via communications circuits.

Point-to-Multipoint: Connecting multiple locations together via communication circuits.

PoP: A point-of-presence (PoP) is an access point to the Internet with a unique Internet Protocol (IP) address. An Internet service provider (ISP) has a point-of-presence on the Internet and probably more than one.

POTS: Plain Old Telephone Service. The basic service supplying standard single line telephones, telephone lines and access to the public switched network.

Port(s): The physical interface between a device and a circuit, located on the End-user Gateway device for provision of Service Providers' telecommunications services.

PRI-Primary Rate Interface. A term used to describe a DS-1 rate access to a network that supports standard combinations of channels with a 1536 Kbit/s payload.

Provision / Provisioning, Re-provisioning: The act of placing service upon a broadband network. Provisioning is typically done through the ordering of a service. Re-provisioning is often done in the process of troubleshooting in an effort to reset the service.

Service Provider: Includes Third Party Services Providers as defined in the Electric Service Regulations and other authorized entities including Public Utility Districts and NoaNet.

Service-Off Provisioning Hold: Allows a POTS line to be temporarily turned off during seasonal periods of non-use, while holding the provisioning information including the phone number for an end-user.

SONET: Synchronous Optical NETWORK. An optical interface standard that allows flexibility in transporting many digital signals with different capacities, and to provide a design standard for manufacturers.

STS-1/STS-3: Synchronous Transport Signal level 1. An electrical signal that is converted to or from SONET's optically based signal; equivalent to the OC-1 signal of 51.84 Mbps. STS-3 is equivalent in bandwidth to 3 STS-1's.

Symmetrical: The term symmetric (also symmetrical) refers to any system in which data speed or quantity is the same in both directions, averaged over time. Examples include two-way radio, standard twisted-pair telephone Internet connections, cable modem Internet connections in which the cable is used for transmission as well as for reception, and full-motion videoconferencing.

TDM-Time Division Multiplex: A technique for transmitting a number of separate data, voice and/or video signals simultaneously over one communications medium by quickly interleaving a piece of each signal one after another.

UPS-Uninterrupted Power Supply: A device that supplies reliable and continuous power to the Network Termination Equipment (NTE). The UPS system is comprised of two major components, which may be integrated into a single enclosure, which include the power supply unit and the sealed battery (charged by the power supply unit).

Video/Video Transport: Video is the recording, producing, or broadcasting of moving visual images. Video Transport is the placing of video on a medium for transmission or broadcasting.

VLAN: A virtual (or logical) LAN is a local area network with a definition that maps workstations on some other basis than geographic location (for example, by department, type of user, or primary application). The virtual LAN controller can change or add workstations and manage load balancing and bandwidth allocation more easily than with a physical picture of the LAN. Network management software keeps track of relating the virtual picture of the local area network with the actual physical picture.

Voice over Internet Protocol (VoIP): A technology for transmitting ordinary telephone calls over the Internet using packet-linked routes.

Wireless: Wireless is a method of transmitting data without wires using a system of transmitters and antennas.

Wholesale Telecommunications Services (or sometimes referred to herein as Telecommunications Services): The provision of telecommunications services or facilities for resale by authorized Service Providers, all as defined by RCW 54.16.005 as now exists or as may be hereafter amended.

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
RATE SCHEDULE 100
WHOLESALE TELECOMMUNICATION SERVICES – DATA LOCAL LOOP (DLL) SERVICES

AVAILABLE: To Service Providers and District Business Units desiring to use the District's Wholesale Broadband System. District reserves the right at its sole option to discontinue services listed in this rate schedule at any time. All services are subject to Availability.

EFFECTIVE: The rates herein are effective **April 1, 2017**.

PRODUCT SUMMARY: The District offers local loop data connectivity to the End-user premises, to Service Providers. Data Local Loop (DLL) services includes Domain Name System (DNS) services. Local loops are offered in asymmetrical form. In addition to DLL charges, Service Providers will be billed for Aggregate Transport Bandwidth usage. Other optional services in Rate Schedule 100 include IP Multicast and VOIP services when purchased with the DLL service. DLL Services are best effort services for residential and business internet access. For the operation of commercial type services such as servers a dedicated bandwidth service other than DLL must be used from schedule 200, 300 or 400.

AGGREGATE TRANSPORT BANDWIDTH: Purchase of a DLL service connection includes charges for bandwidth usage utilizing a rate range specified in the table below. Usage charges will be based on an aggregated bandwidth revenue requirement calculated annually. Usage charges will be within the rate range specified below and adjusted quarterly for the purpose of meeting the annual core services revenue requirement.

The annual core services revenue requirement is based on projected costs to provide and maintain core services.

Core services include:

- DLL services provided at 100 Mbps and 1 Gbps speeds, measured by the number of connections.
- Bandwidth consumed by each Service Provider measured in gigabytes and normalized.
- Voice
- Video

The aggregated bandwidth revenue requirement is calculated annually by the District as follows: Projected annual core services revenue requirement less fixed rate and charges revenue attributable to the provision of core services.

The initial aggregate bandwidth rate and quarterly adjustments are calculated as follows:

- The target aggregated bandwidth revenue requirement
- Divided by the average aggregate bandwidth forecast as determined by the District
- Adjusted quarterly based on previous quarters actual aggregated bandwidth usage
- Applied to each service providers normalized average bandwidth usage on a monthly basis

Normalized Gigabyte Calculation

Two-way aggregate data usage of each Service Provider that offers DLL services forecasted on an quarterly basis. Data usage will be measured each month by the District and will be applied to data traffic using DLL services. Data usage will be expressed in terms of gigabytes and will be calculated by adding together total upload gigabytes and download gigabytes for the given forecasting period and normalized based on the previous quarter.

The District reserves the right to adjust the range of rates dependent upon the revenue needs of the District and the bandwidth usage of the Service Providers.

Provided, however, that the aggregate bandwidth rate, as computed above on a forecasted basis, shall not increase by more than 5% for the next year without Board approval.

INTERNET PROTOCOL MULTICAST (IPTV): Internet Protocol (IP) Multicast (IPTV) charges shall apply where the Service Provider provides IPTV services to End-users. A one-time Non-Recurring Charge will be charged to establish IPTV Quality of Service parameters.

BILLING RATES: Use of the Broadband System shall be billed in accordance with the rates listed below. Service Providers will be charged on a monthly basis according to the rates set forth herein. Any additional charges that are incurred for special equipment,

provisioning, or charges from other carriers will be passed on to the Service Provider by the District and the Service Provider shall be responsible for payment. Rates are per Service Provider's End-users and may not be resold to more than one End-user.

PROVISIONING: Services are offered on a commercially reasonable basis and are provisioned to allow the bandwidth as specified. Actual bandwidth obtained by Service Providers and/or their End-users is subject to many factors, not within District control and is not guaranteed. Upon Service Provider request, and at the District's discretion, lower or intermediate bandwidth packages may be provisioned for the Service Provider at the same pricing as the next higher bandwidth package.

SERVICE LEVEL: Service includes Network Operations Center (NOC) support and local network administration support. If field dispatch is requested outside normal defined business hours, a dispatch fee will be assessed. All services provided on a 24/7 basis.

NON-RECURRING CHARGES (NRC): Non-Recurring Charges (NRC)'s may apply to each of the Services. Fees will be charged per order, regardless of number of services. Installation fee will only be charged when installation of an NTE is required. Service Providers will incur charge at the time of request on a per order basis. Fees and any other associated charges will be billed at time of service billing. Additional charges for special equipment may apply. See Wholesale Telecommunications Services Fees & Charges Schedule.

Data Local Loop	Unit of Measure	Monthly Rate
Data Local Loop Access Fee per End-user Less than 8 MAC (Media Access Control) addresses and no wireless backhaul. Aggregate Transport Bandwidth rates apply.		
Ethernet Service Connection to SP - up to 100 Mbps X 10 Mbps	Each	\$12.00
Aggregate Transport Bandwidth	Gigabyte	\$0.05 - \$0.105
Ethernet Service Connection to SP - up to 100 Mbps X 100 Mbps	Each	\$24.00
Aggregate Transport Bandwidth	Gigabyte	\$0.05 - \$0.105
Ethernet Service Connection to SP - up to 1 Gbps X 100 Mbps	Each	\$36.00
Aggregate Transport Bandwidth	Gigabyte	\$0.05 - \$0.105

Optional Services Over Data Local Loop (DLL)	Unit of Measure	Monthly Rate
Internet Protocol (IP) Multicast		
IP Multicast, per End-user	Each	\$2.90

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
RATE SCHEDULE 200
WHOLESALE TELECOMMUNICATION SERVICES –VIRTUAL LOCAL AREA NETWORK (VLAN)

AVAILABLE: To Service Providers and the District desiring to use the District’s Wholesale Broadband System. District reserves the right at its sole option to discontinue services listed in this rate schedule at any time. All services are subject to Availability.

EFFECTIVE: The rates herein are effective **April 1, 2017**.

PRODUCT SUMMARY: The District offers Layer 2, Point-to-Point and Point-to-Multipoint Ethernet transport VLAN with Metro Ethernet Forum attributes applied. Services offered as Fixed Rate or Burstable Rate products.

BILLING RATES: Use of the Broadband System shall be billed in accordance with the rates listed below. Service Providers will be charged on a monthly basis according to the rates set forth herein. Any additional charges that are incurred for special equipment, provisioning, or charges from other carriers will be passed on to the Service Provider by the District and the Service Provider shall be responsible for payment. Rates are per Service Provider’s End-users and may not be resold to more than one End-user.

PROVISIONING: Services are offered on a commercially reasonable basis and are provisioned to allow the bandwidth as specified. Actual bandwidth obtained by Service Providers and/or their End-users is subject to many factors, not within District control and is not guaranteed. Upon Service Provider request, and at the District’s discretion, lower or intermediate bandwidth packages may be provisioned for the Service Provider at the same pricing as the next higher bandwidth package.

SERVICE LEVEL: Service includes Network Operations Center (NOC) support and local network administration support. If field dispatch is requested outside normal defined business hours, a dispatch fee will be assessed. All services provided on a 24/7 basis.

METRO ETHERNET FORUM ATTRIBUTES: Purchase of this service requires the Service Provider to meet the following standards:

- **Protocols** – The District will not impede the passing of any protocol frames on the Ethernet Virtual Connection (EVC) for the specific type of service (EPL, EVPL, etc...) whilst adhering to the standards set forth in MEF 6 which specifically addresses L2CP protocols. Any impediment or modification of protocol frames not specified by the MEF standards will constitute a service

outage. This shall include, but not be limited to, topology discovery protocols, routing protocols, multicast protocols, streaming protocols, and voice protocols.

- **Maximum Transmission Unit (MTU)** – The District shall allow the customer to be able to transmit up to a 9000 byte frames on 1G and higher links (not inclusive of Link Aggregation Group – LAG – links, unless one of the subtended circuits on the LAG is of 1G or higher bandwidth). The District shall allow the use of 1500 byte frames on all Ethernet transport circuits.
- **“Out of Service” Definition** - The definition of “out of service” is the inability to reliably pass data at the purchased rate on any Service Provider managed transport path due to excessive latency, errors, loss or violations.
- **Service Interface & Termination Requirements** - Unless otherwise specified by the Service Provider, the interfaces provided to the Service Provider locations must be administratively configured for use as a fixed full duplex 100 Mbps, 1,000 Mbps or 10,000 Mbps interface per the resulting work order or site agreement. Auto negotiate will be used when available. The District is responsible for all access and fiber/cabling to the point of service handoff at the customer premise equipment (switch, ONT, router).
- **Link Aggregation** - If the Service Provider orders an aggregated Ethernet service from the District, the District must support Link Aggregation Control Protocol (LACP) via the IEEE 802.3ad standard while keeping in compliance with MEF standards set forth in MEF 10. If and/or where possible, the Purchaser would prefer to have the LACP configuration to be a Multi-Chassis LACP Configuration, providing chassis redundancy in addition to link redundancy. While aggregation of Ethernet services is not a mandatory requirement, the use of LACP in instances where this service is provided is mandatory.
- **Ethernet Standards** – The District’s Ethernet interface provided at the Service Provider’s point-of-presence must adhere to IEEE 802.3 standards for Ethernet, depending on the service purchased at the location by the Service Provider.
- **VLAN** – The District’s Ethernet services must provide support for Virtual Local Area Network (VLAN) via the IEEE 802.1Q standard.
- **BPDU**s - Except for specific L2CP protocols as specified by the Metro Ethernet Forum (MEF) Ethernet Services Definitions – MEF 6, the District shall not manipulate any Bridge Protocol Data Units (BPDU) which are sent along the circuit by the Service Provider without the provider’s expressed consent.

- **Spanning Tree Protocols** - Except for specific L2CP protocols as specified by the Metro Ethernet Forum (MEF) Ethernet Services Definitions – MEF 6, the District shall not impede the operation of any spanning tree protocols, including, but not limited to; Spanning Tree Protocol (STP), Per-VLAN Spanning Tree (PVST), Per-VLAN Spanning Tree Plus (PVST+), Rapid Spanning Tree Protocol (RSTP), Rapid Per-VLAN Spanning Tree Protocol (R-PVST), Multiple Spanning Tree Protocol (MSTP), VLAN Spanning Tree Protocol (VSTP), without the Service Provider's expressed consent.
- **VLAN Tags** - In accordance with established standards in MEF 6, the District shall not rewrite any VLAN tags affixed to packets by the Service Provider without expressed consent. The District shall also ensure that they do not impede the ability of the Service Provider to utilize 802.1ad tagging, also known as Q-in-Q.
- **Marking of Traffic** – The District must not mark or remark any traffic without approval from the Service Provider. The Service Provider will expect that all traffic leaving a site will arrive after traversing the District's network with the same markings it left with (QoS, Multicast, etc.).

NON-RECURRING CHARGES (NRC): Non-recurring charges (NRC)'s may apply to each of the Services. Fees are charged per order, regardless of number of services ordered. Additional charges for special equipment may apply. Fees and any other associated charges will be billed at time of service billing. The VLAN NRC will be reduced to 20% of the standard NRC for changes to an existing VLAN that only require provisioning. See Wholesale Telecommunications Services Fees & Charges Schedule.

Virtual Local Area Network (VLAN)	Unit of Measure	Monthly Rate
<p>Metro Ethernet Forum attributes applied. Multiple VLAN's can occur on a single port. Pricing for Point-to-Point and Point-to-Multipoint services are offered either as Fixed Rate or Burstable Rate products. All services allow up to 100 MAC Addresses per port, with a maximum of up to 4000 per VLAN. Network capacity of MAC addresses and speed may be a limitation of Network Termination Equipment (NTE). The District reserves the right to limit network parameters and performance based on NTE and other factors that may not be fully expressed until a detailed network design is completed.</p> <p>Charges apply to each additional block of 50 MAC Addresses. **</p>		
<i>Fixed Rate</i>		
50 Mbps per VLAN/Port	Port	\$112.16
100 Mbps per VLAN/Port	Port	\$499.50
1 Gbps per VLAN/Port	Port	\$999.00
<i>Burstable Rate*</i>		
50 Mbps per VLAN/Port	Port	\$112.16
100 Mbps per VLAN/Port	Port	\$499.50
Burst Above CIR – 50 Mbps per VLAN/Port	Mb	\$8.81
Burst Above CIR – 100 Mbps per VLAN/Port	Mb	\$1.15
<i>**MAC Address Blocks for Additional VLAN Capacity</i>		
Block Increments of 50 MAC addresses	Block	\$75.00
*Usage measured and billed on 95 th percentile of total ingress traffic, measured per VLAN per port, over full month. Burst usage rounded up to next full Mbps.		

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
RATE SCHEDULE 300
WHOLESALE TELECOMMUNICATION SERVICES – FIBER PATHWAY SERVICES

AVAILABLE: To Service Providers who have entered into an approved Telecommunications Facilities License Agreement with the District and after determination of Availability. This Rate Schedule 300 shall only be applicable to existing District fiber facilities. This Rate Schedule 300 shall not be constructed to create any obligation on the part of the District to construct any new fiber facilities. All services are subject to Availability.

EFFECTIVE: The rates herein are effective **April 1, 2017**.

PRODUCT SUMMARY: The District offers fiber pathway services. Services offered as Dark Fiber, Critical Dark Fiber or Coarse Wave Division Multiplexing (CWDM) products.

BILLING RATES: Term of License Agreement shall not exceed 36 months and may be renewed one time for up to the length of the initial term. Rates for the renewal period will be from the District's Rate Schedule 300 in effect 60 days prior to the beginning of the renewal period. Any additional charges that are incurred for special equipment, provisioning, or charges from other carriers will be passed on to the Service Provider by the District and the Service Provider shall be responsible for payment.

PROVISIONING: Services are offered on a commercially reasonable basis and are provisioned to allow the bandwidth as specified. Actual bandwidth obtained by Service Providers and/or their End-users is subject to many factors, not within District control and is not guaranteed. Upon Service Provider request, and at the District's discretion, lower or intermediate bandwidth packages may be provisioned for the Service Provider at the same pricing as the next higher bandwidth package.

SERVICE LEVEL: Service includes Network Operations Center (NOC) support and local network administration support. If field dispatch is requested outside normal defined business hours, a dispatch fee will be assessed. All services provided on a 24/7 basis.

NON-RECURRING CHARGES (NRC): Non-recurring charges (NRC)'s may apply to each of the Services. Fees are charged per order, regardless of number of services ordered. Additional charges for special equipment may apply. Fees and any other associated charges will be billed at time of service billing. See Wholesale Telecommunications Services Fees & Charges Schedule.

Dark Fiber Pathway Services	Unit of Measure	Monthly Rate
Dark Fiber Component Maximum Order - 4 stands. Minimum mileage fixed charge for first 14 miles.		
Dark Fiber Pathway		
Single Pair, Non-Redundant Minimum Monthly Charge	Service	\$1,198.43
Single Pair, Non-Redundant, Length Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$42.80
Four Fiber Strands, Redundant Full Duplex Minimum Monthly Charge	Service	\$2,185.57
Four Fiber Strands, Redundant Full Duplex, Length Redundant fibers. Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$39.03
Single Fiber Minimum Monthly Charge	Service	\$669.75
Single Fiber, Length Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$47.84

Critical Dark Fiber Pathway		
Single Pair, Non-Redundant Minimum Monthly Charge	Service	\$2,397.04
Single Pair, Non-Redundant, Length Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$85.61
Four Fiber Strands, Redundant Full Duplex Minimum Monthly Charge	Service	\$4,371.07
Four Fiber Strands, Redundant Full Duplex, Length Redundant fibers. Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$78.06
Single Fiber Minimum Monthly Charge	Service	\$1,321.90
Single Fiber, Length Additional Per Mile, Per Month Charge, Per Fiber Strand	Mile	\$94.42

Coarse Wave Division Multiplex (CWDM)	Unit of Measure	Monthly Rate
CWDM wavelengths defined by ITU-T G.694.2. Point to Point application only. Minimum mileage fixed charge for first 14 miles.		
Simplex		
Lambda 1 Minimum Monthly Charge	Lambda	\$602.78
Additional Per Mile, Per Month Charge, Per Lambda	Mile	\$47.84
Lambda 2-4 Minimum Monthly Charge, Each Lambda	Lambda	\$502.31
Additional Per Mile, Per Month Charge, Per Lambda	Mile	\$47.84
Duplex		
Lambda 1 Minimum Monthly Charge	Lambda	\$1,078.59
Additional Per Mile, Per Month Charge, Per Lambda	Mile	\$42.80
Lambda 2-8 Minimum Monthly Charge, Each Lambda	Lambda	\$898.82
Additional Per Mile, Per Month Charge, Per Lambda	Mile	\$42.80

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
RATE SCHEDULE 400
WHOLESALE TELECOMMUNICATION SERVICES – TIME DIVISION MULTIPLEX (TDM) SERVICES

AVAILABLE: To Service Providers and District Business Units desiring to use the District's Wholesale Broadband System. District reserves the right at its sole option to discontinue services listed in this rate schedule at any time. All services are subject to Availability.

EFFECTIVE: The rates herein are effective **April 1, 2017**.

PRODUCT SUMMARY: The District offers Time Division Multiplex (TDM) services. Services offered as DS-1 (PRI), DS3 (T3), STS-1 and STS-3 business transport products.

BILLING RATES: Use of the Broadband System shall be billed in accordance with the rates listed below. Service Providers will be charged on a monthly basis according to the rates set forth herein. Any additional charges that are incurred for special equipment, provisioning, or charges from other carriers will be passed on to the Service Provider by the District and the Service Provider shall be responsible for payment. Rates are per Service Provider's End-users and may not be resold to more than one End-user.

PROVISIONING: Services are offered on a commercially reasonable basis and are provisioned to allow the bandwidth as specified. Actual bandwidth obtained by Service Providers and/or their End-users is subject to many factors, not within District control and is not guaranteed. Upon Service Provider request, and at the District's discretion, lower or intermediate bandwidth packages may be provisioned for the Service Provider at the same pricing as the next higher bandwidth package.

SERVICE LEVEL: Service includes Network Operations Center (NOC) support and local network administration support. If field dispatch is requested outside normal defined business hours, a dispatch fee will be assessed. All services provided on a 24/7 basis.

NON-RECURRING CHARGES (NRC): Non-recurring charges (NRC)'s may apply to each of the Services. Fees are charged per order, regardless of number of services ordered. Additional charges for special equipment may apply. Fees and any other associated charges will be billed at time of service billing. See Wholesale Telecommunications Services Fees & Charges Schedule.

Time Division Multiplex (TDM) Services	Unit of Measure	Monthly Rate
STS-1 Synchronous Transport Service @ STS-1 Delivered Rate (51.84 Mbps)	Circuit	\$1,121.61
STS-3 Synchronous Transport Service @ STS-3 Delivered Rate (155.52 Mbps)	Circuit	\$3,275.00
DS1/PRI	Circuit	\$120.00
DS3/T3	Circuit	\$2,225.00

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON
RATE SCHEDULE 500
WHOLESALE TELECOMMUNICATION SERVICES – MISCELLANEOUS SERVICES

AVAILABLE: To Service Providers and District Business Units desiring to use the District's Wholesale Broadband System. District reserves the right at its sole option to discontinue services listed in this rate schedule at any time. All services are subject to Availability.

EFFECTIVE: The rates herein are effective **April 1, 2017**.

PRODUCT SUMMARY: The District offers optional additional services with the purchase of the District's DLL service. Those services include telephony (POT's) and RF video transport. Other miscellaneous services offered include Internet Bandwidth, a Layer 3 transport and upstream Internet connectivity service to the District's upstream Multi-Homed Internet Access Provider (IAP), as well as Colocation floor space for equipment at District facilities.

BILLING RATES: Use of the Broadband System shall be billed in accordance with the rates listed below. Service Providers will be charged on a monthly basis according to the rates set forth herein. Any additional charges that are incurred for special equipment, provisioning, or charges from other carriers will be passed on to the Service Provider by the District and the Service Provider shall be responsible for payment. Rates are per Service Provider's End-users and may not be resold to more than one End-user.

BILLING RATES – AFTER HOURS RESPONSE: Service Providers will incur charge at the time of request on a per incident basis. Fees and any other charges will be billed at time of service billing.

BILLING RATES – CONSTRUCTION CHARGES & ENGINEERING/DESIGN FEES: Customer will incur charge at the time of request on a per order basis. Fees and any other charges will be collected prior to commencement of work.

PROVISIONING: Services are offered on a commercially reasonable basis and are provisioned to allow the bandwidth as specified. Actual bandwidth obtained by Service Providers and/or their End-users is subject to many factors, not within District control and is not guaranteed. Upon Service Provider request, and at the District's discretion, lower or intermediate bandwidth packages may be provisioned for the Service Provider at the same pricing as the next higher bandwidth package.

SERVICE LEVEL: Service includes Network Operations Center (NOC) support and local network administration support. If field dispatch is requested outside normal defined business hours, a dispatch fee will be assessed. All services provided on a 24/7 basis.

NON-RECURRING CHARGES (NRC): Non-recurring charges (NRC)'s may apply to each of the Services. Fees are charged per order, regardless of number of services ordered. Additional charges for special equipment may apply. Fees and any other associated charges will be billed at time of service billing. See Wholesale Telecommunications Services Fees & Charges Schedule.

Miscellaneous Services	Unit of Measure	Monthly Rate
Telephony Services (Available only when DLL service purchased)		
Traditional Voice Service (POT's not VOIP) Dial-Tone Only	Each	\$5.50
Video Transport Services (Available only when DLL service purchased)		
RF Video Transport Services	Each	\$2.90
Colocation of Equipment in District Facilities (When space and appropriate facilities are Available and required agreement executed)		
Floor Space Real estate floor space rounded up to nearest Sq/Ft	Sq/Ft	\$23.95
Internet Bandwidth		
<p>The District offers Layer 3 transport and upstream Internet connectivity to the District's upstream Multi-Homed Internet Access Provider (IAP). Internet is offered on a 100 Mbps Internet access port. Port speed Committed Information Rate (CIR) and Burstable Rate in megabits per second (Mbps). Internet bandwidth is burstable above the minimum commitment level at the burst price related to the minimum commitment level. Service Provider may choose to fix their maximum bandwidth burst at the commitment level or at a higher level at the time of signup, at whole, not partial Mbps. Internet Bandwidth is billed at the 95th percentile of the greater of inbound or outbound traffic, measured over a full month. If a Service Provider's usage is measured at less than its committed level, it will pay the minimum monthly committed amount. Pricing includes transport to delivery points on the District's network.</p>		
30 Mbps Internet Connection (Burst up to 100Mbps)	Port	\$825.00
50 Mbps Internet Connection (Burst up to 100Mbps)	Port	\$1,550.00
100 Mbps Internet Connection (Non-Burstable)	Port	\$2,870.00
Burst Charge Above CIR per Month per Mb*	Mb	\$38.35

RESOLUTION NO. _____

A RESOLUTION APPROVING THE AGREEMENT REACHED PURSUANT TO LABOR NEGOTIATIONS WITH LOCAL NO. 77 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS FOR THE PERIOD APRIL 1, 2017 THROUGH MARCH 31, 2018

FACTUAL BACKGROUND AND REASONS FOR ACTION

The current Collective Bargaining Agreement (CBA) between the District and Local No. 77 of the International Brotherhood of Electrical Workers (Union) will expire March 31, 2017. The District's labor negotiations team negotiated terms and conditions of a new CBA with the Union for the period April 1, 2017 through March 31, 2018, covering wages and conditions of employment of the bargaining unit. The Union's bargaining unit at the District includes approximately 400 employees.

Subject to Commission approval, the Union and District staff have agreed to certain changes to the CBA contract language for a new term of April 1, 2017 through March 31, 2018. A summary of the changes is attached as Attachment 1 and the contract language is attached as Attachment 2.

The parties have negotiated certain agreements on wages and benefits as outlined below:

1. 3.0% General Wage Increase effective April 1, 2017 (\$43.59– Journey Lineman rate).

These tentative agreements were approved by vote of the Union membership on January 26, 2017.

The District's Managing Director of Human Resources recommends approval of the Collective Bargaining Agreement for the period April 1, 2017 through March 31, 2018. The General Manager concurs with this recommendation.

ACTION

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

Section 1. Changes to the CBA contract language contained in Attachment 2 are approved and shall be incorporated into the 2017-2018 Collective Bargaining Agreement. The remaining provisions of the current CBA shall continue unchanged as part of the 2017-2018 CBA.

Section 2. The 3.0% general wage increase effective April 1, 2017, is approved for incorporation into the 2017-2018 Collective Bargaining Agreement.

Section 3. The Commission authorizes the General Manager to enter into a 2017-2018 Collective Bargaining Agreement effective as of April 1, 2017 as provided in this resolution.

DATED this 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

Attachment 1
2017-2018 Collective Bargaining Agreement
Contract Changes and Intent

LANGUAGE	INTENT
The parties agree to accept the language and provisions of the current Collective Bargaining Agreement and Letters of Understanding with the below listed changes for wage percentage rates and duration	This supports no change to the language in the CBA or Letters of Understanding except as provided for in 9.1.1 and 10.5 for a one (1) year agreement extension to assess potential changes in ACA provisions with full negotiations to commence fall of 2017.
9.1.1 Except as otherwise provided below, the wage rates set forth hereinafter become effective April 1, 2017. These are minimum rates and nothing contained herein shall prohibit the District from paying higher rates, provided that no adjustment in individual pay rates shall be made without first notifying the Union. April 1, 2017 3:00% GWI	Offer is consistent industry wide GWI and is within budget provisions for 2017.
10.5 DURATION. Unless otherwise agreed, this Agreement shall be effective April 1, 2017, and shall remain in fully force and effect through March 31, 2018, and from year to year thereafter, unless either party requests, in writing at least sixty (60) days prior to March 31, 2018, that the Agreement be amended, terminated or extended.	Provides one (1) year agreement extension to allow for ACA regulations and statutes to be defined so clearer picture of excise tax implications can be identified and strategies for mitigation can be developed.

**Attachment 2
2017-2018
Collective Bargaining Agreement**

This attachment contains the terms of the changes between the District and IBEW, Local 77 for the 2017 - 2018 Collective Bargaining Agreement. The union membership ratified this agreement on January 26, 2017.

NOTE: BOLDED LANGUAGE REPRESENTS NEW/REVISED LANGUAGE.

The parties agree to accept the language and provisions of the current Collective Bargaining Agreement and Letters of Understanding with the below listed changes for wage percentage rates and duration.

ARTICLE 9: COMPENSATION

9.1 WAGE PERCENTAGE RATES

9.1.1 Except as otherwise provided below, the wage rates set forth hereinafter become effective **April 1, 2017**. These are minimum rates and nothing contained herein shall prohibit the District from paying higher rates provided that no adjustment in individual pay rates shall be made without first notifying the Union.

April 1, 2017

3.00% GWI

ARTICLE 10: CONCLUSION

10.5 DURATION

Unless otherwise agreed, this Agreement shall be effective **April 1, 2017**, and shall remain in full force and effect through **March 31, 2018**, and from year to year thereafter, unless either party requests, in writing at least sixty (60) days prior to **March 31, 2018**, that the Agreement be amended, terminated or extended.

DATED AT WENATCHEE, WASHINGTON, THIS _____ of _____
_____, 2017, PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY, WASHINGTON:

Steve Wright
General Manager

This Agreement is subject to the approval of the District's Board of Commissioners and International President of the International Brotherhood of Electrical Workers.

APPROVED _____, 2017,
INTERNATIONAL OFFICE, INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS.

Louis Walter
Business Manager

Tim Barnett
Business Representative

Attachment 1
2017 - 2018 - Collective Bargaining
Contract Changes and Intent

LANGUAGE	INTENT
<p>The parties agree to accept the language and provisions of the current Collective Bargaining Agreement and Letters of Understanding with the below listed changes for wage percentage rates and duration.</p>	<p>This supports no change to the language in the CBA or Letters of Understanding except as provided for in 9.1.1 and 10.5 for a one (1) year agreement extension to assess potential changes in ACA provisions with full negotiations to commence fall of 2017.</p>
<p>9.1.1 Except as otherwise provided below, the wage rates set forth hereinafter become effective April 1, 2017. These are minimum rates and nothing contained herein shall prohibit the District from paying higher rates provided that no adjustment in individual pay rates shall be made without first notifying the Union.</p> <p>April 1, 2017 3.00% GWI</p>	<p>Offer is consistent industry wide GWI and is within budget provisions for 2017.</p>
<p>10.5 DURATION Unless otherwise agreed, this Agreement shall be effective April 1, 2017, and shall remain in full force and effect through March 31, 2018, and from year to year thereafter, unless either party requests, in writing at least sixty (60) days prior to March 31, 2018, that the Agreement be amended, terminated or extended.</p>	<p>Provides one (1) year agreement extension to allow for ACA regulations and statutes to be defined so clearer picture of excise tax implications can be identified and strategies for mitigation can be developed.</p>

2017-2018

Collective Bargaining Agreement

This attachment contains the terms of the changes between the District and IBEW, Local 77 for the 2017 - 2018 Collective Bargaining Agreement. The union membership ratified this agreement on January 26, 2017.

NOTE: BOLDED LANGUAGE REPRESENTS NEW/REVISED LANGUAGE.

The parties agree to accept the language and provisions of the current Collective Bargaining Agreement and Letters of Understanding with the below listed changes for wage percentage rates and duration.

ARTICLE 9: COMPENSATION**9.1 WAGE PERCENTAGE RATES**

9.1.1 Except as otherwise provided below, the wage rates set forth hereinafter become effective **April 1, 2017**. These are minimum rates and nothing contained herein shall prohibit the District from paying higher rates provided that no adjustment in individual pay rates shall be made without first notifying the Union.

April 1, 2017 **3.00% GWI**

ARTICLE 10: CONCLUSION**10.5 DURATION**

Unless otherwise agreed, this Agreement shall be effective **April 1, 2017**, and shall remain in full force and effect through **March 31, 2018**, and from year to year thereafter, unless either party requests, in writing at least sixty (60) days prior to **March 31, 2018**, that the Agreement be amended, terminated or extended.

DATED AT WENATCHEE, WASHINGTON, THIS ____ of _____, 2017, PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON:

Steve Wright
General Manager

This Agreement is subject to the approval of the District's Board of Commissioners and International President of the International Brotherhood of Electrical Workers.

APPROVED _____, 2017, INTERNATIONAL OFFICE, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS.

Louis Walter
Business Manager

Tim Barnett
Business Representative

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 16-090) WITH JOSEPH P. BLASCHKA JR. DBA ADCOMM ENGINEERING TO PROVIDE THE DISTRICT WITH DEVELOPMENT OF THE REPLACEMENT OF THE MICROWAVE BACKHAUL SYSTEM AND LAND MOBILE SYSTEM

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 16-090) on July 13, 2016 with Joseph P. Blaschka Jr. dba ADCOMM Engineering to provide development of the replacement of the microwave backhaul system and land mobile system in an amount not to exceed \$140,000. The initial amount included a feasibility study to expand radio coverage and engineering of site and power improvements at communication sites.

District staff has identified the need for additional task authorizations for the balance of the engineering and design of the microwave backhaul and land mobile systems. This scope will include engineering, procurement documents, frequency coordination and licensing, implementation support, and project management. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$200,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 16-090 with Joseph P. Blaschka Jr. dba ADCOMM Engineering to provide development of the replacement of the microwave radio systems and land mobile system in the amount of \$810,000, for a total revised contract price not to exceed \$950,000.

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 an Amendment to Services Agreement (SA No. 16-090) with Joseph P. Blaschka Jr. dba ADCOMM Engineering to provide the additional services identified above. The

revised contract price will not exceed \$950,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING NO BIDS WERE RECEIVED FOR THE ROCKY REACH SPILLWAY GATE BEARING REPLACEMENT PROJECT (BID NO. 16-79) AND AUTHORIZING THE GATE BEARING REPLACEMENT BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The 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.

On December 16, 2016, an invitation for sealed bids was published in accordance with RCW 54.04.070 and Resolution No. 08-13325 to provide Rocky Reach Spillway Gate Bearing Replacement. Bid proposals were opened on January 26, 2017 at 2:30 PM Pacific Time in the offices of the District.

Three bids were received pursuant to that invitation, as tabulated on Exhibit A attached. The bid proposals exceeded the engineer's estimate by more than 15%.

RCW 54.04.080 provides that the District may not accept bids and enter into a contract for more than 15% in excess of the engineer's estimate. The three bids should be rejected as non-responsive. Resolution No. 08-13325 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 responsive bids are received. District staff recommends that, due to time constraints and project requirements, the gate bearing replacement 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 the Rocky Reach Spillway Gate Bearing Replacement (Bid No. 16-79) are rejected. District staff is authorized to obtain Rocky Reach

Spillway Gate Bearing Replacement 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 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

EXHIBIT A

Bidder Name City, State	Bid Bond/ Cashier's Check	Bid Amount
Dix Corporation Spokane, WA	Yes	\$400,407.00
Marine Industrial Construction, LLC Wilsonville, OR	Yes	\$402,800.00
BriVo Corporation Cheney, WA	Yes	\$432,132.00

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 17-007) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. OF RINGFIELD, CT FOR PLANNER STAFF SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

District staff have determined there is a need to use contracted planners to support the integration of Asset Management information into our business systems, support our current planners and train new planners in a cost and time effective manner during a peak workload. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

Genesis Technology Solutions, Inc. of Ringfield, CT has prepared a proposal to perform Planner Staff Services for an estimated cost of not-to-exceed \$388,800.

District staff has determined that Genesis Technology Solutions, Inc. is the best qualified firm to provide the required services and that the cost for said services of not-to-exceed \$388,800 is a fair and reasonable price.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Genesis Technology Solutions, Inc. for the above-described services.

The General Manager of the District has reviewed 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 General Manager of the District is hereby authorized to enter into a Services Agreement with Genesis Technology Solutions, Inc. for Planner Staff Services in an amount not to exceed \$388,800 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

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 bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 08-13325 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 is in the best interest of the District to designate Biomark, Inc. as the sole source supplier for 70,000 Digital Angel TX 1411 SST PIT tags in an amount not to exceed \$194,600 (plus W.S.S.T). Staff recommends that the 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 bid 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 70,000 Digital Angel TX 1411 SST PIT tags at a cost not to exceed \$194,600 (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 6th day of February 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal