

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

REGULAR COMMISSION MEETING

APRIL 15, 2019

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Tim Pettit
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. CPO Winner Recognition
4. Quarterly Board Balanced Scorecard Status Update
5. Discovery Center Update
6. Customer Information System (CIS) Project Update
7. Rock Island Spillway Hoist Replacement

BUSINESS SESSION

1:00 PM

Consent Agenda

8. Minutes of the April 1, 2019 Regular Meeting
9. Vouchers: Accounts Payable Summary Report dated April 10, 2019:
 - a. Vouchers totaling \$5,528,690.13;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 27, 2019 through April 9, 2019 in the amount of \$34,265.66;

- c. Approval of the net Payroll, Warrant Nos. 236453 through 236471 and Advice Nos. 671196 through 671979 for the pay period ending 03/31/2019 in the amount of \$1,992,581.85;
- d. Approval of Warrant Nos. 25490 through 25533 totaling \$13,386.56 for claim payments from the workers' compensation self-insurance fund for the period ending April 8, 2019.

Regular Agenda

- 10. Service Center Update (to allow for public attendance)
- 11. A RESOLUTION APPROVING THE SERVICE CENTER CONSOLIDATION PROJECT AND ADOPTING THE PROJECT CAPITAL BUDGET
- 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A .27 ACRE PARCEL OF LAND LOCATED ADJACENT TO THE WENATCHEE SUBSTATION FROM WATTEN FRESH, A CALIFORNIA LIMITED PARTNERSHIP
- 13. A RESOLUTION AUTHORIZING BUDGET AND APPROVING BIDDING DOCUMENTS FOR BID NO. 18-85 FOR MOBILE SUBSTATION PROCUREMENT COMPLETE WITH CABLE AND CABLE TRAILERS AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- 14. A RESOLUTION AUTHORIZING A CAPITAL BUDGET REVISION AND APPROVING BIDDING DOCUMENTS FOR ROCK ISLAND DAM SPILLWAY BAYS 17 AND 25 HOIST REPLACEMENT PROJECT (BID NO. 19-28) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- 15. Manager Items
- 16. Commission Items
- 17. Follow-up on Delegation of Action Items from Previous Board Meeting
- 18. Delegation of Action Items
- 19. 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.
- 20. Matters of general business as may necessarily come before the Commission

REGULAR COMMISSION MEETING AGENDA

April 15, 2019

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21. 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)

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

RESOLUTION NO. _____

A RESOLUTION APPROVING THE SERVICE CENTER
CONSOLIDATION PROJECT AND ADOPTING THE PROJECT
CAPITAL BUDGET**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In response to the Strategic Plan goal of investing in our people and assets, in 2015 the District embarked on a strategic facilities planning process to address long-term facility needs for operations, customer service and administrative functions currently housed at the Headquarters campus on Wenatchee Avenue, the Hawley Street campus in north Wenatchee and at the Confluence Technology Center.

Over the past four years, the District has studied several different alternative approaches to long-term facility investment including reinvesting at current locations, moving portions of the operations to a more centrally located campus, and consolidating all functions at a single location. A Customer Advisory Committee was formed to help guide the District's planning efforts. The District performed financial analysis comparing various scenarios to a status-quo approach and determined that a plan of consolidation in a new Service Center provides the best long-term value and highest level of service to customer owners.

The District identified available parcels of land which met the strategic objectives of the consolidation plan and purchased those parcels from the Port of Chelan County.

The District conducted a customer-owner outreach effort including presenting the business case and design concepts at multiple public meetings throughout Chelan County and held open-house events at all five cities within Chelan County. The District provided opportunities for comment through multiple means including online surveys, email, and physical comments cards at PUD locations and public meetings. The results of the outreach effort were presented to the Board of Commissioners in a public session on April 1, 2019. The Board desires to continue to solicit and incorporate the results of public input throughout the design process and specifically address: 1) Traffic Impacts of a new Service Center in Olds Station; 2) Mitigation of impacts of the District's move on the Downtown Wenatchee business and arts community; and 3) Site design, public access and design of public spaces at a new Service Center.

The District has partnered with the Port of Chelan County and the City of Wenatchee to produce a redevelopment plan for the existing PUD Wenatchee Avenue campus. The planning process involves key stakeholders in the downtown business and arts community. The District will continue to develop a plan which maximizes the potential positive economic impact of the campus while maintaining important community benefits.

Resolution 18-14290 established a 2019 budget of \$5,270,000 in project IS180014 and a total project budget of \$5,370,000. District Staff recommends increasing the total project budget to \$134,927,000, an increase of \$129,557,000, consistent with the Service Center economic

analysis. This will allow staff to continue the design development process and selection of a General Contractor Construction Manager (GC/CM) partner. After the selection process, staff will return to the Commission in 2019 with a resolution to award a contract for GC/CM Preconstruction Services. Final approval of the project would occur in 2020 with a resolution to execute a Guaranteed Maximum Price (GMP) Amendment with the GC/CM to construct the project.

ACTION

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

Section 1. The Board formally selects the consolidated Service Center strategic facility alternative and directs staff to proceed with design of the consolidated Service Center, continue public outreach during the design phase and complete the selection of a GC/CM contractor for construction of the project. District Staff will request Board approval for authorization to award the GC/CM contract for preconstruction and construction services.

Section 2. The Service Center capital project budget (project IS180014) is hereby increased to \$134,927,000.

Section 3. District Staff is hereby directed to continue the redevelopment planning process for the Wenatchee Headquarters campus and present recommendations to the Board for further action.

DATED this 15th day of April 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A .27 ACRE PARCEL OF LAND LOCATED ADJACENT TO THE WENATCHEE SUBSTATION FROM WATTEN FRESH, A CALIFORNIA LIMITED PARTNERSHIP

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District is authorized under the laws of the State of Washington RCW 54.16.020 and 54.16.040 as amended, to purchase land, structures and other property rights and privileges, within and without its limits, necessary for the purpose of furnishing the District and its inhabitants and any other persons, including public and private corporations, with electric service.

The District owns and operates the Wenatchee Substation at 500 S. Worthen Street, part of the District's distribution system for serving customers which includes the central and south Wenatchee business districts. The substation is operating at or near capacity and the District needs additional substation capacity to serve growing demand in the area.

Watten Fresh, a California limited partnership ("Seller") is the owner of a 1.13 acre parcel of land located at 410 S. Worthen Street adjacent to the District's Wenatchee Substation and is willing to sell .27 acres to the District ("Land") to provide the additional space needed to build a new substation when combined with the undeveloped portion of the District's Wenatchee Substation site.

On March 15, 2019, the Seller and the District entered into a Purchase and Sale Agreement wherein the District would pay \$300,000 to Seller for the Land, along with other consideration in the form of a post-closing permit for storage units and relocation costs associated with retail electrical service on the adjacent parcel (all collectively "consideration", subject to Commission approval.

Staff recommends the District approve the purchase of the Land. The General Manager 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, WASHINGTON, as follows:

Section 1. The Board of Commissioners hereby approves the purchase of a .27 acre parcel of land from Watten Fresh, a California limited partnership, in the amount of \$300,000.00 and other consideration.

Resolution No. _____
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Section 2. The General Manager of the District or his designee is hereby authorized to take such further steps as may be required to complete the purchase of the Land from the Seller.

Dated this 15th day of April 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING BUDGET AND APPROVING BIDDING DOCUMENTS FOR BID NO. 18-85 FOR MOBILE SUBSTATION PROCUREMENT COMPLETE WITH CABLE AND CABLE TRAILERS AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District intends to advertise for Bids to purchase two (2) mobile substations with cable trailers and cable. These mobiles will be used to perform maintenance and provide contingency for the District's substations. The estimate for this procurement is \$4,700,000.

The 2018 budget filing Resolution 17-14202 established a project budget of \$35,000 and the 2019 budget filing Resolution 18-14290 carried \$25,000 into 2019 for mobile substation planning and design efforts. The design process is intended to inform a total budget request; along with approving bid documents, this resolution authorizes a total project budget. The original plan was for one mobile substation however District staff recommends adding an additional mobile substation to support increased reliability goals, aging infrastructure risk, and economies of scale, which increases the project cost. The increased scope from one mobile to two, results in a bid estimate of \$4,700,000, plus sales tax and approximately 2,280 internal labor hours for a total project budget of \$5,246,000. Anticipated delivery is 2020; staff anticipates no additional 2019 expenditures beyond the currently approved 2019 budget of \$25,000.

Resolution No. 17-14215 requires Commission approval of bids and authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 18-85, including specifications have been prepared by the District and are on file in the offices of the District.

District staff recommends that Bid No. 18-85 is in the best interests of the District and that said documents be approved and that the invitation for bid be published.

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 bidding documents (Bid No. 18-85) for the Mobile Substation Replacements and Cable Trailers are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said material.

Section 2. The total project budget for project DS180003 of \$5,246,000 is authorized for the purchase of two (2) mobile substations with cable and cable trailers.

DATED this 15th day of April, 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A CAPITAL BUDGET REVISION AND APPROVING BIDDING DOCUMENTS FOR ROCK ISLAND DAM SPILLWAY BAYS 17 AND 25 HOIST REPLACEMENT PROJECT (BID NO. 19-28) AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

In March 2017, spillway bay hoist 17 failed due to a sheared gear reducer shaft. A hoist of similar design on spillway bay 25 was inspected and cracks were found on gear reducer shafts. Both hoist operators were removed, so the spillway gates could be raised and lowered by a spillway gantry crane. Removal of the hoists reduced the Rock Island auto spillway capacity by 36 to 40 kcfs.

Use of automatically dispatched gates at Rock Island Dam is important for controlling headwater elevation for normal and abnormal hydro project operation. The ability to open all auto gates within 30 minutes is important to keep the dam from overtopping in the event all generating units are tripped off-line.

District staff recently completed a Business Case that evaluated repairing and replacing, and timing options. The conclusion was that the hoists should be replaced with new equipment because all the mechanical components are undersized for the calculated loads. The timing recommendation is to replace as soon as practical so that auto spill capacity does not drop below turbine capacity.

The 2019 budget includes \$500,000 for repairs to spillway bay hoists 17 and 25. District staff recommends replacement which would require the 2019 budget to be revised to include a new capital budget item for Rock Island spillway bay hoists 17 and 25 replacement in the amount of \$3.2 million with expenditures by year as stated in the below:

Budget Year	Capital Amount	O&M Amount
2019	\$1.4 Million	\$200,000
2020	\$1.8 Million	\$300,000
TOTAL	\$ 3.2 Million	\$500,000

Resolution No. 17-14215 requires Commission approval of bids and Authorization to invite bids that are estimated to exceed \$3,000,000. As the scope of the bid documents are not final and the combined cost of the project is estimated at \$3.7 million, staff are seeking approval to advertise as the bids may be greater than \$3,000,000. Bidding documents for Bid No. 19-28, including

specifications are being prepared by the District and once complete will be on file in the offices of the District.

District staff recommends adding a capital budget item for replacement of spillway bay hoists 17 and 25 in the amount of \$3.2 million and recommends that Bid No. 19-28 is in the best interests of the District and that said documents be approved and that the invitation for bid be published. The total District Capital Budget expenditure for 2019 is not proposed to increase as there will be an offsetting reduction in spending for Rock Island Powerhouse 1 rehabilitation.

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 addition of a capital budget item in the amount of \$3.2 million for the Rock Island Dam Spillway Bays 17 and 25 Hoist Replacement is hereby authorized.

Section 2. The bidding documents (Bid No. 19-28) for the Rock Island Dam Spillway Bays 17 and 25 Hoist Replacement Project are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said material.

DATED this 15th day of April, 2019.

President

ATTEST:

Vice President

Secretary

Commissioner
Seal

Commissioner