

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

**REGULAR COMMISSION MEETING**

**JUNE 17, 2019**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety Presentation – Greg Smith
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. Link Transit
5. 2019-2020 Insurance Program Renewal Update  
Proposed motion: To authorize expenditures by the District not to exceed \$2,435,000 plus surplus lines taxes and fees, for the purchase of District insurance at current limits and deductibles for July 1, 2019-2020 policies and up to an additional \$115,000 for the purchase of up to \$25 million in additional liability insurance coverage for July 1, 2019-2020 upon terms and conditions approved by the General Manager
6. Distribution Priorities

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

7. Minutes of the May 29, 2019 Tri-Commission Meeting and the June 3, 2019 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated June 12, 2019:
  - a. Vouchers totaling \$8,119,733.47;

REGULAR COMMISSION MEETING AGENDA

June 17, 2019

Page 2

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 29, 2019 through June 11, 2019 in the amount of \$11,917.59;
  - c. Approval of the net Payroll, Warrant Nos. 236530 through 236548 and Advice Nos. 674378 through 675168 for the pay period ending 05/26/2019 in the amount of \$2,073,279.66;
  - d. Approval of Warrant Nos. 25705 through 25775 totaling \$10,223.87 for claim payments from the workers' compensation self-insurance fund for the period ending June 10, 2019.
9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-04 WITH GOODFELLOW BROTHERS, INC. OF WENATCEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

**Regular Agenda**

10. A RESOLUTION DECLARING CLIMAX PORTABLE MACHINE TOOLS, INC OF NEWBERG, OR AS THE SOLE SOURCE SUPPLIER OF A BB6100 LINE BORING MACHINE
11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LAND EXCHANGE AGREEMENT WITH THE CITY OF ENTIAT IN WHICH THE DISTRICT OBTAINS GOOD ACCESS TO IT'S ADJOINING WATERFRONT PARCEL AND THE CITY OBTAINS ADDITIONAL PROPERTY NEAR IT'S WASTEWATER TREATMENT PLANT
12. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE THE ROCK ISLAND IMPROVEMENTS TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT
13. A RESOLUTION AUTHORIZING CONTINUATION OF SERVICES UNDER SERVICE AGREEMENT (SA NO. 13-028) WITH NORTHWEST OPEN ACCESS NETWORK (NOANET) TO PROVIDE NETWORK OPERATIONS CENTER SERVICES
14. Manager Items
15. Commission Items  
Proposed motion: Move to set a special meeting on July 15, 2019 at 5:30 pm at Mai Lee Thai, 595 Grant Road, East Wenatchee for the purpose of holding a Mid-C General Managers and Commissioners Meeting
16. Follow-up on Delegation of Action Items from Previous Board Meeting

REGULAR COMMISSION MEETING AGENDA

June 17, 2019

Page 3

17. Delegation of Action Items

18. 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.*

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

20. 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 RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-04 WITH GOODFELLOW BROTHERS, INC. OF WENATCEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On June 5, 2017, the District entered into a contract (Bid No. 17-04) with Goodfellow Brothers, Inc. (Contractor) of Wenatchee, Washington for Walla Walla Point Park Shoreline Stabilization, in the amount of \$352,200.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Order Nos. 1 through 3 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order Nos. 1 through 3, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
FWO #1 – Add funds for additional plantings placed in new project breakwater.	\$3,070.95
FWO #2 – Add funds for Contractor planting/landscaping repairs due to high water.	\$2,772.00
FWO #3 – Reduce funds to reconcile for construction allowance and unit price items.	-\$13,533.50
<b>Total</b>	<b>-\$7,690.55</b>

Field Work Order Nos. 1 through 3 result in a net decrease in the contract price of \$7,690.55 for a new revised total price of \$344,509.45 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14215 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on March 28, 2019. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor, ratify Field Work Order Nos. 1 through 3 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

## **ACTION**

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

Section 1. Field Work Order Nos. 1 through 3 to Bid No. 17-04 with Goodfellow Brothers, Inc. for the work specified above, which will result in a net decrease in the purchase price of \$7,690.55, for a total revised contract price of \$344,509.45, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 17-04 was completed on March 28, 2019 and the same is hereby accepted, subject to Section 3 hereof. Payment of retainage to the Contractor in the amount determined by the District's auditor to be due is authorized to be paid to the Contractor subject to Section 3 and Section 4 hereof, and subject to the provisions and limitations of Chapter 39.12 RCW (Prevailing Wages on Public Works) and 60.28 (Liens for Labor, Materials and Taxes on Public Works).

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

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

DATED this 17<sup>th</sup> day of June 2019.

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 President

ATTEST:

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 Vice President

\_\_\_\_\_  
 Secretary

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 Commissioner

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 Commissioner

Seal

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

A RESOLUTION DECLARING CLIMAX PORTABLE  
MACHINE TOOLS, INC OF NEWBERG, OR AS THE  
SOLE SOURCE SUPPLIER OF A BB6100 LINE BORING  
MACHINE

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District's Engineering and Project Management team has determined that, through the C1 disassembly and investigations, the C1/C9 team discovered issues on the C1 Hub Trunnion Bushing holes. The inner bushings were not "tight" enough so, as the blades changed pitch over the last approximately 15 years, they moved with the blades and caused galling and distortion (egg shaped holes) on the Trunnion Bushing hole surfaces. This will require the machining of those surfaces. The project team developed an approach to gain efficiency in getting the two units (C1 & C9) back on-line and ensuring a quality installation. The only way to correct the issues is to line bore the holes before the bushings are installed.

The District currently owns Climax boring equipment; however, the District's current line boring machine is too small and a larger machine is needed to complete the required work. Existing District equipment and hardware such as the guide bearings and cutting heads are interchangeable with a new Climax system. District crews are also familiar and trained in the use of Climax boring systems. As a result, District staff recommends purchasing a Climax system and specifically a Model BB6100. Climax Portable Machine Tools is the only supplier of this system.

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 Climax Portable Machine Tools, Inc. as the sole source supplier for the BB6100 Line Boring Machine in an amount not to exceed \$150,000. 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 Climax Portable Machine Tools, Inc. to be the sole source supplier for BB6100 Line Boring Machine.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Climax Portable Machine Tools, Inc. as the sole source supplier for BB6100 Line Boring Machine.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Climax Portable Machine Tools, Inc. for the purchase of BB6100 Line Boring Machine at a cost not to exceed \$150,000 without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 17th day of June 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

Contacts:



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

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LAND EXCHANGE AGREEMENT WITH THE CITY OF ENTIAT IN WHICH THE DISTRICT OBTAINS GOOD ACCESS TO ITS ADJOINING WATERFRONT PARCEL AND THE CITY OBTAINS ADDITIONAL PROPERTY NEAR ITS WASTEWATER TREATMENT PLANT

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County, Washington (“District”) is authorized under RCW 39.33.010 to sell, transfer, exchange, lease or otherwise dispose of any property, on such terms and conditions as may be mutually agreed upon by the proper authorities.

The District owns a strip of waterfront extending from Lakeshore Drive on the north to Entiat Park on the south. At the north end, District property is adjacent to a parcel owned by the City of Entiat (“Entiat”) used for its wastewater treatment plant and equipment storage. The configuration of these parcels create a pinch point where good access to the District’s waterfront is constricted.

Entiat has agreed to exchange a like-sized parcel of land that resolves this issue. Entiat plans to build a storage shed in a mutually agreed location, used exclusively to store park equipment, on District land. The shed will be funded, to the extent allowed, according to the terms and conditions of the Lease and Operating Agreement for Entiat Park (“Agreement”).

The terms of the Agreement will be amended to include the land and storage shed and reversion of ownership to the District if the Agreement is terminated for any reason. In addition, an Interlocal Agreement for Storage Shed Construction provides the District with the authority to approve the location and plans of the storage shed as well as final acceptance once constructed.

**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 Land Exchange Agreement with Entiat.

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 Land Exchange Agreement.

Dated this 17th day of June, 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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

A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE THE ROCK ISLAND IMPROVEMENTS TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND 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. The negotiated pre-construction services have been completed and the District is prepared to enter into the GMP Amendment to build the Rock Island Improvements with Lydig.

District staff recommends execution of the GMP Amendment with Lydig Construction for a not to exceed amount of \$19,830,830, for the Rock Island Improvements. The revised overall contract amount after execution of the Guaranteed Maximum Price Amendment would be a not-to-exceed amount of \$20,050,830, excluding sales tax. 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 a GMP Amendment with Lydig Construction, Inc. for Rock Island Dam Improvements. The contract amount shall not exceed \$19,830,830 without prior Board approval, for a total revised contract amount of \$20,050,830. A copy of the contracts will be on file in the offices of the District.

DATED this 17<sup>th</sup> day of June 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

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

A RESOLUTION AUTHORIZING CONTINUATION  
OF SERVICES UNDER SERVICE AGREEMENT (SA  
NO. 13-028) WITH NORTHWEST OPEN ACCESS  
NETWORK (NOANET) TO PROVIDE NETWORK  
OPERATIONS CENTER SERVICES

## FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 12-13770 dated December 17, 2012 authorized a Services Agreement (SA No. 13-028) with NOANET to provide network operations center services, in an amount not to exceed \$1,038,149.88 for up to six years.

Resolution 16-14082 dated November 7, 2016 added additional funds, revised the not to exceed amount to \$1,124,549.88, and continued the service through December 31, 2018.

Resolution 18-14286 dated November 19, 2018 added additional funds, revised the not to exceed amount to \$1,208,549.88, and continued the service through June 30, 2019.

District staff recommends continuation of services under Service Agreement No. 13-028 with NoaNet to provide network operations services through June 30, 2020, and adding additional funds in the amount of \$168,000, which will result in a new not-to-exceed amount of \$1,376,549.88.

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. District staff is hereby authorized to expend up to \$168,000, in addition to the previously authorized funds, through June 30, 2020 under Services Agreement (SA No. 13-028) with NoaNet to provide continued network operations center services. The revised authorized amount will not exceed \$1,376,549.88 without prior Commission approval.

DATED this 17th day of June 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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