

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

REGULAR COMMISSION MEETING

JULY 5, 2016

AGENDA

STUDY SESSION

10:00 A.M.

The morning session is canceled.

BUSINESS SESSION

1:00 P.M.

1. Pledge of Allegiance and Safety Minute – Josh Mitchell
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. Public Hearing (continued from June 20, 2016) - High Density Load

Consent Agenda

4. Minutes:

June 20, 2016

June 28, 2016 Leavenworth Substation

5. Vouchers:

Accounts Payable Summary Report dated June 28, 2016:

- a) Vouchers totaling \$30,056,659.49;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments dated June 28, 2016 in the amount of \$10,543.39;
- c) Approval of the net Payrolls, Warrant Nos. 234413 through 234508 and Advice Nos. 616142 through 616882 for the pay period ending 06/12/2016 in the amount of

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\$1,851,791.68;

- d) Approval of Warrant Nos. 22447 through 22492 totaling \$29,418.31 for claim payments from the workers' compensation self-insurance fund for the period ending June 27, 2016.

Regular Agenda

Resolutions

6. A RESOLUTION DECLARING ADS, LLC (ACCUSONIC) OF NEW BEDFORD, MA AS THE SOLE SOURCE SUPPLIER OF FLOWMETERS FOR THE LAKE CHELAN HYDRO
7. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 16-056) WITH HDR ENGINEERING, INC. OF BILLINGS, MT FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO TRANSMISSION AND DISTRIBUTION ENGINEERING SUPPORT
8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 14-78 WITH ELECTRO-TECHNICAL INDUSTRIES, INC. OF HUMBLE, TEXAS AND AUTHORIZING PAYMENT OF RETAINAGE
9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-10 WITH MAGNUM POWER, LLC, OF CASTLE ROCK, WASHINGTON, AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
10. Manager Items
11. Commission Items
12. Follow-up on Delegation of Action Items From Previous Board Meeting
13. Delegation of Action Items
14. Additional Public Comment*
15. Matters of general business as may necessarily come before the Commission
16. 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

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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 DECLARING ADS, LLC
(ACCUSONIC) OF NEW BEDFORD, MA AS THE
SOLE SOURCE SUPPLIER OF FLOWMETERS FOR
THE LAKE CHELAN HYDRO

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Lake Chelan powerhouse penstock unit Programmable Logic control's use flowmeter values to prevent operating in the rough zone and other features. The existing flowmeters are comprised of a single control panel console with coaxial conductor to 16 transducers (8 path) in each of the two Lake Chelan hydro units. The flowmeter control panel was manufactured by Accusonic and is no longer supported.

The Project Team's alternative is to procure and install separated (2) new flowmeter control panel consoles and reuse the existing transducers. The existing transducers are still used with modern flowmeter installations and are supported by Accusonic. Since the transducers will be reused, sole sourcing Accusonic flowmeters is required for compatibility with new flowmeter control panel consoles that include required features and functionality.

The flowmeter compatible with the existing transducers, that include all required features and functionality, are currently manufactured solely by Accusonic.

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. 08-13325 requires that a declaration for sole source purchases must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate ADS, LLC (Accusonic) as the sole source supplier for flowmeters at Lake Chelan Hydro. 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 ADS, LLC. (Accusonic) to be the sole source supplier for the supply of flowmeters at Lake Chelan Hydro.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Accusonic as the sole source supplier for the supply of Flowmeters at Lake Chelan Hydro.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with ADS, LLC. (Accusonic) for the purchase of Flowmeters at Lake Chelan Hydro. A copy of the contract will be on file in the offices of the District.

Dated this 5th day of July 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 16-056) WITH HDR ENGINEERING, INC. OF BILLINGS, MT FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO TRANSMISSION AND DISTRIBUTION ENGINEERING SUPPORT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District's engineers have identified the need for a professional engineer to provide transmission and distribution engineering support for the general transmission and distribution systems. This is anticipated to include a wide variety of projects such as engineering support services, small line work and relocations, feasibility studies, etc.

In compliance with RCW 39.80.010 et. seq. and the District's Procedures and Guidelines formulated in accordance therewith for Procurement of Architectural and Engineering Services, the District has formed a Selection Committee which has reviewed and evaluated the qualifications and capabilities of certain firms possessing the availability, expertise and experience required for the subject work.

The District's Selection Committee has completed said review and evaluation in accordance with the evaluation criteria set forth in Article VI of the District's Procedure and Guidelines for Procurement of Architectural and Engineering Services and has determined that HDR Engineering, Inc. of Billings, MT is the most highly qualified firm for this particular project. The Selection Committee is of the opinion that it is in the best interest of the District to contract with HDR Engineering, Inc. for said services for an amount not to exceed \$430,000 for an agreement term through June 30, 2019. Services shall be provided when and as requested by the District, according to written task authorizations which define the scope, budget and schedule for individual tasks. No work shall be undertaken by HDR Engineering, Inc. without a written task authorization.

Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

The District's General Manager has reviewed the recommendations of the Selection Committee and concurs with the same.

ACTION

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

Section 1. The District's General Manager is hereby authorized to execute a written agreement with HDR Engineering, Inc. of Billings, MT at a price and terms that are fair and reasonable to the District. A copy of the agreement is on file at the District. The cost of the services to be provided by HDR Engineering, Inc. shall not exceed the sum of \$430,000 without further Board action.

DATED this 5th day of July 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING FINAL
ACCEPTANCE OF PERFORMANCE UNDER BID
NO. 14-78 WITH ELECTRO-TECHNICAL
INDUSTRIES, INC. OF HUMBLE, TEXAS AND
AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 08-13325 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less.

On March 3, 2015, the District entered into a contract (Bid No. 14-78) with Electro-Technical Industries, Inc. (Contractor) of Humble, Texas for 15 KV Metalclad Substation Switchgear, in the amount of \$374,740.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

District staff has determined that the work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

District staff has determined that the completion of all contract work occurred on May 25, 2016. 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 and recommends the District 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. All the contract work required under Bid No. 14-78 was completed on May 25, 2016, and the same is hereby accepted, subject to Section 2 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 2 and Section 3 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 2. 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 3. 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 5th day of July 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-10 WITH MAGNUM POWER, LLC, OF CASTLE ROCK, WASHINGTON, AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

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

On April 7, 2015, the District entered into a contract (Bid No. 15-10) with Magnum Power, LLC (Contractor) of Castle Rock, WA for unit price Electrical Dock Crew work in 2015. 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. 1-5 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. 1-5, which are on file in the offices of the District and summarized as follows:

| Field Work Order No. | Amount |
|---|---------------|
| #1 – Removed contract language limiting “not to exceed \$25,000” | -0- |
| #2 – Added Unit Price Item to contract – towable message board | -0- |
| #3 - Added Unit Price Items to contract (2) – General foreman and 40,000 lb. equipment trailer | -0- |
| #4 – Added Unit Price Item to contract – Wire tensioner trailer, single drum | -0- |
| #5 – Add Emergency Language into contract to cover emergency declared by District Resolution #15-13981 9-8-15 that authorized any one job exceeding \$25,000. | -0- |
| Total: | -0- |

District Engineers recommend that Field Work Order Nos. 1-5 be ratified. Resolution No. 08-13325 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on June 14, 2016. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

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. 1-5 and authorize the release of the related bond in lieu of retainage, 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. 1-5 to Bid No. 15-10 with Magnum Power, LLC, for the work specified above are hereby ratified. The total cost for work performed under this contract for 2015 electrical dock crew work, which included emergency work during the 2015 summer fire season, is \$1,223,012.14, plus Washington State sales tax, and is hereby ratified.

Section 2. All the contract work required under Bid No. 15-10 was completed on June 14, 2016, and the same is hereby accepted, subject to Section 3 hereof. Release of the Contractor's bond in lieu of retainage is authorized 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 release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in 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 following payment of such claim, release the bond in lieu of retainage.

DATED this 5th day of July 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal