

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

REGULAR COMMISSION MEETING

August 21, 2017

AGENDA

STUDY SESSION

9:00 A.M.

1. Pledge of Allegiance and Safety Minute – Maura Gillin
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. Executive Session: To review the performance of a public employee, as authorized by RCW 42.30.110(1)(g).

BUSINESS SESSION

1:00 P.M.

4. CIS Update
5. Strategic Plan Education Initiatives Update

Consent Agenda

6. Minutes:

August 7, 2017

7. Vouchers:

Accounts Payable Summary Report dated August 16, 2017:

- a) Vouchers totaling \$11,343,126.17

REGULAR COMMISSION MEETING AGENDA

August 21, 2017

Page 2

- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 2, 2017 through August 15, 2017 in the amount of \$26,995.83.
- c) Approval of the net Payrolls, Warrant Nos. 235448 through 235477 and Advice Nos. 638270 through 639039 for the pay period ending 8/06/2017 in the amount of \$1,828,168.97.
- d) Approval of Warrant Nos. 23651 through 23700 totaling \$17,175.50 for claim payments from the workers' compensation self-insurance fund for the period ending August 14, 2017.

Regular Agenda

- 8. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-55 WITH K&N ELECTRIC MOTORS, INC. OF SPOKANE VALLEY, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
- 9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 16-148) WITH VOITH HYDRO, INC. OF YORK, PA FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO ROCKY REACH UNITS C1 THROUGH C7 HOLISTIC ENGINEERING STUDY
- 10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 17-126) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. OF RIDGEFIELD, CONNECTICUT FOR GENERATION ASSET MANAGEMENT CONSULTING SERVICES
- 11. A RESOLUTION AMENDING THE WATER RATE SCHEDULES ESTABLISHING A BASIC MONTHLY CHARGE FOR 12" FIRE SPRINKLER SERVICES
- 12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT TO PURCHASE A 1.03 ACRE PARCEL OF LAND IN CHELAN COUNTY AND TO ENTER INTO AN AGREEMENT TO RESERVE 5 MVA OF DISTRIBUTION SUBSTATION CAPACITY IN EXCHANGE FOR THE PURCHASED LAND
- 13. A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 17-133) BETWEEN THE DISTRICT AND ENERGY NORTHWEST FOR THE PURCHASE OF MATERIALS, EQUIPMENT AND SUPPLIES
- 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 16-133) WITH HEIGHTS CONSULTING LLC TO PROVIDE CIS, MDMS, AND AMI CONSULTING SERVICES

REGULAR COMMISSION MEETING AGENDA

August 21, 2017

Page 3

15. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-66 WITH K & N ELECTRIC MOTORS, INC. OF SPOKANE VALLEY, WA AND AUTHORIZING PAYMENT OF RETAINAGE
16. Manager Items
17. Commission Items
18. Follow-up on Delegation of Action Items from Previous Board Meeting
19. Delegation of Action Items
20. Additional Public Comment*
21. Matters of general business as may necessarily come before the Commission

* 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 RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-55 WITH K&N ELECTRIC MOTORS, INC. OF SPOKANE VALLEY, WASHINGTON 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. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On October 21, 2015, the District entered into a contract (Bid No. 15-55) with K&N Electric Motors, Inc. (Contractor) of Spokane Valley for Rocky Reach Unit C8 Wicket Gate Modifications, in the amount of \$544,908.90. 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 7 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 7, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Extend completion date and add new item to Unit Price Schedule	\$0.00
2. Repairs to existing wicket gates and 10 new wicket gate lever sleeves	\$82,012.80
3. Purchase wicket gate stands and extend Contract Completion date	\$40,079.00
4. Add funds for an additional 10 wicket gate lever sleeves and extend Contract Completion date	\$34,328.00
5. Add funds and extend Contract Completion date to remove sleeves, machine 20 lever journals and reinstall sleeves and final machine.	\$28,020.00
6. Extend Contract Time	\$0.00
7. Add funds and extend Contract Completion date for new fasteners for lever sleeve, repair drilled and tapped holes and machine lever sleeves round.	\$44,858.35
Total	\$229,298.15

Field Work Order Nos. 1 through 7 result in a net increase in the contract price for a new revised total price of \$774,207.05 (excluding sales tax), which the District's Engineers recommend 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 July 28, 2017. 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 7 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 7 to Bid No. 15-55 with K&N Electric Motors, Inc. for the work specified above, which will result in a net increase in the purchase price of \$229,298.15, for a total revised contract price of \$774,207.05, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 15-55 was completed on July 28, 2017 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 **21st** day of **August 2017**.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 16-148) WITH VOITH HYDRO, INC. OF YORK, PA FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO ROCKY REACH UNITS C1 THROUGH C7 HOLISTIC ENGINEERING STUDY

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District's engineers have identified the need for a professional engineer to provide holistic engineering study services related to Rocky Reach Units C1 through C7. District staff has prepared a written scope of work for these services.

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 Voith Hydro, Inc. (Voith) of York, PA is the most highly qualified firm to provide these services. The Selection Committee is of the opinion that it is in the best interest of the District to contract with Voith for said services for an amount not to exceed \$300,000. 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 Voith 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 General Manager of the District is hereby authorized to enter into Task Authorization Services Agreement No. 16-148 with Voith Hydro, Inc. for Rocky Reach Units C1 through C7 Holistic Engineering Study in an amount not to exceed \$300,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 17-126) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. OF RIDGEFIELD, CONNECTICUT FOR GENERATION ASSET MANAGEMENT CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

District staff has identified a need for external support to more rapidly advance Asset Management in Generation. This support is essential to assist with asset strategy development, asset information cleanup and improvements, reliability engineering and facilitation. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

Genesis Technology Solutions, Inc. of Ridgefield, Connecticut is an integrated global enterprise asset management service provider who can flexibly provide a variety of skill resources as needed to fill gaps, assist with work hurdles, and lend technical expertise.

District staff has determined that Genesis Technology Solutions, Inc. is the best qualified firm to provide the required services and that the costs proposed for the services is a fair and reasonable price. The total costs for the services to be provided by Genesis Technology Solutions, Inc. shall not exceed \$750,000 over a three year agreement term.

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. Services shall be provided when and as requested by the District, according to written task orders which define the scope, budget and schedule for individual tasks. No work shall be undertaken by Genesis Technology Solutions, Inc. without a written task order.

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 Asset Management Consulting Services in an amount not to exceed \$750,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AMENDING THE WATER RATE
SCHEDULES TO ESTABLISH A BASIC MONTHLY CHARGE
FOR 12" FIRE SPRINKLER SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County ("the District"), in compliance with RCW 54.24.080, is required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the District. The rates and charges shall be fair, nondiscriminatory, and shall be adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the 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, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof.

The District recently received a request to install a 12" fire sprinkler service at a commercial facility under construction. Water rates are currently established up to a 10" fire sprinkler service. Staff is recommending introducing a new basic monthly charge of \$255 per month for 12" fire sprinkler services. Staff developed the new rate to be consistent with the existing rates for fire sprinkler service, which are based on the size of the service connection.

The recommended rate increases by two percent annually through 2019, which is the same as the increase to water system rates approved by the Commission in Resolution No. 15-13975. The increases are effective on April 1 of 2018 and 2019. The existing consumption charges for fire sprinkler services and all other water rates, as adopted via Resolution No. 15-13975, will remain unchanged. The recommended rate is set forth in Exhibit A as "Fire Sprinkler Service Rate". Staff is recommending an effective date of September 1, 2017.

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 water rates set forth in Exhibit A attached hereto are determined to be fair, reasonable, necessary and non-discriminatory. Effective September 1, 2017, the District's Water Rate Schedules shall be amended by adding a basic monthly charge for 12" Fire Sprinkler Services with rate increases effective April 1 of 2018 and 2019 as set forth in Exhibit A.

Section 2. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such is categorically exempt under S.E.P.A. guidelines, WAC 197-11-800(14)(i).

Section 4. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

Dated this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

Exhibit A

Fire Sprinkler Service Rate

RATE SCHEDULES WENATCHEE (181), SQUILCHUCK (381), AND DRYDEN (581)

MONTHLY CHARGE

Connection Size	9/1/2015	4/1/2016	4/1/2017	4/1/2018	4/1/2019
2"	\$ 28.50	\$ 29.00	\$ 29.50	\$ 30.10	\$ 31.00
3"	\$ 39.25	\$ 40.00	\$ 41.00	\$ 41.80	\$ 42.50
4"	\$ 48.75	\$ 49.75	\$ 51.00	\$ 52.00	\$ 53.00
6"	\$ 98.00	\$100.00	\$102.00	\$104.00	\$106.00
8"	\$147.00	\$150.00	\$153.00	\$156.00	\$160.00
10"	\$196.00	\$200.00	\$204.00	\$208.00	\$212.00
12"	N/A	N/A	\$255.00*	\$260.00	\$265.00

* Monthly charge for 12" service goes into effect 9/1/2017.

FIRE SPRINKLER QUANTITY RATE (PER 1,000 GAL)

Gallons	9/1/2015	4/1/2016	4/1/2017	4/1/2018	4/1/2019
Per 1,000	\$ 3.10	\$ 3.15	\$ 3.20	\$ 3.30	\$ 3.35

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT TO PURCHASE A 1.03 ACRE PARCEL OF LAND IN CHELAN COUNTY AND TO ENTER INTO AN AGREEMENT TO RESERVE 5 MVA OF DISTRIBUTION SUBSTATION CAPACITY IN EXCHANGE FOR THE PURCHASED LAND

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (the “District”) owns and operates the Olds Station substation, part of the District’s distribution system for serving customers in the Olds Station area. The substation is operating near capacity, and the substation’s transformer is nearing its end of life. The District needs additional substation capacity to serve growing demand in the area, including growth from Stemilt Growers, LLC (“Stemilt”). The District does not have the ability to expand capacity at the Olds Station substation.

Stemilt has offered to sell the District a parcel of property that the District can use for construction of a new substation. The District would purchase 1.03 acres of Stemilt’s Olds Station property, and the purchase would include all necessary access and utility easements on Stemilt’s adjacent property. Stemilt would also make certain requested improvements to the properties to accommodate the new substation.

Stemilt projects its demand in that area will increase by 5 megawatts. Under the District’s “Electrical Line Extension Policy,” Stemilt would be responsible for a portion of the costs of system upgrades to meet its new load requirement. District staff has determined that Stemilt’s share of costs under the policy is approximately equivalent to the value of the land to be purchased and the improvements to be made. As consideration for the purchase, the District would reserve for Stemilt the 5 MVA of substation capacity to serve Stemilt’s projected increase in demand at that location.

The District is authorized under RCW 54.16.020 and RCW 54.16.040 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 terms and conditions for the purchase of the property, including related easements and improvements, are set forth in the Purchase and Sale Agreement. The terms and conditions for the substation capacity reservation are set forth in the Capacity Reservation Agreement.

District staff recommends that the District purchase the property from Stemilt in exchange for a reservation of substation capacity, and that the Board of Commissioners authorizes the General Manager to execute the agreements. 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 General Manager or his designee is authorized to execute the following agreements, with copies of the agreements to be on file in the offices of the District:

- Purchase and Sale Agreement with Stemilt Growers, LLC
- Capacity Reservation Agreement with Stemilt Growers, LLC

Section 2. The General Manager or his designee is authorized to take such further steps as may be required to complete the purchase of the property from Stemilt and enable the reservation of substation capacity.

DATED this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Assistant Secretary

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 17-133) BETWEEN THE DISTRICT AND ENERGY NORTHWEST FOR THE PURCHASE OF MATERIALS, EQUIPMENT AND SUPPLIES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Interlocal Cooperation Act, Chapter 39.34, allows for cooperative purchasing between the District and other public agencies of this state and those of another state. Such agreements can work to the mutual benefit of the cooperating entities and result in savings to the District and its customers.

Energy Northwest (EN), the District, and various other EN Members (participants) have developed a Joint Procurement Program (JPP) for the purchase of materials, equipment and supplies that are common to the participants. The JPP will have a one-year term in order to evaluate the benefits to the Parties. If the evaluation shows a benefit to the Participants, the JPP will be continued. Energy Northwest will serve as the lead public agency to competitively solicit master contracts for use by the Participants during this one-year term. There will be no fees charged to the Participants during the one-year term of the JPP.

District staff recommends that it is in the best interest of the District to enter into an Intergovernmental Cooperative Purchasing Agreement with Energy Northwest for the benefit of utilization of contracts for the purchase of materials, equipment and supplies as appropriate.

District staff recommends that the General Manager be authorized to approve the Intergovernmental Cooperative Purchasing Agreement with Energy Northwest for a one-year Joint Purchasing Program.

The General Manager has reviewed the recommendations of District staff 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 is hereby authorized and directed to execute the Intergovernmental Cooperative Purchasing agreement with Energy Northwest. A copy of the new Agreement is on file in the office of the District.

DATED this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 1 TO SERVICES AGREEMENT (SA NO. 16-133)
WITH HEIGHTS CONSULTING LLC TO PROVIDE
CIS, MDMS, AND AMI CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 16-133) on December 7, 2016, with Heights Consulting, LLC, to provide CIS, MDMS, and AMI Consulting Services in an amount not to exceed \$198,000.

The services provided by Heights Consulting, LLC meet the District's needs for current and ongoing work. There is one Task Authorizations (TA) for Customer Information System/Meter Data Management. The additional funds to contract 16-133 would allow Heights Consulting, LLC to provide consulting, quality assurance, and quality control services during software implementation project work. District staff also foresees the need to execute additional TAs with Heights Consulting LLC, Inc. for additional services.

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. 16-133 with Heights Consulting, LLC, to increase the not to exceed amount by \$400,000, for a total revised contract price not to exceed \$598,000

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-TA No. 16-133) with Heights Consulting, LLC, to provide the additional services identified above.

The revised contract price will not exceed \$598,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK
ORDER NO. 1, AUTHORIZING FINAL
ACCEPTANCE OF WORK PERFORMED UNDER
CONTRACT NO. 17-66 WITH K & N ELECTRIC
MOTORS, INC. OF SPOKANE VALLEY, WA 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. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On June 19, 2017, the District entered into an emergency contract (Contract No. 17-66) with K & N Electric Motors, Inc. (Contractor) of Spokane Valley, WA for Emergency Repairs to Rock Island Spillway Gantry Hoist Motors, in the amount of \$31,072.50. This emergency contract was authorized by Resolution No. 17-14150 and was awarded as allowed by RCW 39.04.280 and RCW 54.04.070.

The work in Field Work Order No. 1 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 No. 1, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Additional scope of work to repair interpole windings that were discovered to be burnt after disassemble.	\$14,322.00
Total	\$14,322.00

Field Work Order No. 1 results in a net increase in the contract price for a new revised total price of \$45,394.50 (excluding sales tax), which the District's Engineers recommend 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 July 7, 2017. 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 No. 1 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 No. 1 to Contract No. 17-66 with K & N Electric Motors, Inc. for the work specified above, which will result in a net increase in the purchase price of \$14,322.00, for a total revised contract price of \$45,394.50, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Contract No. 17-66 was completed on July 7, 2017 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 21st day of August 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L