

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

REGULAR COMMISSION MEETING

SEPTEMBER 16, 2019

STUDY AND BUSINESS SESSION

10:00 AM

1. Pledge of Allegiance and Safety Presentation – Darrin Nelson
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. Summary of Public Comment on Strategic Plan

Consent Agenda

5. Minutes of the September 3, 2019 Regular Meeting
6. Vouchers: Accounts Payable Summary Report dated September 11, 2019:
 - a. Vouchers totaling \$6,456,766.96;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 28, 2019 through September 10, 2019 in the amount of \$24,529.33;
 - c. Approval of the net Payroll, Warrant Nos. 236670 through 236690 and Advice Nos. 680057 through 680859 for the pay period ending 09/01/2019 in the amount of \$2,051,863.91;
 - d. Approval of Warrant Nos. 25936 through 25985 totaling \$5,691.16 for claim payments from the workers' compensation self-insurance fund for the period ending September 9, 2019.

Regular Agenda

7. A RESOLUTION SUPPORTING THE MANY BENEFITS OF HYDROPOWER AND OPPOSING THE REMOVAL OF THE LOWER SNAKE RIVER DAMS
8. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKY REACH CAISSON UPPER CHAMBER PAINT (BID NO. 19-18) AND AUTHORIZING THE PROCUREMENT OF THE ROCKY REACH CAISSON UPPER CHAMBER PAINT TO BE OBTAINED BY NEGOTIATION
9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-13, 3-02, 4-02, AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 3-03, FOR THE THIRD AND FOURTH UNITS UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA FOR ROCKY REACH UNITS C-8 THROUGH C-11 TURBINE REPAIRS
10. Manager Items
11. Commission Items
 - a. WPUA Educational Scholarship Drawing
 - b. Proposed motion: To set a special meeting on October 2, 2019 at 9:00 am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee for the purpose of attending the STEM Alliance meeting
12. Follow-up on Delegation of Action Items from Previous Board Meeting
13. Delegation of Action Items
14. 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.
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)

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

RESOLUTION NO. _____

A RESOLUTION SUPPORTING THE MANY
BENEFITS OF HYDROPOWER AND OPPOSING
THE REMOVAL OF THE LOWER SNAKE RIVER
DAMS**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Hydropower is a premier renewable resource that optimizes river systems to accomplish multiple objectives and provide cost-effective electricity;

Hydropower plays an increasingly critical role in the modern electric system as our nation pursues a low-carbon, affordable, reliable and resilient grid;

Hydropower is unique among generating resources because it can provide all the attributes necessary for a reliable and resilient electric grid, including energy and capacity, regulation and frequency response, spinning and non-spinning reserves, flexibility, storage, inertia, and black start capability;

Hydropower provides a foundation for reliability that is necessary in a generation portfolio with high levels of variable energy resources;

The Bonneville Power Administration (BPA) has identified the Lower Snake River Dams as critical components of the FCRPS mission of supporting peak power generation;

The Lower Snake River Dams annually produce 1,000 average megawatts of carbon free power and represents 2,000 megawatts of firm winter capacity;

The Northwest Power Planning and Conservation Council has forecasted that the region will be resource short and need to add an estimated 400 megawatts of new effective capacity by 2021;

A 2017 study by Energy & Environmental Economics has shown the value of hydropower in an increasingly carbon-constrained electric sector;

The State of Washington enacted the Clean Energy Transformation, which recognizes existing hydropower as renewable and calls for 100 percent of all retail energy sales to come from carbon free resources by 2045;

Fish runs have improved under the Federal Columbia River Power System Biological Opinion, with 96 percent of young salmon successfully migrating past federal dams, proving that fish and dams can co-exist;

A court-ordered environmental review process of federal hydropower system operations under the National Environmental Policy Act is underway and will be completed by 2020;

ACTION

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

Section 1. that Public Utility District No. 1 of Chelan County affirms hydropower is a cornerstone of a modernized, clean, reliable and affordable electric system that leads to a healthy economy and environment.

Section 2. that Public Utility District No. 1 of Chelan County recognizes the \$17 billion in significant investments of the Bonneville Power Administration and its electric customers in fish and wildlife programs.

Section 3. that Public Utility District No. 1 of Chelan County opposes the removal of the Lower Snake River dams because they are significant, carbon-free capacity resources in the Northwest.

Section 4. that Public Utility District No. 1 of Chelan County believes the NEPA review expected in 2020 will provide important information to regional stakeholders about current and future FCRPS operations.

DATED this 16th day of September 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR ROCKY REACH CAISSON UPPER CHAMBER PAINT (BID NO. 19-18) AND AUTHORIZING THE PROCUREMENT OF THE ROCKY REACH CAISSON UPPER CHAMBER PAINT TO BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The 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.

District staff prepared bidding documents for Rocky Reach Caisson Upper Chamber Paint project. The caisson is used to seal individual spillways to allow work on the gates or the spillway openings. This project consists of sandblasting the interior of the upper chamber of the caisson, inspecting and repairing the structural components as needed, and recoating all surfaces.

Sealed proposals were invited and published in accordance with RCW 54.04.070. Bids were opened on August 30, 2019 at 1:30 p.m. Pacific Time in the offices of the District.

Five bids were received pursuant to that invitation for Bid 19-18. All Bid Proposals exceeded the engineer's estimate of \$430,000 by more than fifteen percent. In accordance with RCW 54.04.080, no contract may be let for more than fifteen percent in excess of the engineer's estimated cost of the materials or work. Therefore, the bids did not meet statutory requirements and should be rejected.

Resolution No. 17-14215 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 bids are received. District staff recommends that, due to time constraints and project requirements, the Rocky Reach Caisson Upper Chamber Paint 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 for Rocky Reach Caisson Upper Chamber Paint (Bid No. 19-18) are rejected. District staff is authorized to obtain Rocky Reach Caisson Upper Chamber Paint 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 16th day of September 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-13, 3-02, 4-02, AND APPROVING EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 3-03, FOR THE THIRD AND FOURTH UNITS UNDER CONTRACT NO. 14-22 WITH VOITH HYDRO, INC. OF YORK, PA FOR ROCKY REACH UNITS C-8 THROUGH C-11 TURBINE REPAIRS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 14-13899 on September 2, 2014 which authorized the District to enter into a sole source contract (No. 14-22) with Voith Hydro, Inc. (Contractor) of York, PA for Rocky Reach Units C-8 through C-11 Turbine Repairs, in the amount not to exceed \$21,777,239.00.

Previously Approved Field Work Orders

On May 15, 2017 the Commission by Resolution No. 17-14139 ratified Field Work Order/Change Orders 1-01 through 1-18, 2-01 through 2-03 and approved 2-04 totaling a net reduction of \$1,168,107.10, which were executed under the delegated authority of Resolution No. 08-13325, and resulted in a revised total not to exceed contract price of \$20,609,131.90.

On December 17, 2018 the Commission by Resolution 18-14294 ratified Field Work Order/Change Order 1-19 for a net reduction of \$518,144.10, resulting in a revised total not to exceed contract price of \$20,090,987.80.

On January 21, 2019, the Commission by Resolution 19-14313 ratified Field Work Order/Change Order No. 2-05 through 2-12 and approved 3-01 and 4-01 totaling a net increase of \$188,700.05, and resulted in a revised total not to exceed contract price of \$20,279,687.85.

Executed Field Work Orders to be Ratified

Field Work Order/Change Order No. 2-13 requested Contractor to perform additional work on Unit C9 runner blade outer periphery. Field Work Order/Change Order No. 2-13 increased the total contract price by \$9,097.60. District's staff has executed Field Work Order/Change Order No. 2-13 and it is on file in the offices of the District.

Field Work Order/Change Order No. 3-02 requested Contractor to modify outer diameter dimensions of the 3rd unit upper wicket gate bushings for outer head

cover and the lower wicket gate bushings for bottom ring. Field Work Order/Change Order No. 3-02 resulted in no change to the total contract price. District's staff has executed Field Work Order/Change Order No. 3-02 and it is on file in the offices of the District.

Field Work Order/Change Order No. 4-02 requested Contractor to modify outer diameter dimensions of the 4th unit upper wicket gate bushings for outer head cover and the lower wicket gate bushings for bottom ring. Field Work Order/Change Order No.4-02 resulted in no change to the total contract price. District's staff has executed Field Work Order/Change Order No. 4-02 and it is on file in the offices of the District.

Proposed Field Work Orders for Approval

Additionally, District staff desires to execute Field Work Order/Change Order No. 3-03 which requests Contractor to provide all transportation, labor, materials, consumables and equipment to make modifications to the wicket gates for the Units C10 and C11. Field Work Order/Change Order No. 3-03 will result in an increase to the total contract price in the amount of \$1,934,918.00.

FWO/CO No.	FWO/CO VALUE	DESCRIPTION
2-13	\$9,097.60	Runner blade outer periphery trim.
3-02	\$0	Modify wicket gate bushings.
4-02	\$0	Modify wicket gate bushings
3-03	\$1,934,918.00	Wicket gate modifications to Units C10 and C11
Total \$1,944,015.60		

Field Work Order Nos. 2-13, 3-02, 4-02 and 3-03 will result in a net increase of \$1,944,015.60 for a new revised total not to exceed contract price of \$22,223,703.45.

The General Manager of the District concurs with staff's recommendations that FWO/CO Nos. 2-13, 3-02 and 4-02 be ratified, and that FWO/CO No. 3-03 be approved.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 2-13, 3-02 and 4-02 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order Nos. 3-03. A copy of the Field Work Order/Change Orders shall be on file in the offices of the District.

DATED this 16th day of September 2019.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal