

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

REGULAR COMMISSION MEETING

SEPTEMBER 17, 2018

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Adam Gormley
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. Cycle of Personal Ownership (CPO) Winner Recognition
4. Parking Presentation
5. Parking Update from City of Wenatchee
6. Entiat Substation Property
7. Fiber Rates Review and Updates
8. Strategic Facilities Plan - Port Industrial Building 5 Lease
9. Rock Island Powerhouse 2 Unit Rehab Update and Design Build Process
10. Walkley Scholarship Nominee Drawing

BUSINESS SESSION

1:00 PM

11. Public Hearing – Cryptocurrency Moratorium

Consent Agenda

12. Minutes of the September 4, 2018 Regular Meeting

13. Vouchers: Accounts Payable Summary Report dated September 12, 2018:

- a. Vouchers totaling \$10,250,615.95;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 29, 2018 through September 11, 2018 in the amount of \$36,116.41;
- c. Approval of the net Payrolls, Warrant Nos. 236144 through 236165 and Advice Nos. 659714 through 660493 for the pay period ending 09/02/2018 in the amount of \$2,005,908.90; and
- d. Approval of Warrant Nos. 24790 through 24808 totaling \$3,300.32 for claim payments from the workers' compensation self-insurance fund for the period ending September 10, 2018.

14. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 17-49 WITH DELSTAR ENERGIE, INC. OF MONTREAL, QUEBEC, CANADA

15. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-14 WITH VOITH HYDRO, INC. OF YORK, PENNSYLVANIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

16. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-89 WITH SELLAND CONSTRUCTION, INC. OF WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

17. A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 18-121) BETWEEN THE DISTRICT AND UNIVERSITY OF WASHINGTON (UW) FOR THE PURCHASE OF MATERIALS, EQUIPMENT AND SUPPLIES

18. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO A FUNDING AGREEMENT (SA NO. 18-117) WITH THE CONFEDERATED TRIBES AND BANDS OF THE YAKAMA NATION FOR COHO HATCHERY COMPENSATION RELATED TO THE ROCKY REACH AND ROCK ISLAND HYDROELECTRIC PROJECTS

19. Manager Items

20. Commission Items

21. Follow-up on Delegation of Action Items from Previous Board Meeting

22. Delegation of Action Items

REGULAR COMMISSION MEETING AGENDA

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23. 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.

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

25. 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 AUTHORIZING FINAL
ACCEPTANCE OF PERFORMANCE UNDER BID
NO. 17-49 WITH DELSTAR ENERGIE, INC. OF
MONTREAL, QUEBEC, CANADA

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 May 25, 2017, the District entered into a contract (Bid No. 17-49) with Delstar Energie, Inc. (Contractor) of Montreal, Quebec, Canada for Refurbishment of Three Rotor Poles, in the amount of \$28,800. 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 June 13, 2018.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor.

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. 17-49 was completed on June 13, 2018, and the same is hereby accepted, subject to Section 2 hereof.

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.

DATED this 17th day of September 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-14 WITH VOITH HYDRO, INC. OF YORK, PENNSYLVANIA 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 30, 2015, the District entered into a contract (Bid No. 15-14) with Voith Hydro, Inc. (Contractor) of York, Pennsylvania for Rocky Reach Units C-8 through C-11 Generator Repairs. 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 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 is on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1 – Amend repair disassembly and/or reassembly responsibility, add millwrights to craft labor and add millwright rates to Exhibit A Bid Form for unit pricing.	\$0.00
Total	\$0.00

Field Work Order No. 1 resulted in no increase in the contract price, 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.

At the completion of all contract work, the total contract amount was \$1,688,864.85. District staff has determined that the completion of all contract work occurred on January 23, 2018. 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 No. 1 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 No. 1 to Bid No. 15-14 with Voith Hydro, Inc. for the work specified above, which will result in a net increase in the purchase price of \$0, for a total revised contract price of \$1,688,864.85, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 15-14 was completed on January 23, 2018 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 17th day of September 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-89 WITH SELLAND CONSTRUCTION, INC. OF WENATCHEE, 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 January 5, 2018, the District entered into a contract (Bid No. 17-89) with Selland Construction, Inc. (Contractor) of Wenatchee, Washington for Rock Island Powerhouse Water System - Phase I, in the amount of \$1,272,080. 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 and 2 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 and 2, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Work Scope Changes during Construction and time extension	\$45,986.82
2. Work Scope Changes during Construction and Reconciliation for Unit Price Contract Items	\$1,150.16
Total	\$47,136.98

Field Work Order Nos. 1 and 2 result in a net increase in the contract price of \$47,136.98 for a new revised total price of \$1,319,216.98 (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 July 27, 2018. 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 and 2 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 and 2 to Bid No. 17-89 with Selland Construction, Inc. for the work specified above, which will result in a net increase in the contract price of \$47,136.98, for a total revised contract price of \$1,319,216.98, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 17-89 was completed on _____ 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 17th day of September, 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 18-121) BETWEEN THE DISTRICT AND UNIVERSITY OF WASHINGTON (UW) 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.

The University of Washington and the District have worked together to develop an Intergovernmental Cooperative Purchasing Agreement for the purchase of supplies, materials, equipment or services that may be required by both parties. This Agreement will remain in effect until termination by either party. There will be no fees charged to the Participants during the term of the Agreement.

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

Resolution 17-14215 requires Commission approval for Interlocal Agreements.

District staff recommends that the General Manager be authorized to approve the Intergovernmental Cooperative Purchasing Agreement with the University of Washington.

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 the University of Washington. A copy of the new Agreement is on file in the office of the District.

DATED this 17th day of September 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO A FUNDING AGREEMENT (SA NO. 18-117) WITH THE CONFEDERATED TRIBES AND BANDS OF THE YAKAMA NATION FOR COHO HATCHERY COMPENSATION RELATED TO THE ROCKY REACH AND ROCK ISLAND HYDROELECTRIC PROJECTS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County, Washington (“District”) is obligated to provide hatchery compensation for unavoidable project mortality related to the Rocky Reach and Rock Island hydroelectric projects under the Habitat Conservation Plans (“HCPs”) associated with each project.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements that exceed \$500,000.

On June 20, 2007, the HCP Hatchery Committees approved a Statement of Agreement signifying that the District should begin providing hatchery compensation for coho salmon. Pursuant to Board of Commission approval under Resolution No. 07-13174, the District entered into a 10-year Funding Agreement (07-034) with the Confederated Tribes and Bands of the Yakama Nation (YN) for the YN Coho Reintroduction Program, to satisfy coho hatchery compensation obligations. That agreement expired on October 17, 2017.

On January 17, 2018, the HCP Hatchery Committees agreed that, by funding a portion of the YN Coho Reintroduction Program, the District would fulfill its HCP coho hatchery compensation obligation.

To implement the YN Coho Reintroduction Program, the YN owns, leases, operates, and maintains several hatchery facilities and acclimation sites to produce coho salmon in the Wenatchee and Methow sub-basins and conducts hatchery monitoring and evaluation activities using funds provided by Bonneville Power Administration (BPA) and other non-federal entities.

District staff recommends that it is in the best interest of the District to enter into a 15-year agreement with the YN for the District to provide funding to the YN Coho Reintroduction Program. The duration of the agreement will not extend beyond December 31, 2032.

The rationale for the District’s proposed long-term agreement and funding commitment therein is based upon (1) the YN Coho Reintroduction Program’s 10-year

record of meeting the District’s HCP hatchery obligations for coho salmon, (2) future certainty of meeting the District’s HCP obligations related to coho salmon, and (3) analysis of other alternatives.

The YN and the District have agreed that the District’s annual portion of the YN Coho Reintroduction Program will be on average \$646,221 and will not exceed a total of \$9,694,000 through 2032. The District’s share of the 2018 funding will not exceed \$481,287.

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 or his designee is hereby authorized to enter into and execute on behalf of the District a funding agreement with the Confederated Tribes and Bands of the Yakama Nation to meet the District’s obligations related to coho salmon in an amount not to exceed \$9,694,000 for the 15-year period of the agreement without prior Commission approval. The 2018 funding amount will not exceed \$481,287. All future expenditures pursuant to this agreement will be included in the District’s annual budgets. A copy of the agreement is on file in the offices of the District.

DATED this 17th day of September, 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal