

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

REGULAR COMMISSION MEETING

OCTOBER 15, 2018

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Glenn Copeland
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. Shoreline Advisory Group Report
5. Quarterly Electrical Load Growth Update
6. 2019 Budget Targets and Major Assumptions
7. Rock Island Bridge & Gantry Crane Project
8. Orondo River Park
9. Quarterly Board Balanced Scorecard Status Update

BUSINESS SESSION

1:00 PM

Consent Agenda

10. Minutes of the October 1, 2018 Board Workshop and October 1, 2018 Regular Meeting
11. Vouchers: Accounts Payable Summary Report dated October 10, 2018:
 - a. Vouchers totaling \$8,674,541.20;

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 26, 2018 through October 9, 2018 in the amount of \$15,404.64;
- c. Approval of the net Payrolls, Warrant Nos. 236187 through 236208 and Advice Nos. 661281 through 662062 for the pay period ending 09/30/2018 in the amount of \$2,100,367.75; and
- d. Approval of Warrant Nos. 24868 through 24886 totaling \$19,563.87 for claim payments from the workers' compensation self-insurance fund for the period ending October 8, 2018.

Regular Agenda

- 12. A RESOLUTION DECLARING BIOMARK, INC. OF BOISE, ID AS THE SOLE SOURCE SUPPLIER OF PASSIVE INTEGRATED TRANSPONDER TAGS AND ASSOCIATED EQUIPMENT, INCLUDING ANTENNA ARRAYS, FOR EVALUATION OF THE DISTRICT'S HATCHERY PROGRAMS OPERATED AS PART OF THE HABITAT CONSERVATION PLANS, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH BIOMARK, INC.
- 13. A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 18-126) BETWEEN THE DISTRICT AND ENERGY NORTHWEST FOR THE PURCHASE OF MATERIALS, EQUIPMENT AND SUPPLIES
- 14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A 40 ACRE PARCEL OF LAND IN DOUGLAS COUNTY FROM JAMES F. KERN, SUCCESSOR TRUSTEE OF THE KERN REVOCABLE TRUST ON WHICH THE DISTRICT DEVELOPED AND OPERATES THE SKI BADGER COMMUNICATION SITE; AND APPROVING A CAPITAL BUDGET REVISION FOR ACQUISITION OF THIS PROPERTY
- 15. Manager Items
- 16. Commission Items
- 17. Follow-up on Delegation of Action Items from Previous Board Meeting
- 18. Delegation of Action Items
- 19. 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.

REGULAR COMMISSION MEETING AGENDA

October 15, 2018

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

21. 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); To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b); To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c).

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

RESOLUTION NO. _____

A RESOLUTION DECLARING BIOMARK, INC. OF BOISE, ID AS THE SOLE SOURCE SUPPLIER OF PASSIVE INTEGRATED TRANSPONDER TAGS AND ASSOCIATED EQUIPMENT, INCLUDING ANTENNA ARRAYS, FOR EVALUATION OF THE DISTRICT'S HATCHERY PROGRAMS OPERATED AS PART OF THE HABITAT CONSERVATION PLANS, AUTHORIZING THE WAIVER OF BIDDING REQUIREMENTS AND AUTHORIZING THE DISTRICT'S GENERAL MANAGER TO ENTER INTO A CONTRACT WITH BIOMARK, INC.

FACTUAL BACKGROUND AND REASONS FOR ACTION

As part of the Rocky Reach and Rock Island Habitat Conservation Plans (HCP), the District has an obligation to evaluate the success of its hatchery programs and is committed to implementing a long-term monitoring and evaluation plan that has been approved by the HCP Hatchery Committees (Committees). The monitoring and evaluation plan is designed to provide the District and Committees with information to ensure the hatchery programs are successful and that the program goals are being met in an efficient and biologically prudent manner.

For the District to utilize downstream hydroelectric facilities as tag interrogation sites, its own upstream adult detection sites, and numerous tributary antennae locations, the Passive Integrated Transponder (PIT) tags need to be International Standards Organization (ISO) compatible and operate at a frequency of 134.2 kHz. District staff and the Committees recommend using PIT tags to offer varied methods and location of detection and the most accurate life history and survival calculations for salmon and steelhead. The Digital Angel model TX 1411 SST has been specifically developed to provide maximum detection at custom antennae locations such as the sites the District and other entities employ. A new antenna array is needed at the Rock Island right adult fishway due to electromagnetic interference from the powerhouse. The new antenna array will be customized to maximize the detection of the TX 1411 SST tags, and shielded to minimize interference from the powerhouse. It will also be located downstream of the powerhouse to further maximize the detection efficiency of the new antenna array.

Biomark, Inc. is the sole distributor of the Digital Angel model TX 1411 SST tag (now identified as the Biomark BIO12.B.01V1) as well as PIT tag readers, antennas, and custom antennas associated with these products. Biomark, Inc. has provided the District with a letter certifying that they are the sole distributor of the TX 1411 SST tags and associated products, and that the District has received the lowest price on the antenna arrays they offer to similarly situated customers.

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 Biomark, Inc. as the sole source supplier for the Rock Island right fishway PIT tag antenna array in an amount not to exceed \$250,000.00 (plus W.S.S.T). 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 Biomark, Inc. to be the sole source supplier for Digital Angel TX 1411 SST PIT tags and associated products, including the antenna array necessary for the Rock Island fishway.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Biomark, Inc. as the sole source supplier for Digital Angel TX 1411 SST PIT tags and associated products.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Biomark, Inc. for the purchase of the Rock Island right fishway PIT tag antenna array at a cost not to exceed \$250,000.00 (plus W.S.S.T and shipping costs) without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 15th day of October 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING A NEW INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (SA NO. 18-126) 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.

In 2017 Energy Northwest (EN), the District, and various other EN Members (participants) entered into a one-year Joint Procurement Program (JPP) for the purchase of materials, equipment and supplies that are common to the participants. The District's participation in this program was previously authorized in District Resolution No. 17-14169 on August 21, 2017. Finding merit with the program and continued efforts required to finalize use of the cooperative, members of the JPP are recommending continuance of the trial for another one-year period for administrative improvements needed to facilitate development of cooperative purchasing solicitations.

District staff recommends that it is in the best interest of the District to enter into a new Intergovernmental Cooperative Purchasing Agreement with Energy Northwest to continue development of mutually beneficial 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 this one-year Joint Purchasing Program and any possible extensions or renewals necessary for the completion of development of the program after the anniversary of this one-year term.

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 15th day of October 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE A 40 ACRE PARCEL OF LAND IN DOUGLAS COUNTY FROM JAMES F. KERN, SUCCESSOR TRUSTEE OF THE KERN REVOCABLE TRUST ON WHICH THE DISTRICT DEVELOPED AND OPERATES THE SKI BADGER COMMUNICATION SITE; AND APPROVING A CAPITAL BUDGET REVISION FOR ACQUISITION OF THIS PROPERTY

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County, Washington (“District”), is authorized under Chapter 1, Laws of Washington 1931 (RCW 54.16.020 and 54.16.040) as amended, 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 District entered into a lease with Viola A. Kern on November 15, 1996, for a portion of a 40-acre parcel on Badger Mountain in Douglas County, for the purposes of developing and operating a mobile and microwave radio facility (“Ski Badger Communication Site”). The 40-acre parcel hereinafter shall be referred to as the “Subject Property.” The District developed and operates the Ski Badger Communication Site as a part of its private mobile radio communication system. The terms of the District’s lease include a right of first refusal for the District to purchase the property subject to the lease.

Viola A. Kern conveyed the Subject Property to Viola A. Kern, Trustee of the Kern Revocable Trust. James F. Kern is the Successor Trustee of the Kern Revocable Trust (“Seller”).

The Seller desires to sell the Subject Property in its entirety, and Douglas County planning requirements do not allow for the separation of only the area the District leases into a legal parcel; therefore, a purchase is required of the entire Subject Parcel.

The District had an appraisal of the Subject Property done by a third party appraiser. That appraisal indicates a value of \$447,000. The Seller offered the Subject Property to the District for four-hundred sixty thousand dollars (\$460,000) (“Purchase Price”).

The District has entered into a purchase and sale agreement for the Subject Property for the Purchase Price, contingent on Commission approval.

A capital budget revision is needed as this acquisition was not included in the 2018 budget.

Staff recommends the District approve the purchase of the Subject Property. 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 Board of Commissioners hereby approves the purchase of the Subject Property for \$460,000, and other terms acceptable to the District.

Section 2. The Board of Commissioners hereby approves a capital budget revision for the acquisition of the Subject Property.

Section 3. The General Manager of the District or his designee is hereby authorized to take such further steps as may be required to complete the purchase of the Subject Property from the Seller.

Dated this 15th day of October 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

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