

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

**REGULAR COMMISSION MEETING**

**DECEMBER 2, 2019**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety Minute – Tony 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. Advanced Metering Infrastructure (AMI) Opt Out Policy Update
4. Identity Theft Prevention Program Update
5. Utility Service Policy and Regulations Update

**BUSINESS SESSION**

**1:00 PM**

6. Public Hearing – 2020-2021 Conservation Targets

A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET FOR 2020-21 AS REQUIRED UNDER RCW CHAPTER 19.285

**Consent Agenda**

7. Minutes of the November 18, 2019 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated November 27, 2019:
  - a. Vouchers totaling \$13,351,867.10;

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 13, 2019 through November 26, 2019 in the amount of \$44,534.25;
  - c. Approval of the net Payroll, Warrant Nos. 236774 through 236795 and Advice Nos. 684031 through 684806 for the pay period ending 11/10/2019 in the amount of \$2,080,085.16;
  - d. Approval of Warrant Nos. 26182 through 26257 totaling \$15,841.41 for claim payments from the workers' compensation self-insurance fund for the period ending November 25, 2019.
9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-09 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE ROCK ISLAND HYDRO SITE UTILITY IMPROVEMENTS PROJECT AND AUTHORIZING PAYMENT OF RETAINAGE
10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-49 WITH CLOACINA, LLC OF ARROYO GRANDE, CA AND AUTHORIZING PAYMENT OF RETAINAGE

**Regular Agenda**

11. A RESOLUTION APPROVING THE 2020 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, TREASURY SERVICES, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES.
12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 19-10500) WITH NORTHWEST OPEN ACCESS NETWORK OF GIG HARBOR, WA FOR NETWORK OPERATIONS CENTER SERVICES
13. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO A SERVICE AGREEMENT (RFP 07-67) WITH PUREWORKS, INC., D/B/A PURESAFETY, OF NASHVILLE, TENNESSEE TO CONTINUE PROVIDING A WEB BASED COMPLIANCE TRAINING SYSTEM AND SUPPORT SERVICES
14. A RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO SERVICES AGREEMENT (SA NO. 16-005) WITH NORTH FORTY PRODUCTIONS, LLC TO PROVIDE VIDEO PRODUCTION SERVICES

REGULAR COMMISSION MEETING AGENDA

December 2, 2019

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15. A RESOLUTION AUTHORIZING AMENDMENT NO. 7 TO SERVICES AGREEMENT (SA NO. 17-002) WITH SAPERE CONSULTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES
16. A RESOLUTION DECLARING ALTEC INDUSTRIES, OF DIXON, CALIFORNIA AS THE SOLE SOURCE SUPPLIER OF DIGGER DERRICKS AND BUCKET TRUCKS FOR CHELAN COUNTY PUD
17. Manager Items
18. Commission Items
19. Commissioner Travel
20. Follow-up on Delegation of Action Items from Previous Board Meeting
21. Delegation of Action Items
22. 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.*
23. Matters of general business as may necessarily come before the Commission
24. 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g)

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

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION ESTABLISHING THE DISTRICT'S  
10-YEAR CONSERVATION POTENTIAL PLAN AND  
TWO-YEAR CONSERVATION TARGET FOR 2020-21  
AS REQUIRED UNDER RCW CHAPTER 19.285

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In November 2006, Washington voters approved the Energy Independence Act (the Act), also known as Initiative 937. The Act, codified as RCW Chapter 19.285, directs utilities that serve more than 25,000 customers to develop targets for energy conservation and use of eligible renewable resources. The District serves more than 25,000 electric customers and is subject to the Act's requirements.

Conservation is defined in the statute as any reduction in electric power consumption resulting from an increase in the efficiency of energy use, production or distribution. Beginning January 1, 2010, qualifying utilities have been required under the Act to acquire all conservation that is cost-effective, reliable and feasible. Utilities are required to identify their achievable cost-effective conservation potential. Every two years the utility must review and update its 10-year conservation potential plan and establish a biennial acquisition target that is not less than the pro rata share of the 10-year conservation potential and meet that target during the subsequent two-year period. The District has developed its biennial target and 10-year plan in accordance with RCW 19.285 and WAC 194-37-070. The recommended 10-year conservation potential plan is attached as Exhibit A. The General Manager concurs with this recommendation.

On November 16, 2019, a legal advertisement notifying customers of a public hearing and opportunity to submit public comment on conservation targets and planning appeared in The Wenatchee World. On December 2, 2019, the properly noticed public hearing established the 10-year conservation plan and two-year conservation target as required under RCW Chapter 19.285. No comments were received prior to the hearing on December 2, 2019.

**ACTION**

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

Section 1. It is in the best interest of the District to establish the 10-year conservation potential plan and two-year conservation target as set forth in Exhibit A. The Commission will review the plan and target as required by RCW 19.285. The District's biennial target shall be no less than its pro rata share of its 10-year conservation potential plan.

Dated this 2<sup>nd</sup> day of December, 2019.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

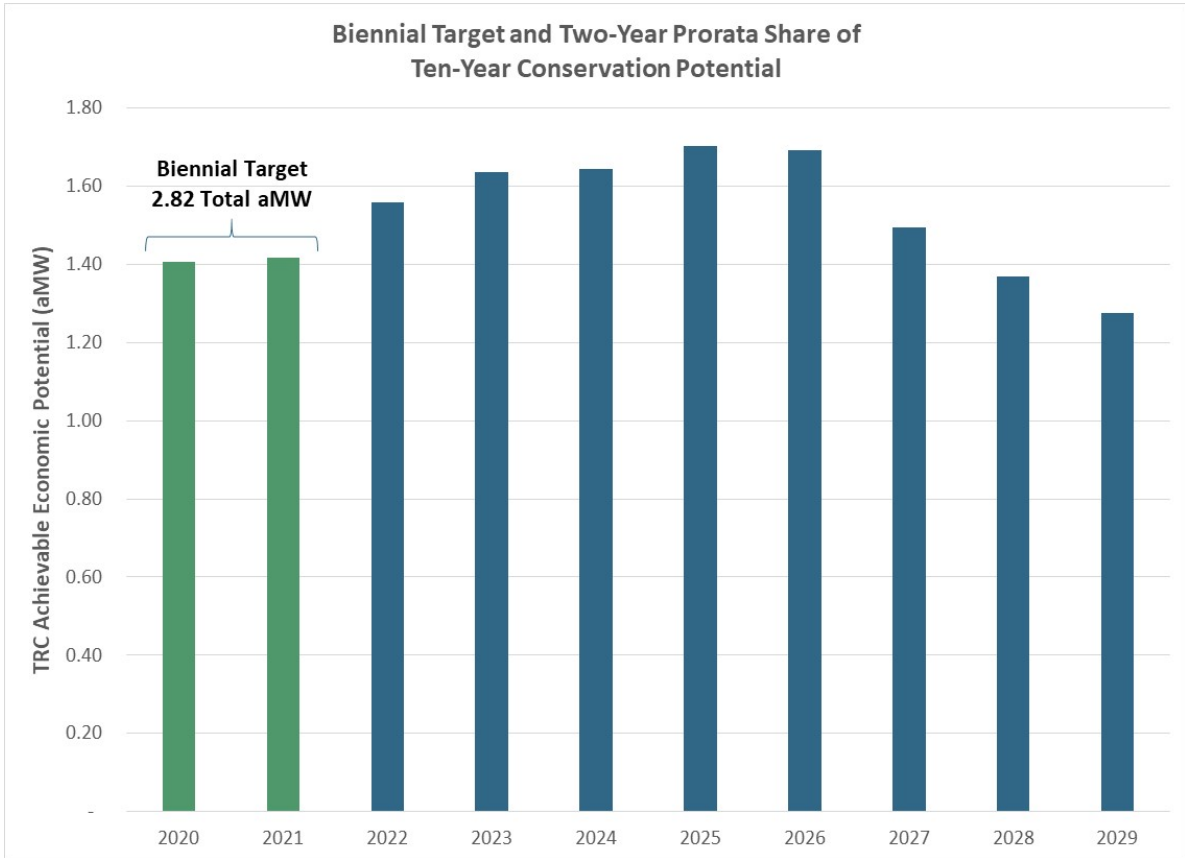
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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

Exhibit A



## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-09 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE ROCK ISLAND HYDRO SITE UTILITY IMPROVEMENTS PROJECT 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 July 25, 2018, the District entered into a contract (Bid No. 18-09) with Hurst Construction, LLC (Contractor) of Wenatchee, Washington for the Rock Island Lower Facilities Utility Project, in the amount of \$1,670,739.49. 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. 1-7 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. 1-7, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Multiple Bid Item Revisions and Schedule Change (adjust item quantities for multiple lines, remove storm water detention pond grading and increase sewer system tank size)	\$49,400.50
2. Multiple Bid Item Revisions (Fiber, Electrical, Weatherproof, Conduit, Crushed Surfacing Base Course Deduct)	\$24,096.44
3. Fiber Optic Cable	\$22,534.04
4. Modify Time of Completion	\$0
5. Modify Wall Air Conditioner	\$2,984.04
6. Modify Time of Completion	\$0
7. Adjust Unit Quantities and Miscellaneous Items	\$-12,352.61
<b>Total</b>	<b>\$86,662.41</b>

Field Work Order Nos. 1-7 result in a net increase in the contract price of \$86,662.41 for a new revised total price of \$1,757,401.90 (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 November 6, 2019. 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. 1-7 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. 1-7 to Bid No. 18-09 with Hurst Construction, LLC for the work specified above, which will result in a net increase in the contract price of \$86,662.41, for a total revised contract price of \$1,757,401.90, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 18-09 was completed on November 6, 2019 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 2<sup>nd</sup> day of December, 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-49 WITH CLOACINA, LLC OF ARROYO GRANDE, CA 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 July 20, 2018, the District entered into a contract (Bid No. 18-49) with Cloacina, LLC (Contractor) of Arroyo Grande, CA for the Peshastin Wastewater Treatment Facility Improvements – Thickener Equipment, in the amount of \$379,983.40. 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. 1-6 consist 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. 1-6, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Revision to SR-9, adding Equal Opportunity Clause	\$0
2. Revision to SR-4, Schedule/Contract Time, extend delivery	\$0
3. Revision to SR-4, Schedule/Contract Time, extend delivery	\$0
4. Revision to SR-4, Schedule/Contract Time, extend delivery	\$0
5. Revision to SR-4, Schedule/Contract Time, extend delivery	\$0
6. Revision to warranty language	\$0
<b>Total</b>	<b>\$0</b>

Field Work Order Nos. 1-6 result in no change in the contract price of \$379,983.40 (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 October 28, 2019. 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. 1-6 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. 1-6 to Bid No. 18-49 with Cloacina, LLC for the work specified above, which will result in no change to the purchase price of \$379,983.40, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 18-49 was completed on October 28, 2019 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 2nd day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING THE 2020 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, TREASURY SERVICES, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In compliance with Washington state statutes and District Resolution No. 07-13147, proposed budgets for the contemplated financial transactions of the various systems of the District for the year 2020 have been discussed with the Board of Commissioners.

The proposed 2020 budgets are intended to build upon the District's strategic plan, strategic initiatives and five-year business plans. The foundation of the strategic initiatives and budgets is at the top of the District's balanced scorecard – Customer-owner satisfaction. The 2020 budget process has taken the strategic plan priorities into consideration and proposes to establish priorities within the four strategic plan focus areas: 1) Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology, 2) Sustain excellent financial resiliency while mitigating the risk of large rate increases, 3) Enhance the quality of life in Chelan County through programs that distribute the benefits of public power, and 4) Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable (including the fiber build-out throughout the county). These priorities are consistent with the District's Vision/Challenge in the adopted 2020-2024 Strategic Plan to provide the best value for the most people for the longest time.

Strategic priorities, significant projects, challenges, and constraints of the proposed 2020 budgets were discussed at a public meeting on October 21, 2019 and again at public hearings on November 4, 2019 and November 18, 2019.

The first public hearing on the proposed 2020 budgets was held on Monday, November 4, 2019, at 1:00 p.m. in the Board of Commissioners' office at 327 North Wenatchee Avenue, Wenatchee, Washington. Ratepayers were given full opportunity to appear and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date, time and location of the hearings.

The second public hearing on the proposed 2020 budgets was held on Monday, November 18, 2019, at 1:00 p.m. in the Board of Commissioners' office at 327 North

Wenatchee Avenue, Wenatchee, WA, 98801. Ratepayers were given full opportunity to appear and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date, time and location of the hearings.

The adoption of the District budgets is categorically exempt from the requirements of the Washington State Environmental Policy Act. WAC 197-11-800(14)(c).

The General Manager recommends that the proposed strategic priorities and the proposed 2020 budgets as presented and discussed be adopted by the Commission.

The Commission, having completed the budget hearings, deems it proper and necessary that proposed budgets for the calendar year 2020 be finally determined and adopted as set forth in this resolution.

### **ACTION**

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

Section 1. The Commission establishes the following priorities within the four strategic plan focus areas:

1. Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology.
2. Sustain excellent financial resiliency while mitigating the risk of large rate increases.
3. Enhance the quality of life in Chelan County through programs that distribute the benefits of public power.
4. Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable.

Section 2. The budgets for the District in words and figures as set forth in the copy of each budget for the Fiber Network, Water, Wastewater And Integrated Electric (Distribution, Transmission, Columbia River-Rock Island Hydro-Electric, Lake Chelan Hydro-Electric, Rocky Reach Hydro-Electric Systems, Treasury Services, Internal Service System and Financing Facilities) business lines as presented to the Board on December 2, 2019 are adopted as the budgets for the year 2020. The budget summary is attached and other supporting information is on file in the office of the District.

Dated this 2nd day of December 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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**Chelan County PUD  
2020 Proposed Budget (\$000)**

Combined District	Gross	(Integrated Electric)	Net of Eliminations	Fiber & Telecom	Water	Wastewater	(Non Integrated Electric)	
	Integrated Electric	Eliminations	Integrated Electric				Eliminations	
Service Revenue	90,561	76,892	(510)	76,382	10,575	6,506	744	(3,647)
EP&T Net wholesale	74,113	74,113	-	74,113	-	-	-	-
LT Hydro Contract	144,115	144,115	-	144,115	-	-	-	-
Other Wholesale Activity	(1,320)	(1,320)	-	(1,320)	-	-	-	-
Wholesale Energy Revenue	216,907	216,907	-	216,907	-	-	-	-
Other Revenue	23,977	60,660	(35,170)	25,490	2	70	2	(1,586)
	<b>331,445</b>	<b>354,459</b>	<b>(35,680)</b>	<b>318,779</b>	<b>10,576</b>	<b>6,576</b>	<b>747</b>	<b>(5,233)</b>
Other Operating Expenses	207,945	233,799	(34,550)	199,249	9,392	4,830	837	(6,363)
Taxes	10,683	9,719	-	9,719	40	909	15	-
Depreciation & Amortization	46,469	40,850	-	40,850	3,559	1,598	463	-
	<b>265,097</b>	<b>284,368</b>	<b>(34,550)</b>	<b>249,818</b>	<b>12,991</b>	<b>7,337</b>	<b>1,314</b>	<b>(6,363)</b>
<b>Operating Income/(Loss)</b>	<b>66,348</b>	<b>70,091</b>	<b>(1,130)</b>	<b>68,961</b>	<b>(2,414)</b>	<b>(761)</b>	<b>(568)</b>	<b>1,130</b>
Interest Earnings	(14,740)	(14,256)	-	(14,256)	(377)	(100)	(8)	-
Interest Expense	22,849	22,820	-	22,820	-	25	5	-
Fair Market Value Change	368	368	-	368	-	-	-	-
Other Non Operating Activity	3,991	4,042	-	4,042	(27)	(22)	(2)	-
Capital Contributions	(4,208)	(3,609)	-	(3,609)	(30)	(456)	(112)	-
Intersystem Transfers/Adjustments	-	4,609	-	4,609	(3,564)	(822)	(224)	-
Non Operating Activity	8,260	13,973	-	13,973	(3,997)	(1,375)	(341)	-
<b>Change in Net Position</b>	<b>58,088</b>	<b>56,118</b>	<b>(1,130)</b>	<b>54,988</b>	<b>1,583</b>	<b>613</b>	<b>(227)</b>	<b>1,130</b>
<b>Capital Projects: Gross</b>	<b>168,946</b>	<b>162,647</b>	-	<b>162,647</b>	<b>5,418</b>	<b>704</b>	<b>176</b>	-
Less Capital Contributions	(3,847)	(3,240)	-	(3,240)	(30)	(536)	(41)	-
<b>Capital Projects Net</b>	<b>165,099</b>	<b>159,407</b>	-	<b>159,407</b>	<b>5,388</b>	<b>168</b>	<b>135</b>	-
Regulatory Assets	4,722	4,722	-	4,722	-	-	-	-
Deferred Relicensing	500	500	-	500	-	-	-	-
Hydro License Obligations	476	476	-	476	-	-	-	-
Other	300	-	-	-	-	300	-	-
Fiber Make Ready Offset	(1,130)	(1,130)	-	(1,130)	-	-	-	-
<b>Sub</b>	<b>169,967</b>	<b>163,975</b>	-	<b>163,975</b>	<b>5,388</b>	<b>468</b>	<b>135</b>	-
<b>Operating Expenses</b>	<b>207,945</b>							
<b>Taxes</b>	<b>10,683</b>							
<b>Non Operating (Inc) Exp</b>	<b>12,468</b>							
<b>Total Expenditures = OperExp + Taxes</b>								
<b>+ Non Op+ Net Capital + Regulatory Assets</b>								
<b>+ Deferred Relicensing</b>	<b>401,063</b>							
<b>Net Debt Reduction</b>	<b>39,062</b>							
<b>Total Expenditures &amp; Debt Reduction</b>	<b>440,125</b>							

## Notes:

- Purchased Power included in Net Wholesale



**2020 Capital Projects  
Proposed Budget**

System	Discrete / Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2020 Annual Budget
Electr Distribution	Discrete	DS140004	Bavarian Substation	2,528,000	-	2,528,000	65,000
		DS140005	N Shore Chelan Substatn (Boyd)	2,750,000	-	2,750,000	1,891,000
		DS170004	PPB17: RR Visitor Ctr Imprvmnt	1,000,000	-	1,000,000	450,000
		DS170006	Ohme Substation	3,700,000	2,229,053	5,929,053	3,800,000
		DS180001	Vehicles - Distribution	1,582,000	-	1,582,000	1
		DS180003	Mobile Substations	5,246,000	385,000	5,631,000	5,600,000
		DS180005	Feeder Addition - South Shore	1,720,000	-	1,720,000	60,000
		DS190002	PPB RR VC Museum New Story	1,000,000	-	1,000,000	820,000
		DS190003	City Loop T-Line NESC Imprvs	600,000	-	600,000	150,000
		DS190004	ACS 6-160 Relay Upgrade	130,000	-	130,000	80,000
		DS190005	Goodwin Bridge Line Relocate	200,000	1,950,000	2,150,000	2,000,000
		DS190006	Advanced Metering Infrastructure (AMI)	1,500,000	-	1,500,000	1,500,000
		DS200001	Vehicles - Distribution	-	1,495,000	1,495,000	1,495,000
		DS200002	Chelan-Manson T-Line Rebuild	-	5,000,000	5,000,000	1,700,000
		DS200003	Advanced Dist Mgt Sys ADMS	-	4,160,000	4,160,000	515,000
		DS200004	TRS Interconnect Bavarian Sub	-	2,275,000	2,275,000	120,000
		DS200005	Stehekin Battery Storage Sys	-	200,000	200,000	200,000
		DS200006	Wenatchee Substation Capacity Inc	-	4,720,000	4,720,000	2,420,000
		DS200007	Ohme Substation Getaways	-	840,000	840,000	840,000
		DSL1801	Hawley Street Substation	365,000	139,392	504,392	325,000
	Recurring	2XXX0100	UG Xfrms-Capital Purchases	800,000	800,000	800,000	
		2XXX0200	OH Xfrms-Capital Purchases	400,000	400,000	400,000	
		2XXX0300	Line Devices-Regulators	125,000	125,000	125,000	
		CAPBKT01	Future Station Siting and Constr	1,000,000	1,000,000	1,000,000	
		DSLEXXX1	DS - Line Extensions	1,750,000	1,750,000	1,750,000	
		DSXX0001	DS - Customer Services	1,250,000	1,250,000	1,250,000	
		DSXX0002	DS - Electric Meters	215,000	215,000	215,000	
		DSXX0003	DS-Undergrnd Cable Replacement	1,000,000	1,000,000	1,000,000	
		DSXX0006	Substation Equip Replacements	310,000	310,000	310,000	
		DSXX0007	Distribution Line Improvements	300,000	300,000	300,000	
		DSXX0009	Substation Improvements	50,000	50,000	50,000	
		DSXX0011	Elec Reconductor Upgrades	300,000	300,000	300,000	
		DSXX0015	NESC Distribution Upgrades	740,000	740,000	740,000	
		DSXX0018	TRS Structural Pole Replace DS	25,000	25,000	25,000	
		DSXX0020	TRS Structural Pole Replc LCRD	115,000	115,000	115,000	
DSXX0021		DS Pole Replacement	200,000	200,000	200,000		
DSXX0022		Feeder Device-Lines	600,000	600,000	600,000		
DSXX0023	Conduit Install Fiber BuildOut	100,000	100,000	100,000			
DSXX0024	Fiber Build-Out Make Ready	750,000	750,000	750,000			
DSXX0025	TRS Substation Interconnects	1,180,000	1,180,000	1,180,000			
DSXX0026	DS-Overhead Wire Replacement	500,000	500,000	500,000			
DSXX0027	Fiber In-Fill Make Ready	150,000	150,000	150,000			
System Forecast Adjustment							(6,548,200)
<b>Electric Distribution Total</b>				<b>22,321,000</b>	<b>35,253,445</b>	<b>57,574,445</b>	<b>29,342,801</b>
Fiber & Telecom	Discrete	CAP_9015	SAR 8 Equipment Installation	-	83,338	83,338	83,338
		NW150014	PPB: Leavenworth-FDT 122	382,708	-	382,708	336,625
		NW160010	PPB: Manson-FDT 179	-	604,695	604,695	400,000
		NW170008	PPB: Leavenworth-FDT 142-A	381,020	0	381,020	373,015
		NW180006	OTDR Equipment	-	20,000	20,000	20,000
		NW180020	PPB Wenatchee FDT 068	72,476	-	72,476	49,133
		NW180025	PPB Chelan FDT 135	174,227	-	174,227	14,021
		NW180026	PPB Chelan FDT 137	11,994	1	11,995	6,745
		NW180028	PPB Chelan FDT 182	13,493	-	13,493	12,155
		NW190002	Mobile Redundant Node	410,000	-	410,000	150,000
		NW190005	CPE Ethernet Switch Replacemen	223,226	-	223,226	30,258
		NW190007	PPB: Leavenworth FDT 121B	511,901	-	511,901	328,843
		NW190008	PPB: Cashmere FDT-160	691,608	-	691,608	206,608
		NW190009	PPB: Wenatchee FDT 220	55,117	-	55,117	44,770
		NW190010	PPB: Wenatchee FDT 219	49,213	-	49,213	5,224
		NW190011	PPB: Chelan FDT 215-A	44,396	-	44,396	13,944
		NW190012	PPB: Wenatchee FDT 214-A	20,800	-	20,800	9,769
		NW190013	PPB: Chelan FDT 206-A	14,823	-	14,823	14,823
		NW200002	Layer 2 Network Core	-	1,155,372	1,155,372	830,372
		NW200003	Network Services Platform	-	226,611	226,611	226,611
		NW200004	PPB: Plain FDT 143	-	149,519	149,519	81,199
NW200005	PPB: Wenatchee FDT 011	-	290,425	290,425	146,551		
NW200006	PPB: Wenatchee FDT 040	-	192,766	192,766	57,830		
NW200007	PPB: Wenatchee FDT 019	-	122,720	122,720	36,816		

System	Discrete / Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2020 Annual Budget
		NW200008	PPB: Wenatchee FDT 020	-	299,389	299,389	171,645
		NW200009	PPB: Leavenworth FDT 218	-	381,688	381,688	381,688
		NW200010	Goodwin Bridge Line Relocate	-	331,500	331,500	331,500
		NWPB0001	PPB Fiber Expansion Funding	1,476,340	8,553,400	10,029,740	621,075
		NWPB0002	PPB Expansion-Backbone Electronics	22,414	126,240	148,654	26,025
		NWPB0003	PPB Expansion-Distribution Electronics	67,243	396,191	463,434	78,076
	Recurring	NWLEXXX7	Fiber Drops-Line Extensions	-	16,750	16,750	16,750
		NWXX0002	Franchise Fiber Relocates	-	25,000	25,000	25,000
		NWXX0003	Fiber District Relocates	-	25,000	25,000	25,000
		NWXX0010	Fiber Drops	-	825,000	825,000	825,000
		NWXX0011	Fiber Devices	-	450,000	450,000	450,000
		NWXX0012	Fiber Conduit Installation	-	100,000	100,000	100,000
		NWXX0013	Core System Upgrades	-	225,000	225,000	225,000
		NWXX0014	Fiber Subdivisions	-	10,000	10,000	10,000
			System Forecast Adjustment	-	-	-	(1,347,082)
<b>Fiber &amp; Telecom Total</b>				<b>4,622,999</b>	<b>14,610,605</b>	<b>19,233,604</b>	<b>5,418,327</b>
Internal Services	Discrete	CAP20009	Office Service Plotter	-	103,145	103,145	103,145
		CAPBKT02	Fleet Shop Equipment	-	77,625	77,625	77,625
		CAPBKT03	Facilities Upgrades	-	500,000	500,000	500,000
		IS130002	Microwave Network Replacement	3,570,000	-	3,570,000	65,000
		IS150006	Dispatch Log	600,000	258,299	858,299	100,000
		IS160002	CIS Upgrade	8,553,755	-	8,553,755	601,760
		IS160012	Enterprise Search	565,904	206,720	772,624	150,000
		IS180009	Telemetry - Flow Meters	808,000	929	808,929	171,000
		IS180013	Mobile Asset & Work Management	215,000	220,000	435,000	150,000
		IS180014	Operations and Service Center	134,927,000	110,900	135,037,900	18,000,000
		IS180015	RR-CM Facilities Upgrade	41,518,973	-	41,518,973	20,797,377
		IS190004	GIS Upgrade	400,000	100,000	500,000	200,000
		IS190008	Virtual Desktop Infrastructure	65,000	-	65,000	1
		IS190009	Sys Ops Alarm Management	72,000	-	72,000	72,000
		IS190013	Security Camera Installation	197,000	33,000	230,000	230,000
		IS200001	Fleet Vehicles - Shared	-	1,948,000	1,948,000	1,948,000
		IS200002	Security Infrastructure - F	-	100,000	100,000	100,000
		IS200003	Sys Ops BUCC	-	1,500,000	2,000,000	1,500,000
		IS200004	CM Tools	-	450,000	450,000	450,000
		IS200005	RR CM4 Enclosure	-	350,000	350,000	350,000
		IS200006	Hyper Converged Infrastructure	-	250,000	250,000	250,000
		IS200007	Microwave Lab	-	549,089	549,089	549,089
		IS200008	Out of Band Management	-	224,642	224,642	224,642
		IS200009	Maximo Upgrade	-	250,000	250,000	250,000
		IS200010	IT Software New Services	-	200,000	200,000	200,000
		IS200011	Cyber Sec Hardware & Software	-	125,000	125,000	125,000
		IS200012	Enterprise Storage HW-SW	-	250,000	250,000	250,000
		IS200013	Server-Network Infrastructure	-	330,000	330,000	330,000
		IS200014	XT SpotterRF Intrusion	-	120,000	120,000	120,000
		IS200015	Microwave MPLS Expansion	-	165,679	165,679	165,679
			System Forecast Adjustment	-	-	-	(14,409,095)
<b>Internal Services Total</b>				<b>191,492,632</b>	<b>8,423,029</b>	<b>200,415,661</b>	<b>33,621,223</b>
Lake Chelan	Discrete	LC180001	PKMP Log Boom & Dock	921,500	1,808	923,308	835,000
		LC190001	PKCR S Shore Erosion	256,000	57,000	313,000	305,000
		LC200002	LC Barrier Arm Replacement	-	125,000	125,000	125,000
		LC200003	LC SpotterRF Intrusion	-	60,000	60,000	60,000
			System Forecast Adjustment	-	-	(331,250)	(331,250)
<b>Lake Chelan Total</b>				<b>1,177,500</b>	<b>243,808</b>	<b>1,090,058</b>	<b>993,750</b>
Network Transmsn	Discrete	XT120005	N Mid C Transmission Project	5,700,150	17,270	5,717,420	2,076,000
		XT160004	AY-AC 1&2 Relocate	2,415,000	-	2,415,000	2,053,675
		XT180001	Y-AC3 Goodwin Bridge Partial R	1,150,000	161,537	1,311,537	1,100,000
		XT180004	Greater McNeil Cyn Proj	13,875,000	-	13,875,000	4,500,000
		XT190005	RRS 230kV Bus 1 Diff Relay	260,000	-	260,000	220,000
		XT190006	Valhalla B288 RAS	740,000	-	740,000	1
		XT200002	AY-AC1 Relay Upgrade POTT	-	170,000	170,000	30,000
		XT200003	MKS SCADA Upgrade	-	15,000	15,000	15,000
		XT200004	WNS Battery Rplc	-	195,000	195,000	195,000
		XT200005	RRS 7-8-9 Brkr 7-750 Relay Rplc	-	385,000	385,000	385,000
		XT200006	RRS MV Brkr 7-740 Relay Rplc	-	220,000	220,000	30,000
		XT200007	Digital Fault Recorders Rplc	-	685,000	685,000	175,000
		XT200008	TRS Simulator Software	-	100,000	100,000	100,000
		XTLR1801	Stemilt DF T-Line Interconnect	250,000	-	250,000	150,000
	Recurring	XTXX0001	TRS Structural Pole Rplc XT	-	260,000	260,000	260,000
		XTXX0004	WSDOT Clear Zone	-	100,000	100,000	100,000
			System Forecast Adjustment	-	-	(2,824,919)	(2,824,919)
<b>Network Transmission Total</b>				<b>24,390,150</b>	<b>2,308,807</b>	<b>23,874,038</b>	<b>8,564,757</b>

System	Discrete / Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2020 Annual Budget
Rock Island	Discrete	RI0800B2	RI PH1 B-2 Stator Replacement	4,961,785	-	4,961,785	1
		RI110001	RI PH1 Excitation Sys B1-B4	1,010,990	-	1,010,990	1
		RI110004	RI PH1 Govrn DigCtrls B2	2,890,000	-	2,890,000	1
		RI130002	RI PH2 SS & Fish Lad MCC Replc	2,040,000	-	2,040,000	655,000
		RI130010	RI PH1 Gen Heat Detect B1-B8	240,983	-	240,983	40,000
		RI140002	RI PH1 B6 Modernization	30,700,000	-	30,700,000	1
		RI140003	RI PH2 Gantry Crane	5,760,000	3,340,000	9,100,000	4,760,000
		RI140004	RI PH2 Bridge Crane	4,960,000	8,430,000	13,390,000	6,500,000
		RI150003	RIFW Controls Upgrds	924,257	-	924,257	290,000
		RI160015	RI PH1 B5 Modernization	32,105,641	694,359	32,800,000	16,740,000
		RI160016	RI PH1 B7 Modernization	31,300,000	1,300,000	32,600,000	6,432,553
		RI160017	RI PH1 B8 Modernization	31,300,000	58,792	31,358,792	2,150,000
		RI170007	RI PH1 Intake Gantry Repl	4,373,000	-	4,373,000	23,000
		RI170010	RI PH1 B9-B10 Turbine Staging	102,000	-	102,000	96,000
		RI170011	RI PH1 B1 Modernization	15,415,000	2,380,806	17,795,806	1,380,000
		RI170012	RI PH1 B2 Modernization	16,450,000	2,144,547	18,594,547	2,640,000
		RI170013	RI PH1 B3 Modernization	16,275,000	1,331,570	17,606,570	12,090,000
		RI170014	RI PH1 B4 Modernization	19,900,000	1,298,410	21,198,410	3,310,000
		RI170023	RI Flow Meters	583,000	-	583,000	150,000
		RI170024	RI Facilities Upgrade	33,895,111	4,200,000	38,095,111	26,180,991
		RI180002	RI PH2 6-350 Breaker Bay Replc	690,000	60,000	750,000	658,775
		RI180003	RI PH2 U1-U8 Rehab	11,500,000	482,448	11,982,448	10,000,000
		RI180004	RI PH2 UPS Upgrade	140,000	-	140,000	35,000
		RI180006	RI PH1 HVAC Upgrades	1,408,000	1,007,000	2,415,000	2,225,831
		RI180007	PKWRF Boat Launch Replc	760,200	-	760,200	5,200
		RI180008	PKKB Erosion 3 5 6 9	770,000	-	770,000	610,000
		RI180016	PKWC Site 235 Stabilization	830,000	-	830,000	642,000
		RI180019	HTSP Pump and Motor	120,000	-	120,000	93,900
		RI190004	RI PH2 Station Drainage Mod	1,185,000	-	1,185,000	900,000
		RI190005	RI PH1 Station Unwtr Pumps Rpl	623,000	-	623,000	450,000
		RI190006	RI PH2 HVAC Upgrades	585,000	-	585,000	535,000
		RI190007	RI PH2 Upstream Bulb Jibs	150,000	5,000	155,000	25,000
		RI190009	RI PH2 6-370 Breaker Bay Repla	690,000	-	690,000	1
		RI190010	RI PH2 6-360 Breaker Replace	150,000	-	150,000	80,000
		RI190014	RI Spillway Hoist 17,25 Rplc	1,400,000	1,580,000	2,980,000	2,400,000
		RI200001	RI Fleet Vehicles	-	579,000	579,000	579,000
		RI200002	PKWC NB Shore Erosion Rpr	-	917,000	917,000	2,000
		RI200003	RI PH2 573' Catwalk Add	-	330,000	330,000	30,000
		RI200004	PKWC Boat Launch	-	675,000	675,000	675,000
		RI200005	HTCF Abatement Pond Improv	-	810,000	810,000	810,000
RI200006	HTTW Improvements	-	211,000	211,000	211,000		
RI200007	PKKB Well Electrical Improve	-	190,000	190,000	190,000		
RI200008	RI Barrier Arm Replacement	-	425,000	425,000	425,000		
RI200009	RI SpotterRF Intrusion	-	60,000	60,000	60,000		
		System Forecast Adjustment				(26,300,594)	(26,300,594)
<b>Rock Island Total</b>				<b>276,187,967</b>	<b>32,509,933</b>	<b>282,397,306</b>	<b>78,779,661</b>
Rocky Reach	Discrete	RR110012	RR C1-C11 Unit Ctrls Governor	5,183,535	-	5,183,535	1,150,000
		RR120004	RR Excitation Reg Replc C1-C11	4,508,217	-	4,508,217	500,000
		RR120006	RR Unit DFR Installation	766,200	-	766,200	62,000
		RR130004	RR Tran & SS Relay Replacement	343,415	-	343,415	7,500
		RR160010	RR C10 Head Cover	847,000	-	847,000	1,000
		RR160011	RR C11 Head Cover	850,000	-	850,000	1,500
		RR170006	RR Tailrace Buoy Placement	525,000	-	525,000	5,000
		RR170010	RRFW Dewatering Pumps	308,000	-	308,000	230,000
		RR170011	RR Flow Meters	550,000	-	550,000	170,000
		RR180002	PKBB Construction BB-1 BB-2	925,000	27,116	952,116	870,000
		RR180004	RR Oil Rooms Fire Suppress	1,525,000	-	1,525,000	1
		RR180006	PKET Repl Moorage Docks	351,000	-	351,000	120,000
		RR180009	RR VC Roof Extension	738,000	-	738,000	738,000
		RR190002	RR SER Alarm System Replace	200,000	60,000	260,000	235,000
		RR190003	RR Boat Dock Replace	280,000	-	280,000	1
		RR190004	RR Forebay Trash Clamming Pad	260,000	-	260,000	20,000
		RR190005	RR VC Museum Move	184,000	1,000	185,000	185,000
		RR190006	RR DC / UPS AC Panel Replace	125,000	8,000	133,000	125,000
		RR190007	RR Oil Detection System	75,000	-	75,000	1
		RR190010	RR VC Cafe Improvements	450,000	-	450,000	225,000
		RR190011	RR VC Entry Improvements	128,000	-	128,000	23,000
		RR200001	RR Vehicles & Equip	-	220,000	220,000	220,000
		RR200002	HTWF Wellfield Rehab	-	2,714,000	2,714,000	704,000
RR200003	RR Oil Cond & Storage Syst	-	640,000	640,000	40,000		
RR200004	RR Powerhouse HVAC Syst	-	2,570,000	2,570,000	2,570,000		
RR200005	RR Uninterruptable Pwr Supply	-	265,000	265,000	265,000		

System	Discrete / Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2020 Annual Budget	
		RR200006	PKCF Moorage Docks	-	215,000	215,000	215,000	
		RR200007	PKBB Moorage Dock Repl	-	259,000	259,000	147,000	
		RR200008	RR Safety Boat Dock	-	375,000	375,000	375,000	
		RR200009	RR Spillway Elec Upgrades	-	700,000	700,000	700,000	
		RR200010	RR C1-C7 C11 MCM AirGap Repl	-	940,000	940,000	940,000	
		RR200011	RR VC HVAC Replace	-	840,000	840,000	840,000	
		RR200012	RR C1-C7 WG ShearPin Alarm Sys	-	400,000	400,000	100,000	
		RR200013	RR Headgates Stoplog DwtrPumps	-	2,750,000	2,750,000	2,750,000	
		RR200014	RR PLC 5 Controller	-	260,000	260,000	260,000	
		RR200015	PKDG Shoreline Erosion	-	433,000	433,000	43,000	
		RR200016	RR Barrier Arm Replacement	-	230,000	230,000	230,000	
		RR200017	RR SpotterRF Intrusion	-	60,000	60,000	60,000	
		System Forecast Adjustment					(3,781,751)	(3,781,751)
<b>Rocky Reach Total</b>				<b>19,122,367</b>	<b>13,967,116</b>	<b>29,307,732</b>	<b>11,345,252</b>	
Wastewater	Discrete	SW200002	Dryden Wastewater Upgrade	-	150,000	150,000	150,000	
	Recurring	SWXX0001	New Sewer Svcs-Lake Wenatchee		35,000	35,000	35,000	
		SWXX0002	New Sewer Svcs-Peshastin		6,000	6,000	6,000	
		System Forecast Adjustment					(15,000)	(15,000)
<b>Wastewater Total</b>				<b>-</b>	<b>191,000</b>	<b>176,000</b>	<b>176,000</b>	
Water	Discrete	WR190003	Tacoma St Phase 2	500,000	-	500,000	40,000	
		WR200001	Water Vehicles- Equipment	-	375,000	375,000	375,000	
		WR200002	Water SCADA System	-	50,000	50,000	50,000	
	Recurring	WRXX0001	WS - New Water Services		175,000	175,000	175,000	
		WRXX0002	WS - Customer Line Extensions		54,000	54,000	54,000	
		WRXX0003	WS - Water Main Replacements		15,000	15,000	15,000	
		WRXX0004	WS - Water Main Fire Hydrants		7,000	7,000	7,000	
		WRXX0005	Water Main Mandated Relocate		5,000	5,000	5,000	
		WRXX0006	Water Meters		35,000	35,000	35,000	
		System Forecast Adjustment					(52,000)	(52,000)
<b>Water Total</b>				<b>500,000</b>	<b>716,000</b>	<b>1,164,000</b>	<b>704,000</b>	
<b>TOTAL</b>				<b>539,814,615</b>	<b>108,223,742</b>	<b>615,232,843</b>	<b>168,945,771</b>	

System	Discrete / Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2020 Annual Budget
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Gross Capital

Electric Distribution	29,342,801
Fiber & Telecom	5,418,327
Internal Services	33,621,223
Lake Chelan	993,750
Network Transmission	8,564,757
Rock Island	78,779,661
Rocky Reach	11,345,252
Wastewater	176,000
Water	704,000
	<u>168,945,771</u>

Customer Contributions

Electric Distribution	(3,150,000)
Fiber & Telecom	(30,000)
Internal Services	-
Lake Chelan	-
Network Transmission	(90,000)
Rock Island	-
Rocky Reach	-
Wastewater	(41,000)
Water	(536,000)
	<u>(3,847,000)</u>

Net Capital

Electric Distribution	26,192,801
Fiber & Telecom	5,388,327
Internal Services	33,621,223
Lake Chelan	993,750
Network Transmission	8,474,757
Rock Island	78,779,661
Rocky Reach	11,345,252
Wastewater	135,000
Water	168,000
	<u>165,098,771</u>

Regulatory Assets: DSOP 1823	4,722,000
Make Available: LCRL 2536	476,017
Deferred Relicensing: RI 1866	500,000
Other: WAOP 3450	300,000
Fiber Make Ready Offset	(1,130,000)
	<u>169,966,788</u>

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 19-10500) WITH NORTHWEST OPEN ACCESS NETWORK OF GIG HARBOR, WA FOR NETWORK OPERATIONS CENTER SERVICES

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Network Operations Center (NOC) services are required to effectively operate the Fiber To The Home (FTTH) Networks System. These services include 24X7X365 NOC Services and include call taking, equipment provisioning, network device monitoring, and Customer Premises Equipment (CPE) troubleshooting with field technician dispatch coordination. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements that exceed \$500,000.

Northwest Open Access Network of Gig Harbor, WA was chosen as our NOC provider after extensive research and investigation. NoaNet has prepared a proposal to perform Network Operations Center services for an initial term of five (5) years at an estimated cost of \$763,116.

District staff has determined that Northwest Open Access Network is the best qualified firm to provide the required services and that the cost for said services of \$763,116 is a fair and reasonable price.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Northwest Open Access Network for the above-described services.

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 Northwest Open Access Network for Network Operations Center services in the amount of \$763,116 for a period of five years. A copy of the Agreement is on file in the offices of the District.

DATED this 2nd day of December 2019 .

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT  
NO. 5 TO A SERVICE AGREEMENT (RFP 07-67)  
WITH PUREWORKS, INC., D/B/A PURESAFETY,  
OF NASHVILLE, TENNESSEE TO CONTINUE  
PROVIDING A WEB BASED COMPLIANCE  
TRAINING SYSTEM AND SUPPORT SERVICES

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Service Agreement (pursuant to RFP 07-67) on January 18, 2008 with Pureworks, Inc., d/b/a PureSafety, for an initial 3 year term with renewal options, as authorized by Resolution No. 08-13243, to provide a web based compliance training system, including 775 user access licenses, implementation and support services in an amount not to exceed \$129,131.00.

Resolution No. 10-13565 authorized Amendment No. 1 to the Service Agreement to continue the services for an additional three-year term, decreased the user access licenses to 725, content editing license to 1 user, and included system support and a library of 60 PureSafety courses for a cost of \$87,300 and a total revised contract price not to exceed \$216,431.00.

Resolution No. 17-14111 ratified Amendment No. 2 which extended services for three years in the amount of \$87,300.00 and authorized Amendment No. 3 to continue the services for an additional three-year term and added 100 additional user licenses for a total estimated amount of \$98,399.88 for the 2017-2020 term. Amendment 4 added additional courses to the library in the amount of \$8,925.00.

District staff has identified the need 1) to continue the PureSafety services through 2023 in order to comply with federal, state and local regulations and 2) an additional 100 user access licenses (for a new total of 925) at a total cost of \$99,900. These additional licenses are necessary for new employees and contractors accessing the PureSafety training system.

This Resolution will provide authorization for the additional 100 licenses and will provide authority for continuation of services for the existing 825 access licenses, 1 content editing license, system support and a library of 60 PureSafety courses.

District staff believes the content, quality and cost of the services provided is an exceptional value based on comparisons of similar services and recommends that it is in the best interest of the District to enter into Amendment No. 5 to the Service Agreement (RFP 07-67) with Pureworks, Inc., d/b/a PureSafety, to extend services through 2023 and add 100 new user access licenses.



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 Amendment No. 5 to Service Agreement (RFP 07-67) with Pureworks, Inc., d/b/a PureSafety to provide the additional 100 user licenses and services identified above for a total of \$99,900, for three years and a new total contract price of \$510,955.88. A copy of the Amendment is on file in the offices of the District.

DATED this 2nd day of December 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT  
NO. 6 TO SERVICES AGREEMENT (SA NO. 16-005)  
WITH NORTH FORTY PRODUCTIONS, LLC TO  
PROVIDE VIDEO PRODUCTION SERVICES

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 16-005) on February 1, 2016 with North Forty Productions, LLC to provide video production services, in an amount not to exceed \$100,000. Amendments 1 – 5 increased the not to exceed amount to \$350,000

District staff has identified the need for additional services for the Rocky Reach Discovery Center improvements/re-opening, the Chelan PUD Parks Department, conservation programs, safety messages and general PUD communications efforts. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 16-005 with North Forty Productions, LLC in the amount of \$300,000, for a total revised contract price not to exceed \$650,000.

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 No.16-005) with North Forty Productions, LLC to increase the not to exceed amount to \$650,000 and to provide the additional services identified above. A copy of the Amendment is on file in the offices of the District.

DATED this 2nd day of December 2019.

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President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT NO. 7  
TO SERVICES AGREEMENT (SA NO. 17-002) WITH  
SAPERE CONSULTING, INC. OF WALLA WALLA,  
WA FOR MANAGEMENT CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14109 dated January 18, 2017 authorized a Services Agreement (PSA No. 17-002) with Sapere Consulting, Inc. (Sapere) to provide Management Consulting Services, in an amount not to exceed \$1,190,000 over a three year agreement term. Resolution No. 17-14211 dated December 18, 2017 amended Services Agreement No. 17-002, increasing the funded amount by \$1,360,000 for a total revised contract price not to exceed \$2,550,000. Additionally, Resolution 18-14250 dated June 25, 2018, increased the funded amount by \$950,000 for a total revised contract price not to exceed \$3,500,000.

District staff is requesting an extension to the professional service agreement with Sapere for an additional 2 years. Sapere will provide continued support for multiple business units including Generation and Transmission, External Affairs, Licensing and Compliance, Fisheries and Energy Planning and Trading. \$240,000 is included for budgeted projects not awarded yet where Sapere is determined to be qualified to supply their expertise and services. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 17-002 with Sapere through December 30, 2021, and to increase funding by \$2,550,000 to provide management and technical services, for a total revised contract price not to exceed \$6,050,000

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, as follows:

Section 1. The General Manager of the District is hereby authorized to execute Amendment 7 to Services Agreement (SA No. 17-002) with Sapere Consulting, Inc. to extend the period of service to December 30, 2021 and to add \$2,550,000 to the total contract price. The revised contract price will not exceed \$6,050,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 2ND day of DECEMBER 2019.

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President

ATTEST:

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Vice President

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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION DECLARING ALTEC INDUSTRIES, OF DIXON, CALIFORNIA AS THE SOLE SOURCE SUPPLIER OF DIGGER DERRICKS AND BUCKET TRUCKS FOR CHELAN COUNTY PUD

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Chelan PUD Fleet Department purchases various vehicles and pieces of equipment for the use of PUD staff in providing utility services. One category of critical equipment is utility aerial equipment, namely bucket trucks and digger derricks. The Fleet Standards Committee has established specification standards for the various types of aerial equipment and has, over many years of use, found that the Altec brand of utility specific trucks (digger derricks, large buckets & service buckets) have provided the best combination of reliability, utility, safety, service and price.

The District has been, through cooperative purchasing agreements, acquiring only Altec equipment in this category for more than 12 years. The cooperative purchasing resource that the District had been using has not renewed their Altec contract and other available cooperative purchasing contracts do not provide access to the District's standard equipment options.

The Fleet department has reviewed all current available digger derricks and large and small bucket trucks and determined that the Altec equipment is the only one available which meets the District's needs when factoring in operations, safety, service and repair considerations.

Altec Incorporated, the parent company of Altec Industries, has provided certification that the sole source for Altec digger derricks and bucket trucks is Altec Industries and that Chelan PUD will receive the lowest price available for similarly situated utility purchasers.

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 bidding requirements otherwise applicable to the purchase of materials and equipment.

District staff has determined that it would be in the best interest of the District to designate Altec Industries as the sole source supplier for digger derricks and bucket trucks for utility operations.

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 Altec Industries of Dixon, California to be the sole source supplier of digger derricks and bucket trucks for Chelan PUD.

Section 2. The bid requirements of RCW 54.04.070 are hereby waived due to the designation of Altec Industries as the sole source supplier of digger derricks and bucket trucks.

Dated this 2<sup>nd</sup> day of December 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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