

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

REGULAR COMMISSION MEETING

January 16, 2017

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – David Lodge
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. Loop Rates
4. State Legislative Session Kick-off
5. Public Power Benefit Projects Update
 - Hydro Research
 - State Parks Day Use Parking Pass Program
 - Beebe Bridge Park Camping Pilot Study
6. 4th Quarter 2016 Board Balanced Scorecard
7. Energy Imbalance Market (EIM)

BUSINESS SESSION

1:00 P.M.

Consent Agenda

8. Minutes:

January 3, 2017 and January 9, 2017

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9. Vouchers:

Accounts Payable Summary Report dated January 10, 2017:

- a) Vouchers totaling \$13,401,661.69;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments dated January 10, 2017 in the amount of \$51,187.84;
- c) Approval of the net Payrolls, Warrant Nos. 234902 through 234987 and Advice Nos. 626409 through 627111 for the pay period ending 12/25/2016 in the amount of \$2,013,280.12; and
- d) Approval of Warrant Nos. 23072 through 23106 totaling \$6,429.40 for claim payments from the workers' compensation self-insurance fund for the period ending January 9, 2017.

Regular Agenda

Resolutions

10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 17-002 WITH SAPERE CONSULTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES
11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-03 WITH WESSLEN CONSTRUCTION, INC., OF SPOKANE VALLEY, WASHINGTON, AND AUTHORIZING PAYMENT OF RETAINAGE
12. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 AND RATIFYING AMENDMENT NO. 2 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
13. Manager Items
14. Commission Items
15. Follow-up on Delegation of Action Items From Previous Board Meeting
16. Delegation of Action Items

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17. Additional Public Comment*

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

19. 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).

* Members of the public are encouraged to ask specific questions after each item presented. This agenda item is for additional comments/questions related to matters not on the agenda.

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 17-002) WITH SAPERE CONSUNTING, INC. OF WALLA WALLA, WA FOR MANAGEMENT CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

District staff has identified a need for external management consulting services within the Generation and Transmission, Natural Resources and External Affairs Business Units. This support is essential to assist with strategic development, risk management, critical analysis, and project development for current and emerging issues. It has been determined it is in the best interest of the District to combine these efforts and create a long-term agreement for these services.

Sapere Consulting, Inc. is an innovative and highly-regarded firm in the industry and has proven to be a trusted resource to District staff in previous endeavors. Sapere Consulting, Inc. provides services with a unique blend of engineering, science, business, and technology expertise.

Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

District staff has determined that Sapere Consulting, Inc. is the best qualified firm to provide the required services and that the costs proposed for the services is a fair and reasonable price. The total costs for the services to be provided by Sapere Consulting, Inc. shall not exceed \$1,190,000 over a three year agreement term.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Sapere Consulting, Inc. for the above-described services. Services shall be provided when and as requested by the District, according to written task authorizations which define the scope, budget and schedule for individual tasks. No work shall be undertaken by Sapere Consulting, Inc. without a written task authorization.

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 Sapere Consulting, Inc. for Management Consulting Services in an amount not to exceed \$1,190,000 over a three year agreement term without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 16th day of January 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-03 WITH WESSLEN CONSTRUCTION, INC., OF SPOKANE VALLEY, WASHINGTON, AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 08-13325 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On April 22, 2016, the District entered into a contract (Bid No. 16-03) with Wesslen Construction, Inc., (Contractor) of Spokane Valley, Washington for Lincoln Rock State Park Evaporative Lagoon Relining, in the amount of \$749,109.04. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Order Nos. 1 through 4 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District’s staff has executed Field Work Order Nos. 1 through 4, which are on file in the offices of the District and summarized as follows:

FWO No.	Description	Amount
1	Additional material handling from unforeseen conditions	\$4,525.00
2	Provide new crushed surfacing at roads	\$5,868,00
3	Reconcile unit price quantities and allowances for biosolids removal	-\$35,064.08
4	Add abrasion pad at cell 3	\$950.00
	Total	-\$23,721.08

Field Work Order Nos. 1 through 4 result in a net decrease in the contract price for a new revised total price of \$725,387.96 (excluding sales tax), which the District’s Engineers recommend be ratified. Resolution No. 08-13325 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on December 21, 2016. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff’s recommendations that the District accept the work performed by the Contractor, ratify Field Work Order Nos. 1 through 4 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

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

Section 1. Field Work Order Nos. 1 through 4 to Bid No. 16-03 with Wesslen Construction, Inc., for the work specified above, which will result in a net decrease in the purchase price of \$23,721.08, for a total revised contract price of \$725,387.96, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 16-03 was completed on December 21, 2016 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 16th day of January, 2017.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 3 AND RATIFYING AMENDMENT NO. 2 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 in a total revised contract price not to exceed \$216,431.

On December 16, 2013, the District entered into Amendment No. 2 to the Service Agreement to renew the Services and access licenses along with support services for a third three-year term with no changes to the licenses for a cost of \$87,300. Due to the contract price limitation set out in Resolution 10-13565, this renewal term requires ratification by the Commission.

District staff has identified the need to continue the PureSafety services in order to comply with federal, state and local regulations and the need for an additional 100 user access licenses at a cost of \$11,099.88 (for a new total of 825) for an additional three years of services thru 2/13/2020. 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 725 access licenses, 1 content editing license, system support and a library of 60 PureSafety courses for a total anticipated cost over the next 3 years (2017-2020) of an estimated \$100,000.

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 ratify Amendment No. 2 and to enter into

Amendment No. 3 to the Service Agreement (RFP 07-67) with Pureworks, Inc., d/b/a PureSafety, and to approve annual ongoing support services thereafter.

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 Commission hereby ratifies Amendment No. 2 to Service Agreement (RFP 07-67) with Pureworks, Inc., d/b/a PureSafety effective December 16, 2013, in the amount of \$87,300.

Section 2. The General Manager is hereby authorized to execute Amendment No. 3 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 estimated amount \$100,000, for three years. A copy of the Amendment is on file in the offices of the District.

Section 3. The Commission hereby authorizes the General Manager or his authorized delegee, to renew the Service Agreement (RFP 07-67) support services annually beginning in 2020, subject to the delegation Resolution 08-13325, as now exists or as may be hereafter amended.

DATED this 16th day of January 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal