

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

**REGULAR COMMISSION MEETING**

**Tuesday, September 20, 2016**

**Agenda**

**Study Session**

**10:00 A.M.**

1. Pledge of Allegiance and Safety Minute – Marcie Clements
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. Fiber Loop Rate (Mike Coleman and Doug Dawson)
4. Consumer Privacy Policy (Kerri Wendell/Cathy Melton)
5. 2017 - 2021 Business Plans (Managing Directors)

**BUSINESS SESSION**

**1:00 P.M.**

6. Chelan Substation Update – (Chad Rissman & Andy Wendell)

**Consent Agenda**

7. Minutes:

September 6, 2016

8. Vouchers:

Accounts Payable Summary Report dated September 13, 2016:

- a) Vouchers totaling \$7,747,119.08;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments dated September 13, 2016 in the amount of \$40,870.39.

## REGULAR COMMISSION MEETING AGENDA

Tuesday, September 20, 2016

Page 2

- c) Approval of the net Payrolls, Warrant Nos. 234665 through 234695 and Advice Nos. 620581 through 621323 for the pay period ending 09/04/2016 in the amount of \$1,755,518.22.
- d) Approval of Warrant Nos. 22771 through 22810 totaling \$11,144.55 for claim payments from the workers' compensation self-insurance fund for the period ending September 12, 2016.

### **Regular Agenda**

#### **Resolutions**

- 9. A RESOLUTION A DECLARING DANIEL L. SUN, INC. DBA SUN-NET CONSULTING OF SAN JOSE, CA AS THE CONTINUED SOLE SOURCE SUPPLIER OF TOTAL OUTAGE APPLICATION (TOA) SOFTWARE AND APPROVING AMENDMENT NO. 2 TO CONTRACT NO. 06-50 WITH SUN-NET CONSULTING FOR SYSTEM IMPLEMENTATION SERVICES TO SUPPORT THE TOA SOFTWARE UPGRADE AND SUPPORT SERVICES
- 10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS, 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 15-38 WITH ABACUS RESOURCE MANAGEMENT COMPANY OF BEAVERTON, OREGON, AND AUTHORIZING PAYMENT OF RETAINAGE
- 11. Manager Items
- 12. Commission Items
- 13. Follow-up on Delegation of Action Items From Previous Board Meeting
- 14. Delegation of Action Items
- 15. Additional Public Comment\*
- 16. Matters of general business as may necessarily come before the Commission
- 17. 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 DECLARING DANIEL L. SUN, INC. DBA SUN-NET CONSULTING OF SAN JOSE, CA AS THE CONTINUED SOLE SOURCE SUPPLIER OF TOTAL OUTAGE APPLICATION (TOA) SOFTWARE AND APPROVING AMENDMENT NO. 2 TO CONTRACT NO. 06-50 WITH SUN-NET CONSULTING FOR SYSTEM IMPLEMENTATION SERVICES TO SUPPORT THE TOA SOFTWARE UPGRADE AND SUPPORT SERVICES

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On September 25, 2006, Resolution No. 06-12967 declared Sun-Net Consulting (Sun-Net) of San Jose, CA, aka Daniel L. Sun, Inc. dba Sun-Net Consulting, as the sole source supplier of the Total Outage Application (TOA) system for switching requests, outage management, switching plan design and validation; waived the bidding requirements; and authorized the General Manager to execute Contract No. 06-50 with Sun-Net and approved renewal of support services on an on-going annual basis as authorized in the District's annual budget.

On December 17, 2007, Resolution No. 0713225 authorized Amendment No. 1 to Contract No. 06-50 with Sun-Net for additional and on-going customization services for the TOA system.

The District has used TOA Hydro/Dispatch Logging software for the past 10 years. This software enables District operations staff to plan maintenance and forced outages of the District's Generation, Transmission and Distribution assets. The current TOA Hydro/Dispatch Logging software that the District is utilizing is obsolete and nearing the end of support life, and needs to be upgraded.

The District already owns TOA software and, under the terms of Contract No. 06-50, including the Software Support Services Agreement, as previously amended, has the right to the software upgrade at no additional cost. District staff has determined that it would be in the best interest of the District to enter into an Amendment No. 2 to the Contract 06-50 for Sun-Net to provide TOA software upgrade, system implementation services to support the TOA software upgrade, and one year of annual support in the amount of \$10,800, at a cost not to exceed \$300,000.

While the first year of support services for the upgraded Total Outage is included in the Amendment No. 2 pricing, Amendment 2 also provides annual support shall not exceed \$10,800 per year subject to annual cost increase of not more than 3% per year for each successive year. District staff anticipates the need for

annual support services for at least 10 years, at an estimated amount \$128,000. Resolution 06-12967 approving Contract No. 06-50, also approved ongoing annual support services as authorized in the District's annual budget, so no Commission action is necessary for approval of these on-going support services.

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. Resolution No. 08-13325 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 TOA continues to be the only commercially-available software application that meets the District's needs and is the most reasonable and cost effective alternative available to the District. Sun-Net has certified that it is the only provider of its TOA software, support, and software upgrade implementation services; and that it would be in the best interest of the District to continue its designation of Daniel L. Sun, Inc., dba Sun-Net Consulting as the sole source supplier for TOA.

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 Daniel L. Sun, Inc., dba Sun-Net Consulting to continue to be the sole source supplier for Total Outage Application software and services.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Daniel L. Sun, Inc., dba Sun-Net Consulting as the sole source supplier for Total Outage Application software.

Section 2. The General Manager or his designee is authorized to enter into Amendment No. 2 to Contract No. 06-50 with Daniel L. Sun, Inc., dba Sun-Net Consulting for Total Outage Application software system upgrade, implementation services to support the upgrade at a cost not to exceed \$300,000 (including the first year of support services). A copy of the amendment will be on file in the offices of the District.

Dated this 20th day of September 2016.

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

A RESOLUTION RATIFYING FIELD WORK ORDER NOS, 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 15-38 WITH ABACUS RESOURCE MANAGEMENT COMPANY OF BEAVERTON, OREGON, 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 August 21, 2015, the District entered into a construction contract No. 15-38 under the Department of Energy Services Interlocal Agreement No. 2015-181 A (1) and Energy Services Company (ESCO) Construction Contract No. 2016-001 A (1) with Abacus Resource Management Company (Contractor) of Beaverton, Oregon, for furnishing and installing the energy efficiency measures including upgrades of the District headquarters HVAC system, including any and all necessary ancillary equipment in the amount of \$203,152.00.

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:

<b>Field Work Order No.</b>	<b>Amount</b>
#1 – Scope adjustment to 2 <sup>nd</sup> floor IT Room & additional work near the N-1 outside air intake shaft	\$8,653.65
#2 Extension of 122 days to complete scope of work, commissioning and closeout.	NA
<b>Total</b>	<b>\$8,653.65</b>

Field Work Order Nos. 1 and 2 result in a net increase in the contract price for a new revised total price of \$211,805.65 (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 August 30, 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 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 No's 1 and 2 to Contract No. 15-38 with Abacus Resource Management Company for the work specified above, which will result in a net increase in the purchase price of \$203,152.00, for a total revised contract price of \$211,805.65, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Contract No. 15-38 was completed on August 30, 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 20th day of September 2016.

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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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