

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

REGULAR COMMISSION MEETING

June 26, 2017

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – Janel Ulrich
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. Rock Island Storage Building
4. Business Lines Financial Policies – Retail Electric
5. Board Delegation

BUSINESS SESSION

1:00 P.M.

6. Rocky Reach Visitor Center Recognition

Consent Agenda

7. Minutes:

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8. Vouchers:

Accounts Payable Summary Report dated June 21, 2017:

- a) Vouchers totaling \$13,356,281.84;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 31, 2017 through June 20, 2017 in the amount of \$17,827.78;
- c) Approval of the net Payrolls, Warrant Nos. 235241 through 235271 and Advice Nos. 634444 through 635204 for the pay period ending 5/28/2017 in the amount of \$1,800,983.55;
- d) Approval of the net Payrolls, Warrant Nos. 235272 through 235300 and Advice Nos. 635205 through 635973 for the pay period ending 6/11/2017 in the amount of \$1,853,297.29; and
- e) Approval of Warrant Nos. 23475 through 23526 totaling \$11,639.30 for claim payments from the workers' compensation self-insurance fund for the period ending June 19, 2017.

Regular Agenda

Resolutions

9. A RESOLUTION RATIFYING AND CONFIRMING DECLARATION OF AN EMERGENCY AND AUTHORIZING THE GENERAL MANAGER TO TAKE ALL STEPS REASONABLE AND NECESSARY FOR REPAIRS TO THE ROCK ISLAND SPILLWAY GANTRY HOIST MOTORS
10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3-03, 3-04 AND 3-06 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3-05 TO CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-510 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.
11. A RESOLUTION APPROVING BIDDING DOCUMENTS (BID NO. 17-53) FOR ROCK ISLAND POWERHOUSE 2 STORAGE BUILDING AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
12. A RESOLUTION APPROVING THE ISSUANCE OF A REQUEST FOR PROPOSAL FOR UNIFORMED DISTRICT SECURITY SERVICES AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
13. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 16-175) WITH CACHE VALLEY ELECTRIC COMPANY OF TIGARD, OR FOR CCTV CAMERA SYSTEM REPLACEMENT AND SUPPORT

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14. A RESOLUTION SELECTING AND AUTHORIZING IMPLEMENTATION OF THE 2017 AND 2018 PUBLIC POWER BENEFIT PROGRAM OPTIONS AND RELATED BUDGET ITEM

15. A RESOLUTION AMENDING THE ELECTRIC LINE EXTENSION POLICY, THE WATER AND WASTEWATER LINE EXTENSION POLICY, AND THE TELECOM SERVICE INSTALLATION POLICY PORTIONS OF THE DISTRICT'S UTILITY SERVICE POLICIES

16. A RESOLUTION AMENDING SECTIONS 10, 19, 27, 40 AND 41 OF THE UTILITY SERVICE REGULATIONS

17. Insurance Policy Renewal 2017 – 2018

Proposed Motion:

To authorize expenditures by the District not to exceed \$2,120,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2017-2018 policies upon terms and conditions approved by the General Manager.

18. Manager Items

19. Commission Items

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

21. Delegation of Action Items

22. Additional Public Comment*

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) and 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).

* 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 RATIFYING AND CONFIRMING
DECLARATION OF AN EMERGENCY AND
AUTHORIZING THE GENERAL MANAGER TO TAKE
ALL STEPS REASONABLE AND NECESSARY FOR
REPAIRS TO THE ROCK ISLAND SPILLWAY
GANTRY HOIST MOTORS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Rock Island spillway contains thirty-one (31) spillway gates. Eleven (11) of the gates each have a fixed auto hoist. Currently three (3) are out of service for repairs. Two (2) gantry cranes are used to raise and lower the remaining twenty (20) spillway gates. One of the gantry crane's main hoist motors has failed and the crane is out of service until the motors can be repaired. With only one (1) crane available it will take over twice as long to open the 20 spillway gates as opposed to when two (2) cranes are available.

Pursuant to RCW 54.04.070 and 39.04.280, the District is authorized to contract without advertising for bids and without complying with normal bidding requirements in the event of an emergency. District staff determined that an emergency situation existed due to the higher than average river flows and risk of increased gate opening time which could lead to significant property damage and potential personal injury.

The statutes and Resolution No. 08-13325 authorize the General Manager to declare the emergency with a later finding by the Board of Commissioners. On June 16, 2017, the General Manager of the District declared that an emergency existed and authorized District staff to negotiate the best proposal with a qualified contractor to provide repairs to the Rock Island spillway gantry hoist motors.

A contract has been negotiated with K & N Electric Motors, Inc. for the repair of Rock Island spillway gantry hoist motors at a cost not to exceed \$31,072.50.

ACTION

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

Section 1. The General Manager's declaration that an emergency exists requiring repairs to the Rock Island spillway gantry hoist motors is hereby ratified and confirmed.

Section 2. The competitive bidding requirements were properly waived due to the existence of said emergency and the contract with K & N Electric Motors, Inc.

has been executed and is approved at a cost not to exceed \$31,072.50. A copy of said contract is on file at the District's offices.

Section 3. The General Manager is authorized to take all steps reasonable and necessary for the completion of the work described above.

Dated this 26 day of June 2017.

	_____ President
ATTEST:	
_____ Vice President	_____ Secretary
_____ Commissioner	_____ Commissioner
Seal	

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3-03, 3-04 AND 3-06 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3-05 TO CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District adopted Resolution No. 05-12754 on August 15, 2005 which authorized the award of Bid No. 04-01 Rock Island Powerhouse 1 Units B5 through B10 Rehabilitation, Part B, to VA Tech Hydro USA, now Andritz Hydro Corp. (Andritz) of Charlotte, North Carolina. The contract originally provided that the six units be modernized between 2004 and 2012. Modernization was to include replacement of the generators, turbines, governor controls and exciters. The contract allows the District to order the work on each individual unit by issuing an Order to Proceed for each unit. The original contract sets out a fixed price per unit that can be adjusted based on commodity prices in effect and published by the U.S. Department of Labor, Bureau of Labor Statistics one month before the issuance of an Order to Proceed.

Resolution No. 05-12754 also authorized and directed the General Manager or his designee to issue the Order to Proceed and execute Field Work Order/Change Order (FWO/CO) No. 1 for one unit under the contract for unit rehabilitation, Unit B10.

The District adopted Resolution No. 09-13474 on June 15, 2009 which authorized and directed the General Manager or his designee to issue the Order to Proceed and execute Field Work Order/Change Order (FWO/CO) No. 2-01 for the 2nd unit under the contract for unit rehabilitation, Unit B9.

In 2010, in response to economic conditions affecting the District, it was decided that the District defer the rehabilitation of units B5 through B8 until the units began to experience failure or were declared unavailable due to operational concerns.

In 2014, an in-depth economic analysis was performed, which resulted in staff recommending the District proceed with rehabilitation of Units B5 through B8 using the existing 04-01 Part B contract with Andritz with a revised scope of work that included rehabilitation of existing runners instead of purchasing new runners on three units and use of the new runner previously purchased for the final unit.

On December 1, 2014, the District adopted Resolution No. 14-13922 which authorized and directed the General Manager or his designee to issue the Order to

Proceed and execute FWO/CO No. 3-01 for the 3rd Unit under the contract for unit rehabilitation, Unit B6.

On December 7, 2015, the District adopted Resolution Nos. 15-14000 and 15-14001 which authorized and directed the General Manager or his designee to: 1) issue FWO/CO No. 3-02 to modify the scope to install a new turbine, including previously purchased runner and wicket gates, and extend the unit outage to allow for the additional work which includes installation of a new discharge liner, bottom ring, wicket gate servos, oil head draft tube modifications and a new high pressure governor system; 2) issue the Order to Proceed and execute FWO/CO No. 4-01 for the 4th Unit for unit rehabilitation and for procurement of new turbine components for the 5th and 6th Units under the contract; and 3) revise the project budgets and 2016 budgets for rehabilitation of Units B5 through B8 under this contract.

On May 16, 2016, the District adopted Resolution No. 16-14042 which authorized the General Manager to enter into FWO/CO No. 3-03 for a new rotor spider for the 3rd Unit and FWO/CO No. 4-02 for new rotor spiders for the 4th, 5th and 6th Units. FWO/CO No. 4-02 was executed on June 29, 2016, but FWO/CO No. 3-03 was not executed because the rotor could not be supplied in time to meet the completion schedule.

The District Commission by Resolution No. 08-13325 delegated limited authority to the General Manager and the staff to execute FWO/CO's under certain circumstances.

The work in a revised FWO/CO No. 3-03 and FWO/CO Nos. 3-04 and 3-06 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 a revised FWO/CO No. 3-03 and FWO/CO Nos. 3-04 and 3-06, which are on file in the offices of the District and summarized below:

FWO/CO No.	Description	Amount
3-03	Spare thrust bearing shoe assemblies	\$75,401.00
3-04	3rd Unit completion schedule revision	\$0.00
3-06	4th new rotor spider	\$357,796.00
Total		\$433,197.00

FWO/CO Nos. 3-03, 3-04 and 3-06 results in a net increase of \$433,197.00 in the contract price for a new total revised contract price of \$20,119,366.00 for the 3rd Unit, which the District's Engineers recommend be approved.

Additionally, District staff desires to execute FWO/CO No. 3-05 for 3rd Unit additional work items in the amount of \$228,657.16, which will result in a new revised total Contract Price of \$20,348,023.16 for the 3rd Unit.

The General Manager of the District concurs with staff's recommendations that FWO/CO Nos. 3-03 through 3-05 be ratified, and that FWO/CO No. 3-06 be approved.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 3-03, 3-04 and 3-06 were properly executed pursuant to the authority delegated by Resolution No. 08-13325 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 3-05. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. _____

A RESOLUTION APPROVING BIDDING DOCUMENTS (BID NO. 17-53) FOR ROCK ISLAND POWERHOUSE 2 STORAGE BUILDING AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

Storage at Rock Island is limited. Several large items will be required to be stored in support of the rehabilitation efforts on the Powerhouse 1 and Powerhouse 2 units over the next 15 years. There is a need to have on-site storage at Rock Island for the rehabilitation of the B-units (B5 - B8) at Powerhouse 1, which will be followed by the rehabilitation of the U-units (U1 - U8) at Powerhouse 2. The storage would be for any and all associated components, which will be delivered during the early stages of the rehabilitation projects.

Resolution No. 08-13325 requires Commission approval of bids and authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 17-53, including specifications, are being prepared by the District and will be on file in the offices of the District.

District staff recommends that Bid No. 17-53 is in the best interests of the District and that said documents be approved and that the invitation for bid be published.

The General Manager of the District 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 bidding documents (Bid No. 17-53) for the Rock Island Powerhouse 2 Storage Building are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said work.

DATED this 26th day of June, 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE ISSUANCE OF
A REQUEST FOR PROPOSAL FOR UNIFORMED
DISTRICT SECURITY SERVICES AND
AUTHORIZING THE GENERAL MANAGER OF
THE DISTRICT TO PUBLISH NOTICE INVITING
SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District has previously obtained uniformed security services by Request For Proposals (RFPs). The uniformed security services include protecting District assets, providing access control, conducting public patrol incidents and alarm response, and monitoring of critical infrastructure through video surveillance. The District's existing contract for uniformed security services expires at the end of 2017. District staff has determined that seeking more competitive prices in the market is in the District's best interests.

Resolution No. 08-13325 requires Commission approval of RFPs and authorization to invite proposals estimated to cost more than \$3,000,000. Staff anticipates a resulting contract price in excess of \$3,000,000. Staff has prepared a proposed RFP which will be on file in the offices of the District.

District staff recommends that RFP No. 17-44 is in the best interests of the District and that the RFP be approved by the Commission and the RFP inviting proposals be published.

The General Manager of the District 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 Request for Proposal (RFP No. 17-44) for the Uniformed District Security Services is hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said services.

DATED this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO ENTER INTO A SERVICES
AGREEMENT (SA NO. 16-175) WITH CACHE
VALLEY ELECTRIC COMPANY OF TIGARD, OR FOR
CCTV CAMERA SYSTEM REPLACEMENT AND
SUPPORT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District has an extensive video surveillance system that was initially installed in 2002. The system has been expanded over the past 15 years to meet added security and operational needs. The system currently is analog based using Pelco cameras, controls, management software, and recording equipment. Pelco has phased out their analog equipment line and no longer supports this equipment. The analog system has also reached end of life and needs to be replaced before failure.

On March 7, 2017 the District solicited Request for Proposals (RFP) from integration firms to migrate the existing analog video surveillance system to a new Digital IP based system. Scope of services requested within the RFP included the following:

- Replacement of all analog cameras with new digital IP based cameras at new and existing District installations.
- Replacement of the existing analog camera switching equipment and video recording equipment with a new video management server and integral video storage.
- Replacement of all District analog video monitoring work stations with new Digital works stations and monitors.
- Installation and Migration to a new video management program (Genetec) to operate the new cameras on the digital network.
- 5 years of technical support with Genetec for the video management program.

On April 14, 2017 the District received four (4) responses from prospective firms. The evaluation team reviewed and scored the proposals provided by the prospective firms and found Cache Valley Electric of Tigard, Oregon to be the most qualified to complete our systems migration.

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

Cache Valley Electric Company has prepared a proposal to perform CCTV camera system replacement and support for an estimated cost of \$2,027,830.38. The not-

to-exceed contract amount includes a 2% construction contingency. The proposal has been negotiated pursuant to RCW 39.04.270 and Resolution No. 08-13325.

District staff has determined that Cache Valley Electric Company is the best qualified firm to provide the required services and that the cost for said services of two million twenty-seven thousand eight hundred thirty dollars 38/100 (\$2,027,830.38) 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 Cache Valley Electric Company 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 Cache Valley Electric Company for CCTV camera system replacement and support in an amount not to exceed \$2,027,830.38 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

Dated this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

**A RESOLUTION SELECTING AND AUTHORIZING
IMPLEMENTATION OF THE 2017 AND 2018 PUBLIC POWER
BENEFIT PROGRAM OPTIONS AND RELATED BUDGET ITEM****FACTUAL BACKGROUND AND REASONS FOR ACTION**

Chelan County PUD's "Public Power Benefit Program" was established in 2015 by the Board of Commissioners to provide a formal, consistent approach and criteria for distributing public power benefits designed to further enhance the quality of life in Chelan County. The program is driven by the District's guiding principle "to deliver the best value, for the most people, for the longest period of time." The projects must be consistent with Chelan PUD's existing authority as codified in RCW Title 54, not violate the anti-gifting provisions of the Washington State Constitution, provide direct benefit to a significant portion of PUD customer-owners and support the long-term sustainability of the District.

Pursuant to its adopted Governance Policies, the Board is responsible for identifying and defining the strategic direction of the District. The General Manager is responsible for implementing that plan and reporting to the Board the District's progress in its implementation.

At the public Board meeting on May 15, 2017, the Board received a recommendation from staff on funding \$4 million in Public Power Benefits for 2018. In addition to the funding amount, the Board received an update on active projects already funded by Public Power Benefits. Potential projects for funding in years 2017 and 2018 were also introduced at this meeting.

At the following public Board meeting on June 5, 2017, staff requested the Board's guidance in determining 2018's funding level and initial selection of projects, in order to proceed on the 2018 Budget. Two additional projects were selected for 2017 program funding. Three initial projects were selected for 2018 program funding. These selections are detailed in Exhibit A. It is also recognized that some of the projects selected for 2017 funding will result in work being completed in 2018.

Accordingly, a budget revision is needed to allocate existing funds in the 2017 adopted budget to the selected public power benefit actions in the amount of \$250,000 for operation and maintenance actions and \$1,000,000 for capital projects (included in Exhibit B attached). In fall 2017, the Board will consider allocating the remainder of 2017 and/or 2018 funding depending on study results.

An additional \$4 million is noted for the 2018 program, of which \$2,785,000 is allocated for the initially selected options with the remaining funding pending study results. These selections will be included in the 2018 budget.

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 selects two additional Public Power Benefit Program options for 2017 and selects three initial options for 2018 as detailed in Exhibit A.

Section 2. The Commission hereby establishes the amount of \$4 million for the 2018 Public Power Benefit Program to be included in the 2018 Budget with an initial amount of \$2,785,000 allocated to the options detailed in Exhibit A.

Section 3. The Commission hereby approves the 2017 budget revisions to allocate a portion of the existing 2017 public power benefit budget for the selected action in the amount of \$250,000 for operation and maintenance action and \$1,000,000 for capital projects as detailed in Exhibit B.

DATED this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

Exhibit A:**Public Power Benefit – Additional 2017 Funded Projects**

- **Continued Hydro Research Institute** (\$250,000)
- **Rocky Reach Visitor Center improvements** (\$1.0 million)

Public Power Benefit – 2018 Funded Projects

- **Fiber expansion program** (\$2.5 million)
- **Continued Hydro Research Institute** (\$250,000)
- **Continued State Parks parking pass** (\$35,000)

Exhibit B

2017
BUDGET REVISION

Operating Budget

<i>Project</i>	<i>Current 2017 Budget</i>	<i>Change To</i>
PPB17002 – PPB17 Hydro Research Institute	-	250,000

Capital Budget

<i>Project</i>	<i>Total Project Budget</i>	<i>Change To</i>
DS170004 – Rocky Reach Visitor Center improvements	-	1,000,000

Narrative (attach additional pages if necessary):

The efforts listed above are Public Power Benefit program changes per Board Resolution.

APPROVALS:

Managing Director *Date*

General Manager *Date*

Budget Entry *Date*

RESOLUTION NO. _____

A RESOLUTION AMENDING THE ELECTRIC LINE EXTENSION POLICY, THE WATER AND WASTEWATER LINE EXTENSION POLICY, AND THE TELECOM SERVICE INSTALLATION POLICY PORTIONS OF THE DISTRICT'S UTILITY SERVICE POLICIES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) has established policies for Electric, Water and Wastewater services entitled "Utility Service Policies" adopted via resolution 08-13307 and last amended by resolution 16-14104. The District has also established a "Telecommunications Service Installation Policy" adopted via resolution 11-13641 and last amended by resolution 15-13999.

To better inform customers of pre-conditions to the delivery of new service in rural areas with limited access, severe terrain, or located away from existing service facilities, District staff identified the need to revise the line extension policies. These conditions cause increased safety concerns for customers and District personnel and create challenges for construction, operation, and maintenance of facilities. The proposed provisions reiterate the District's ability to condition the provision of new services, including, without limitation, requiring additional documentation, such as a professional geotechnical or other studies, and otherwise mitigating physical and geological risks. The proposed revisions also reiterate that the District can refuse to construct facilities or can specify a different point of service if the identified risks are not sufficiently mitigated to the District's satisfaction.

District staff recommends that it is in the best interest of the District to amend the Electric Line Extension Policy, the Water/Wastewater Line Extension Policy, and the Telecom Service Installation Policy as described herein. The amended Policy sections are set forth in Attachment "A." Staff recommends that these changes be effective on July 1, 2017.

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. Effective July 1, 2017, Sections 1 and 3 of the Electric Line Extension Policy, Sections 1 and 3 of the Water / Wastewater Line Extension Policy, and Section 1 of the Telecom Service Installation Policy shall be amended to reflect the changes set out at Attachment A.

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

ATTACHMENT

A

ELECTRIC LINE EXTENSION POLICY

1. LINE EXTENSION POLICY AND GENERAL PROVISIONS

A Line Extension is defined as an increase in the size and/or length of the District's existing electric transmission, distribution, and substation facilities required to serve a customer's new load within the District's service area. Line Extensions are necessary to provide electric service to new or existing homes, farms, businesses and industries within the District's established service area.

All Line Extensions are subject to engineering and financial feasibility analysis by the District. The District will evaluate requests for Line Extensions consistent with business-like practices to provide efficient service to the customer. Line Extensions are subject to applicable laws, ordinances, franchises, Construction Standards, Design Standards, and other reasonable conditions, determined by the District in its sole discretion, including mitigation of physical and geological risks. The District may require an Applicant to conduct a professional geotechnical study and other professional studies that the District determines to be appropriate given conditions. The District may refuse to accept an Application, to build, or to give Final Acceptance of a Line Extension for reasons the District determines to be appropriate, including, without limitation, risk of harm to District Electric Service Facilities or Utility Service, safety, access limitations, geotechnical risks that the Applicant cannot mitigate to the District's satisfaction, and/ or unwillingness or inability of the Applicant to comply with the District's conditions.

A Line Extension shall generally commence at the terminating point or a tap point on the District's present Electric Service Facilities. Extensions may also include improvements or relocation of existing transmission, distribution and substation facilities to meet a customer's new load requirement or request. The District will perform a study to determine the required improvements necessary to meet the needs of new line extension. The customer shall pay all estimated costs associated with the construction of any new Electric Service Facilities or existing modifications to Electric Service Facilities. The amount to be paid by a customer is subject to change as determined by the District's financial requirements and approved revisions to this Line Extension Policy and the District's Fees and Charges schedule. Upon completion of construction, the District will be sole owner of all Line Extension facilities. A new Line Extension may require payment of a portion of the costs associated with a previous Line Extension Latecomer Fees, as outlined in Section 12 of this Schedule. A new Line Extension may also require participation in annual permit fees as outlined in Section 10.

Where the city, county or state requires improvements within the right-of-way as a result of a proposed development and said right-of-way improvements require relocation of the District's Electric Service Facilities, the Applicant shall pay the estimated cost of relocating or converting these facilities. The District shall estimate the costs of the modifications as part of the estimated costs for the Line Extension.

All provisions of this Line Extension policy apply to all requests of Line Extensions.

2. DEFINITIONS

The following terms wherever used in this Line Extension Policy and in any Application for Electric Service Facilities shall have the following meanings and will be supplemented by the

definitions in the District's Utility Service Regulations and the District's Design and Construction Standards:

Applicant

The person, partnership, firm, or corporation having filed an Application with the District for a Line Extension to cause the installation of Electric Service Facilities to become part of the District's electric system. The term shall also include the Applicant's agents, employees, contractors, and subcontractors. Applicant may also be referenced as "customer" in this policy. For purposes of notice, the Applicant's address shall be the one shown in the Application.

Application

The Application for permission to construct a Line Extension executed by the Applicant to this Line Extension Policy and the District's Utility Service Regulations. The Application must be completed to the District's satisfaction prior to review or other action by the District.

Contract Plans or Plans

All drawings or Plans and reproductions of drawings prepared by a Washington State Registered Professional Engineer made pertaining to the Work provided for in the Application for a Line Extension.

Construction Standards

District construction requirements which shall be followed during construction of the Line Extension. Construction Standards are available at the offices of the District

Customer Service Staff

The District staff acting as the District's authorized contact for the Applicant in the Line Extension process.

Design Standards

District design requirements which shall be followed during the preparation of the Plans and Specifications for the Line Extension. Design Standards are available at the offices of the District.

District

Public Utility District No. 1 of Chelan County, Washington.

District Contractor

Any person, firm, or corporation hired by the District to perform Work on behalf of the District such as, excavation, asphalt and concrete repair, electrical installations, landscaping, or other related Work.

Electric Service

The availability of electric Energy at a point of delivery for use by the Customer, irrespective of whether electric Energy is actually used as defined in the District's Utility Service Regulations.

Electric Service Facilities

The lines, conduits, ducts, poles, wires, cables, fiber optic cable, premises gateway devices, crossarms, receivers, transmitters, instruments, machines, appliances,

instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by the District to facilitate the provision of electric services.

Equipment

The machinery, accessories, appurtenances, and manufactured articles to be furnished and/or installed for the Line Extension.

Estimate

The statement, performed by the District, of the approximate costs of a Line Extension, including labor, Materials, tools, transportation, services, administration, engineering, inspections, permitting, easements and other related costs.

Fees and Charges

Fees and Charges based on recovering costs by the District as set forth in the [District's Fees and Charges](#) schedule and revised as needed.

Final Acceptance

District's acceptance of the ownership of the Electric Service Facilities installed pursuant to this Line Extension Policy following the Applicant's completion of all requirements of this Electric Line Extension Policy to the District's satisfaction as determined by the District in its sole discretion.

Latecomer Fees

Fees paid by the current Applicant to reimburse the original Applicant for a portion of the costs associated with the original Line Extension construction.

Line Extension

An extension of the District's Electric Service Facilities required to serve an Applicant's property. A Line Extension may include new facilities or improvements to existing facilities including, but not limited to: substations, transmission lines, feeder lines, switches, vaults, cabinets, conduits, poles, and other Electric Service Facilities.

Line Extension Checklist

A document listing all obligations that must be fulfilled by the Applicant or Contractor prior to Final Acceptance of the Line Extension by the District.

Materials

The machinery, manufactured articles, materials of construction (fabricated or otherwise), and any other classes of material to be furnished and permanently incorporated into the Work.

Or Equal

Any manufactured article, method, or Work which, in the sole discretion of the District, is equally desirable or suitable for the purposes intended in these specifications and the Contract Plans as compared with similar articles specifically mentioned herein.

Professional Engineer

The consulting Washington State Registered Professional Engineer acting as agent for the Applicant in the design of the Contract Plans.

Service Area

The land area which the District is authorized to provide Electric Service.

Specifications

The prescribed directions, requirements, explanations, terms, and provisions pertaining to the various features of Work to be done or manner or method of performance for execution and completion of the Line Extension.

Warranty Period

One year following date of Final Acceptance.

Work

The Work necessary to complete the Line Extension including all Materials, labor, tools, equipment, construction equipment, where required and other necessities for the construction shown and called for in the Contract Plans, Design Standards and Construction Standards.

3. APPLICATION**A. Application Form**

Application for a Line Extension shall be made by the Applicant or their authorized agent on the District's Line Extension or Service Application form as deemed appropriate by the District. Each Application shall be submitted to the District for approval with the payment for the Engineering Fee. The Application must be completed to the District's satisfaction prior to review or other action by the District. Line Extensions are subject to reasonable conditions as determined by the District, in its sole discretion. The District may refuse to accept an Application, to build, or to give Final Acceptance of a Line Extension for reasons including, but not limited to, those set out in this Line Extension Policy. Upon approval, the Applicant may proceed with the Line Extension construction in accordance with the District's requirements, laws, ordinances and franchises.

WATER / WASTEWATER LINE EXTENSION POLICY

1. GENERAL PROVISIONS

The District will provide facilities for the distribution of water and the collection of wastewater within its systems in accordance with approved land use documents, applicable water and wastewater comprehensive plans and policies. However, it will not extend, at District expense, water and/or wastewater facilities to service Line Extensions to an Applicant's property. The financial responsibility for constructing (including but not limited to all costs of design, permitting, property acquisition, and construction) Water and Wastewater System Line Extensions shall be incurred by the Applicant in accordance with this Water/Wastewater Line Extension Policy. Where the Applicant's property is not adjacent to the District's Water or Wastewater Systems or if the line to the Applicant's property is not adequately sized, as determined by the District, in order to provide the required service to the Applicant, the Applicant shall upgrade Facilities remote from the Applicant's property and/or extend the line to its point(s) of service and pay all costs associated with the Line Extension. Water and/or wastewater Facilities that front the Applicant's property that do not meet current District standards, as determined by the District, shall be upgraded at Applicant's cost to current standards as part of the Applicant's Line Extension.

All Line Extension Applications are subject to engineering and financial feasibility analysis by the District and will be evaluated by District consistent with District business practices to determine if services can be provided technically, efficiently and economically. Line Extensions are subject to applicable laws, ordinances, franchises, Construction Standards, Design Standards, and other reasonable conditions, determined by the District in its sole discretion, including mitigation of physical and geological risks. The District may require an Applicant to conduct a professional geotechnical study and other professional studies that the District determines is appropriate given conditions. The District may refuse to accept an Application, to build, or to give Final Acceptance of a Line Extension for reasons the District determines to be appropriate, including, but not limited to, risk of harm to District Water/Wastewater Facilities or Utility Service, safety, access and/or operation and maintenance limitations, geotechnical risks that the Applicant cannot mitigate to the District's satisfaction, or unwillingness or inability of the Applicant to comply with the District's conditions.

2. DEFINITIONS

The following terms wherever used in this Line Extension Policy, Rate Schedules and in any Application or Line Extension Agreement shall have the following meanings and will be supplemented by the definitions in the District's Utility Service Regulations and the District's Design and Construction Standards (In the event of conflict, these definitions will control Water and Wastewater Line Extensions):

Applicant

The person, partnership, firm, corporation, municipal corporation or entity, which is qualified by reason of property ownership, having filed an Application with the District to cause the installation of water or wastewater Line Extension improvements to become part of the District Water System and/or Wastewater System. The term shall also include the Applicant's agents, employees, contractors, and subcontractors. For purposes of notice, the Applicant address shall be the one shown in the Application.

Application

The Application for permission, in a current form approved by the District, to construct a Line Extension to a District Water System or Wastewater System, executed by the Applicant.

Contractor

Applicant's qualified Contractor, hired to complete the Work for the Line Extension

Contract Plans or Plans

All drawings or Plans and reproductions of drawings and specifications prepared by a Washington State Registered Professional Engineer and made or to be made pertaining to the Work provided for in the Application or to any structure connected therewith.

Construction Standards

District requirements as now exist or as hereafter may be amended which shall be followed during construction of the Line Extension.

Design Standards

District requirements, as now exist or as hereafter may be amended, which shall be followed during the preparation of Plans and Specifications for the Line Extension.

Details or Additional Plans

All Details or Plans prepared and issued by the Engineer subsequent to the signing of the Line Extension Agreement for further explanation or amplification of the Contract documents or for revision of same, all as herein provided.

District

Public Utility District No. 1 of Chelan County, Washington.

Engineer

The consulting Washington State Registered Professional Engineer acting as agent for the Applicant in the design of the Contract Plans.

Estimate

The statement, prepared by the District, of the approximate costs of a Line Extension, including labor, Materials, tools, transportation, services, administration, engineering, inspections, permitting, easements and other related costs.

Equipment

The machinery, accessories, appurtenances, and manufactured articles to be furnished and/or installed under the Contract.

Facilities

The pipelines, pump stations, reservoirs, structures, control Equipment, pressure reducing stations, related appurtenances and all other related and necessary facilities for the proper function of the District's Water Systems and/or Wastewater Systems.

Fees and Charges

Fees and Charges based on recovering costs by the District as set forth in the [District's Fees and Charges](#) schedule and revised as needed.

Final Acceptance

Written Notice of District's acceptance of the ownership of the Water System or Wastewater System Facilities installed pursuant to the Line Extension Policy following completion of all requirements of this Water/Wastewater Line Extension Policy to the District's satisfaction as determined by the District in its sole discretion.

Latecomer Fees

Fees paid by the current Applicant to reimburse the original Applicant for a portion of the costs associated with the original Line Extension construction.

Line Extension

A Line Extension is an increase in the size and/or length of the District's existing water mains and/or wastewater lines, the addition of new Facilities and/or improvements to existing Facilities required to serve an Applicant's property.

Line Extension Agreement

A contract between the Applicant and the District, in a form approved by the District, setting forth the roles and responsibilities of the District, Applicant and Contractor, and the terms and conditions including all costs of the Line Extension process.

Line Extension Checklist

A document listing all obligations that must be fulfilled by the Applicant or Applicant's Contractor prior to Final Acceptance of the Line Extension by the District.

Maintenance Bond

A bond in a form approved by the District guaranteeing the replacement of all defective Material and Work discovered within two (2) years. The bond shall further protect the District from any damages or claims, including but not limited to consequential damages or claims, along with attorneys fees and costs necessary for the prosecution of the bond, caused by or arising from a defect in the Material and/or Work discovered during the term of said Warranty Period.

Material(s)

The machinery, manufactured articles, Materials of construction (fabricated or otherwise), and any other classes of Material to be furnished and permanently incorporated into the Work.

Or Equal

Any manufactured article, method, or Work which in the sole discretion of the District, is equally desirable or suitable for the purposes intended in District Standard Details as compared with similar articles specifically mentioned herein.

Performance Bond

The District approved surety bond form furnished by the Applicant and its surety as a guarantee that the Applicant will execute, furnish, and guarantee the Work and perform all the requirements of the Line Extension Agreement.

Regional Water System

The regional water system created by Contract dated November 13, 1998 as subsequently amended, among the City of Wenatchee, the District, and East Wenatchee Water District.

Service Area

The land area to which the District is authorized by the Washington State Departments of Health and/or Ecology to furnish water or wastewater service.

Specifications

The prescribed directions, requirements, explanations, terms, and provisions pertaining to the various features of Work to be done or manner or method of.

Standard Details

Drawings illustrating and clarifying the District's Design and Construction Standards.

Submittals

Catalog cut sheets of all Materials proposed for use in construction of the Line Extension. District must approve submittals prior to construction commencement.

Warranty Period

Two years following date of Final Acceptance.

Wastewater System

All wastewater service connections, collection lines, manholes, pump stations, force mains and appurtenances, and treatment equipment used, operated, owned, or controlled by the District to facilitate the provision of wastewater services. In some systems, it may also include a septic tank effluent pumping system.

Water System

All water source and supply facilities, transmission, pipelines, booster pump stations, distribution mains and appurtenances, vehicles and materials storage facilities, all service connections, pump stations, force mains and appurtenances, and treatment equipment used, operated, owned, or controlled by the District to facilitate the provision of water and wastewater services

Work

The Work necessary to manufacture and deliver the machinery, Equipment, and Material and/or furnish all labor, tools, Material, Equipment, construction Equipment, Working Plans, where required and other necessities for the construction or erection of the structures shown and called for in the Plans, Specifications, and Application and the act of constructing or erecting such structures.

3. LINE EXTENSION REQUIREMENTS

All Applications for Line Extensions shall comply with the procedures within sections 3.A. through 3.E.

A. Application**1. Application Form and Fees**

Application for Line Extension of the District Water or Wastewater System to serve newly developed and/or existing properties shall be made by the Applicant

or its agent on the District's approved forms accompanied by the appropriate Application Fee as defined within the District's Fees and Charges schedule for District review and approval. The Application must include the Site Plan and satisfactory evidence and proof of ownership as set forth in Sections 3.A.2 and 3.A.3 below. The Application Fee will be credited to the overall project cost. Application Fees are non-refundable. Line Extensions are subject to reasonable conditions as determined by the District, in its sole discretion. The District may refuse to accept an Application, to build, or to give Final Acceptance of a Line Extension for reasons including, but not limited to, those set out in this Line Extension Policy.

Once the Application review has been performed by the District, the Applicant may proceed with the development of the Line Extension design (Plans and Specifications) in accordance with the District's requirements, laws, ordinances and franchises. Upon approval of the Applicant's Plans and Specifications, the District will furnish the Applicant an Estimate for the District's costs associated with the Line Extension.

The Estimate shall expire one year from the approval of the Plans and Specifications unless the Applicant has entered into a Line Extension Agreement and is complying with the construction schedule set forth in such agreement.

2. Site Plan for Application

Each Application shall be accompanied by a site plan, drawn to scale, illustrating the properties to be served and the approximate location of the proposed Work. The District will review the proposal and the layout of the location of all water and wastewater infrastructure needed to serve the area. The District will provide guidance which shall be used during preparation of Plans and Specifications for the Line Extension.

3. Ownership of Land

Applicant shall provide satisfactory proof of ownership or right to use land impacted by any Line Extension.

4. Permits, Easements and Approvals

All necessary permits, easements, and approvals shall be obtained by the Applicant prior to any construction, at the Applicant's expense. These may include, but are not limited to, permits, easements, and approvals from private property owners or entities (such as railroads), federal or Washington state agencies, counties or, cities. Construction in any public right-of-way shall comply with applicable federal, state, or local construction requirements of the agency(ies) with authority over the right-of-way.

TELECOMMUNICATIONS SERVICE INSTALLATION POLICY

1. GENERAL PURPOSE AND PROVISIONS

The purpose of this policy is to identify the general procedure for requests to expand and connect through Service Installations and Special Construction to existing District Telecommunications Facilities. Modifications or relocations of existing facilities are covered in a separate policy. Service Installations are subject to applicable laws, ordinances, franchises, Construction Standards, Design Standards, and other reasonable conditions, determined by the District in its sole discretion, including mitigation of physical and geological risks. The District may require an Applicant to conduct a professional geotechnical study and other professional studies that the District determines to be appropriate given conditions. The District may refuse to accept an Application, or to build a Service Installation for reasons the District determines to be appropriate, including, without limitation, risk of harm to District Telecommunication Facilities or Utility Service, safety, access and/or operation and maintenance limitations, geotechnical risks that Applicant cannot mitigate to the District's satisfaction, and/or unwillingness or inability of the Applicant to comply with the District's conditions.

All provisions of this policy apply to all requests of Telecommunication Service Installations. This policy does not limit or apply to District's decisions to extend or modify its own Telecommunication Facilities.

2. SERVICE INSTALLATION AND SPECIAL CONSTRUCTION POLICY

A. Service Installation: Connection

A Service Installation is defined as a request by a Customer to connect to existing District Telecommunications Facilities required to serve a qualifying District Service Provider that requires a Fiber Drop extended to new or existing homes, businesses and industries within the District's established Service Area.

If District Fiber Distribution is available as determined by the District, in the public right-of-way and immediately Adjacent to the Customer's property, the Customer will make a Customer Service Request (CSR) to an authorized District Service Provider or the District. After the request is made, the District will evaluate the serving arrangement to bring the connection to the home or business. If the length exceeds 1000 feet, the Customer will be responsible for costs in excess of 1000 feet and all provisions of this Service Installation policy shall apply.

B. Service Installation: Special Construction

A Service Installation Customer Service Request that requires Special Construction is defined as a request to connect to the existing District Telecommunications Facilities where Fiber Distribution does not exist to serve an authorized District Service Provider within the District's Telecommunications Service Area. All Service Installation Special Construction requests are subject to engineering and financial feasibility analysis by the District. The Customer will be responsible for all Special Construction costs. Once new District Fiber Distribution construction is complete, as determined by the District, the Service Installation Connection policy will apply. The District will evaluate requests for Special Construction consistent with business-like practices and operational parameters to provide efficient service to the Customer taking into consideration future expansion options, ongoing maintenance and operations activities.

RESOLUTION NO. _____

A RESOLUTION AMENDING SECTIONS 10, 19, 27, 40, AND
41 OF THE UTILITY SERVICE REGULATIONS**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County (District) has established provisions, regulations and practices for Electric, Water and Wastewater services entitled “Utility Service Regulations” as adopted by Resolution No. 07-13211 and most recently updated by Resolution No. 16-14105.

District staff identified the need to revise the language of section 10, 19, 27, 40, and 41 of the Electric Service portion of the Regulations.

- Proposed changes to section 27 “Demand Meters,” adds language that allows the District to install metering to monitor load profiles to effectively administer the rate schedule or contract when the District deems it appropriate. The customer may be responsible for all costs or fees incurred.
- The proposed changes to section 40 “Customer Caused Disturbances,” reiterate the District’s ability to immediately disconnect service to mitigate safety concerns if necessary. Related revisions are recommended in sections 10.F.5 “Payment of Bills and Disconnection of Service” and section 19 “Interruption of Service/No Liability by the District.”
- The proposed changes to Section 41 “Changes in Electric Load” reduce the requirement that a Customer submit a new service application for a change in load from 300kW to 150kW over a 24-month period. A new application is also required if the change in load results in a new rate schedule.

District staff recommends that it is in the best interest of the District to amend Sections 10.F.5, 19, 27, 40, and 41 of the Utility Service Regulations as described herein. The revised Regulations are set forth in Attachment A. Staff recommends that these changes be effective on July 1, 2017.

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. Effective July 1, 2017, the District’s Utility Service Regulations shall be amended by replacing Sections 10.F.5, 19, 27, 40, and 41 with the text provided in Attachment “A.”

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 26th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

ATTACHMENT A

[in section 10.F.]

5. Disconnection Under Appeal

Except for reasons other than non-payment of monthly billings, service will not be disconnected while an appeal is pending provided the Customer has complied with the above procedural requirements. Receipt of the decision shall be deemed to occur either (a) upon personal delivery of the decision to the Customer or (b) five (5) business days after the date of mailing, whichever occurs first. If the Customer fails to take the action required by the hearing officer, including payment of a past due bill, or if the Customer refuses to accept receipt of the hearing officer's decision, the District may disconnect service without further notice to the Customer.

19. INTERRUPTION OF SERVICE/NO LIABILITY BY THE DISTRICT

The District reserves the right to temporarily suspend or interrupt Utility Service to make repairs or improvements to its systems, and may do so without notice to Customers, but will whenever and wherever practicable, give reasonable public notice. The District will endeavor to make improvements and repairs at such times as to cause the Customer the least inconvenience possible. The District reserves the right to disconnect service without notice in the event the Customer fails to comply with any Contract or regulation or to prevent fraudulent use or to protect the District's property or to protect service to other Customers. In case the Utility Service shall be interrupted or fail by any other cause whatsoever the Customer shall not be relieved from performing the obligations of the Customer's Contract.

The District will exercise reasonable care to provide adequate and continuous Utility Service, but does not promise or guarantee continuous Utility Service and shall not be liable for injury, loss or damage resulting from failure to provide such Utility Service. Except as may be specifically provided in a Service Agreement with Third-Party Service Providers, in the event that Utility Service is interrupted or fails by reason of accident or any other cause whatsoever, the District shall not be liable for any damages for such interruption or failure, nor shall such failure or interruption be held to constitute a breach of Contract on the part of the District or in any way relieve the Customer from performing the obligations of the Customer's Contract. This limitation of liability includes all damages of any nature, including direct, indirect or consequential.

27. DEMAND METERS

Demand meters shall be installed when the nature of the Customer's load, as may be set forth in the initial and subsequent applications for Electric Services, indicate that a Demand meter is required for correct application of the Rate Schedule. The Customer shall be obligated to notify the District in writing prior to any change in equipment or operations that may require separate meters. For example, but not by way of limitation, different voltages, use occupancy change, mixed-use buildings, any change in equipment or operations that impacts Electric Service regardless of whether a building permit is required. For billing purposes, all Demands will be determined to the nearest whole kilowatt (KW), or horsepower (HP) where standard metering accuracy equipment permits or as provided in the Rate Schedule under which Electric Service is furnished. The District may install metering to monitor load profile as it determines necessary. The District may supply Demand data to the Customer upon special request, i.e. demand

pulses. The Customer shall reimburse the District for all costs incurred or fees established for installation of the equipment to monitor this data. The District shall not be responsible for the accuracy or the use of the Demand data by the Customer.

40. CUSTOMER-CAUSED SYSTEM DISTURBANCES

Electric Service shall not be utilized by a Customer in such a manner as to cause disturbances or voltage fluctuations to other Customers of the District. If any Customer uses equipment that is detrimental to the Electric Service of other Customers of the District, the District may require the Customer to install, at the Customer's expense, regulatory equipment to control such fluctuations. The Customer may also be liable for any damage to the District's equipment and/or any equipment of other Customers of the District. Nothing in this section limits the District's right to disconnect the Customer's Electric Service without notice or after reasonable notice under Section 12, Section 19, or any other regulation.

41. CHANGES IN ELECTRIC LOAD

Customers must apply for changes in load to ensure equipment is adequately sized for safe operation and for appropriate billing. If the Customer does not obtain prior approval for changes in load per the limits below, the District may disconnect the Electric Service as provided in Section 12 of these Utility Service Regulations. Further, if the Customer does not obtain prior approval, and as a result the District's equipment is damaged, the Customer shall be liable for the cost of such damage including the cost of repairing, replacing and restoring Electric Service.

The District makes no warranties or guarantees that the District's Electric Service Facilities will accommodate or will be available for changes in load, including the resumption/ramp-up of a previous Electric Service load.

If a Customer desires to: (a) increase load to an existing Electric Service connection by 150KW or more; (b) resume or ramp-up a load that has been curtailed by more than 150KW for a period of twenty-four (24) months or more; or (c) change its load such that a different Rate Schedule would apply, the Customer shall complete a new service application. If a Rate Schedule 35 High Density Load Customer desires to: (a) increase load to an existing Electric Service connection by any amount; or (b) resume or ramp-up a load that has been curtailed by any amount for a period of twelve (12) months or more, the Customer shall complete a new service application. The District will evaluate the impact of that changed load to the existing Electrical Service Facilities; the Customer may not increase load until approved by the District. At the District's discretion, a written agreement, including a load ramping plan and progress schedule, may be required by the District.

Any costs for upgrades or modifications to the District's Electric Service Facilities as a result of the added load will be the responsibility of the Customer and subject to the District's [Line Extensions Policy](#).