

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

REGULAR COMMISSION MEETING

February 16, 2016

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – Lance Keller
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. RI Powerhouse 1 Status Update on B1-B4
4. 4th Quarter 2015 Finance and Interest Investment Update
5. 4th Quarter 2015 Capital Item List Review
6. 2015 Audit Committee Annual Report
7. Legislative Update

BUSINESS SESSION

1:00 P.M.

8. Public Hearing – Goodfellow Brothers Property
9. Public Hearing – High Density Load Rates

Consent Agenda

10. Minutes:

February 1, 2016

February 3, 2016 special meeting

11. Vouchers:

Accounts Payable Summary Report dated February 9, 2016:

Vouchers totaling \$5,135,653.69;

Approval of Customer Deposit Returns and Conservation Incentive payments dated February 9, 2016 in the amount of \$36,201.56;

Approval of the net Payrolls, Warrant Nos. 234074 through 234109 and Advice Nos. 609130

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through 609792 for the pay period ending 01/24/2016 in the amount of \$1,564,193.42; and

Approval of Warrant Nos. 22089 through 22113 totaling \$11,916.66 for claim payments from the workers' compensation self-insurance fund for the period ending February 8, 2016.

12. Charge-Offs:

Uncollectible Accounts in excess of \$1,000.00 for December 2015 - \$1,781.34

Regular Agenda

Resolutions

13. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 15-203) WITH AAC UTILITY PARTNERS, LLC OF SOUTH CAROLINA FOR REQUEST FOR PROPOSAL DEVELOPMENT ASSISTANCE SERVICES
14. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-37 WITH PIPKIN INC DBA PIPKIN CONSTRUCTION OF WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
15. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 14-62 WITH RAYFIELD BROS EXCAVATING, INC. OF LEAVENWORTH, WA AND AUTHORIZING PAYMENT OF RETAINAGE
16. Manager Items
17. Commission Items
18. Follow-up on Delegation of Action Items From Previous Board Meeting
19. Delegation of Action Items
20. Additional Public Comment*
21. Matters of general business as may necessarily come before the Commission
22. 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-TA
NO. 15-203) WITH AAC UTILITY PARTNERS, LLC
OF SOUTH CAROLINA FOR REQUEST FOR
PROPOSAL DEVELOPMENT ASSISTANCE
SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District's Customer Information System (CIS) is the software system for customer billings, payments, meter reading, conservation tracking and other customer-related processes. The District's current CIS was implemented in 2004. Technical support for the District's current customer information system (CIS) ended in June 2009. Additionally, the current CIS does not support future strategies regarding "customer experience" with customer service information interfaces or intelligent grid. This resolution facilitates use of consulting services to provide assistance in conducting an internal needs assessment and developing a request for proposal (RFP) for a new CIS and potentially a meter data management (MDM) system to meet District goals concerning customer service and to provide a foundation for the District's potential (intelligent grid) initiative.

Because CIS and MDM are large and critical systems, District staff recommends retention of a utility industry expert in CIS/MDM software systems to assist the District in considering business options, creating meaningful specifications, procurement documents and process in order to achieve the best result for the District.

District staff has determined it is in the District's best interests to obtain the services of a Contractor specializing in these types of procurements. AAC Utility Partners, LLP provides such expertise, services and has excellent references from other utilities. It has performed similar services for other entities many times and hiring this company now can save District staff time and help mitigate risks by assessing the District's needs along with existing software systems, facilitating development of the RFP functional and technical specifications, assisting in vendor evaluation, and contract negotiation.

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

District staff has determined that AAC Utility Partners, LLC 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 AAC Utility Partners, LLC shall not exceed \$350,000.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement (SA-TA 15-203) with AAC Utility Partners, LLC for the above-described services. Services shall be provided when and as requested by the District, according to written task authorizations that define the scope, budget and schedule for individual tasks.

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 (SA-TA 15-203) with AAC Utility Partners, LLC for RFP development services in an amount not to exceed \$350,000 without prior Commission approval. A copy of the Services Agreement is on file in the offices of the District.

DATED this 16th day of FEBRUARY 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-37 WITH PIPKIN INC DBA PIPKIN CONSTRUCTION OF WENATCHEE, 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 August 14, 2015, the District entered into a contract (Bid No. 15-37) with Pipkin Inc. dba Pipkin Construction (Contractor) of Wenatchee, Washington for Substation SPCC Civil Improvements, in the amount of \$322,000. 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 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:

Field Work Order No.	Amount
1. Hydroseed new containment berm (Coles Corner)	\$1,155.00
2. Add inspection port at oil stop valve manhole (Hawley Street)	\$ 682.50
Total	\$1,837.50

Field Work Order Nos. 1 and 2 result in a net increase in the contract price for a new revised total price of \$323,837.50 (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 January 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 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 Nos. 1 and 2 to Bid No. 15-37 with Pipkin Inc. dba Pipkin Construction for the work specified above, which will result in a net increase in the purchase price of \$1,837.50, for a total revised contract price of \$323,837.50, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 15-37 was completed on January 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 February 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 14-62 WITH RAYFIELD BROS EXCAVATING, INC. OF LEAVENWORTH, WA 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 December 4, 2014, the District entered into a contract (Bid No. 14-62) with Rayfield Bros. Excavating, Inc. (Contractor) of Leavenworth, WA for Unit Price Excavation services 2015. 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 No. 1 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 No. 1, which is on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
No. 1 Authorizing Emergency Language to cover work exceeding \$25,000.	-0-
Total	-0-

District Engineers recommend that Field Work Order No. 1 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 January 14, 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 No. 1 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. 1 to Bid No. 14-62 with Rayfield Bros Excavating, Inc. for the work specified above is hereby ratified. The total cost for work performed under this contract for 2015 excavation services, which included emergency work was \$660,304.42, plus Washington State sales tax.

Section 2. All the contract work required under Bid No. 14-62 was performed at the Contract Unit Prices, resulting in a final contract price of \$660,304.42 plus Washington State sales tax, and was completed on January 14, 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 February 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal