

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
203 OLDS STATION ROAD
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

JANUARY 8, 2024

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/H&OP Minute – Jared Watts
2. Approval of the Agenda
3. Tumwater Dam Project Update
4. Peshastin Water District Acquisition Follow-Up
5. 2024 District Performance Plan Review
6. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

Consent Agenda

7. Minutes of the December 12, 2023 and December 14, 2023 Special Meetings and December 18, 2023 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated January 2, 2024:
 - a. Vouchers totaling \$30,561,554.55;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period December 12, 2023 through January 01, 2024 in the amount of \$80,343.75.
 - c. Approval of the net Payroll, Warrant Nos. 238334 through 238343 and Advice Nos. 769123 through 769923 for the pay period ending December 17, 2023 in the amount of \$2,815,788.85.
 - d. Approval of Warrant Nos. 30409 through 30540 totaling \$24,447.93 for claim payments from the workers' compensation self-insurance fund for the period ending December 29, 2023.

9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-12870 WITH KRCI, LLC OF EAST WENATCHEE AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

10. A RESOLUTION REJECTING THE BID OF KLUTE INC. OF YORK, NEBRASKA AND ACCEPTING THE BID OF BLACKWATER INDUSTRIES PLLC OF TOLEDO, WASHINGTON (BID 23-13198) FOR PURCHASE OF STEEL STRUCTURES FOR BAVARIAN SUBSTATION
11. A RESOLUTION APPROVING AND ACCEPTING THE TERMS AND CONDITIONS OF THE OKANOGAN COUNTY FRANCHISE GRANT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY POWER AND COMMUNICATIONS SYSTEMS WITHIN THE COUNTY LIMITS
12. A RESOLUTION APPROVING AND ACCEPTING THE TERMS AND CONDITIONS OF THE DOUGLAS COUNTY FRANCHISE GRANT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY ELECTRIC AND COMMUNICATIONS SYSTEMS WITHIN THE COUNTY LIMITS
13. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA NO. 22-12254) WITH WILLAMETTE CULTURAL RESOURCES ASSOCIATES TO PROVIDE CULTURAL RESOURCES SUPPORT FOR CONSTRUCTION OF THE NEW SERVICE CENTER
14. Manager Items
15. Commissioner Travel
16. Commission Items
17. Follow-up on Delegation of Action Items from Previous Board Meeting
18. Delegation of Action Items
19. Additional Public Comment
20. Matters of general business as may necessarily come before the Commission
21. 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) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 23-12870 WITH KRCI, LLC OF EAST WENATCHEE AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work order/change orders under certain circumstances.

On June 15, 2023, the District entered into a contract (Bid No. 23-12870) with KRCI, LLC (Contractor) of East Wenatchee for the Rocky Reach Hillside Repair, in the amount of \$302,500.00. This contract was advertised for public bid as required by RCW 54.04.070 and .080.

The work in Field Work Order/Change Order No. 1 consists of eliminating plantings from the Work, as District park crew will plant in the Spring of 2024. The District's staff has executed Field Work Order/Change Order No. 1, which is on file in the offices of the District and summarized as follows:

Field Work Order / Change Order #	Description	Amount
1	Eliminate plantings	(\$1,058.00)
Total		(\$1,058.00)

Field Work Order/Change Order No. 1 results in a net decrease of \$1,058.00 in the contract price for a new revised total price of \$301,422.00 (excluding sales tax), which the District's staff recommend be ratified. Resolution No. 17-14215 provides that this type of field work order/change orders 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 14, 2023. 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/Change 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/Change Order No. 1 to Bid No. 23-12870 with KRCI, LLC for the work specified above, which will result in a net decrease of \$1,058.00, for a total revised contract price of \$301,422.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 23-12870 was completed on December 14, 2023, 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 8th day of January 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING THE BID OF KLUTE INC. OF YORK, NEBRASKA AND ACCEPTING THE BID OF BLACKWATER INDUSTRIES PLLC OF TOLEDO, WASHINGTON (BID 23-13198) FOR PURCHASE OF STEEL STRUCTURES FOR BAVARIAN SUBSTATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

On November 7, 2023, an invitation for sealed bids was published in accordance with RCW 54.04.070 and Resolution No. 17-14215 to provide Steel Structures for Bavarian Substation. Bid proposals were opened on December 19, 2023, at 2:00 PM., in the offices of the District. Three bids were received (excluding sales tax) as tabulated on Exhibit A attached.

The bid by Klute Inc. did not meet the required lead time and included material changes to the terms and conditions of the bid. This bid should be rejected as non-responsive.

District staff has determined that the bid of Blackwater Industries PLLC of Toledo, WA in the amount of \$257,432.68 (excluding sales tax) is the lowest responsive and best bid in compliance with the plans and specifications for Bid No. 23-13198. This bid meets all statutory requirements. Resolution No. 17-14215 requires that the rejection of the apparent low dollar bidder must come before the Commission for action.

District staff recommend awarding Bid No. 23-13198 to Blackwater Industries PLLC of Toledo, Washington.

The General Manager of the District concurs with District staff's recommendation.

ACTION

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

Section 1. The bid submitted by Klute Inc. of York, Nebraska did not meet the minimum requirements specified in the contract documents and is hereby rejected.

Section 2. The bid submitted by Blackwater Industries PLLC of Toledo, Washington is the lowest responsible and best bid in compliance with the plans

and specifications to provide Steel Structures for Bavarian Substation. The General Manager of the District is hereby authorized to enter into a contract with Blackwater Industries PLLC in the amount of \$257,432.68, excluding sales tax. A copy of the contract will be on file in the offices of the District

Dated this 8th day of January 2024.

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

EXHIBIT A

Bid Tabulation

Bid No. 23-13198

Steel Structures for Bavarian Substation

December 19, 2023, 2:00 PM

Service Center Conference Room A254

Estimate of Work: \$300,000.00

Opened by: Minh Dang Recorded by: Kimberly Adams

Bidder Name City, State	Bid Bond/ Cashier's Check	Bid Amount
Klute Inc York, NE	Bid Bond	\$251,358.93
Blackwater Industries PLLC Toledo, WA	Bid Bond	\$257,432.68
Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. Salem, OR	Bid Bond	\$313,102.00

RESOLUTION NO. _____

A RESOLUTION APPROVING AND ACCEPTING THE TERMS AND CONDITIONS OF THE OKANOGAN COUNTY FRANCHISE GRANT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY POWER AND COMMUNICATIONS SYSTEMS WITHIN THE OKANOGAN COUNTY LIMITS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Pursuant to RCW 36.55, Okanogan County ("County") has authority to grant franchises for the use of its roads and other public properties and rights of way. The County has an interest in the management and administration of its rights-of-way and the Public Utility District No. 1 of Chelan County ("District") has an interest in serving utility customers located within the County through the construction, operation and maintenance of its utility systems within the County rights-of-way.

The County and the District have operated under the terms of the Franchise for power utilities, dated July 10, 1973.

District staff have negotiated a new Electric and Communications Systems Franchise Agreement ("Franchise") with the County addressing District authority to construct, operate and maintain its utility systems, within the County rights-of-way for a period of twenty years. Other conditions of the Franchise grant include relocation procedures, construction procedures, restoration procedures, tree trimming, insurance and indemnification.

District staff recommend that it is in the best interest of the District to enter into the Franchise as negotiated with the County.

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, as follows:

Section 1. The Commission hereby approves the Franchise and the General Manager or his designee is hereby authorized and directed to execute the Franchise Agreement with Okanogan County. A copy of said Franchise Agreement is on file in the offices of the District.

DATED this 8th day of January 2024.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING AND ACCEPTING THE TERMS AND CONDITIONS OF THE DOUGLAS COUNTY FRANCHISE GRANT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY ELECTRIC AND COMMUNICATIONS SYSTEMS WITHIN THE DOUGLAS COUNTY LIMITS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Pursuant to RCW 36.55, Douglas County ("County") has authority to grant franchises for the use of its streets and other public properties and rights of way. The County has an interest in the management and administration of its rights-of-way and the Public Utility District No. 1 of Chelan County ("District") has an interest in serving utility customers located within the County through the construction, operation and maintenance of its utility systems within the County rights-of-way.

The County and the District have operated under the terms of the Franchise for electric utilities, dated May 31, 1972.

District staff have negotiated a new Electric and Communications Systems Franchise Agreement ("Franchise") with the County addressing District authority to construct, operate and maintain its utility systems, within the County rights-of-way for a period of twenty-five years. Other conditions of the Franchise grant include notice and coordination of joint planning and construction activities, relocation procedures, construction procedures, restoration procedures, tree trimming, insurance and indemnification.

District staff recommend that it is in the best interest of the District to enter into the Franchise as negotiated with the County.

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, as follows:

Section 1. The Commission hereby approves the Franchise and the General Manager or his designee is hereby authorized and directed to execute the Franchise Agreement with Douglas County. A copy of said Franchise Agreement is on file in the offices of the District.

DATED this 8th day of January 2024.

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN
AMENDMENT TO SERVICES AGREEMENT (SA
NO. 22-12254) WITH WILLAMETTE CULTURAL
RESOURCES ASSOCIATES TO PROVIDE
CULTURAL RESOURCES SUPPORT FOR
CONSTRUCTION OF THE NEW SERVICE CENTER

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 22-12254) on April 8, 2022 with Willamette Cultural Resources Associates to provide cultural resources support for construction of the District's new Service Center in Olds Station, in an amount not to exceed \$200,000. On November 21, 2022, by Resolution No. 22-14712, the Commission of the District Authorized Amendment No. 2 increasing the not to exceed amount by \$750,000 for a new not to exceed amount of \$950,000.

District staff has identified the need for additional services for significant archaeological monitoring for all ground-disturbing work associated with the District's new Service Center construction. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 22-12254 with Willamette Cultural Resources Associates in the amount of \$125,000, for a total revised contract price not to exceed \$1,075,000 through Sept 30, 2024.

The General Manager has reviewed District staff's recommendation and concurs in the same.

ACTION

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

Section 1. The General Manager is hereby authorized to execute an Amendment to Services Agreement (SA No. 22-12254) with Willamette Cultural Resources Associates to provide the additional services identified above. The revised contract price will not exceed \$1,075,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 8th day of January 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal