

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

REGULAR COMMISSION MEETING

JANUARY 23, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Alex Smith
2. Approval of the Agenda
Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member
3. CPO Winner Recognition
4. Quarterly Board Balanced Scorecard Status Update
5. Fish and Wildlife Update
6. Legislative Update
7. Electric Vehicle Strategy
8. Power Sales Agreement and Draft Resolution Review
9. Public Comment

BUSINESS SESSION

1:00 PM

Consent Agenda

10. Minutes of the January 9, 2023 Regular Meeting
11. Vouchers: Accounts Payable Summary Report dated January 18, 2023:
 - a. Vouchers totaling \$11,908,085.54;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 4, 2023 through January 17, 2023 in the amount of \$28,172.46.

REGULAR COMMISSION MEETING AGENDA

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- c. Approval of the net Payroll, Warrant Nos. 238037 through 238048 and Advice Nos. 748672 through 749443 for the pay period ending January 1, 2023 in the amount of \$ 2,336,577.05.
 - d. Approval of Warrant Nos. 29114 through 29179 totaling \$11,071.51 for claim payments from the workers' compensation self-insurance fund for the period ending January 16, 2023.
 - e. Approval of debt service paid with reserve account interest earnings of \$33,213.65 for the period January 1, 2023 through January 31, 2023.
12. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-14 WITH RIDGELINE CUSTOM BUILDERS, LLC OF WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 22-12065 WITH ARROW CONCRETE AND ASPHALT SPECIALTIES, LLC OF SPOKANE VALLEY AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

14. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 5 THROUGH 8, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-04 WITH BRIVO CORP. OF CHENEY, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
15. A RESOLUTION APPROVING A NEW INTERGOVERNMENTAL COOPERATIVE PURCHASING MASTER CONTRACT (NO. 22-12609) USAGE AGREEMENT BETWEEN THE DISTRICT AND THE INTERLOCAL PURCHASING SYSTEM ("TIPS")
16. A RESOLUTION AMENDING RESOLUTION 20-14438 SHARED COST ALLOCATION ASSUMPTIONS FOR THE WATER, WASTEWATER, AND FIBER & TELECOM BUSINESS LINES
17. Manager Items
18. Commission Items
19. Follow-up on Delegation of Action Items from Previous Board Meeting
20. Delegation of Action Items

21. Additional Public Comment

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.

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

23. 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), 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), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-14 WITH RIDGELINE CUSTOM BUILDERS, LLC OF WENATCHEE, WA 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 staff to execute field work orders under certain circumstances.

On October 7, 2021, the District entered into a contract (Bid No. 21-14) with Ridgeline Custom Builders, LLC (Contractor) of Wenatchee, WA for Water Reservoir Safety Improvements, in the amount of \$362,700. 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. 1-5 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. 1-5, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Contract Time revision	\$ 0.00
2. Addition of safety equipment/modifications and Contract Time revision	\$ 5,469.00
3. Davit Base Brackets	\$10,280.00
4. Allowable markup of FWO/COs 2 & 3	\$ 2,835.00
5. Allowable markup correction	-\$ 984.46
Total	\$17,599.54

Field Work Order Nos. 1-5 results in a net increase of \$17,599.54 for a new revised total price of \$380,299.54 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14215 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 3, 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 Nos. 1-5 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. 1-5 to Bid No. 21-14 with Ridgeline Custom Builders, LLC for the work specified above, which will result in a net increase in the purchase price of \$17,599.54 for a total revised contract price of \$380,299.54, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 21-14 was completed on January 3, 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 23rd day of January 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 22-12065 WITH ARROW CONCRETE AND ASPHALT SPECIALTIES, LLC OF SPOKANE VALLEY 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 July 29, 2022, the District entered into a contract (Bid No. 22-12065) with Arrow Concrete and Asphalt, LLC (Contractor) of Spokane Valley for the District Wide Parks Sport Court Maintenance, in the amount of \$228,000. This contract was advertised for public bid as required by RCW 54.04.070 and .080.

Resolution No. 22-14658 was approved by the District Commission on May 2, 2022, to reject and negotiate this contract.

The work in Field Work Order/Change Order No. 1 consists of extending the Contract Time for completion of Work. 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	Change in Contract Time	\$0
	Total	\$0

Field Work Order/Change Order No. 1 extended the completion time, which the District's Engineers 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 January 5, 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. 22-12065 with Arrow Concrete and Asphalt, LLC for the work specified above, is hereby ratified.

Section 2. All the contract work required under Bid No. 22-12065 was completed on January 5, 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 23rd day of January 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 5 THROUGH 8, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-04 WITH BRIVO CORP. OF CHENEY, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU 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 orders under certain circumstances.

On December 3, 2021, the District entered into a contract (Bid No. 21-04) with BriVo Corp. (Contractor) of Cheney, Washington for Rock Island Powerhouse 2 Drain Piping Replacement, in the amount of \$951,300.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

Resolution No. 22-14676 ratified Field Work Order Nos. 1 through 4 in the amount of \$512,475.00 for a new total of \$1,463,775.00.

The work in Field Work Order Nos. 5 through 8 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. 5 through 8, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Field Work Order Description	Amount
5	Concrete Caulk Repair of RI PH2 Transformer Pit Drains	\$6,200.00
6	Expedited Repairs and Replacement of Elevation 553 Sewer Line	\$18,000.00
7	Lump Sum Payment for Floor EL 553ft and Reconcile As-Built Quantities for Floor Elevation 573ft and Floor Elevation 595ft	\$264,850.00
8	Additional Work Performed on Floor Elevation 553ft and Final Reconciliation	\$15,275.00
Total		\$304,325.00

Field Work Order Nos. 5 through 8 results in a net increase in the contract price of \$304,325.00, which resulted in a revised total price of \$1,768,100.00 (excluding sales tax), which the District's Engineers recommend be ratified.

Resolution No. 17-14215 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 12, 2023. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

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. 5 through 8 and authorize the release of the related bond in lieu of retainage, 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. 5 through 8 to Bid No. 21-04 with BriVo Corp. for the work specified above, which will result in a net increase in the purchase price of \$304,325.00, for a total revised contract price of \$1,768,100.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 21-04 was completed on January 12, 2023 and the same is hereby accepted, subject to Section 3 hereof. Release of the Contractor's bond in lieu of retainage is authorized 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 release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in 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 following payment of such claim, release the bond in lieu of retainage.

DATED this 23rd day of January 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING A NEW
INTERGOVERNMENTAL COOPERATIVE
PURCHASING MASTER CONTRACT (NO. 22-12609)
USAGE AGREEMENT BETWEEN THE DISTRICT AND
THE INTERLOCAL PURCHASING SYSTEM (“TIPS”)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County ("District") is a municipal corporation operating under the laws of the State of Washington.

The Interlocal Cooperation Act, Chapter 39.34, allows for cooperative purchasing between the District and other public agencies of this state and those of another state. Such agreements can work to the mutual benefit of the cooperating entities and result in savings to the District and its customers.

Region 8 Education Service Center operates under State of Texas laws and may enter into interlocal agreements with any local government to provide purchasing functions and services. Region 8 Education Service Center agrees to provide cooperative purchasing services through a program known as The Interlocal Purchasing System (“TIPS”). No fee is charged to the Members, including the District, for membership in TIPS. The contractors and suppliers with contracts pay an administrative fee to TIPS.

District staff recommends that it is in the best interest of the District to enter into an Interlocal Agreement with TIPS for the benefit of utilization of contracts for the purchase of goods and/or services as appropriate.

Resolution No. 17-14215 requires Commission approval before entering into master purchasing agreements.

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. The General Manager, or his designee, is hereby authorized to enter into an Interlocal Cooperative Purchasing Agreement with TIPS. A copy of the Agreement will be on file in the offices of the District and posted on the District’s website pursuant to statute.

Dated this 23rd day of January 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AMENDING RESOLUTION 20-14438 SHARED COST ALLOCATION ASSUMPTIONS FOR THE WATER, WASTEWATER, AND FIBER & TELECOM BUSINESS LINES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The information, analyses, customer input and discussions collected through the 2020-2024 strategic planning process indicated that our customer-owners are interested in seeing our Water, Wastewater, and Fiber & Telecom (“Fiber”) business lines become more financially self-sustainable over time. Based on this feedback, the 2020-2024 Strategic Plan provides direction for the water, wastewater, and fiber systems to work towards being financially self-sustainable over the long-term, including multi-year rate plans for these systems.

To reflect the new strategic guidance, Resolution 20-14438 restated and revised long-range financial policies and targets for Water, Wastewater, Fiber, and Integrated Electric business lines. As the Water, Wastewater, and Fiber business lines are working toward being financially self-sufficient, the targets for these smaller business lines included assumptions acknowledging that some system support will be needed along the way, but that support will diminish over time. The resolution included the assumption that the smaller systems’ allocated share of the cost of shared assets (like facilities, computer systems, etc.) would be 0% for 2020-2022 and then 50% of cost annually thereafter.

In 2020 when Resolution 20-14438 was adopted, the Operations and Service Center project was expected to be completed in 2022. The timeline for the project has been extended and includes a 2023 budgeted capital spending plan. To support the key assumption in working towards financial sustainability for the smaller systems, staff recommends extending the allocated cost of the Operations and Service Center at 0% until the project is complete. This is consistent with the direction shared and support acknowledged at the December 5, 2022 Board meeting.

The General Manager and the Chief Financial and Risk Officer have reviewed staff’s recommendation and recommend it be approved and adopted by the Commission.

ACTION

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

Section 1. The Commission amends Resolution 20-14438 to extend the allocated cost of the Operations and Service Center at 0% for Water, Wastewater, and Fiber business lines until the project is complete.

Section 2. The Commission concurs that other assumptions, metrics and targets remain as stated in Resolution 20-14438, with this amended assumption, unless and until further strategic guidance is approved.

Section 3. This Resolution ratifies guidance from the December 5, 2022 Board meeting and shall take effect on January 1, 2023.

Section 4. To the extent any prior resolutions of the District impose limitations or directions which are inconsistent with this Resolution, said prior resolutions are hereby amended to the extent they conflict with this Resolution.

DATED this 23rd day of January 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal