

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

REGULAR COMMISSION MEETING

JANUARY 24, 2022

Public participation will be by phone or by Microsoft Teams

For phone participation dial: 253-999-5697

Meeting ID: 418-840-905#

Please contact PUD staff at 509-661-4212 to let us know if you intend to participate by phone.

If you would like to participate via Teams, please email rebekah.neumann@chelanpud.org to request the meeting invite

****Please remember to mute your phone or device to reduce background noise****

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Mario Cantu
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. Dryden Treatment Plant Update
5. Quarterly Board Balanced Scorecard Status Update
6. Legislative Update
7. Public Power Benefit Fiber Acceleration Update
8. 2022 District Performance Plan Review
9. Public Comment

BUSINESS SESSION

1:00 PM

10. Public Hearing: Electric Vehicle Fast Charging Rates

Consent Agenda

11. Minutes of the January 10, 2022 Regular Meeting

12. Vouchers: Accounts Payable Summary Report dated January 19, 2022:

- a. Vouchers totaling \$13,778,852.90;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 5, 2022 through January 18, 2022 in the amount of \$17,946.51.
- c. Approval of the net Payroll, Warrant Nos. 237710 through 237724 and Advice Nos. 727771 through 728520 for the pay period ending January 2, 2022 in the amount of \$2,110,638.06.
- d. Approval of Warrant Nos. 28193 through 28209 totaling \$3,360.84 for claim payments from the workers' compensation self-insurance fund for the period ending January 17, 2022.

13. A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-54 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDAL, WASHINGTON, AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

14. A RESOLUTION RATIFYING FIELD WORK ORDER NO'S. 3-05, 3-06, 4-03, 4-04, 4-05, AND AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-23 WITH ALSTOM POWER INC. OF SOREL-TRACY, QUEBEC CANADA, AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

Regular Agenda

15. A RESOLUTION ESTABLISHING A NEW RATE SCHEDULE AND NEW RATE FOR ELECTRICITY SERVICE TO DIRECT CURRENT FAST CHARGING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

16. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT NO. 20-11099 WITH CHELAN COUNTY TO PROVIDE WATER FACILITIES

17. A RESOLUTION AUTHORIZING AN EXTENSION OF RESOLUTION 20-14510 TEMPORARILY SUSPENDING PORTIONS OF THE DISTRICT'S WHOLESALE TELECOMMUNICATIONS SERVICES RATES AND TO ALLOW THE DISTRICT AND DISTRICT SERVICE PROVIDERS TO ENABLE BROADBAND ACCESS TO TELECOMMUNICATIONS SERVICES DURING THE PERIOD OF COVID-19 RESPONSE

18. Fiber Capital Budget Revision

Proposed motion: To revise the 2021 Fiber System capital budget \$703,000 to account for PPB Fiber expansion in the Chumstick area of Leavenworth (FDT-122 and FDT-142-A) and increase the project budgets (NW150014 and NW170008) \$602,487 and \$662,242 respectively for a total of \$1,264,729.

19. Manager Items

20. Commission Items

a. Special Meetings

Proposed motion:

To set the following special meetings:

- On Wednesday, February 9 @ 3:30 to be held virtually for the purpose of holding a Mid-C General Managers and Commissioners meeting
- On Friday, March 11, 2022 @ 9:00am to be held virtually for the purpose of holding a Spring Board Workshop

Virtual meeting information will be posted on the PUD website

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

22. Delegation of Action Items

23. 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.

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

25. 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)

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-54 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE, WASHINGTON, 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 September 2, 2020, the District entered into a contract (Bid No. 19-54) with IMCO General Construction, Inc. (Contractor) of Ferndale, Washington for Rock Island Station Drainage Pump Installation, in the amount of \$502,500.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Orders Nos. 1, 2, 3 and 4 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 Orders Nos. 1, 2, 3 and 4, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Strainer Lead Abatement and Interior Pipe Coating and Extension of Contract Time	\$10,946.25
2. Changes during Contract Execution	\$43,804.40
3. Extension of Contract Time	\$0.00
4. Changes during Contract Execution	(\$9,337.44)
Total	\$45,413.21

Field Work Orders Nos. 1, 2, 3 and 4 result in a net increase in the contract price of \$45,413.21 for a new revised total contract price of \$547,913.21 (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 1/7/2022. 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 Orders Nos. 1, 2, 3 and 4 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 Orders Nos. 1, 2, 3 and 4 to Contract No. 19-54 with IMCO General Construction, Inc. for the work specified above, which will result in a net increase in the contract price of \$45,413.21, for a total revised contract price of \$547,913.21, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Contract No. 19-54 was completed on 1/7/2022 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 24th day of January 2022

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NO'S. 3-05, 3-06, 4-03, 4-04, 4-05, AND AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-23 WITH ALSTOM POWER INC. OF SOREL-TRACY, QUEBEC CANADA, AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 15-13983 on October 5, 2015 which authorized the District to enter into a contract (Bid No. 15-23) with Alstom Power Inc. (Contractor) of Sorel-Tracy, Quebec Canada for Rocky Reach Units C-8 through C-11 Stator Winding Replacement, in the amount of \$17,862,455.

Field Work Order Nos 1-01, 1-02, 1-03, 1-04, 2-01, 3-01, 3-02, 3-03, 4-01, and 4-02 were previously authorized/ratified under Resolution 17-14134.

Field Work Order No. 3-04 was previously authorized under Resolution 17-14192.

The work in Field Work Order Nos. 3-05, 3-06, 4-03, 4-04, and 4-05 consist 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. 3-05, 3-06, 4-03, 4-04, and 4-05, which are on file in the offices of the District and summarized as follows:

Field Work Order No.
3-05 Third Unit (C-9) Rotor Pole As-found Repairs
3-06 Third Unit (C-9) Reconciliation of Contract
4-03 Installation of 13 Winding End Turn Temp. Detectors (C-11)
4-04 Fourth Unit (C-11) Schedule Incentive Payment
4-05 Performance Incentive Payment for all qualifying units

The total of all Field Work Order Nos. results in a net decrease of \$587,968.63 to the contract price for a new revised total price of \$17,276,486.37 (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 work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

District staff has determined that the completion of all contract work occurred on January 11, 2022. 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 and recommends the District 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 Nos. 3-05, 3-06, 4-03, 4-04, and 4-05 to Bid No. 15-23 with Alstom Power Inc. for the work specified above, which will result in a net decrease in the purchase price of \$1,291,641.20, for a total revised contract price of \$17,276,486.37, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 15-23 was completed on January 11, 2022, 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 24th day of January 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING A NEW RATE
SCHEDULE AND NEW RATE FOR ELECTRICITY
SERVICE TO DIRECT CURRENT FAST CHARGING
ELECTRIC VEHICLE CHARGING
INFRASTRUCTURE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District has the authority to create rate classes and to establish and modify rates. The District, if it has revenue obligations outstanding, is required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the District in compliance with RCW 54.24.080. The rates and charges must be fair, nondiscriminatory and adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the payment has not otherwise been provided and all payments which the District is obligated to set aside in any special fund or funds created for such purpose, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof. This resolution addresses the creation of a new retail electric rate class for customers that own and/or operate publicly available Direct Current Fast Charging (DCFC) stations.

The increase in the number of electric vehicles (EVs) being sold in Washington State has led to an increase in the number of 480-volt DCFC stations in Chelan County. State policies and regulations incentivizing transportation electrification options will continue to support this trend over time. District staff recommends the adoption of a rate specific to DCFC that recovers the cost to serve this growing and unique load. Staff recommends that the Board of Commissioners adopt the DCFC rate schedule as new Schedule 15.

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

ACTION

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

Section 1. Requirements for meetings and notices as established by Resolution No. 18-14256 have been met and exceeded.

Section 2. The electric rate classification, rates, and terms set forth in the rate schedule attached hereto as Exhibit A are determined to be fair, reasonable, and not discriminatory. The classification, rates, and rate schedule set forth in Exhibit A are hereby adopted and shall be effective June 1, 2022.

Section 3. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such is categorically exempt under WAC 197-11-800(14)(i).

Section 5. This resolution rescinds and supersedes prior resolutions and Commission actions that are inconsistent with this resolution and exhibits. This resolution shall not render invalid any previous action by this Commission regarding rates, service regulations, policies, fees, charges, or agreements except as specifically included in this resolution and exhibits.

DATED this 24th day of January 2022.

President

ATTEST:

Vice President

Secretary

Commissioner
Seal

Commissioner

EXHIBIT A

Direct Current Fast Charging Electric Vehicle Charging Infrastructure Rate

Rate Schedule 15

AVAILABILITY:

This schedule is available throughout Chelan County served by the District except for the Stehekin area and is applicable to service for publicly available 480-volt, direct current (DC) electric vehicle charging infrastructure.

1. Includes service for 480-volt, publicly available, level 3 direct current electric vehicle charging infrastructure.
2. Excludes level 1 (120-volt) and level 2 (240 volt) charging infrastructure that does not share a meter with DC fast charging infrastructure subject to this rate schedule.
3. Excludes any solitary DC fast charging unit that shares a meter with a use typically classified under a different Rate Schedule and where the other use is the primary use behind the meter.

CHARACTER OF SERVICE:

Service to be furnished under this schedule will be 3-phase 480-volt service.

RATES:

Residential Service	6/1/2022	6/1/2023	6/1/2024
Monthly Charge	\$40.00	\$41.20	\$42.45
Energy Charge (\$/kWh)	\$0.0310	\$0.0320	\$0.0330
Demand Charge (\$/kW)	\$2.65	\$5.20	\$5.40

POWER FACTOR

Service under this schedule is subject to Power Factor Rate Schedule 24.

TAX ADJUSTMENT:

The amount of tax levied by any city or town in accordance with R.C.W. 54.28.070, of the laws of the State of Washington, will be added to the above charges for electricity sold within the limits of any such city or town.

SERVICE POLICY:

Service under this Schedule is subject to the rules and regulations as defined in the District's Utility Service Regulations.

EFFECTIVE: June 1, 2022

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 1
TO INTERLOCAL AGREEMENT NO. 20-11099 WITH
CHELAN COUNTY TO PROVIDE WATER
FACILITIES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into Interlocal Agreement No. 20-11099 on November 17, 2020 with Chelan County to provide water facilities, in an amount not to exceed \$368,000. The water facilities include installing approximately 2,200 feet of 8-inch watermain plus related service connections on Knowles Road between School Street and American Fruit Road. The work is being done in cooperation with Chelan County and the City of Wenatchee as part of a larger project to install sewer main and stormwater facilities as well as major street and pedestrian improvements.

Chelan County opened bids for County Road Project (CRP) 725 on December 14, 2021. The bid price for the water facilities was higher than original estimates and therefore the amount authorized under Interlocal Agreement No. 20-11099. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Interlocal Agreements when the total amount of the original authorization is over \$200,000.

District staff recommends that it is in the best interest of the District to amend Interlocal Agreement No. 21-11099 with Chelan County to increase funding in the amount of \$76,850, for a total revised not to exceed contract price of \$444,850, together with any subsequent amendments consistent with delegation Resolution 17-14215.

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 Amendment No. 1 to Interlocal Agreement No. 20-11099 with Chelan County to provide the water facilities identified above. The revised contract price authorized by Amendment No. 1 shall not exceed \$444,850 together with any subsequent amendments consistent with the limits set forth in Resolution 17-14215. A copy of the Amendment is on file in the offices of the District.

DATED this 24th day of January 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN EXTENSION OF RESOLUTION 20-14510 TEMPORARILY SUSPENDING PORTIONS OF THE DISTRICT'S WHOLESAL TELECOMMUNICATIONS SERVICES RATES AND TO ALLOW THE DISTRICT AND DISTRICT SERVICE PROVIDERS TO ENABLE BROADBAND ACCESS TO TELECOMMUNICATIONS SERVICES DURING THE PERIOD OF COVID-19 RESPONSE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 20-14447 dated April 13th, 2020 authorized temporary suspension of portions of the District's wholesale telecommunications services rates through December 31, 2020 and the District and District service providers to enable broadband access to telecommunications services during the period of COVID-19 response at no charge. On December 7th, 2020, the Commission authorized an extension of these services through resolution 20-14510.

District staff is requesting an extension of the previously approved rate suspension for an additional year. The Governor has reinstated restrictions as the pandemic continues to spread statewide. As a result of the reinstated restrictions necessary to protect public health, many District customers have continued to experience economic hardships, including but not limited to job loss, reduced working hours or layoffs or furloughs, and many of the area's small businesses have again been forced to close or severely curtail their operations.

As the variants progress, several of the schools throughout the county have the potential to close or become partially closed. Many children do not have access to internet services at home and can become educationally disadvantaged. In addition, due to the prolonged economic effects of the COVID-19 crisis, some Chelan County residents no longer have readily available access to the internet, which provides access to vital services and information necessary for public health and safety.

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

ACTION

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

Section 1. The Commission hereby finds and declares that extending the provisions of resolution 20-14510 through December 31, 2022 is in the best interests of the District, the interests of the District's Customer Owners. The provisions of resolution 20-14510 are hereby extended through December 31, 2022.

DATED this 24th day of January 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal