

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

**REGULAR COMMISSION MEETING**

**FEBRUARY 19, 2019**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety Minute – Safety Team
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. PGP Study
5. Service Center Outreach
6. Audit Committee Annual Update
7. Quarterly Financial Review and Investment Report
8. Quarterly Major Projects, Contracts and Projects Revisions

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

9. Minutes of the February 4, 2019 Regular Meeting and the February 7, 2019 Special Meeting
10. Vouchers: Accounts Payable Summary Report dated February 13, 2019:
  - a. Vouchers totaling \$6,517,442.84;
  - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period January 30, 2019 through February 12, 2019 in the amount of \$20,194.22;

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- c. Approval of the net Payroll, Warrant Nos. 236375 through 236395 and Advice Nos. 668150 through 668892 for the pay period ending 02/03/2019 in the amount of \$1,909,402.65;
  - d. Approval of Warrant Nos. 25325 through 25361 totaling \$10,510.69 for claim payments from the workers' compensation self-insurance fund for the period ending February 11, 2019;
  - e. Payment to Department of Revenue in the amount of \$2,993,547.30 on February 25, 2019 for Annual Privilege Tax Returns.
11. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-15 WITH KRCl, LLC OF EAST WENATCHEE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
12. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-26 WITH MOE ASPHALT PATCHING & SEALCOATING, INC. OF WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

**Regular Agenda**

13. Lessons Learned on Consent Agenda Resolution
14. A RESOLUTION AMENDING SECTIONS 41, 46 AND 65 OF THE UTILITY SERVICE REGULATIONS
15. A RESOLUTION AMENDING SECTIONS OF THE ELECTRIC LINE EXTENSION POLICY PORTION OF THE DISTRICT'S UTILITY SERVICE POLICIES
16. A RESOLUTION RESCINDING RESOLUTION NO. 03-12407, IN-PART, AS IT RELATES TO RATE SCHEDULE 4, AND ADOPTING A REVISED RATE SCHEDULE 4 FOR LARGE LOADS
17. A RESOLUTION AMENDING RESOLUTION NO. 18-14243 DECLARING VOITH HYDRO, INC. OF YORK, PENNSYLVANIA AS THE SOLE SOURCE SUPPLIER FOR BLADE TRUNNION SEALS, SEAL COVERS, AND BLADE BUSHINGS, NECESSARY TO REPAIR ROCKY REACH UNITS C1 THROUGH C7 AND AUTHORIZING THE GENERAL MANAGER TO PURCHASE ADDITIONAL BLADE BUSHINGS WITH VOITH HYDRO, INC. FOR A REVISED PRICE
18. Manager Items

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19. Commission Items

a. Board Workshop – Proposed motion:

Move to set a special meeting on April 11, 2019 at 9:00 am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee for the purpose of holding a Board Workshop

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

21. Delegation of Action Items

22. 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.*

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)

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

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-15 WITH KRCI, LLC OF EAST WENATCHEE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU 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 June 19, 2018, the District entered into a contract (Bid No. 18-15) with KRCI, LLC (Contractor) of East Wenatchee, WA for Beebe Bridge Park Boat Launch and Dock Replacement, in the amount of \$480,800. 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 are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
Sawcut of pre-cast concrete plans and installation of quarry spalls on new ramp lanes as requested by District.	\$4,739.72
<b>Total</b>	<b>\$4,739.72</b>

Field Work Order No. 1 results in a net increase of \$4,739.72 to the contract price for a new revised total price of \$485,539.72 (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 4, 2019. 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. 1 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. 1 to Bid No. 18-15 with KRCI, LLC for the work specified above, which will result in a net increase in the purchase price of \$4,739.72, for a total revised contract price of \$485,539.72, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 18-15 was completed on January 4, 2019 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 19th day of February 2019.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-26 WITH MOE ASPHALT PATCHING & SEALCOATING, INC. OF WENATCHEE, WASHINGTON 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 orders under certain circumstances.

On April 11, 2016, the District entered into a contract (Bid No. 16-26) with Moe Asphalt Patching & Sealcoating, Inc. (Contractor) of Wenatchee, Washington for 2016 Unit Price Paving and Concrete Repairs in the amount not to exceed \$366,662.75. 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, 2 and 3 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, 2 and 3, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Add Form to Contract	0
2. Extend Contract Term by One (1) Year	0
3. Extend Contract Term and Increase Contract Price	\$75,000
<b>Total</b>	<b>\$75,000</b>

Field Work Order Nos. 1, 2 and 3 result in a net increase in the contract price of \$75,000 for a new revised total not to exceed contract price of \$441,662.75 (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 29, 2019. At the completion of the Work, the total contract spend was \$334,697.58. 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, 2 and 3 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, 2 and 3 to Bid No. 16-26 with Moe Asphalt Patching & Sealcoating, Inc. for the work specified above, which will result in a net increase in the contract price of \$75,000, for a total revised not to exceed contract price of \$441,662.75, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 16-26 was completed on January 29, 2019 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 19 day of February 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AMENDING SECTIONS 41, 45, 46 AND 65 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. 17-14155.

During the January 21, 2019 Commission meeting, staff identified the need to revise Utility Service Regulations to address the December 3, 2018 adoption of Rate Schedule 36 for cryptocurrency loads. Certain conditions of use expressed in regulation section 41, Changes in Electric Load, and section 46, Combined Residential and Commercial Use are specific to Rate Schedule 35. To provide clarity to customers, staff recommends removing the reference to the rate schedules and to identify the load types (high density load and cryptocurrency) the regulations are applicable to. A minor revision clarifying the relationship between Sections 45, Separate Meter for Each Class of Service, and Section 46 has been included as well.

Staff also recommends a minor revision to the Water System Regulation “Code of Conduct” that is included in Section 65, “Cross-connection Control” to bring current the list of required qualifications for Backflow Assembly Testers to perform backflow assembly inspections for District customers.

District staff recommends that it is in the best interest of the District to amend Sections 41, 45, 46 and 65 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 February 19, 2019.

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 February 19, 2019, the District’s Utility Service Regulations shall be amended by replacing Sections 41, 45, 46 and 65 with the text provided in Attachment “A.”

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

DATED this 19<sup>th</sup> day of February 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## Exhibit A

### 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 Customer is subject to a strict not-to-exceed Demand limit (e.g., high density load or cryptocurrency) 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 change or 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](#).

The District considers changes to load without prior approval required by this section to be unauthorized use of Utility Service and to be fraud or theft against the District. The District may refer such matters to authorities for further prosecution. Customers that change load out of compliance with this section will be investigated under Section 22 and assessed Investigation and Monitoring Fees and an Equipment Degradation Fee as set forth in Fees and Charges.

### 45. SEPARATE METER FOR EACH CLASS OF SERVICE

Subject to Section 46 of these Utility Service Regulations, where there is more than one end-user on a single electric service/meter (for example, commercial landlord/tenant or other arrangement between more than one end-user at a Premises) or where the Customer desires to use Energy for the purposes typically classified under different Rate Schedules, separate meters must be installed to measure the Energy supplied under each Rate Schedule. If the Customer cannot physically separate end-users or does not desire to do so, then the District shall apply the Rate Schedule with the highest rate to the entire metered Energy at the Premises. When separately metered, the District will designate the Rate Schedule applicable to each meter and bill each meter at the appropriate Rate Schedule. In all cases, Section 29, Resale of Energy/Ownership of Environmental Attributes, Section 41, Changes in Electric Load, and other provisions of the District's Utility Service Regulations and applicable Rate Schedules, as determined by the District, shall apply.

If the Customer desires additional meters other than those necessary to adequately measure the Electric Service used by the Customer as determined by the District, such additional meters or sub-meters shall be provided, installed and maintained by the Customer at the Customer's own expense.

**46. COMBINED RESIDENTIAL AND COMMERCIAL SERVICE**

Where a single non-farm business is operated in conjunction with a family residence, and the Electric Service for each purpose cannot be readily separated from the other, the Rate Schedule shall be determined as follows: If less than 25% of the connected load is utilized for business purposes, the residential rate shall apply; and conversely if over 25% of the connected load is utilized for business purposes, the appropriate Electric Rate Schedule shall apply; *except that* this section does not apply if any portion of the load is subject to a strict not-to-exceed Demand limit (e.g., high density load or cryptocurrency).

**WATER REGULATIONS**

**65. CROSS-CONNECTION CONTROL**

**CODE OF CONDUCT AND PROGRAM ORIENTATION FOR  
CERTIFIED BACKFLOW PREVENTION  
ASSEMBLY TESTERS**

I hereby certify that I am an approved State of Washington Backflow Assembly Tester (BAT) for Chelan County PUD and have thoroughly read and understand Chelan County PUD's Backflow and Cross-Connection Control regulations and procedures with which I agree to comply.

Attached hereto are copies of the following:

- 1. State of Washington BAT Certification Card
- 2. Current Backflow test Kit Calibration Verification Report
- 3. Current Plumber or Specialty Plumbers License\*
- 4. Current copy of individual / company Employee Insurance as per L&I\*

*\* Property owners and / or their employees are exempt as per L&I*

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Certificate No. / Expiration Date

\_\_\_\_\_  
Date

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AMENDING SECTIONS OF THE ELECTRIC  
LINE EXTENSION POLICY PORTION OF THE DISTRICT'S  
UTILITY SERVICE POLICIES**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 Policies," as adopted by Resolution No. 08-13307 and most recently updated by Resolution No. 17-14154.

During the January 21, 2019 Commission meeting, staff identified the need to revise sections of the Electric Line Extension Policy. Revisions are necessary to address intake and processing procedures for high density load and cryptocurrency service applications, applicable Fees and Charges as approved through the General Manager's delegated authority on December 3, 2018, as well as revisions to options for line extension payments for all customers. Other recommended revisions align practices with policy and provide clarity regarding roles, responsibilities and applicant obligations. District staff's proposal does the following:

- Definitions; update and clarify definition of Application.
- Section 3, "Application," add language that incomplete applications will be considered abandoned if the applicant fails to provide requested information or payment 30 days from District request. Revisions also include language to inform applicants that the District may request additional load data including ramping plans, projected peak loads by month or other supporting information deemed necessary by the District. Final revisions proposed for this section include language that property owner permission will be required to proceed with a Line Extension.
- Section 4, "Pre-Design & Engineering Fees," add language supporting the administration and intake of high density load and cryptocurrency service applications and applicable Fees and Charges. Revisions to this section also inform applicants with loads greater than 5 megawatts of the District's Transmission and Generation Interconnection Requirements and process.
- Section 5, "Line Extension Construction Options," amend language to align with current practices for single lot or short plat line extensions that require applicants to install trench, warning tape, etc.
- Section 6, "Estimate and Payment for Line Extension," remove the specificity of allowing an applicant to pay one-half of the total Estimate in advance of materials being issued. Partial payment amounts will be determined on a case-by-case basis to address instances when specialty equipment is needed.

District staff recommends that it is in the best interest of the District to amend the Electric Line Extension Policy as described herein. The revised Policy is set forth in Attachment A. Staff recommends that these changes be effective on February 19, 2019.

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 February 19, 2019, the District’s Electric Line Extension Policy shall be amended as provided in Attachment “A.”

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

DATED this 19<sup>th</sup> day of February 2019.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## EXHIBIT A

### DEFINITIONS

#### **Application**

District "Electric Service Application" completed and submitted by the applicant requesting permission to connect to, expand or change an existing service with the District's Electric System and/or requesting the District to construct a Line Extension in accordance with this Line Extension Policy and the District's Utility Service Regulations.

### 3. APPLICATION

#### **A. Application Form**

Application for a Line Extension shall be made by the Applicant or their authorized agent on the District's Service Application form. Each Application shall be submitted to the District for approval with the payment of the Engineering or Application Fee. The District will not process incomplete Applications. Incomplete Applications will be deemed abandoned 30-days from date of District request if the requested information or payment is not supplied by the Applicant. 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.

#### **B. Site Plan & Load Data for Application**

Each Application shall include 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 electrical infrastructures needed to serve the area. The District will provide guidance which shall be used during preparation of Contract Plans and Specifications for the Line Extension. A site plan deemed incomplete by the District will not be accepted.

Applicants may be required to supply load data provided by a licensed electrician or professional engineer including, but not limited to, load ramping schedule, hours of operation, load diversity, one-line diagram of electric facilities, projected peak load by month, or additional load information as requested and deemed necessary by the District.

#### **C. Ownership of Land**

Applicant must also provide satisfactory proof of ownership or permission to use land/building(s) impacted by any Electric Service Facilities required for the requested Line Extension.

### 4. PRE-DESIGN & ENGINEERING FEES

#### **A. Cryptocurrency, High Density Loads, or similar operations less than 5MW**

Applicants other than residential, commercial or industrial customers requesting to establish a new Electric Service or seeking a change in load, as defined in Utility Service Regulation Section 41, will be required to pay in advance a non-refundable



Pre-Design Fee upon submittal of the Application. The District will perform a high-level review of capacity availability and prepare a conceptual design for the Applicant that will be valid for a limited length of time. If the Applicant requests the District to proceed with developing an Estimate of the project, the Applicant must pay in full the associated Engineering Fee as specified in the District's Fees and Charges schedule.

**B. Residential, Commercial and Industrial less than 5MW**

Applicants requesting a Line Extension will be required to pay in advance an Engineering Fee upon submittal of the Application as specified in the [District's Fees and Charges](#) schedule. Complex project designs may result in the assessment of additional engineering cost that will be included in the project Estimate.

**C. Loads greater than or equal to 5MW**

Applicants who seek loads greater than 5MWs will be subject to the Interconnection Processes and Procedures as managed by the large load customer service connection procedures. Applications must be accompanied by the appropriate pre-design fee as specified in the District's Fees and Charges schedule.

D. Applicants who seek to materially modify the Application, project design or requested load after the engineering Estimate and design is complete will be required to submit a new or revised Application and pay additional associated fees.

E. The Customer will be required to retain and pay for professional services where the project design requires additional or specialized services including, but not limited to, advanced civil engineering, surveying, geotechnical, environmental or other professional services. The District may require copies and/or confirmation of study results at Customer cost prior to proceeding with the project.

## **5. LINE EXTENSION CONSTRUCTION REQUIREMENTS**

The following requirements and conditions apply to the construction of the following types of Line Extensions:

### **Single lot Line Extension and Short plats (4 lots or less)**

For a single lot Residential Service, General Service, Frost Protection, Irrigation, Temporary Service, Miscellaneous Service, Primary Industrial ([as defined in the District's Electric Rate Schedules](#)) Line Extension or a Line Extension for plat/subdivision of four (4) lots or less, the following requirements apply:

- A. Except as provided herein, the customer must provide the trench, install warning tape, conduit (electrical and fiber), vaults, bases, handholes, grounding and backfilling of trench on their own property. All Work must comply with District Construction and Design Standards. A licensed electrical contractor must install the grounding for the vaults. All Work must be inspected by a District inspector prior to backfilling the trench.
- B. All Work on public right-of-way or Work to be completed which is not on the customer's property must be completed by the District. All costs of such Work must be paid for by the customer as part of the Line Extension. All permitting and easements must be secured prior to the start of construction.

- C. Vaults, bases and handholes shall be purchased from the District and paid for prior to receipt and shall be installed per District Design Standards to ensure compatibility and uniformity with the District's electric system.
- D. The District will provide and install all transformers, primary wire, connectors, cabinets and other electric apparatus as needed to the District's Point(s) of Delivery. These items will be included in the Estimate to be paid by the customer.
- E. The customer will pay for all estimated Line Extension costs pursuant to Section 6 prior to the scheduling of District construction crews.

## **6. ESTIMATE AND PAYMENT FOR LINE EXTENSION**

### **A. Line Extension Estimate**

The Applicant will be provided an Estimate by the District. The Estimate will be based on the Line Extension Construction Requirements listed in Section 5. The Estimate will also include estimated costs for a District inspector should the customer desire or be required to install their own trenching, vaults, conduit and grounding. Paid Engineering Fees will be credited towards the total Estimate.

- B. The Estimate and Upfront Capital Charges must be paid by the Applicant prior to the District scheduling construction crews and proceeding with any Work. Estimates provided to the customer are void after 60 days from the date of issue if full payment has not been received. At the discretion of a customer service supervisor, applicants may request to make a partial payment in advance of Materials being released to the Applicant. The balance of the Estimate must be paid prior to the District scheduling construction crews and beginning construction.
- C. The Service Connection Fee and Security Deposit, as specified in the District's Fees and Charges schedule, must be paid in full prior to the District energizing the new service or before an expanded service may increase load.

The Applicant will be required to make payment arrangements for any ongoing permit fees or reoccurring fees prior to construction by the District.

If Work is not completed within 180 days of the issue of the Estimate to the customer, the District will issue a revised Estimate. The customer will pay the difference between the original Estimate and the revised Estimate. If this amount is not paid, the District may consider the Line Extension to be abandoned and may refund the original payment less any engineering fees, Materials used and any costs incurred by the District.

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RESCINDING RESOLUTION NO.  
03-12407, IN-PART, AS IT RELATES TO RATE  
SCHEDULE 4, AND ADOPTING A REVISED RATE  
SCHEDULE 4 FOR LARGE LOADS

**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 revises Rate Schedule 4 for large loads.

The District adopted and implemented Rate Schedule 4 in 1996 to allow market based rates for New Large Loads. Most recently Rate Schedule 4 was revised by Resolution No. 03-12407 to increase the schedule applicability to loads of greater than 5 average annual megawatts. On January 21, 2019, District staff presented to the Board proposing Rate Schedule 4 to be more reflective of current services offered, market conditions and customer interest. Rates, terms and conditions will be negotiated between the customer and District and included in a contract. Such contracts would include rates, terms, and conditions for the sale and delivery of energy and services including as applicable, load following, load shaping, imbalance, firming, reactive power, voltage control, environmental attributes, conservation requirements, and/or other services.

As directed by the Board, staff held a public hearing on February 4, 2019 in the Wenatchee Headquarters to provide additional information and collect public comment from interested parties. Staff provided legal notice of the hearing in the Wenatchee World on January 24, 2019. No public comment was received.

Staff recommends that the Board of Commissioners amend and restate Rate Schedule 4 as attached hereto as Exhibit A.

The General Manager has reviewed District 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. The requirements for meetings and notices as established by Resolution No. 18-14256 have been met.

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, necessary and non-discriminatory. The rate schedule set forth in Exhibit A is effective February 19, 2019.

Section 3. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such it is categorically exempt under S.E.P.A. guidelines, WAC 1978-11-800-(14)(i).

Section 4. 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 19<sup>th</sup> day of February 2019.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

SEAL

# LARGE LOADS

## Schedule 4

### AVAILABILITY:

This schedule applies to Customers with electrical use above 5 annual average megawatts (aMWs), or as warranted by special circumstances, and is available throughout the District's service area with the exception of the Stehekin area. Service under this schedule will require a Contract between the Customer and the District prior to connection of Service that will address any special circumstances and conditions applicable to the Customer's Energy needs.

The Customer is responsible for procuring, installing and maintaining all necessary wiring, transformers, switches, cut-outs and protection equipment beyond the Point of Delivery, with such service facilities and equipment being of a type and character acceptable to the District. The entire service installation, protection coordination and the balance of the load between phases is subject to approval by the District.

### RATES, TERMS AND CONDITIONS:

Rates, terms and conditions will be negotiated between the Customer and District and included in a Contract. Such Contracts may include but are not limited to, at the District's sole discretion, rates, terms, and conditions for the sale and delivery of energy and services including, but not limited to, load following, load shaping, imbalance, firming, reactive power, voltage control, environmental attributes and conservation requirements.

### SPECIFIC CHARGES:

Such Contracts may incorporate one or more of the following charges by reference:

4.a Energy Capacity Charge. The energy capacity charge applies in all billings periods beginning with the first billing period in which Demand first exceeds 5000 kW. The charge is \$4.38/kW of the positive difference, if any, of 90% of the Demand minus the average demand during the billing period (which is the total delivered Energy for the billing period divided by the number of hours in the billing period).

4.b Load Imbalance Charge. The load imbalance charge applies in all months after the billing period in which Demand first exceeds 5,000 kW. The load imbalance charge applies only in hours in which hourly delivered Energy deviates from hourly forecasted load, forecasted in the Seven-Day Hourly Load Forecast, defined below, by more than the lesser of: (a) 5% of hourly forecasted load; or (b) 2000 kWh. In hours in which the load imbalance charge applies, that hour's contribution to Energy billed under the Contract is deemed to be the hourly forecasted load, forecasted in the Seven-Day Hourly Load Forecast, and the load imbalance charge applies. For all other hours, that hour's contribution to Energy billed under the Contract equals delivered Energy and the load imbalance charge does not apply. The load imbalance charge calculation is set forth below. If the Excess Energy Surcharge also applies to the Contract, the Load Imbalance Charge does not apply to Energy billed the Excess Energy Surcharge.

Starting with the first billing period in which Demand first exceeds 3,000 kW, by 5:00 p.m. Pacific Time on each business day, Customer must deliver to the District via email in spreadsheet format an hourly load forecast for the seven days that start two days after the day the forecast is delivered ("Seven-Day Hourly Load Forecast"). The most recent Seven-Day Hourly Load Forecast will be used when calculating the Load Imbalance Charge. In the event the District has not received a timely Seven-Day Hourly Load Forecast for a given day, the load for each hour of the unforecasted day will be deemed to be forecasted at 0 kW.

### Load Imbalance Charge Calculation

The load imbalance charge varies hourly based on delivered Energy (“Actual Load”), scheduled load and power index prices. “Scheduled Load” means the load forecasted by Customer in the Seven-Day Hourly Load Forecasts. In some instances, the load imbalance charge may be a credit.

If the Powerdex Index ceases to be published or is no longer representative of the District’s real-time purchases and sales, the District, in its reasonable discretion, may select a replacement source reflective of the District’s real-time purchases and sales.

The load imbalance charge shall be determined by the District for each clock hour period as follows:

- Determine Mid-Columbia Hourly Index price published by Powerdex for each applicable hour (“Powerdex Index” (\$/kWh)).
- Calculate: Load Imbalance = Actual Load - Scheduled Load
- Calculate: Imbalance Deviation (%) = Load Imbalance / Scheduled Load
- Per the below tables, multiply applicable Load Imbalance (kWh) by the applicable Load Imbalance Price.

Applicable when the Powerdex Index is greater than or equal to \$0.00/kWh:

Imbalance Deviation (%)	Load Imbalance (kWh)	Load Imbalance Price when Actual Load is less than Scheduled Load (District will credit Customer for imbalance energy) (\$/kWh)*	Load Imbalance Price when Actual Load exceeds Scheduled Load (Customer will pay District for imbalance energy) (\$/kWh)
If the absolute value is less than 5%	Not applicable	Hourly energy usage will be charged at contractual energy rates.	Hourly energy usage will be charged at contractual energy rates.
If the absolute value is greater than or equal to 5% and less than 25%	The absolute value of Actual Load minus Scheduled Load	85% of the Powerdex Index	115% of the Powerdex Index
If the absolute value is greater than or equal to 25%	The absolute value of Actual Load minus Scheduled Load	75% of the Powerdex Index	125% of the Powerdex Index

\*For any calendar day in which the District incurs spill at any of its hydroelectric projects and Actual Load is less than Scheduled Load, and the Load Imbalance price is positive for an hour, the Load Imbalance price shall be \$0.00.

Applicable when the Powerdex Index is less than \$0.00/kWh:

Imbalance Deviation (%)	Load Imbalance (kWh)	Load Imbalance Price when Actual Load is less than Scheduled Load (Customer will pay District for imbalance energy) (\$/kWh)	Load Imbalance Price when Actual Load exceeds Scheduled Load (Customer will pay District for imbalance energy) (\$/kWh)
If the absolute value is less than 5%	Not applicable	Hourly energy usage will be charged at contractual energy rates.	Hourly energy usage will be charged at contractual energy rates.
If the absolute value is greater than or equal to 5% and less than 25%	The absolute value of Actual Load minus Scheduled Load	The absolute value of 115% of the Powerdex Index	\$0.004
If the absolute value is greater than or equal to 25%	The absolute value of Actual Load minus Scheduled Load	The absolute value of 125% of the Powerdex Index	\$0.006

A persistent deviation occurs if Customer engages in a pattern of providing hourly load forecasts that result in Imbalance Deviations that are consistently greater than 5% and in one direction and generally occur at specific times of day or days of the week. If the District, in its sole discretion, determines that the hourly load forecasts result in a persistent deviation, District may impose a fee of up to the greater of \$0.10/kWh (\$100/MWh) or 150% of the Load Imbalance Price to all Load Imbalance quantities in all relevant hours.

#### Example Load Imbalance Calculations

Customer pays:

Mid-C Powerdex Index: \$0.025/kWh

Actual Load: 5,000 kWh

Scheduled Load: 4,700 kWh

Imbalance Deviation: 6.3%

Load Imbalance Charge for extra energy:  $\$0.025 \times 115\% \times 300 \text{ kWh} = \$8.63$

4700 kWh charged at applicable energy charge.

District credits:

Mid-C Powerdex Index: \$0.025/kWh

Actual Load: 4,500 kWh

Scheduled Load: 4,700 kWh

Imbalance Deviation: 4.2% - less than 5% so does not apply

4700 kWh charged at applicable energy charge.

**4.c Load Following Charge.** The load following charge applies in all billing periods beginning with the billing period in which Demand first exceeds 5000 kW. The charge is \$5.48 per kilowatt of monthly average load-following in excess of 10% of average demand provided in the billing period. The highest 1-minute demand minus the lowest 1-minute demand in each hour will establish the load-following kilowatt for that hour.

**4.d Demand Exceedance Charge.** In addition to all other rates and charges, in each billing period in which Demand exceeds the Customer's maximum authorized demand, the excess Demand will be billed at 3 times the highest demand charge applicable under the Contract. This charge is in addition to, not exclusive of, the District's rights to require additional protective measures, recover for damages sustained to the Electric Service Facilities, disconnect Service, terminate any Contract, or take any other remedial action available to recover losses and prevent future exceedances.

**4.e Excess Energy Surcharge.** In addition to all other rates and charges, a surcharge of one (1) times the greater of the highest energy charge applicable under the Contract or the Mid-Columbia Hourly Index price published by Powerdex for each applicable hour will apply to all Energy used within an hour in excess of the Customer's maximum authorized demand. Any surcharge is in addition to, not exclusive of, the District's rights to require additional protective measures, recover for damages sustained to the Electric System, disconnect Service, terminate this Contract, or take any other remedial action available to recover losses and prevent future exceedances.

**CONTRACTS ENTERED INTO BEFORE [insert effective date of this revision]:**

For Contracts that include a scheduling services charge and were executed prior to [insert effective date of this revision], the scheduling services charge for Energy scheduled by the District is as follows:

Charges for energy scheduled by the District for the benefit of the customer shall be as follows:

0.1 mills per kilowatt hour for energy from one month or longer block purchases from less than two suppliers;

0.2 mills per kilowatt hour if a one month or longer block is supplied from three or more suppliers.

For energy scheduled by the District in blocks of less than one month, the following rates shall apply to transactions for each day, and summed over the billing month:

0.25 mills per kilowatt hour for energy scheduled when the Intercontinental Exchange Mid-C Day-Ahead Peak (ICE Peak) index is greater than \$0 but less than or equal to \$50 per MWH;

0.50 mills per kilowatt hour for energy scheduled when the ICE Day Ahead Peak index exceeds \$50 but is less than or equal to \$100;

0.75 mills per kilowatt hour for energy scheduled when the ICE Day Ahead Peak index exceeds \$100.

**TAX ADJUSTMENT:**

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

**SERVICE POLICY:**

Service under this schedule is subject to all the rules and regulations as set forth in the District's Utility Service Regulations.

EFFECTIVE: **February 19, 2019**



## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AMENDING RESOLUTION NO. 18-14243 DECLARING OF \_\_\_\_\_ AS THE SOLE SOURCE SUPPLIER FOR BLADE TRUNNION SEALS, SEAL COVERS, AND BLADE BUSHINGS, NECESSARY TO REPAIR ROCKY REACH UNITS C1 THROUGH C7 AND AUTHORIZING THE GENERAL MANAGER TO PURCHASE ADDITIONAL BLADE BUSHINGS WITH VOITH HYDRO, INC. FOR A REVISED PRICE

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On May 14, 2018, the Commission authorized Resolution No. 18-14243 declaring Voith the sole source provider for the purchase of blade trunnion seals, seal covers, and blade bushings, necessary to repair Rocky Reach Unit C1. Also pursuant to the Resolution, District staff entered into Purchase Contract No. 18-45 for the equipment for unit C1 for a cost less than the authorized amount of \$240,000.

The resolution also authorized the purchase of trunnion seals, seal covers, and blade bushings from Voith Hydro, Inc. in an amount estimated not to exceed \$765,000 for C2 to C7. The cost was estimated from a single unit quote because there was not certainty in the quantity and timing of future purchases. The Table below provides the cost estimates for each component as stated in Resolution 18-14243.

Description	Cost Estimate
Blade Trunnion Seals	\$ 75,000 per unit. Possible 7 units total.
Trunnion Covers	\$135,000 per Unit. Possible for 2 units total
Blade Bushings	\$ 30,000 per unit. Possible 7 units total.

Voith has provided the blade trunnion seals, seal covers, and blade bushings for Unit C1. District staff is recommending procuring an additional set to have on hand to minimize downtime in case of another oil leak. The equipment can be used on any of the C1 to C7 units.

As authorized by Resolution No. 18-1424, a Field Work Order/Change Order was issued for the purchase of blade trunnion seals and blade bushings for future use on C1 to C7. Voith responded that the price for the blade bushings would need to be increased because the price originally quoted was incorrect for the first set and they need to increase it commensurate with their actual costs. The new price is \$95,000. With purchase of the second set of equipment the contract would be modified to fix the prices for future purchases as specified in the table below plus an allowance for vendor cost increases.

Description	Cost Estimate
Blade Trunnion Seals	\$ 75,000 per unit plus vendor escalation subject to District approval. Possible 6 units total.
Trunnion Covers	\$135,000 per Unit plus vendor escalation subject to District approval. Possible for 1 unit total
Blade Bushings	\$ 95,000 per unit plus vendor escalation subject to District approval. Possible 6 units total.

The estimated cost for the remaining additional equipment is \$1,276,275 including a 3.5% escalation over three years. 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. The Commission authorizes an amendment to Resolution No. 18-14243 due to an increase in cost for Blade bushings.

Section 2. The General Manager or his designee is authorized to amend Contract No. 18-45 with for the purchase of additional blade trunnion seals, seal covers, and blade bushings, necessary to repair Rocky Units C1 to C7 for a cost not to exceed \$1,276,275 without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 19th day of February 2019.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal