

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

REGULAR COMMISSION MEETING

MARCH 4, 2024

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/H&OP Minute – Annabelle Babst
2. Approval of the Agenda
3. Annual Report of Safety Concern Reports Received
4. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

Consent Agenda

5. Minutes of the February 20, 2024 Regular Meeting
6. Vouchers: Accounts Payable Summary Report dated February 27, 2024:
 - a. Vouchers totaling \$51,022,122.02;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 13, 2024 through February 26, 2024 in the amount of \$30,887.70.
 - c. Approval of the net Payroll, Warrant Nos. 238380 through 238389 and Advice Nos. 772314 through 773125 for the pay period ending February 11, 2024 in the amount of \$2,514,636.21.
 - d. Approval of Warrant Nos. 30817 through 30904 totaling \$76,985.09 for claim payments from the workers' compensation self-insurance fund for the period ending February 26, 2024.
 - e. Approval of Parks Reservation System customer refunds for the period February 13, 2024 through February 26, 2024 in the amount of \$3,570.00.

Regular Agenda

7. A RESOLUTION DECLARING ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. OF SAN BERNARDINO, CA AS THE SOLE SOURCE SUPPLIER OF ARCGIS SOFTWARE SUITE
8. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2, 3, 3-GMP4, 1-GMP5, AND 1-GMP6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 3 AND GMP AMENDMENT NO. 5, AND AUTHORIZING THE ISSUANCE OF A GMP AMENDMENT NO. 7 TO NORTHBANK CIVIL AND MARINE, INC. OF VANCOUVER, WA FOR THE UPGRADE OF UNITS U3 AND U4 UNDER CONTRACT NO. 20-14 FOR THE ROCK ISLAND POWERHOUSE NO. 2 DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE
9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-DBA AND 2-GMP2 AND FURTHER AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 4 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR GENERATOR LEAD REPLACEMENT OF UNITS U-1, U-4, U-6, U-7 AND U-8 FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)
10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2, 1-GMP1, AND GMP2, AND INCREASING THE LIMIT OF DELEGATED AUTHORITY FOR FIELD WORK ORDER/CHANGE ORDER/GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT UNDER CONTRACT NO. 20-44 WITH OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OR. FOR THE ROCK ISLAND POWERHOUSE NO. 2 UNIT MOTOR CONTROL CENTERS REPLACEMENT PROJECT
11. A RESOLUTION CONFIRMING THE DISTRICT'S WILLINGNESS TO MAINTAIN COMPLIANCE WITH TERMS OF GRANTS AWARDED TO PESHASTIN WATER DISTRICT BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE
12. Manager Items
13. Commissioner Travel

REGULAR COMMISSION MEETING AGENDA

March 4, 2024

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14. Commission Items

a. Special Meetings

Proposed Motion: To set the following special meetings:

- On Tuesday, March 19, 2024 @ 5:30pm at Olive Garden, 615 Valley Mall parkway, East Wenatchee, for the purpose of holding a Mid-C GM and Commissioners meeting
- On Tuesday, March 26, 2024 @ 1:00pm at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Tri-Commission Meeting
- On Friday, May 3, 2024 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Board Workshop

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

16. Delegation of Action Items

17. Additional Public Comment

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

19. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION DECLARING ENVIRONMENTAL
SYSTEMS RESEARCH INSTITUTE, INC. OF SAN
BERNARDINO, CA AS THE SOLE SOURCE SUPPLIER
OF ARCGIS SOFTWARE SUITE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District utilizes Environmental Systems Research Institute, Inc. (ESRI) ArcGIS software suite as the foundation for utility/facilities mapping, modeling, and management. Since 2009, the District has procured the ArcGIS software suite through ESRI's Small Utility Enterprise Agreement (SUEA) program, which provides a bundled package of nearly all ESRI products the District needs for its complex GIS utility model. The ESRI SUEA term is three years, and the District's current ESRI SUEA expires on April 22, 2024.

The District wishes to renew the SUEA for an additional three-year term. The District wishes to continue procuring ArcGIS Data Interoperability for ArcGIS Pro term licenses to ensure integration of GIS data with other critical systems. The District also wishes to add GeoEvent Server licensing to allow ingestion, processing, analysis, and dissemination of time-series and event data as there is demand for this capability across many District lines of business supported by GIS. The ESRI SUEA three-year cost is \$197,445.00.

ESRI is the owner, manufacturer, and sole domestic provider of SUEAs, and is the only domestic source of updates and technical support for all ESRI software. SUEAs are offered at fixed-cost, non-negotiable tiered pricing based on meter counts. For this renewed SUEA, the District will move to SUEA Program Level Three.

Pursuant to RCW 54.04.070 and 39.04.280, the District may, when there is clearly and legitimately a sole source of supply, waive the statutory competitive bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 17-14215 requires that a declaration for sole source purchases over the statutory limits (\$120,000 per month) must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate ESRI as the sole source supplier for ArcGIS software suite in an amount not to exceed \$197,445.00. Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

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, as follows:

Section 1. The Commission declares ESRI to be the sole source supplier for ArcGIS software suite.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of ESRI as the sole source supplier for ArcGIS software suite.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with ESRI for the purchase of a three-year term of ArcGIS software suite at a cost not to exceed \$197,445.00 without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 4th day of March 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2, 3, 3-GMP4, 1-GMP5, AND 1-GMP6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 3 AND GMP AMENDMENT NO. 5, AND AUTHORIZING THE ISSUANCE OF A GMP AMENDMENT NO. 7 TO NORTHBANK CIVIL AND MARINE, INC. OF VANCOUVER, WA FOR THE UPGRADE OF UNITS U3 AND U4 UNDER CONTRACT NO. 20-14 FOR THE ROCK ISLAND POWERHOUSE NO. 2 DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE

FACTUAL BACKGROUND AND REASONS FOR ACTION

On May 11, 2020, by Resolution No. 20-14451, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of a planned upgrade to the draft tube gate system on all eight (8) units in Rock Island Dam Powerhouse No. 2. The upgrade includes replacement of the two (2) hydraulic cylinders and hydraulic power unit for each generating unit, replacement of piping due to poor condition, and procurement of some new components to mitigate schedule impacts and risk of unrepairable items. This work is scheduled with existing unit outages which began in 2022 and is planned to be completed in 2025.

On February 16, 2021, by Resolution No. 21-14532, the Commission of the District authorized the General Manager to enter into a Design-Build contract (Contract No. 20-14) with Northbank Civil and Marine, Inc. In addition to the general terms and conditions, the Contract authorized \$632,927.00 for preconstruction services.

Previously Approved GMP Amendments and Field Work Order/Change Orders

On April 5, 2021, by Resolution No. 21-14550, the Commission of the District authorized the General Manager to enter into the GMP Amendment No. 1 to procure and manufacture two sets of hydraulic cylinders and two hydraulic power units (HPU) for an amount of \$1,234,365.62. The revised overall Contract Sum was \$1,867,292.62.

On March 7, 2022, by Resolution No. 22-14642, the Commission of the District ratified Field Work Order/Change Order (FWO/CO) Nos. 1, 1-PC, 2-PC, 3-PC, 1-GMP1, 2-GMP1, 3-GMP1, and 4-GMP1 that reduced the Contract Sum for GMP

Amendment No. 1 by \$115,758.87 and authorized the General Manager to enter into the GMP Amendment No. 2 for Units U1 and U2 Draft Tube Gate Cylinder and HPU Upgrade for an amount of \$1,675,089.14. The new overall Contract Sum was \$3,426,622.89, excluding sales tax.

On April 4, 2022, by Resolution No. 22-14650, the Commission of the District authorized the General Manager to enter into the GMP Amendment No. 3 for an amount of \$1,440,570.74 to procure the raw material for Units U3 through U8 long lead components for Rock Island Powerhouse No. 2 Draft Tube Gate Cylinder and HPU Upgrade. The revised overall Contract Sum after execution of the GMP Amendment No. 3 was \$4,867,193.63, excluding sales tax.

On October 3, 2022, by Resolution No. 22-14698, the Commission of the District ratified FWO/CO Nos. 5-GMP1, 6-GMP1, 7-GMP1, 1-GMP2 and 2-GMP2 that increased the overall Contract Sum by \$57,109.44 for a revised overall Contract Sum of \$4,924,303.07, excluding sales tax. The Commission of the District also authorized the General Manager to enter into the GMP Amendment No. 4 for an amount of \$3,521,541.43 to procure and manufacture the long lead components for the remaining Units U3 through U8 for Rock Island Powerhouse No. 2 Draft Tube Gate Cylinder and HPU Upgrade. The revised overall Contract Sum after execution of the GMP Amendment No. 4 was \$8,445,844.50, excluding sales tax.

On May 22, 2023, by Resolution No. 23-14770, the Commission of the District ratified FWO/CO Nos. 8-GMP1, 3-GMP2, 4-GMP2, 5-GMP2, 1-GMP3, 1-GMP4 and 2-GMP4 that reduced the overall Contract Sum by \$156,710.51 for a revised overall Contract Sum of \$8,289,133.99, excluding sales tax. The Commission of the District also authorized final acceptance of work performed under Preconstruction Services phase, GMP Amendment No. 1, GMP Amendment No. 2, and the issuance of GMP Amendment No. 5 for Unit U8 Draft Tube Gate Cylinder and HPU Upgrade for an amount of \$1,084,851.65. The revised overall Contract Sum after execution of GMP Amendment No. 5 was \$9,373,985.64, excluding sales tax.

On September 18, 2023, by Resolution No. 23-14800, the Commission of the District ratified FWO/CO No. 2-GMP3 to deduct the unused allowance of \$129,645.36 from the Contract Sum for GMP Amendment No. 3, for a revised Contract Sum for GMP Amendment No. 3 of \$1,310,925.38, excluding sales tax. The Commission of the District also authorized the General Manager to execute GMP Amendment No. 6 for an amount of \$828,272.97 for Unit U3 Draft Tube Gate Cylinder and HPU Upgrade and Units U1 and U2 HPU modifications. The revised overall Contract Sum after execution of GMP Amendment No. 6 was \$10,072,613.25, excluding sales tax.

Executed FWO/CO to be Ratified

FWO/CO Nos. 2 and 3 were issued to revise GC-12.2 Correction of Work to move the beginning of the Correction Period from Final Acceptance to Substantial Completion. There was no change to the Contract Sum. They were executed on

December 5, 2023 and January 16, 2024 respectively, and are on file in the offices of the District.

FWO/CO No. 3-GMP4 extended equipment manufacturing date to accommodate District's revised schedule. There was no change to the Contract Sum. It was executed on November 1, 2023 and is on file in the offices of the District.

FWO/CO No. 1-GMP5 deducted the unused allowance from the Contract Sum for GMP Amendment No. 5 and allocated the savings to the parties. This change decreased by the Contract Sum for GMP Amendment No. 5 by \$373,468.50, for a revised Contract Sum for GMP Amendment No. 5 of \$711,383.15, excluding sales tax. It was executed on September 21, 2023 and is on file in the offices of the District.

FWO/CO No. 1-GMP6 required the Contractor to proceed with the work on Unit U7 instead of Unit U3 and extended Substantial Completion date to accommodate District's operational changes. There was no change to the Contract Sum. It was executed on December 11, 2023 and is on file in the offices of the District

Proposed Final Acceptance of Work Performed GMP Amendment No. 3 and GMP Amendment No. 5 for Approval

District staff has determined that all contract work performed under GMP Amendment No. 3 and GMP Amendment No. 5 has been completed and recommends that the District accept the work performed by the Contractor thereunder and authorize the release of the related bond in lieu of retainage, subject to the requirements of the contract and state law. 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 GMP Amendment No. 3 was executed on April 25, 2022 to purchase the raw material for Units U3 through U8 Long Lead Components for an amount of \$1,440,570.74. FWO/CO Nos. 1-GMP3 and 2-GMP3 were ratified by the Commission by Resolution No. 23-14770 and 23-14800 respectively. The Contract Sum of GMP Amendment No. 3 was reduced by \$129,645.36, for a revised Contract Sum for GMP Amendment No. 3 of \$1,310,925.38, excluding sales tax.

The GMP Amendment No. 5 was executed on May 26, 2023 for Unit U8 - Rock Island Powerhouse 2 Draft Tube Gate Cylinder & Hydraulic Power Units Upgrade for an amount of \$1,084,851.65, as authorized by the Commission by Resolution No. 23-14770. Ratification of FWO/CO No. 1-GMP5 is requested as part of this Resolution. The Contract Sum of GMP Amendment No. 5 was reduced by \$373,468.50 for a revised GMP Amendment No. 5 Contract Sum of \$711,383.15, excluding sales tax.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor under GMP Amendment No. 3 and GMP Amendment No. 5 and authorize the release of the related bond in lieu of retainage, subject to the requirements of the contract and state law.

Proposed GMP Amendment No. 7 and Increased Limit of Delegated Authority for Field Work Order/Change Order/GMP Amendment for Approval

The work has progressed to a point where Northbank Civil and Marine Inc. can provide a Guaranteed Maximum Price and schedule for the upgrade of the fifth (U3) and the sixth units (U4). Therefore, the District and Northbank Civil and Marine, Inc. have agreed to move forward with GMP Amendment No. 7, which includes the replacement of two (2) hydraulic cylinders, HPU, system piping, and hydraulic oil with an environmentally acceptable lubricant for each of Units U3 and U4.

District staff recommend execution of GMP Amendment No. 7 with Northbank Civil and Marine, Inc. for an amount of \$1,335,065.99, for Rock Island Powerhouse No. 2 Units U3 and U4 Draft Tube Gate Cylinder and HPU Upgrade. The revised overall Contract Sum after execution of GMP Amendment No. 7 will be \$11,034,210.74, excluding sales tax.

Resolution No. 17-14215 requires approval by the Commission of Field Work Order/Change Orders when the cumulative value of the Field Work Order/Change Orders exceed \$500,000.00. Resolution 17-14215 further specifies limits for redelegation of the Field Work Order/Change Order authority to Managing Directors, Directors, and Project Managers. This Resolution increases the limit of delegated authority for the General Manager to the available funds within the approved project capital budget, and also confirms redelegation limits specific to Contract 20-14 with Northbank Civil and Marine Inc. to expedite time sensitive decision making and to increase business efficiency. All Field Work Order/Change Orders and GMP Amendments will still be presented to the Commission for ratification.

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

ACTION

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

Section 1. The Commission finds that FWO/CO Nos. 2, 3, 3-GMP4, 1-GMP5, and 1-GMP6 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said FWO/CO are hereby formally acknowledged and ratified.

Section 2. All the contract work required under Contract No. 20-14, GMP Amendment No. 3 and GMP Amendment No. 5 was completed on August 22, 2023 and October 26, 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 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.

Section 5. The General Manager of the District is hereby authorized to execute GMP Amendment No. 7 with Northbank Civil and Marine, Inc. to upgrade the fifth and the sixth units under Contract No. 20-14 for Rock Island Powerhouse No. 2 Draft Tube Gate Cylinder and HPU Upgrade. The Contract Sum for GMP Amendment No. 7 shall not exceed \$1,335,065.99, for a total revised overall Contract Sum of \$11,034,210.74, excluding sales tax. A copy of the contract will be on file in the offices of the District.

Section 6. The General Manager of the District is hereby further authorized to adjust the contract price via Field Work Order/Change Order and/or GMP Amendment for Contract No. 20-14 with Northbank Civil and Marine Inc. prior to approval by the Commission when the cumulative value of the Field Work Order/Change Orders and GMP Amendments not previously ratified is less than the approved project capital budget. Any such Field Work Order/Change Order and GMP Amendment shall comply with all legal requirements, all policies of the District, and shall be filed in the offices thereof. This is a project-specific exception to the limits stated in Resolution 17-14215. The General Manager is authorized to re-delegate this project-specific authority pursuant to Resolution 17-14215.

DATED this 4th day of March 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-DBA AND 2-GMP2 AND FURTHER AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 4 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR GENERATOR LEAD REPLACEMENT OF UNITS U-1, U-4, U-6, U-7 AND U-8 FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)

FACTUAL BACKGROUND AND REASONS FOR ACTION

On May 11, 2020, by Resolution No. 20-14452, the Commission of the District authorized the General Manager to invite sealed proposals to provide design-build services to the District in support of the replacement of the generator main leads on all eight (8) units in Rock Island Powerhouse No. 2. This project includes the replacement of the cable bus, supports, and terminations for each unit. The work is scheduled with existing unit outages and began in 2022 and is planned to be completed by 2025.

Previously Approved Guaranteed Maximum Price (GMP) Amendments and Field Work Orders

On April 19, 2021, by Resolution No. 21-14556, the Commission of the District authorized the General Manager to enter into a Design-Build Agreement (DBA) (Contract No. 20-18) with Olsson Industrial Electric, Inc. In addition to the general terms and conditions, the Contract authorized \$314,355.00 for Pre-Construction services. FWO/CO No. 3-PC, which will be ratified in this Resolution, reflects a reduction in the final Contract price by \$79,916.07 to reflect actual costs for the Pre-Construction phase resulting in a final price for Pre-Construction of \$234,438.93.

On December 2, 2021, by Resolution No. 21-14610, the Commission of the District authorized the General Manager to enter into GMP Amendment No. 1 with Olsson Industrial Electric, Inc. in the amount of \$777,756.79 for the installation of Rock Island Powerhouse No. 2 – Generator Lead Replacement – Unit U-2.

On July 18, 2022, by Resolution No. 22-14679, the Commission of the District authorized the General Manager to enter into GMP Amendment No. 2 with Olsson Industrial Electric, Inc. in the amount of \$1,323,377.89 for the Rock Island Powerhouse No. 2 – Cable Bus System Long Lead Items.

On September 18, 2023, by Resolution 23-14801, the Commission of the District authorized the General Manager to enter into GMP Amendment No. 3 with Olsson

Industrial Electric, Inc. in the amount of \$1,027,491.69 for the Rock Island Powerhouse #2 – Generator Lead Replacement – Units U-3 and U-5. The Commission of the District also ratified FWO/CO No. 1-DBA, 1-PC, 2-PC, 3-PC, 1-GMP1, 2-GMP1, and 1-GMP2 for a revised contract price of \$3,335,002.14. In addition, the Commission of the District authorized final acceptance of work performed under the Preconstruction Services phase and GMP Amendment No. 1.

Executed Field Work Orders to be Ratified

Field Work Order/Change Order No. 2-DBA revised GC-12.2 Correction of Work to modify the warranty correction period from GMP Final Completion to Substantial Completion of each Unit and modified Specification Section 26 15 16 Medium-Voltage Cablebus. It was executed on December 5, 2023 and is on file in the offices of the District.

Field Work Order/Change Order 2-GMP2 extended the Time of Completion for the Generator Lead Replacement – Cable Bus System Long Lead Items. It was executed on January 30, 2024 and is on file in the offices of the District.

Field Work Order/Change Order Nos. 2-DBA and 2-GMP2 did not change the contract price of \$3,335,002.14, excluding sales tax, which the District's Engineers recommend be ratified.

Proposed GMP Amendment for Approval

District staff have determined that it is in the best interest of the Project to proceed with Generator Lead Replacement for Units U-1, U-4, U-6, U-7 and U-8 for the Rock Island Powerhouse No. 2 – Generator Lead Replacement Project.

District's staff recommends execution of the GMP Amendment No. 4 with Olsson Industrial Electric, Inc. in the amount of \$2,897,607.40, excluding sales tax, for the Rock Island Powerhouse No. 2 – Generator Lead Replacement – Units U-1, U-4, U-6, U-7 and U-8. The revised overall contract amount after execution of GMP Amendment No. 4 will not exceed \$6,232,609.54, excluding sales tax.

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

ACTION

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

Section 1. The General Manager of the District is hereby authorized to enter into a Guaranteed Maximum Price Amendment No. 4 with Olsson Electric, Inc. in the amount of \$2,897,607.40. A copy of the Agreement is on file in the offices of the District.

Section 2. The Commission finds that Field Work Order/Change Order Nos. 2-DBA and 2-GMP2 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

DATED this 4th day of March 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2, 1-GMP1, AND GMP2, AND INCREASING THE LIMIT OF DELEGATED AUTHORITY FOR FIELD WORK ORDER/CHANGE ORDER/GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT UNDER CONTRACT NO. 20-44 WITH OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OR. FOR THE ROCK ISLAND POWERHOUSE NO. 2 UNIT MOTOR CONTROL CENTERS REPLACEMENT PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

On February 1, 2021, by Resolution No. 21-14528, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of the replacement of all Motor Control Centers (MCCs) on all eight (8) units in Rock Island Dam Powerhouse No. 2. The project includes replacement of all MCCs with arc-flash resistant MCCs and may move the MCCs located on the 504' up to the 573' MCC lineup. This work will be scheduled to coincide with unit rehabilitation outages, will begin in 2023 and is currently planned to be complete in 2030.

On February 7, 2022, by Resolution No. 22-14627, the Commission of the District authorized the General Manager to enter into a Design-Build contract (RFP No. 20-44) with Olsson Industrial Electric, Inc. (Olsson). In addition to the general terms and conditions, the Contract authorized \$389,527.00 for preconstruction services.

On March 6, 2023, by Resolution No. 23-14742, the Commission of the District ratified Field Work Order/Change (FWO/CO) Nos. 1, 1-PC, 2-PC that did not affect the Contract Sum. The Commission of the District also authorized the General Manager to enter into the GMP Amendment No. 1 to procure and manufacture the MCC Equipment for Unit U5 in an amount of \$350,753.44. The revised overall Contract Sum is \$740,280.44, excluding sales tax. Finally, the Commission authorized the General Manager to adjust the Contract Sum via GMP Amendment or FWO/CO in accordance with the delegated authorities established by Resolution No. 17-14215, as deemed prudent for the efficient completion of District priorities contemplated under this Contract.

Executed FWO/CO and GMP Amendment to be Ratified

FWO/CO No. 2 was issued to revise GC-12.2 Correction of Work to move the beginning of the Correction Period from Final Acceptance to Substantial Completion.

There was no change to the Contract Sum. It was executed on December 14, 2023 and is on file in the offices of the District.

FWO/CO No. 1-GMP1 expedited manufacturing and delivery of MCC equipment to mitigate the risk of delaying the rehabilitation Work. This change increased the Contract Sum for GMP Amendment No. 1 by \$125,086.78 for a revised not to exceed Contract Sum of \$475,840.22. It was executed on April 6, 2023 and is on file in the offices of the District.

GMP Amendment No. 2 was issued to provide the installation and commissioning of Unit U5 MCC equipment procured under GMP Amendment No. 1 in an amount of \$130,335.82. It was executed on September 4, 2023 and is on file in the offices of the District.

Increased Limit of Delegated Authority for FWO/CO/GMP Amendment for Approval

Resolution No. 17-14215 requires approval by the Commission of FWO/CO when the cumulative value of the FWO/CO exceeds \$500,000.00. Resolution 17-14215 further specifies limits for redelegation of the FWO/CO authority to Managing Directors, Directors, and Project Managers. This Resolution increases the limit of delegated authority for the General Manager to the available funds within the approved project capital budget, and also confirms redelegation limits specific to Contract 20-44 with Olsson to expedite time sensitive decision making and to increase business efficiency. All FWO/CO and GMP Amendments will still be presented to the Commission for ratification.

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

ACTION

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

Section 1. The Commission finds that FWO/CO Nos. 2, 1-GMP1, and GMP2 were properly executed pursuant to the authority delegated by Resolution No. 23-14742 and said FWO/COs and GMP Amendment are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to adjust the contract price via FWO/CO and/or GMP Amendment for Contract No. 20-44 with Olsson prior to approval by the Commission when the cumulative value of the FWO/COs and GMP Amendments not previously ratified is less than the approved project capital budget. Any such FWO/CO and GMP Amendment shall comply with all legal requirements, all policies of the District, and shall be filed in the offices thereof.

This is a project-specific exception to the limits stated in Resolution 17-14215. The General Manager is authorized to re-delegate this project-specific authority pursuant to Resolution 17-14215.

DATED this 4th day of March 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION CONFIRMING THE DISTRICT'S
WILLINGNESS TO MAINTAIN COMPLIANCE WITH
TERMS OF GRANTS AWARDED TO PESHASTIN
WATER DISTRICT BY THE UNITED STATES
DEPARTMENT OF AGRICULTURE, RURAL
UTILITIES SERVICE

FACTUAL BACKGROUND AND REASONS FOR ACTION

By Resolution 22-14730, dated December 19, 2022, the Commission of the Public Utility District No. 1 of Chelan County ("District") approved an agreement acquiring the assets of the Peshastin Water District ("PWD"), including all of its water system infrastructure ("Transfer Agreement"). The transaction is set to close in March 2024.

In 2003 and 2004, PWD obtained grant funding from the United States Department of Agriculture, Rural Utilities Service ("RUS"), to improve its water distribution system. On March 31, 2003, PWD signed a grant agreement with RUS for \$1,696,750.00 ("2003 Grant Agreement"). On March 29, 2004, PWD signed a grant agreement with RUS for \$138,000.00 ("2004 Grant Agreement").

This grant funding was used to help construct a small reservoir, a pump station, and some of PWD's distribution system. These assets are included in those transferred to the District under the Transfer Agreement.

As part of the transfer of these assets to the District, RUS has requested a resolution from the District agreeing to maintain compliance with the terms of the 2003 and 2004 Grant Agreements.

District staff recommends the Commission adopt a resolution agreeing to maintain compliance with the terms of the 2003 and 2004 Grant Agreements.

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

ACTION

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

Section 1. The Commission agrees that the District will maintain compliance with the terms of the 2003 and 2004 Grant Agreements between Peshastin Water District and the United States Department of Agriculture, Rural Utilities Service during

the service life of the assets funded under these agreements. Copies of the Transfer Agreement and the 2003 and 2004 Grant Agreements are on file in the offices of the District.

DATED this 4th day of March 2024.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal