

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

REGULAR COMMISSION MEETING

MARCH 6, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Fandhi Irawan
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. Confluence Parkway
4. Quarterly Energy Resources Update
5. 2023 Internal Loan Overview
6. Public Comment

BUSINESS SESSION

1:00 PM

Consent Agenda

7. Minutes of the February 21, 2023 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated March 1, 2023:
 - a. Vouchers totaling \$22,690,452.72;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 15, 2023 through February 28, 2023 in the amount of \$74,617.27.
 - c. Approval of the net Payroll, Warrant Nos. 238073 through 238088 and Advice Nos. 750995 through 751772 for the pay period ending February 12, 2023 in the amount of \$ 2,300,181.78.

- d. Approval of Warrant Nos. 29301 through 29337 totaling \$6,897.22 for claim payments from the workers' compensation self-insurance fund for the period ending February 27, 2023.

Regular Agenda

9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-GMP1, 2-GMP2, 3-GMP2, AND 4-GMP2 AND AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 5-GMP2 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 –GENERATING UNIT REHABILITATION PROJECT
10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER (FWO/CO) NOS. 1, 1-PRECONSTRUCTION, 2-PRECONSTRUCTION AND AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO PROCURE MOTOR CONTROL CENTER EQUIPMENT FOR UNIT U5 UNDER CONTRACT NO. 22-44 WITH OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OR, FOR THE ROCK ISLAND POWERHOUSE NO. 2 UNIT MOTOR CONTROL CENTERS REPLACEMENT PROJECT
11. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 22-12059) WITH KEARNS AND WEST, INC. TO PROVIDE ROCK ISLAND RELICENSING FACILITATION AND MEDIATION SERVICES
12. Manager Items
13. Commissioner Travel
14. Commission Items
 - a. Special Meeting
Proposed motion: To set a special meeting on Friday, March 24, 2023 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding an Executive Session to review the performance of a public employee
15. Follow-up on Delegation of Action Items from Previous Board Meeting
16. Delegation of Action Items
17. 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.

REGULAR COMMISSION MEETING AGENDA

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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), to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 2-GMP1, 2-GMP2, 3-GMP2, AND 4-GMP2 AND AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 5-GMP2 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

On October 1, 2018, by Resolution No. 18-14273, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of planned rehabilitation to Rock Island Dam Powerhouse No. 2 – Generating Units. Rehabilitation includes refurbishment of most major components, replacement of some due to known poor condition and limited remaining life, and procurement of some new components to mitigate schedule impacts from finding unrepairable items during the construction outage. The rehabilitation work on the first unit began in 2023, and the rehabilitation on the last unit is scheduled to be complete in 2031.

Previously Approved Field Work Orders

On July 20, 2020, by Resolution No. 20-14473, the Commission of the District Authorized the General Manager to enter into a Design-Build contract No. 18-10 with GE Renewables US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for pre-construction services.

On March 1, 2021, by Resolution 21-14537, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 3 to extend the pre-construction completion date to May 31, 2021 and add \$1,000,000.00 to the current not to exceed amount. The new not to exceed amount is \$5,500,000.00.

On May 3, 2021, by Resolution 21-14562, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 2 to provide for an Extended Correction Period to be added to the Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation Project for a not to exceed amount of \$19,743,066.00. The new not to exceed amount is \$25,243,066.00.

On May 3, 2021, by Resolution 21-14563, the Commission of the District authorized the General Manager to enter into a GMP Amendment No. 1 to provide for

the long lead components to be ordered for the first unit for a not to exceed amount of \$12,162,792.14. The new not to exceed amount is \$37,405,858.14.

On July 6, 2021, by Resolution 21-14574, the Commission of the District ratified Field Work Order/Change Order Nos. 1, 4- Pre-Construction and 5- Pre-Construction, authorized the General Manager to enter into a GMP Amendment No. 2 to provide for the first unit (U5) rehabilitation, and approved the revised combined 2021 capital budget for all Rock Island Powerhouse No. 2 – Generating Rehabilitation projects. The new overall not to exceed contract amount is \$104,280,253.70.

On February 22, 2022, by Resolution 22-14632, the Commission of the District ratified Field Work Order/Change Order No. 1-ECP, 3, 1-GMPA1 and 6-Pre-Construction for a reduction of \$1,306,300.69 from the overall contract amount, authorized the General Manager to execute Field Work Order/Change Order No. 1-GMP2 for updating the work scope under GMP Amendment No. 2 - First Unit (U5) with GE for an amount of \$1,032,059.80 for a revised not to exceed amount of \$104,006,012.81, excluding sales tax.

Executed Field Work Orders to be Ratified

Field Work Order/Change Order No. 2-GMP1 updated the completion date of some of the long lead components based on revised manufacturing schedules. There is no change in the contract price. It was executed on January 27, 2023, and is on file in the office of the District.

Field Work Order/Change Order No. 2-GMP2 updated hourly rates associated with GMP Amendment No. 2 and the Schedule of Values. There is no change in the contract price. It was executed on June 22, 2022, and is on file in the office of the District.

Field Work Order/Change Order No. 3-GMP2 delayed the first unit outage start date to minimize disruptions to the measurement and disassembly processes and extended the Substantial Completion date. There is no change in the contract price. It was executed on September 23, 2022, and is on file in the office of the District.

Field Work Order/Change Order No. 4-GMP2 delayed the first unit outage start date to allow the procedures and tools required for disassembly to be completed prior to starting the outage and extended the Substantial Completion date. There is no change in the contract price. It was executed on November 29, 2022, and is on file in the office of the District.

Proposed Field Work Order for Approval

Field Work Order/Change Order No. 5-GMP2 updates the work scope under the GMP Amendment No. 2 – First Unit (U5). The changes include: (1) adding new governor oil tanks on Elevation 504', (2) modifying the design of the discharge ring

expansion joint, (3) directly mounting and testing the torical chambers (or membranes) on the existing thrust and counter thrust bearing mounting plates, and (4) updating the baseline schedule. The cost for these modifications is \$1,443,227.80 which will result in a new revised total contract price for GMP Amendment No. 2 - First Unit (U5) of \$69,349,683.16.

District staff recommends ratification of Field Work Order/Change Order Nos. 2-GMP1, 2-GMP2, 3-GMP2, and 4-GMP2 to Contract No. 18-10 with GE with no change to the overall contract amount, and execution of Field Work Order/Change Order No. 5-GMP2 for an amount of \$1,443,227.80, for the Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation Project First Unit Rehabilitation. The revised overall contract amount, after execution of this Field Work Order/Change Order No. 5-GMP2, will be \$105,449,240.61, 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 to \$1,000,000.00 for the General Manager and also confirms redelegation limits specific to Contract 18-10 with GE Renewables US, LLC to expedite time-sensitive decision making. This authority only applies to available funds within the approved project budget. All Field Work Order/Change Orders will still be presented to the Commission for ratification.

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

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 2-GMP1, 2-GMP2, 3-GMP2, and 4-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.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 5-GMP2 for updating the work scope under GMP Amendment No. 2 - First Unit (U5) with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation First Unit Rehabilitation for an amount of \$1,443,227.80 for a revised overall contract amount of \$105,449,240.61, excluding sales tax.

Section 3. The General Manager is authorized to execute Field Work Order/Change Orders for Contract 18-10 with GE Renewables US, LLC prior to approval by the Commission when the cumulative value of the Field Work Order/Change Orders not previously ratified is less than \$1,000,000.00. 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 6th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER (FWO/CO) NOS. 1, 1-PRECONSTRUCTION, 2-PRECONSTRUCTION AND AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO PROCURE MOTOR CONTROL CENTER EQUIPMENT FOR UNIT U5 UNDER CONTRACT NO. 22-44 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 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.

Executed Field Work Orders to be Ratified

FWO/CO No. 1 updated the Technical Specifications that had been finalized during the preconstruction services phase. There was no change in the overall Contract Sum. It was executed on February 16, 2023 and is on file in the offices of the District.

FWO/CO No. 1-Preconstruction extended the time for completion of the preconstruction services to incorporate Plant Engineering and Operations input and finalize the options package and design for MCCs. There was no change in the overall Contract Sum. It was executed September 2, 2022 and is on file in the offices of the District.

FWO/CO No. 2-Preconstruction extended the time for completion of the preconstruction services to incorporate Plant Engineering and Operations input and finalize the options package and first unit (U5) installation work. There was no change

in the overall Contract Sum. It was executed November 2, 2022 and is on file in the offices of the District.

Proposed GMP Amendment No. 1 for Approval

The District and Olsson have determined it is in the best interest of the Project to procure and start manufacturing of the MCC equipment for Unit U5 in advance of completion of a second GMP for the first unit to mitigate schedule risk do to supply chain issues and meet the project construction schedule.

District staff recommends execution of GMP Amendment No. 1 with Olsson for the supply of Unit U5 MCC Equipment in an amount of \$350,753.44 for a revised overall Contract Sum of \$740,280.44, excluding sales tax.

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

ACTION

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

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

Section 2. The General Manager of the District is hereby authorized to execute the GMP Amendment No. 1 with Olsson under Contract 20-44 to procure and manufacture the MCC Equipment for Unit U5 in an amount of \$350,753.44 for a revised overall Contract Sum of \$740,280.44, excluding sales tax. A copy of the contracts will be on file in the offices of the District.

Section 3. The General Manager of the District is hereby further authorized, in accordance with the delegated authorities established by Resolution No. 17-14215, to adjust the Contract Sum via GMP Amendment or FWO/CO as deemed prudent for the efficient completion of District priorities contemplated under this Contract. Any such GMP Amendment or FWO/CO shall comply with all legal requirements, all policies of the District, and shall be filed in the offices thereof.

DATED this 6th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 1 TO SERVICES AGREEMENT (SA NO. 22-
12059) WITH KEARNS AND WEST, INC. TO
PROVIDE ROCK ISLAND RELICENSING
FACILITATION AND MEDIATION SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (PSA No. 22-12059) on January 19, 2022 with Kearns and West, Inc. to provide Rock Island Relicensing Facilitation and Mediation Services, in an amount not to exceed \$430,000.00.

District staff has identified the need for additional services to facilitate and mediate Rock Island relicensing technical working groups through 2025. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 22-12059 with Kearns and West, Inc. to cover the additional services through 2025 in the amount of \$1,070,000.00, for a total revised contract price not to exceed \$1,500,000.00.

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

ACTION

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

Section 1. The General Manager is hereby authorized to execute an Amendment to Services Agreement (PSA No. 22-12059) with Kearns and West, Inc. to provide the additional services identified above. The revised contract price will not exceed \$1,500,000.00 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 6th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal