

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

REGULAR COMMISSION MEETING

MARCH 15, 2021

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 715-008-653#

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

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

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Pat O’Hara
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. Peshastin Water District Update
5. Long-Term Marketing Strategies

BUSINESS SESSION

1:00 PM

Consent Agenda

6. Minutes of the March 1, 2021 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated March 10, 2021:
 - a. Vouchers totaling \$7,563,872.98;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 24, 2021 through March 9, 2021 in the amount of \$47,187.30;

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- c. Approval of the net Payroll, Warrant Nos. 237410 through 237425 and Advice Nos. 710307 through 711070 for the pay period ending February 28, 2021 in the amount of \$2,065,232.59;
 - d. Approval of Warrant Nos. 27314 through 27349 totaling \$8,585.88 for claim payments from the workers' compensation self-insurance fund for the period ending March 8, 2021.
8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-81 WITH KRCI, LLC OF EAST WENATCHEE AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

Regular Agenda

9. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO APPROVE RENEWALS OF THE ORACLE CUSTOMER INFORMATION SYSTEM SOFTWARE
10. A RESOLUTION DECLARING ACCRUENT OF AUSTIN, TX AS THE SOLE SOURCE SUPPLIER OF MERIDIAN SOFTWARE AND SUPPORT
11. A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT RELATING TO DEVELOPMENT PROJECTS WITH THE CITY OF WENATCHEE
12. Manager Items
13. Commission Items
- a. Strategy Partners Update Meeting
Proposed motion: Move to set a special meeting on Thursday, April 29, 2021 @ 1:00pm to be held virtually for the purpose of holding a Strategy Partners Update meeting. Virtual meeting information will be posted on the PUD website.
14. Follow-up on Delegation of Action Items from Previous Board Meeting
15. Delegation of Action Items
16. 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.
17. Matters of general business as may necessarily come before the Commission

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18. 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) and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g)

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING FINAL
ACCEPTANCE OF PERFORMANCE UNDER BID
NO. 19-81 WITH KRCI, LLC OF EAST WENATCHEE
AND AUTHORIZING RELEASE OF THE BOND IN
LIEU OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less.

On December 11, 2019 the District entered into a contract (Bid No. 19-81) with KRCI, LLC (Contractor) of East Wenatchee, WA for Old Mill Park Boat Launch Docks Replacement, in the amount of \$684,830. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080

District staff has determined that the work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

The work in Field Work Order Nos. 1-4 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order Nos. 1-4, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Changes to Contract Price and Contract Time	\$9,152.69
2. Breakwater Hardware Changes	\$6,279.42
3. Changes to Contract Price and Contract Time	\$0
4. Float Removal and Modification Plan	\$0
Total	\$15,432.11

Field Work Order Nos. 1-4 results in a net increase of \$15,432.11 to the original contract price of \$684,830 resulting in a new revised total contract price of \$700,262.11 (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 March 1, 2021. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and recommends the District authorize the release of the related bond in lieu of retainage, subject to the requirements of the contract and state law.

ACTION

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

Section 1. All the contract work required under Bid No. 19-81 was completed on March 1, 2021, and the same is hereby accepted, subject to Section 2 hereof. Release of the Contractor's bond in lieu of retainage is authorized subject to Section 2 and Section 3 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 2. 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 3. 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 15th day of March 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO APPROVE RENEWALS OF THE ORACLE CUSTOMER INFORMATION SYSTEM SOFTWARE.

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution 18-14230 dated March 19, 2018 authorized an agreement with Oracle Corporation for licensing and support of its CIS/MDMS software (C2M) and Professional Services Agreement 17-201 with Blue Heron Consulting, Inc. (“BHC”) for Implementation Services related to Oracle’s C2M software System.

The purchase price of the software was \$640,635. Since purchase of the software, the District has renewed the licenses and support for two additional years, for a total cost of \$878,650.20.

District staff recommends and requests approval of future additional license purchases and annual support renewals of the C2M software, as approved under the delegated authority thresholds of the General Manager while the related software remains in use.

The General Manager of the District 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 General Manager of the District is hereby authorized to approve the current renewal for period ending on April 1, 2022, at a cost of \$124,995.47.

Section 2. Future annual support and maintenance agreements and additional licenses purchases may be approved consistent with the delegated thresholds set out at Resolution 17-14215, while the related software remains in use.

DATED this 15th day of March 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION DECLARING ACCRUENT OF
AUSTIN, TX AS THE SOLE SOURCE SUPPLIER OF
MERIDIAN SOFTWARE AND SUPPORT.

FACTUAL BACKGROUND AND REASONS FOR ACTION

Accruent Meridian software is the District's engineering document management solution. This software allows the District to maintain the integrity of our engineering data. It ensures that users have access to complete up-to-date documentation throughout an asset's lifecycle through change management and document archival control.

Accruent is the manufacturer of Meridian software which is sold through both direct and indirect channels. Their channel partner agreements require licensing sales to net new businesses via a pre-approved registration process. Existing Meridian customers (the District) are supported and maintained through Accruent as the contracted supplier.

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 (\$60,000 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 Accruent as the sole source supplier for Meridian Enterprise in an amount not to exceed \$475,000. 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, WASHINGTON, as follows:

Section 1. The Commission declares Accruent to be the sole source supplier for Meridian software and support.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Accruent as the sole source supplier for Meridian software and support.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Accruent for the purchase of Meridian software and support at a cost not to exceed \$475,000 without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 15th day of March 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING AN INTERLOCAL
AGREEMENT RELATING TO DEVELOPMENT
PROJECTS WITH THE CITY OF WENATCHEE**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The City of Wenatchee (“City”) has local revitalization financing (“LRF”) funding that can only be used for improvement projects along the waterfront of the Columbia River, including on property upon which the District operates and maintains the Wenatchee Riverfront Park (“Park”) pursuant to the District’s license to operate the Rock Island Hydroelectric Project No. 943.

The District desires assistance from the City with LRF funds for a design study and future implementation of improvements to the Park (“Park Project”). The City desires the District to contribute money for capital improvement projects that have a mutual benefit.

The City and District desire to take advantage of the different sources of funding to implement these improvement projects. As a result of the cooperative planning meetings between the Parties, the City and the District desire to continue their cooperative efforts through final design, public procurement, construction and financing of the Park Project, and have drafted an Interlocal Agreement Re: Development Projects (“Agreement”), a copy of which is attached hereto as Exhibit A.

The City is authorized by chapter 39.104 Revised Code of Washington (RCW) (the “Act”), under certain conditions, to establish an increment area within the boundaries of the City and to finance public improvements using local revitalization financing in order to promote and facilitate the orderly redevelopment of and to encourage economic growth and development within the increment area.

Improvements to the Park will benefit the District and the general public by providing upgraded public facilities and improving recreation in this area.

In accordance with the provisions of the Act, the City Council enacted Ordinance 2009-26 (the “Ordinance”) establishing the Local Revitalization Financing District Wenatchee Waterfront (the “LRF Waterfront District”). The City has determined that the Park Project, the costs associated with the Park Project, and the contractual obligations identified in the Agreement are eligible and otherwise qualify under 39.104 RCW for reimbursement as determined in the Ordinance.

Along with other provisions, the Agreement provides:

- The City will pay \$2,000,000 toward the design and construction of the Park Project using its LRF funding.

- The District will pay the City \$300,000 to be used for capital improvement projects.

District staff have reviewed the Agreement and recommend that it is in the best interest of the District to approve the Agreement.

The General Manager has reviewed the 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 Commission hereby approves the Interlocal Agreement Relating to Development Projects with the City of Wenatchee and authorizes the General Manager to execute such Agreement.

Section 2. The Commission hereby delegates to the General Manager, or his designee, the authority to execute any and all necessary and customary documents at closing and to take any and all necessary actions to effectuate the Interlocal Agreement Relating to Development Projects with the City of Wenatchee.

Dated this 15th day of March 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

INTERLOCAL AGREEMENT RE: DEVELOPMENT PROJECTS

THIS INTERLOCAL AGREEMENT ("Agreement") is hereby entered into this date by and between the CITY OF WENATCHEE (the "City"), and CHELAN COUNTY PUD #1 (the "District"), sometimes collectively referred to as the "Parties."

WHEREAS, the City has local revitalization financing (LRF) funding that can only be used for improvement projects along the waterfront of the Columbia River, including on property upon which the District operates and maintains the Wenatchee Riverfront Park ("Park") pursuant to the District's license to operate the Rock Island Hydroelectric Project No. 943 ("Rock Island"); and

WHEREAS, the District desires assistance from the City with LRF funds for a design study and future implementation of improvements to the Park ("Park Project"); and

WHEREAS, the City desires the District to contribute money for capital improvement projects that have a mutual benefit; and

WHEREAS, the City and District desire to take advantage of the different sources of funding to implement these improvement projects; and

WHEREAS, as a result of the cooperative planning meetings between the Parties, the City and the District desire to continue their cooperative efforts through final design, public procurement, construction and financing of the Park Project;

WHEREAS, the City is authorized by chapter 39.104 Revised Code of Washington (RCW) (the "Act"), under certain conditions, to establish an increment area within the boundaries of the City and to finance public improvements using local revitalization financing in order to promote and facilitate the orderly redevelopment of and to encourage economic growth and development within the increment area; and

WHEREAS, improvements to the Park will benefit the District and the general public by providing upgraded public facilities and improving recreation in this area; and

WHEREAS, in accordance with the provisions of the Act, the City Council enacted Ordinance 2009-26 (the "Ordinance") establishing the Local Revitalization Financing District -Wenatchee Waterfront (the "LRF Waterfront District"), describing the public improvements, the boundaries of the LRF Waterfront District, estimating the cost of public improvements and the portion of those public improvement costs to be financed by local revitalization financing, including payment of public improvement costs on a "pay-as-you-go" basis; and

WHEREAS, the City has determined that the Park Project, the costs associated with the Park Project, and the contractual obligations identified in this Agreement are eligible and otherwise qualify under 39.104 RCW for reimbursement as determined in the Ordinance.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the foregoing representations, which are incorporated by this reference into the Agreement, the City and the District agree as follows:

1. Purpose/Recitals.

The purpose of this Agreement is to provide for the continued cooperation of the Parties for the design, public procurement, and construction of the Park Project. The foregoing Recitals are incorporated into this Agreement by reference.

2. Term.

This Agreement shall be effective on the latest date of execution by the Parties ("Effective Date").

This Agreement shall terminate on completion of the payment provisions set out at Section 5 hereof.

Upon termination of this Agreement, all obligations and liabilities incurred by the Parties through the date of termination shall be preserved until satisfied.

Notwithstanding any provision of this Agreement to the contrary, the rights and obligations of this Agreement set out at Sections 6 and 7 shall survive termination of this Agreement.

3. Scope of Work.

The Scope of Work for the City's other capital improvement projects shall be prepared by the City. The Scope of Work for the Park Project shall be developed by consultants mutually agreed upon by the Parties to perform such work. Upon District approval of the development plans and specifications, those documents will be attached to this Agreement and incorporated by reference herein.

4. Project Completion.

District shall lead the design study and future project implementation for the Park Project, including:

- 4.1. Coordinating with City and consultant for drafting of design plan, plans and specifications, and community outreach.
- 4.2. Administering the bidding and contract award, consistent with public bid laws for the Park Project, including: a.) Preparing bid documents; b.) Advertising for construction bids; c.) Awarding of the construction contract.
- 4.3. Administering the construction contract for the Park Project, including: a.) Scheduling the construction work in coordination with the City; b.) Disbursement of payments to the Park Project contractor; c.) Administration of change orders; and d.) Coordinating with the City to provide traffic control and access to the Park during construction; e.) Coordinating and providing all inspection and permitting necessary to the Project; and f.) Coordinating final acceptance of the Park Project following construction, including, inter alia, obtaining the City's written acknowledgement of final completion prior to final acceptance of the Park Project ("Final Acceptance").
- 4.4. Providing field engineering, including survey control and construction staking and as built drawings.
- 4.5. Administering and managing the budget for this Park Project.

5. Project Funding.

The District and the City shall fund the construction of the Park Project as follows:

5.1. The District and the City will each contribute up to \$200,000 toward a service agreement for a consultant to develop plans and specifications for the Park Project as stated in Section 3. The City shall pay the District for its share of this service agreement. Funds remaining from this combined \$400,000 may be spent on construction/bidding documents following completion of the park master plan, subject to an additional scope of work mutually agreed upon by the City and District.

5.2. The City will contribute \$2,000,000, inclusive of the \$200,000 paid by the City for design pursuant to paragraph 5.1 above, for Park Project construction costs. The District shall invoice the City for expenses it has incurred for the design work and the Park Project consistent with LRF requirements, and the City shall reimburse the District within 30 days of invoice. The District may elect to match Park Project construction costs as part of a separate agreement with the City that addresses relicensing of the Rock Island Project and the District's pursuit of early-action credit.

5.3 The District shall bear its own administrative costs and expenses associated with the PUD Park Project, including without limitation, construction management costs.

5.4 Within 90 days of entering into this Agreement, the District shall pay to the City the sum of \$300,000 for use on the other City capital improvement projects.

6. Records.

The Parties shall keep and maintain accurate and complete records pertaining to all related agreements, costs and work. Each party shall have full access and right to examine any records during the term of this Agreement and for six (6) years thereafter. All records, books, documents and other materials maintained, prepared or issued by each Party in the implementation of this Agreement shall be the property of the issuing Party, and each Party shall have the responsibility of the retention and release of these materials. The records retention period shall be tolled during the pendency of any claims or suits related in any way to this Agreement and any records for which a party has custody or responsibility shall not be destroyed or purged until final resolution of all claims or lawsuits.

7. Mutual Indemnity.

The District shall indemnify, defend and hold harmless the City, its officers, agents and employees, from and against any and all claims, losses or liability, or any portion thereof, arising from injury or death to persons or damage to property occasioned by any negligent act, omission or failure of the District, its officers, agents, and employees, in connection with this Agreement.

The indemnification obligation of District shall not be limited in any way by the application of any workmen's compensation acts, disability benefit acts or other employee benefit acts and the District expressly waives the protection afforded by such laws. The foregoing waiver and indemnification obligations have been mutually negotiated.

The City shall indemnify, defend and hold harmless the District, its officers, agents, employees, contractors, and subcontractors from and against any and all claims, losses or liability, or any portion

thereof, arising from injury or death to persons or damage to property occasioned by any negligent act, omission or failure of the City, its officers, agents, and employees, in connection with this Agreement.

The indemnification obligation of the City shall not be limited in any way by the application of any workmen's compensation acts, disability benefit acts or other employee benefit acts and the City expressly waives the protection afforded by such laws. The foregoing waiver and indemnification obligations have been mutually negotiated.

8. Severability.

In the event that any provision of this Agreement shall be determined to be unenforceable or otherwise invalid for any reason, such provision shall be enforced and validated to the extent permitted by law. All other provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

9. Attorney's Fees.

In the event of litigation regarding any of the terms of this Agreement, each party shall pay their own attorney's fees and costs.

10. Construction.

This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto. This Agreement may be amended only by an agreement in writing signed by the Parties.

11. Mutual Negotiation and Construction.

This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between, and mutually drafted by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party.

12. Governing Law; Venue.

This Agreement is governed by the laws of the state of Washington, without regard to its conflict of law provisions. The jurisdiction of any action hereunder shall be in the Superior Court, Chelan County, Washington.

13. Public Disclosure.

The obligations of the parties regarding confidential information may be subject to state and federal public disclosure laws, as now exist or as may be hereafter amended. The parties may disclose confidential information to the extent it is required to be disclosed pursuant to the public disclosure laws. If a public disclosure of confidential information is requested, the party receiving the request agrees to notify the other of such request at least ten (10) business days prior to disclosure being made. The other party may immediately seek a protective order in the appropriate court. The receiving party will reasonably cooperate with the other in such action, but is under no obligation to obtain or seek any court protection.

14. Relationship of Parties.

The Parties intend that an independent contractor relationship will be created by this Agreement. The conduct and control of the Projects Contracts and safety measures required by Projects Contracts lie solely with the City and its Contractor. Neither party, their officers, employees, agents, contractors or subcontractors shall be considered an agent or employee of the other for any purpose and neither party is entitled to any of the benefits that the other provides for its respective employees.

15. No Third Party Beneficiaries.

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

APPROVED BY:

THE CITY OF WENATCHEE

This __ day _____ of 2021.

By: _____

Name: _____

Title: _____

Attest: _____

APPROVED BY:

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

This __ day of _____, 2021.

By: _____

Name: _____

Title: _____

Attest: _____