

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

REGULAR COMMISSION MEETING

MARCH 18, 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. Substation Update
5. Update on Financial Resiliency

BUSINESS SESSION

1:00 PM

Consent Agenda

6. Minutes of the March 4, 2019 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated March 13, 2019:
 - a. Vouchers totaling \$14,079,834.30;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period February 27, 2019 through March 12, 2019 in the amount of \$25,720.04;
 - c. Approval of the net Payroll, Warrant Nos. 236416 through 236434 and Advice Nos. 669638 through 670412 for the pay period ending 03/03/2019 in the amount of \$1,985,053.63;

- d. Approval of Warrant Nos. 25420 through 25453 totaling \$55,891.78 for claim payments from the workers' compensation self-insurance fund for the period ending March 11, 2019.
8. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5 AND 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-83 WITH COLVICO, INC. OF SPOKANE, WASHINGTON

Regular Agenda

9. A RESOLUTION AUTHORIZING A LOAN FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$87,000,000 TO FINANCE CERTAIN ROCK ISLAND CAPITAL IMPROVEMENTS FOR 2019 AND 2020
10. A RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO SERVICES AGREEMENT (SA NO. 13-082) WITH PYTHIAN GROUP, INC. TO PROVIDE SEQUEL ("SQL") SERVER CONSULTING SERVICES
11. A RESOLUTION REJECTING THE BID OF ALLIED BODY WORKS, INC. AND ACCEPTING THE BID OF TITAN TRUCK EQUIPMENT COMPANY, INC FOR BID SCHEDULES A, B AND D OF BID 19-02 FOR THE TRUCK UPFITTING OF SEVEN (7) DISTRICT PROVIDED CAB AND CHASSIS
12. Manager Items
13. Commission Items
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
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)

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5 AND 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-83 WITH COLVICO, INC. OF SPOKANE, WASHINGTON

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 February 12, 2018, the District entered into a contract (Bid No. 17-83) with Colvico, Inc. (Contractor) of Spokane, Washington for the Rocky Reach Fire Alarm System Upgrades, in the amount of \$960,050.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and.080.

The work in Field Work Order Nos. 1, 2, 3, 4, 5 and 6 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, 3, 4, 5 and 6, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount	Liquidated Damages
1. Purchase 4 Additional Generator Smoke Detectors And Power Supplies "Spare Parts" For RR Units C8-C11	\$25,914.70	
2. Interfacing Project 17-83 Rocky Reach Fire Alarm System to Project 17-70 Rocky Reach BES CIP Ver. 5 – Hydro Access Control System	\$5,967.42	
3. Rocky Reach Control Room FM-200 Clean-Agent Fire-Extinguishing System Tank Relocation	\$59,389.72	
4. Additional conduit for 4th Floor Smoke Detectors, Clean/Dirty Oil Room Fire Suppression System Integration, and Stand Down	\$9,283.90	
5. Purchase of Spare Parts	\$7,652.73	
6. Assess Liquidated Damages		\$-11,700.00
Total	\$108,208.47	\$-11,700.00

Field Work Order Nos. 1, 2, 3, 4, and 5 result in a net increase in the contract price by \$108,208.47 for a new revised total construction price of \$1,068,258.47 (excluding sales tax). Field Work Order No. 6 resulted in Liquidated Damages being assessed in accordance with the Contract in the amount of \$11,700.00 which was deducted from the final payment. Liquidated Damages are reimbursement for damages/costs and do not reduce the total construction price pursuant to the direction of the Department of Revenue. The total amount paid to the Contractor was \$1,056,558.47 (excluding sales tax). Resolution No. 17-14215 provides that these types of

field work orders 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 4, 2019.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and ratify Field Work Order Nos. 1, 2, 3, 4, 5 and 6.

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, 3, 4, and 5 to Bid No. 17-83 with Colvico, Inc. for the work specified above, result in a net increase in the purchase price of \$108,208.47, for a total revised construction contract price of \$1,056,558.47, plus Washington State sales tax. Field Work Order No. 6 in the amount of \$11,700.00 for Liquidated Damages was deducted from the final payment. All Field Work Orders are hereby ratified.

Section 2. All the contract work required under Bid No. 17-83 was completed on February and the same is hereby accepted.

DATED this 18th day of March 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A LOAN FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$87,000,000 TO FINANCE CERTAIN ROCK ISLAND CAPITAL IMPROVEMENTS FOR 2019 AND 2020

FACTUAL BACKGROUND AND REASONS FOR ACTION

In accordance with the 2019 Budget adopted on December 3, 2018, certain projects for the District's Rock Island System require funding in 2019 and are anticipated to also require funding for 2020 over and above the amount of Rock Island System cash anticipated to be available for Capital Improvements during the same period.

The District's strategy regarding funding of capital projects has been to use internal funds when available and in the best interest of the District. The Financing Facilities System cash balance was \$132 million as of December 31, 2018. In addition, the District's total financial liquidity was \$507 million as of December 31, 2018 well in excess of the current financial policy targets.

District Resolution No. 13-13830 adopted by the Commission on December 2, 2013 establishes internal loan procedures. Said Resolution also states that the provisions for the issuance or incurrence of Debt Obligations for the Rock Island System shall be as specified under the Power Sales Agreements by and between the District and Puget Sound Energy, Inc. and the District and Alcoa Power Generating Inc. and Alcoa Corporation (the Power Sales Agreements). For example, per the Power Sales Agreements, the loan term shall be 25 years and have a fixed interest rate equal to 110% of the taxable market rate assuming the underlying long-term credit rating of the District (estimated to be around 4.5% when set on the loan date). In accordance with that Resolution, the District's Asset Liability Management Committee has reviewed and determined the need for a loan to the Rock Island System with consideration for Power Sales Agreements terms and forecasted capital funding requirements.

As a result, the Treasurer and Asset Liability Management Committee recommend the Financing Facilities System issue a loan adequate to meet the next two years' budgeted and forecasted capital requirements of the Rock Island System in an amount not to exceed \$87,000,000.

The Chief Finance/Risk Officer and General Manager concur with staff's recommendation.

ACTION

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

Section 1. It is in the best interest of the District to loan funds from the Financing Facilities System to the Rock Island System for the forecasted 2019-2020 Capital Improvements in an amount not to exceed \$87,000,000.

Section 2. The loan shall be repaid with interest in accordance with the procedures specified in District Resolution No. 13-13830 and the long-term Power Sales Agreements. The loan term shall be 25 years and have a fixed interest rate anticipated to be determined as of March 29, 2019 equal to 110% of the taxable market rate assuming the underlying long-term credit rating of the District.

Section 3. The District's Treasurer is hereby authorized to take such other action as may be necessary to implement this Resolution.

Dated this 18th day of March 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

SEAL

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 6 TO SERVICES AGREEMENT (SA NO. 13-082)
WITH PYTHIAN GROUP, INC. TO PROVIDE
SEQUEL (“SQL”) SERVER CONSULTING
SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 13-082) on April 10, 2013 with Pythian Group, Inc. to provide SQL server consulting services. The not-to-exceed amount has since been amended by Resolution Nos. 15-13954 and 17-14142 to \$493,815.00.

District staff has identified the need for additional services for SQL server database support, and an assessment of the District’s Oracle database environment and health check report of their findings. 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 the not-to-exceed amount of Services Agreement No. 13-082 with Pythian Group, Inc. in the amount of \$372,639, for a total revised contract price not to exceed \$866,454 and to extend the expiration date to May 31, 2023.

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 (SA No. 13-082) with Pythian Group, Inc. to provide the additional services identified above, increase the total contract price, and extend the expiration date. The revised contract price will not exceed \$866,454 without prior Commission approval. The expiration date will be extended to May 31, 2023. A copy of the Amendment is on file in the offices of the District.

DATED this 18th day of March 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING THE BID OF ALLIED BODY WORKS, INC. AND ACCEPTING THE BID OF TITAN TRUCK EQUIPMENT COMPANY, INC FOR BID SCHEDULES A, B AND D OF BID 19-02 FOR THE TRUCK UPFITTING OF SEVEN (7) DISTRICT PROVIDED CAB AND CHASSIS

FACTUAL BACKGROUND AND REASONS FOR ACTION

On Jan 31, 2019, an invitation for sealed bids was published in accordance with RCW 54.04.070 and Resolution No. 17-14215 to provide upfitting of seven (7) District supplied cab and chassis. Bid proposals were opened on February 19, 2019 at 2:30 p.m. in the offices of the District. Two (2) bids were received (excluding sales tax) as tabulated on Exhibit A attached.

The Bid for these seven (7) different vehicles was structured to allow each Bid schedule to be awarded separately based on compliance with the specifications and Bid price. The Bid by Allied Body Works, Inc. for Bid schedules A, B and D did not meet the minimum requirements specified in the contract documents and contained material exceptions to the bid documents. Therefore, Bid schedules A, B and D of this Bid should be rejected as non-responsive.

District staff has determined that the Bid of Titan Truck Equipment Company, Inc. of Spokane, WA is the lowest responsive and best Bid in compliance with the plans and specifications for Bid schedules A, B & D of Bid No. 19-02. These Bids meet all statutory requirements. Resolution No. 17-14215 requires that the rejection of the apparent low dollar bidder must come before the Commission for action.

Additionally, Titan Truck Equipment Company, Inc. submitted the lowest responsive bid for schedule E. Allied Body Works, Inc. submitted the lowest responsive bid for schedules C and F and a non-exception award of those bid schedules will be made.

District staff recommends awarding Bid Schedules A, B, D and E of Bid No. 19-02 to Titan Truck Equipment Company, Inc. and Bid schedules C and F of Bid No. 19-02 to Allied Body Works, Inc.

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, WASHINGTON, as follows:

Section 1. The Bids submitted for Bid schedules A, B and D by Allied Body Works, Inc., of Seattle, Washington did not meet the minimum requirements specified in the contract documents and are hereby rejected.

Section 2. The Bids submitted by Titan Truck Equipment Company, Inc. of Spokane, Washington for Bid schedules A, B, D and E are the lowest responsible and best Bids in compliance with the plans and specifications to provide upfitting of District supplied cab and chassis. The Bids submitted by Allied Body Works, Inc. of Seattle, Washington for Bid schedules C and F are the lowest responsible and best Bids in compliance with the plans and specifications to provide upfitting of District supplied cab and chassis. The General Manager of the District, or his/her designee, is hereby authorized to enter into a contract with Titan Truck Equipment Company, Inc. of Spokane, Washington in the amount of \$156,734.94, excluding sales tax. The General Manager of the District, or his/her designee, is hereby authorized to enter into a contract with Allied Body Works, Inc. of Seattle, Washington in the amount of \$39,759, excluding sales tax. A copy of the contracts will be on file in the offices of the District.

Dated this 18th day of March, 2019.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal

EXHIBIT A Bid Tabulation

Bid No. 19-02

Truck Upfitting of Seven (7) District Provided Cab Chassis

Bidder Name City, State	Bid Bond/ Cashier's Check	Bid Amount Schedule A	Bid Amount Schedule B	Bid Amount Schedule C	Bid Amount Schedule D	Bid Amount Schedule E	Bid Amount Schedule F
Allied Body Works, Inc. Seattle, WA	Yes	\$34,386.00	\$34,386.00	\$21,624.00	\$48,200.00	\$21,938.00	\$18,135.00
Titan Truck Equipment Company, Inc. Spokane, WA	Yes	\$36,581.83	\$36,581.83	\$22,535.15	\$61,655.24	\$21,916.04	\$22,984.34

NOTES:

Numbers in **BOLD** represent lowest bid for each schedule

Numbers **HIGHLIGHTED** represent proposed award