

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

REGULAR COMMISSION MEETING

MARCH 20, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Ian Hunter
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. Legislative Session Update
5. Oroville-Tonasket Irrigation District Water Supply Agreement
6. Public Comment

BUSINESS SESSION

1:00 PM

Consent Agenda

7. Minutes of the March 6, 2023 Regular Meeting and March 13, 2023 Special Meeting
8. Vouchers: Accounts Payable Summary Report dated March 15, 2023:
 - a. Vouchers totaling \$11,096,373.91;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period March 1, 2023 through March 14, 2023 in the amount of \$71,594.56.
 - c. Approval of the net Payroll, Warrant Nos. 238089 through 238099 and Advice Nos. 751773 through 752564 for the pay period ending February 26, 2023 in the amount of \$2,305,080.70.

- d. Approval of Warrant Nos. 29338 through 29377 totaling \$8,357.61 for claim payments from the workers' compensation self-insurance fund for the period ending March 13, 2023.
 - e. Approval of Parks Reservation System customer refunds for the period March 1, 2023 through March 9, 2023 in the amount of \$980.00.
9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-07 WITH APOLLO SHEET METAL, INC. OF KENNEWICK, WA AND AUTHORIZING PAYMENT OF RETAINAGE
10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5, 6 AND 7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-27 FOR OHME SUBSTATION CONSTRUCTION WITH PALOUSE POWER, LLC OF QUINCY, WA AND AUTHORIZING RELEASE OF THE BOND LIEU OF RETAINAGE

Regular Agenda

11. A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 3 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR THE SECOND AND THIRD UNITS FOR CONTRACT NO. 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT
12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 23 AND FURTHER APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 24 FOR THE SERVICE CENTER PROJECT WITH ABSHER CONSTRUCTION COMPANY OF PUYALLUP, WA FOR CONSTRUCTION OF THE SERVICE CENTER PROJECT PURSUANT TO GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM) CONTRACT NO. 18-91
13. AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 22-12502) WITH RGEN INC. TO PROVIDE SHAREPOINT SITE CONSULTING SERVICES
14. A RESOLUTION AUTHORIZING LOANS FROM THE DISTRIBUTION SYSTEM TO THE FINANCING FACILITIES SYSTEM IN AN AMOUNT NOT TO EXCEED \$70,000,000 AND FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$75,000,000 AND TO THE ROCKY REACH SYSTEM IN AN AMOUNT NOT TO EXCEED \$20,000,000, TO FINANCE CERTAIN ROCK ISLAND AND ROCKY REACH CAPITAL IMPROVEMENTS FOR 2023 AND 2024

REGULAR COMMISSION MEETING AGENDA

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15. A RESOLUTION APPROVING A FOURTH ADDENDUM TO TEMPORARY WATER RIGHT MITIGATION AGREEMENT BETWEEN THE REGIONAL WATER SYSTEM MEMBERS AND CROWN COLUMBIA WATER RESOURCES, LLC
16. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MITIGATION WATER SUPPLY AGREEMENT WITH THE OROVILLE-TONASKET IRRIGATION DISTRICT
17. Confluence Parkway Public Comment
A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LAND EXCHANGE AGREEMENT WITH THE CITY OF WENATCHEE FOR THE CONFLUENCE PARKWAY PROJECT
18. Manager Items
19. Commission Items
 - a. Rate 36 Implementation
Proposed motion: To further defer the annual adjustment of the Rate Schedule 36 market energy charge to August 1, 2023, to allow time to complete the consideration and potential modification of Rate Schedule 36
20. Follow-up on Delegation of Action Items from Previous Board Meeting
21. Delegation of Action Items
22. Additional Public Comment
*Members of the public are encouraged to ask specific questions after each item presented.
This agenda item is for additional comments/questions related to matters not on the agenda.*
23. Matters of general business as may necessarily come before the Commission
24. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i), 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 NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-07 WITH APOLLO SHEET METAL, INC. OF KENNEWICK, WA AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 14-14215 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 October 25, 2020, the District entered into a contract (Bid No. 20-07) with Apollo Sheet Metal, Inc. (Contractor) of Kennewick, WA for Rock Island Powerhouse 1 HVAC Upgrades, in the amount of \$ 1,386,969.00. 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, 6, 7, 8, 9 and 10 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, 6, 7, 8, 9 and 10, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Electrical Scope Change and Extension of Contract Time	\$17,993.85
2. Added Extended Warranty, LED Lighting in North Fan Room, Cable Trays and Extension of Contract Time	\$55,951.10
3. Added Two New Exhaust Fans (Welding Shop & South Stairwell), Electrical Work and Extension of Contract Time	\$43,715.66
4. Extension of Contract Time (Material Delivery Delays)	\$0.00
5. Extension of Contract Time (Material Delivery Delays)	\$0.00
6. Upgrade to LED Lighting in South Fan Room, Additional Fire Alarm Devices, and Extension of Contract Time	\$38,473.46
7. Extension of Contract Time to Replace Defective Components	\$0.00
8. Extension of Contract Time to Replace Defective Components	\$0.00
9. Extension of Contract Time to Complete Commissioning, Punch List Items, and Operation & Maintenance Manuals	\$0.00
10. Programming Changes for Sequence of Operations	\$2,570.00
Total	\$158,704.07

Field Work Order Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 results in a net increase in the contract price of \$158,704.07 for a new revised total price of \$1,545,673.07 (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, 2023. In accordance with the terms of the contract, retainage in an amount not exceeding 5% of the contract price has been withheld from the Contractor.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor, ratify Field Work Order Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

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

Section 1. Field Work Order Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 to Contract No. 20-07 with Apollo Sheet Metal, Inc. for the work specified above, which will result in a net increase in the contract price of \$158,704.07, for a total revised contract price of \$1,545,673.07, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Contract No. 20-07 was completed on March 1, 2023 and the same is hereby accepted, subject to Section 3 hereof. Payment of retainage to the Contractor in the amount determined by the District's auditor to be due is authorized to be paid to the Contractor subject to Section 3 and Section 4 hereof, and subject to the provisions and limitations of Chapter 39.12 RCW (Prevailing Wages on Public Works) and 60.28 (Liens for Labor, Materials and Taxes on Public Works).

Section 3. This resolution shall not constitute an acceptance by the District of any work performed or goods supplied pursuant to the aforementioned contract, which are not in strict compliance with the contract terms and conditions.

Section 4. After the expiration of the forty-five (45) day period for giving the District notice of lien and after receipt of the Department of Revenue's certification of the Contractor's payment of taxes, the Employment Security Department's Certificate of Payment of Contributions, Penalties and Interest on Public works Contracts and the Department of Labor & Industries' Certificate of Release of the State's Lien on Public Works contracts and the District being satisfied that taxes certified as due or to become due are discharged and the filed claims of materialmen and laborers, if any, together with a sum sufficient to pay costs of foreclosing the liens and attorney's fees,

have been paid, the District's General Manager is authorized and directed to withhold from the remaining retained amounts for claims the District may have against the Contractor, and the balance shall be paid to the Contractor. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to withhold an amount equal to unpaid taxes and unpaid claims, together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and the balance shall be paid to the Contractor.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4, 5, 6 AND 7, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-27 FOR OHME SUBSTATION CONSTRUCTION WITH PALOUSE POWER, LLC OF QUINCY, WA AND AUTHORIZING RELEASE OF THE BOND 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. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On September 28, 2020, the District entered into a contract (Bid No. 20-27) with Palouse Power, LLC (Contractor) of Quincy, Washington for Ohme Substation Construction, in the amount of \$1,354,872.52. 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, 6 and 7 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, 6 and 7, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Field Changes – October and November 2020 (Foundation Dimension Corrections, Additional Anchor Bolts, and Subsurface Concrete Demolition)	\$10,200.34
2. Field Changes – December 2020 and January 2021 (Add Switchgear Rebar, Increase Switchgear Connector Conduit Size, and add for Conduit Material Price Increase)	\$22,764.52
3. Field Changes – February 2021 (Fluidized Thermal Backfill Testing, and Aluminum Buss Material Price Increase)	\$10,825.39
4. Field Changes – March 2021 (Lower Existing Drainage Catch Basin, and Subsurface Concrete and Asphalt Removal)	\$5,700.99
5. Field Changes – April and May 2021 (Existing Storm Drain Relocation, Add Steel Landings and Gratings, and Add Exterior Graveling)	\$39,087.35

Field Work Order No.	Amount
6. Extension of Contract Time (Required due to Power and Control Cabling Material Delivery Delay)	\$0
7. Electrical Material Changes and Work Component Reconciliations (Add for Bill of Material Exclusions, Cabling Material Price Escalations, and Deduct for Work Performed by the District)	\$53,654.26
Total	\$142,232.85

Field Work Order Nos. 1, 2, 3, 4, 5, 6 and 7 result in a net increase in the contract price of \$142,232.85 for a new revised total contract price of \$1,497,105.37 (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 7, 2023. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor, ratify Field Work Order Nos. 1, 2, 3, 4, 5, 6 and 7 and authorize the release of the related bond in lieu of retainage, subject to the requirements of the contract and state law.

ACTION

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

Section 1. Field Work Order Nos. 1, 2, 3, 4, 5, 6 and 7 to Contract No. 20-27 with Palouse Power, LLC for the work specified above, which will result in a net increase in the contract price of \$142,232.85, for a total revised contract price of \$1,497,105.37, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Contract No. 20-27 was completed on March 7, 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 aforementioned contract, which are not in strict compliance with the contract terms and conditions.

Section 4. After the expiration of the forty-five (45) day period for giving the District notice of lien and after receipt of the Department of Revenue's certification of the Contractor's payment of taxes, the Employment Security Department's Certificate of Payment of Contributions, Penalties and Interest on Public Works Contracts, and the Department of Labor & Industries' Certificate of Release of the State's Lien on Public Works Contracts and the District being satisfied that taxes certified as due or to become due are discharged and the filed claims of materialmen and laborers, if any, together with a sum sufficient to pay costs of foreclosing the liens and attorney's fees, have been paid, the District's General Manager is authorized and directed to release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in an amount equal to unpaid taxes and unpaid claims, together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and following payment of such claim, release the bond in lieu of retainage.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 3 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR THE SECOND AND THIRD UNITS FOR CONTRACT NO. 18-10 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 for an amount of \$66,874,395.56 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.

On March 6, 2023, by Resolution 23-14741, the Commission of the District ratified Field Work Order/Change Order Nos. 2-GMP1, 2-GMP2, 3-GMP2, and 4-GMP2 and authorized the General Manager to execute Field Work Order/Change Order No. 5-GMP2 to update the work scope under the GMP Amendment No. 2 – First Unit (U5) in an amount of \$1,443,227.80 for a revised overall contract amount of \$105,449,240.61, excluding sales tax.

Proposed GMP Amendment No. 3 for Approval

The District and GE have determined it is in the best interest of the Project to procure and start manufacturing of long lead-time components for the second and third Units to meet the project construction schedule.

District staff recommends execution of GMP Amendment No. 3 with GE for a not to exceed amount of \$9,038,126.93, for the Rock Island Dam Powerhouse No. 2 - Generating Unit Rehabilitation Project Long Lead Components for the second and third Units. The revised overall contract amount after execution of this GMP Amendment would be a not-to-exceed amount of \$114,487,367.54, excluding sales tax. The General Manager of the District concurs with District staff's recommendation.

To include the work from GMP Amendment No. 3, District staff recommends increasing the total project budget for the second Unit (U7) from \$6,000,000.00 to \$12,300,000.00 and \$4,400,000.00 (+\$2,400,000.00) for 2023 and creating a new capital project for the third Unit (U3) with an initial total project budget of \$3,300,000.00, and \$2,000,000.00 for 2023. While the individual projects establish 2023 budgets, the RI System budget for 2023 does not require revision as overall spending will remain within the current year total. Budgets for 2024 and beyond for all capital projects associated

with the Rock Island Powerhouse No. 2 Rehabilitation program will go through the District’s annual business planning and budget approval process. A table showing the requested budget changes to the two affected projects is included in the Attachment No. 1.

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 execute the GMP Amendment No. 3 with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation First Unit Rehabilitation for an amount of \$9,038,126.93 for a revised overall contract amount of \$114,487,367.54, excluding sales tax.

Section 3. The total project budget for the second Unit (U7) is hereby revised to \$12,300,000.00 and to \$4,400,000.00 for 2023. In addition, the capital project for the third Unit (U3) is hereby established with an initial total project budget of \$3,300,000.00 and \$2,000,000.00 in 2023.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

ATTACHMENT NO. 1

Project Name	Total Project Budget			2023 Annual Budget			Estimate at Completion (EAC)
	Approved	Requested	New	Approved	Requested	New	
RI PH2 U7 Rehab	\$6,000,000	\$6,300,000	\$12,300,000	\$2,000,000	\$2,400,000	\$4,400,000	\$49,215,000
RI PH2 U3 Rehab	\$0	\$3,300,000	\$3,300,000	\$0	\$2,000,000	\$2,000,000	\$43,500,000

NOTE: While we are adding \$4,400,000.00 for U3 & U7, we are also adding to the BU forecast adjustment in the same amount to maintain the current 2023 RI System budget which is forecast to be adequate for the overall RI 2023 capital project budgets.

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 23 AND FURTHER APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 24 FOR THE SERVICE CENTER PROJECT WITH ABSHER CONSTRUCTION COMPANY OF PUYALLUP, WA FOR CONSTRUCTION OF THE SERVICE CENTER PROJECT PURSUANT TO GENERAL CONTRACTOR/CONSTRUCTION MANAGER (GC/CM) CONTRACT NO. 18-91

FACTUAL BACKGROUND AND REASONS FOR ACTION

On March 4, 2019, by Resolution No. 19-14327, the Commission of the District authorized the General Manager to invite sealed proposals to provide General Contractor Construction Manager (GC/CM) services to the District in support of the planned Service Center Project.

On April 15, 2019, by Resolution No. 19-14334, the Commission of the District approved the Service Center Project and adopted the project capital budget.

On July 1, 2019, by Resolution No. 19-14356, the Commission of the District authorized the General Manager to enter into Service Center Contract No. 18-91 with Absher Construction Company. In addition to the general terms and conditions, the Contract authorized \$500,000 for preconstruction services

On August 3, 2020, by Resolution No. 20-14477, the Commission of the District authorized the General Manager to enter into Guaranteed Maximum Price (GMP) Amendment No. 1 to Contract No. 18-91 with Absher Construction Company for site work construction in the amount of \$8,960,518, for a total revised contract amount of \$9,460,518, excluding sales tax.

On February 1, 2021, by Resolution No. 21-14524, the Commission of the District authorized the General Manager to enter into GMP Amendment No. 2 for construction of the Service Center in the amount of \$95,132,983, in addition to ratifying Field Work Order/Change Order Nos. 1-2 in the amount of \$206,005, for a total revised contract amount of \$104,799,506, excluding sales tax.

On July 19, 2021, by Resolution 21-14576, the Commission of the District ratified Field Work Order/Change Order Nos. 3-6 for construction of the Service Center in the amount of \$343,619, for a total revised contract amount of \$105,143,125, excluding sales tax. In addition, Resolution 21-14576 authorized the General Manager to execute Field Work Order/Change Orders (FWO/CO) up to a cumulative value of

\$1,000,000 and further authorized the General Manager to re-delegate project specific authority pursuant to Section 8 of Attachment No. 1 of Resolution 17-14215.

On June 6, 2022, by Resolution 22-14667, the Commission of the District ratified Field Work Order/Change Order Nos. 7-12 for construction of the Service Center in the amount of \$821,355, for a total revised contract amount of \$105,964,480, excluding sales tax.

On November 7, 2022, by Resolution 22-14709, the Commission of the District ratified Field Work Order/Change Order Nos. 13-17 for construction of the Service Center in the amount of \$930,729 for a total revised contract amount of \$106,895,209, excluding sales tax.

On February 21, 2023, by Resolution 23-14739, the Commission of the District ratified Field Work Order/Change Order Nos. 18-21 and further approved Field Work Order/Change Order No. 22 for construction of the Service Center in the amount of \$2,945,587 for a total revised contract amount of \$109,840,796, excluding sales tax.

The District Commission by Resolution Nos. 17-14215 and 21-14576 delegated limited authority to the General Manager and the staff to execute field work orders under certain circumstances.

The work in FWO/CO No. 23 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/Change Order No. 23, which is on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
23	Roofing Fasteners, Parapet Insulation, and other various changes	\$409,259
Total		\$409,259

*Note: Attachment "A" to this Resolution contains additional details of Change Order No. 23.

Field Work Order/Change Order No. 23 results in a net increase in the contract price of \$409,259 for a revised total price of \$110,250,055, (excluding sales tax), which the District's Engineers recommend be ratified.

Additionally, District Staff recommends execution of Field Work Order/Change Order No. 24 to increase the contract price by \$4,823,273 for a revised total price of \$115,073,328 (excluding sales tax). Field Work Order/Change Order No. 24 addresses delay impacts, resulting from District direction to stop work, for the following trade packages: Concrete, Rough Carpentry, Insulation, Drywall, Misc. Finishes, Equipment, Elevators, Fire Suppression, Mechanical, and Earthwork.

The General Manager of the District concurs with staff’s recommendation that Field Work Order No. 23 be ratified and further approve Field Work Order/Change Order No. 24.

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 No. 23 was properly executed pursuant to the authority delegated by Resolution No. 17-14215 and 21-14576 and said Field Work 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. 24. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

Attachment "A"
Field Work Order/Change Order Detailed Descriptions

Description	Amount
Change Order 23	
Added Lighting Control	\$25,624
Added plate at connecting stair	\$3,849
Added Roller Shades in Monitor Room	\$8,959
Push-to-exit (PTE) Revisions	\$8,953
Window Film Revisions	\$14,137
2nd Floor IDF Rooms Revisions	\$6,358
Acoustical Baffle Mockup cost	\$18,402
Board Room Lighting Controls	\$0
Relocate Hose Bibs	\$9,520
Concealed Brackets for Countertops	\$6,979
Stair Wall Control Joints	\$17,701
Revise Soap Dispensers	-\$10,638
Building C Parapet Insulation	\$29,658
Fence Hardware Specification	\$4,814
3-Phase Power in Ops Building Telecom Rooms	\$4,469
Building A and H Paper Towel Dispensers	\$31,137
Roofing Fasteners for buildings D, F, G & H	\$121,161
Building C Ductwork Crane Conflict	\$10,757
Building A Linear Slot Diffusers	\$8,846
C115 West Wall Height	\$513
Kitchen Hood Fan KEF-1 conflict	\$4,146
Building B Parapet Insulation	\$55,141
Card Readers in 4th Floor Data Center	\$28,773
Change Order 23 Total	\$409,259
Change Order 24	
Cultural Delay – Bid Package 07 Insulation	\$4,065
Cultural Delay – Bid Package 09 Steel Stud and Drywall	\$371,851
Cultural Delay – Bid Package 21 Fire Suppression	\$100,216
Cultural Delay - Absher Self-Perform Bid Packages	\$1,722,049
Cultural Delay – Bid Package 23 Mechanical	\$2,083,616
Cultural Delay – Bid Package 31 Earthwork	\$541,476
Change Order 24 Total	\$4,823,273

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 2 TO SERVICES AGREEMENT (SA NO. 22-
12502) WITH RGEN INC. TO PROVIDE
SHAREPOINT SITE CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (PSA No. 22-12502) on September 15, 2022 with rGen Inc. of Bellevue, Washington to provide SharePoint site Consulting Services, in an amount not to exceed \$95,000.00. The Amendment No. 1 was executed on December 2, 2022 to extend the Services Agreement to June 30, 2024 and increase the not to exceed contract price by \$100,000.00 for a revised contract price not to exceed \$195,000.00

District staff has identified the need for additional services to implement a District-wide strategy for staff development, building resiliency and advancing capability by improving SharePoint usability and organizing document collections.

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. 22-12502 with rGen Inc. to cover the additional services in the amount of \$305,000.00, for a total revised contract price not to exceed \$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. 22-12502) with rGen Inc. to provide the additional services identified above. The revised contract price will not exceed \$500,000.00 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING LOANS FROM THE DISTRIBUTION SYSTEM TO THE FINANCING FACILITIES SYSTEM IN AN AMOUNT NOT TO EXCEED \$70,000,000 AND FROM THE FINANCING FACILITIES SYSTEM TO THE ROCK ISLAND SYSTEM IN AN AMOUNT NOT TO EXCEED \$75,000,000 AND TO THE ROCKY REACH SYSTEM IN AN AMOUNT NOT TO EXCEED \$20,000,000, TO FINANCE CERTAIN ROCK ISLAND AND ROCKY REACH CAPITAL IMPROVEMENTS FOR 2023 AND 2024

FACTUAL BACKGROUND AND REASONS FOR ACTION

In accordance with the 2023 Budget adopted on December 5, 2022, certain projects for the District's Rock Island and Rocky Reach Systems require funding in 2023 and are anticipated to also require funding for 2024 over and above the amount of Rock Island and Rocky Reach 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 \$34 million as of December 31, 2022. In addition, the Distribution System cash balance was \$311 million as of December 31, 2022 which is more than sufficient to meet the system's near-term operational, capital project, and reserve needs. Further, the District's total financial liquidity was \$420 million as of December 31, 2022 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 and Rocky Reach Systems 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 6.0% when set on the loan date which is expected to be on March 31).

District Resolution 13-13830 further provides guidance for loans to District systems other than Rocky Reach and Rock Island. Per the Resolution, the loan term shall be 20 years and have a market based tax-exempt interest rate assuming the underlying long-term credit rating of the District (estimated to be around 4.2% when set on the loan date which is expected to be on March 31). In accordance with that Resolution, the District's Asset Liability Management Committee has reviewed and determined the need for loans to the Rock Island and Rocky Reach Systems with

consideration for Power Sales Agreements terms and forecasted capital funding requirements. The Asset Liability Management Committee has also reviewed the sources for loans with consideration for individual system cash balances and forecasted uses.

As a result, the Treasurer and Asset Liability Management Committee recommend the Financing Facilities System issue loans adequate to meet the next two years' budgeted and forecasted capital requirements of the Rock Island System in an amount not to exceed \$75,000,000 and of the Rocky Reach System in an amount not to exceed \$20,000,000. To facilitate these loans and leverage available unrestricted funds, it is further recommended that the Distribution System issue a loan to the Financing Facilities System in an amount not to exceed \$70,000,000.

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 2023-2024 Capital Improvements in an amount not to exceed \$75,000,000 and to the Rocky Reach System for the forecasted 2023-2024 Capital Improvements in an amount not to exceed \$20,000,000.

Section 2. The Financing Facilities System 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 31, 2023 equal to 110% of the taxable market rate assuming the underlying long-term credit rating of the District.

Section 3. It is in the best interest of the District to loan funds from the Distribution System to the Financing Facilities System in an amount not to exceed \$70,000,000.

Section 4. The Distribution System loan shall be repaid with interest in accordance with the procedures specified in District Resolution No. 13-13830. The loan term shall be 20 years and have a fixed interest rate anticipated to be determined as of March 31, 2023 equal to 100% of the tax-exempt market rate assuming the underlying long-term credit rating of the District. The loan may be repaid at any time without penalty or Commission action.

Section 5. The District's Treasurer is hereby authorized to take such other action as may be necessary to implement this Resolution.

Dated this 20th day of March 2023.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

SEAL

RESOLUTION NO. _____

A RESOLUTION APPROVING A FOURTH ADDENDUM
TO TEMPORARY WATER RIGHT MITIGATION
AGREEMENT BETWEEN THE REGIONAL WATER
SYSTEM MEMBERS AND CROWN COLUMBIA
WATER RESOURCES, LLC**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District entered into a Water Contract – Regional Water System (“Contract”) with the City of Wenatchee and the East Wenatchee Water District to collectively form the Regional Water System (“Regional”) effective January 1, 1999. The Contract was subsequently amended pursuant to a First Amendment to Water Contract – Regional Water System on June 23, 2008 and a Second Amendment to Water Contract – Regional Water System on August 17, 2020.

In 2012, Regional purchased additional water rights from the Pioneer Water Users Association (“Pioneer”). In total, 6,186.71 acre-feet (1,769.63 acre-feet consumptive use) were purchased to provide continuous municipal supply.

The Regional members agreed to place the water rights into a temporary Trust Water Right for ten years (dating from August 27, 2012) to benefit instream flows because Regional did not have a present need for the additional water rights purchased for municipal supply.

A private company, Crown Columbia Water Resources, LLC (“Crown”), approached the Regional members requesting to use its water rights acquired from Pioneer on a temporary basis as mitigation for the issuance of new, temporary water rights by the Department of Ecology (“Ecology”).

Pursuant to Crown’s request, the Regional members entered into a Temporary Water Right Mitigation Agreement (“Temporary Agreement”) on May 17, 2016, which was effective through August 26, 2022. On January 14, 2021, the parties modified the Temporary Agreement via an Addendum (“First Addendum”) executed pursuant to Resolution No. 20-14517 dated December 21, 2020. The First Addendum included the following provisions:

- Regional extended the term of the temporary Trust Water Right through December 31, 2032.
- Crown entered a Mitigation Loan Agreement with Granite Farms, LLC (“Granite Farms”) effective March 20, 2020. Crown was authorized to use the Trust Water Right to meet a portion of the water use demands under the Mitigation Loan Agreement.

- Crown entered a Trust Water Right Agreement with Ecology, dated April 18, 2016, which was also utilized to provide additional irrigation water to Granite Farms.
- Crown's request utilized the entire consumptive use portion of the Trust Water Right, as well as 312 acre-feet non-consumptive use (based on an 85% consumptive use anticipated by the agricultural uses undertaken by Granite Farms), totaling 2,082 acre-feet.
- If a Water Budget Neutral ("WBN") water right is not issued by Ecology to Crown and Granite Farms for up to 2,082 acre-feet by December 31, 2021, the First Addendum shall terminate unless extended in writing and signed by the parties.
- Crown has the option to pursue a seasonal change application for the 2021 calendar year only by giving Regional written notice of this election on or before December 31, 2020.
- All other terms and conditions of the Temporary Agreement remain intact.

A WBN water right was not issued by Ecology to Crown and Granite Farms on or before December 31, 2021. Therefore, the parties extended the terms of the First Addendum to allow Granite Farms to use the Trust Water Right under the Temporary Agreement through December 31, 2022 by executing the Second Addendum to Temporary Water Right Mitigation Agreement ("Second Addendum") on February 11, 2022. The Second Addendum allowed Crown to pursue a seasonal change application for both the 2021 and 2022 calendar years by giving Regional written notice of this election on or before December 31, 2020 for the 2021 calendar year, and on or before December 31, 2021 for the 2022 calendar year. The Third Addendum to Temporary Water Right Mitigation Agreement ("Third Addendum") executed on December 27, 2022 further extended the terms of the Second Addendum to allow Granite Farms to continue usage of the Trust Water Right under the Temporary Agreement through December 31, 2023. The Third Addendum allowed Crown to pursue a seasonal change application for the 2021, 2022, and 2023 calendar years by giving Regional written notice of this election on or before December 31 preceding the beginning of each respective calendar year specified above. All other terms and conditions of the Temporary Agreement remained intact.

In January 20, 2023 Ecology notified Crown that it would not process the seasonable change application for the 2023 irrigation season and Crown subsequently withdrew the application. The proposed Fourth Addendum to Temporary Water Right Mitigation Agreement ("Fourth Addendum"), attached hereto as Exhibit 1 and incorporated herein, seeks to pursue a temporary change application for the 2023 and 2024 irrigation seasons, an option not anticipated by the Temporary Agreement, and terminate the Temporary Agreement at the end of the 2024 irrigation season, unless expressly otherwise agreed by the Parties in a fully signed Addendum to the Temporary Agreement.

The Regional members have been represented in these negotiations by Peter Fraley of the law firm Ogden Murphy Wallace, PLLC. District staff reviewed the proposed Third Addendum and recommend that it is in the best interest of the District to approve the Third Addendum.

The General Manager has reviewed the District staff’s recommendation and concurs with 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 Fourth Addendum to Temporary Water Right Mitigation Agreement and authorizes the General Manager to execute said Fourth Amendment on behalf of the District as a member of the Regional Water System.

Section 2. The Commission hereby delegates to the General Manager, or his designee, the authority to execute any and all necessary and customary documents to take any and all necessary actions to effectuate the Fourth Addendum to Temporary Water Right Mitigation Agreement.

Dated this 20th day of March, 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO EXECUTE A MITIGATION WATER
SUPPLY AGREEMENT WITH THE OROVILLE-
TONASKET IRRIGATION DISTRICT**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The Public Utility District No. 1 of Chelan County (“District”) owns and operates two federally licensed hydroelectric dams on the Columbia River, the Rock Island Hydroelectric Project (“Rock Island”) under License No. 943, and the Rocky Reach Hydroelectric Project (“Rocky Reach”) under License No. 2145, both of which include recreation facilities.

As part of these projects and pursuant to its powers granted under RCW chapter 54.16, the District requires sufficient water rights to meet its present and future needs to ensure compliance with all obligations imposed by the Federal Energy Regulatory Commission and necessary to meet the needs of its customer owners.

The Oroville-Tonasket Irrigation District (“OTID”) is a special purpose district located in Okanogan County. OTID has established a water bank to provide water service to other users and instream flow mitigation for out-of-priority uses downstream, as authorized by a Trust Water Right Agreement it entered with the State of Washington, Department of Ecology.

Under this water bank, OTID has the right to allocate mitigation rights to other users to allow them to secure new, fully mitigated water rights within the area of use authorized for the bank, which includes the Columbia River downstream from its confluence with the Okanogan River.

The District negotiated a Mitigation Water Supply Agreement (“Agreement”) with OTID under which it will acquire these mitigation rights for instream and consumptive uses in its discretion.

The Agreement contains the following major terms:

1. OTID will supply 4,000 acre-feet per year of mitigation rights to the District for irrigation purposes
2. The District will pay OTID annually \$250 per acre foot, which will adjust annually after an initial 10 year period for inflation based on the Consumer Price Index for Seattle-Tacoma-Bellevue, Washington.
3. The term of the Agreement is perpetual, though the District retains the right to cancel all or part of the mitigation rights in its discretion. OTID can terminate

only for the District’s breach or if a governmental agency prevents its performance.

- 4. The District may assign the mitigation rights.
- 5. The parties will cooperate when the District applies to the Department of Ecology for new mitigated water rights.

Staff recommends the Agreement be approved, and the General Manager directed to immediately enter into the Agreement. The General Manager has reviewed staff’s recommendation and concurs in the same.

ACTION

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

Section 1. The Mitigation Water Supply Agreement described in this Resolution and as attached hereto is hereby approved and the General Manager or his designee is hereby authorized to enter into the Agreement and to take such further steps as may be required therein.

Section 2. The Mitigation Water Supply Agreement and all other related documents will be on file in the offices of the PUD.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO EXECUTE A LAND EXCHANGE
AGREEMENT WITH THE CITY OF WENATCHEE
FOR THE CONFLUENCE PARKWAY PROJECT**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The Public Utility District No. 1 of Chelan County (“District”) owns and operates the Rock Island Hydroelectric Project (“Rock Island”) under License No. 943, issued by the Federal Energy Regulatory Commission (“FERC”) on January 18, 1989, including recreation facilities approved in the Recreation Plan for the project.

The City of Wenatchee (“City”) is proposing the Confluence Parkway Project (“Project”) to address regional traffic congestion and safety challenges on North Wenatchee Ave. The Federal Highway Administration (“FHWA”), the Washington State Department of Transportation (“WSDOT”) and the City have initiated an Environmental Assessment process under the National Environmental Policy Act (“NEPA”) for the Project.

Because the proposed Project requires lands associated with the District’s Rock Island project—specifically portions of the Horan Natural Area (“HNA”) and other portions of Wenatchee Confluence State Park (“Confluence Park”), which are incorporated into the District’s Rock Island license under the project’s Recreation Plan—FERC is a participating agency for purposes of NEPA but has informally designated the District as its non-federal representative for the NEPA process. The District is a cooperating agency for the proposed Project under NEPA.

FHWA is the lead federal agency for purposes of Section 4(f) of the U.S. Department of Transportation Act of 1966 (“Federal Transportation Act”), which provides for consideration of park and recreation lands, wildlife and waterfowl refuges and historic sites during transportation project development. The City and the District have been working closely to evaluate avoidance, minimization and mitigation measures associated with the City’s Project, to support the FHWA’s determination under Section 4(f) of the Federal Transportation Act. The District has an opportunity to officially comment on the City’s Project in advance of the FHWA’s Section 4(f) determination. Per the District’s Memorandum of Understanding with the Washington State Parks and Recreation Commission (“State Parks”), which operates Confluence Park, the District is coordinating with State Parks regarding the Project and its effects on Confluence Park throughout the processes identified herein.

In addition to FHWA’s Section 4(f) determination, the District has responsibilities under the Federal Power Act (“FPA”) to ensure that the City’s Project is consistent with the District’s Rock Island license obligations and apply to FERC for the necessary approvals. Several applications and FERC approvals will be

required to facilitate Confluence Parkway—including a license amendment to remove lands from the Rock Island license and change certain elements of the FERC-approved Rock Island Recreation Plan and Rock Island project boundary. In evaluating the applications, FERC will need to comply with NEPA and other federal and state environmental requirements, which require development of a full and complete record and consultations with federal and state regulators, Native American Tribes, and the public.

The overlapping federal requirements for the City’s proposed Project are complex. While FWHA’s obligations under Section 4(f) of the Federal Transportation Act center on evaluating whether feasible and prudent alternatives to a use of Section 4(f) properties exist and on demonstrating that all possible planning has been done to avoid and minimize such uses, FERC under section 10(a) of the FPA has an obligation to ensure that Rock Island is “best adapted to a comprehensive plan for improving or developing” the Rock Island project area for many public purposes, including recreation. In meeting this broad requirement, FERC must consult with federal and state regulators to evaluate whether the proposed use (such as the City’s Project) will not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; not be inconsistent with Rock Island license terms and conditions; and that construction, operation, and maintenance of structures or facilities on the lands removed will occur in a manner that will protect the scenic, recreational, and environmental values of the Rock Island project.

District and City staff have negotiated a Land Exchange Agreement (“Agreement”) with major terms and conditions set forth below, which are intended to address the needs and commitments of the parties and form the basis for PUD staff recommendation that the Commission approve the Agreement and authorize the General Manager to execute it and any related documents.

The Agreement contains the following major terms:

1. The District owns approximately 5.6 acres of real property located in Wenatchee, Chelan County, Washington (the “District Property”). The City needs to acquire the District Property to complete the Project, and the District, subject to FERC approval and the conditions stated in the Agreement, is willing to transfer the District Property to the City in exchange for the City Property under the terms of this Agreement.
2. The City owns or will acquire real property located in Wenatchee, Chelan County, Washington (the “City Property”). The City, subject to the conditions stated in the Agreement, is willing to transfer the City Property to the District in exchange for the District Property under the terms of this Agreement.
3. No money is exchanged.

4. The Agreement contains standard title and environmental contingencies, in addition to a feasibility period. All of these terms are mutual and apply to both the City Property and the District Property.
5. The Agreement allows the parties to agree on a phased closing if necessary to accomplish the purposes of the Agreement.
6. The Agreement contains a number of conditions to closing, including:
 - The District retains an easement for its infrastructure on the District Property
 - A provision relating to the maintenance of the Apple Capital Loop Trail, calling for a separate agreement between the parties to define the particulars
 - Relocation of two District water wells at the City's expense
 - Relocation of utilities due to the Project at the City's expense, unless in franchise
 - The City's obligation to clean up the City Property before transferring it to the District
 - Relocation of staff housing in Wenatchee Confluence State Park at the City's expense
 - A requirement that the parties enter a final landscaping plan for the area adjacent to the Apple Capital Loop Trail
7. The Agreement contains a number of contingencies, including:
 - A Final Section 4(f) Individual Evaluation published by the FHWA under Section 4(f) of the Federal Transportation Act that determines no feasible and prudent alternatives to the use of Section 4(f) protected properties exist
 - Successful completion of the NEPA process, including the issuance by FHWA of a finding of no significant impact ("FONSI")
 - Biological Opinions from U.S. Fish and Wildlife Service and the National Marine Fisheries Services of No Jeopardy
 - An executed memorandum of agreement under Section 106 of the National Historical Preservation Act
 - FERC approval of a license amendment and a non-project use of project lands
 - The City obtains all other necessary permits and approvals for the Project.
 - No litigation for any of the above items is commenced within the appropriate limitations period
 - The City is obligated to fund all mitigation measure required by any state or federal agency or as contained in any permit
 - The City acquires the City Property and has good and marketable title thereto

- The District Property is surveyed and legally separated in compliance with all applicable laws
- The City's plans for the Project include educational and interpretative elements
- The City's plans contain a stormwater management plan to meet Ecology requirements
- The current pedestrian bridge over the Wenatchee River is decommissioned and removed
- The parties agree to collaborate art and aesthetics to enhance the Project.
- The City obtains all necessary financing for the Project
- The Project contains mitigation measures to protect the Wenatchee Confluence State Park (including the Horan Natural Area), as indicated in the Agreement

Staff recommends the Land Exchange Agreement be approved, and the General Manager directed to immediately enter into the Agreement. The General Manager has reviewed staff's recommendation and concurs in the same.

ACTION

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

Section 1. The Land Exchange Agreement described in this Resolution and as attached hereto, is hereby approved and the General Manager or his designee is hereby authorized to enter into the Land Exchange Agreement and all other related agreements and to take such further steps as may be required to complete the transactions contemplate therein.

Section 2. The Land Exchange Agreement and all other related agreements will be on file in the offices of the PUD.

DATED this 20th day of March 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal