

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

**REGULAR COMMISSION MEETING**

**APRIL 29, 2019**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety Minute – Teresa Boushay
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. Quarterly District Performance Plan Status Update
4. Quarterly Financial Review and Investment Report
5. Legislative Update
6. Aesthetics and Economic Development Survey Results
7. Hawley Street Substation Update

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

8. Minutes of the April 11, 2019 Special Meeting and the April 15, 2019 Regular Meeting
9. Vouchers: Accounts Payable Summary Report dated April 24, 2019:
  - a. Vouchers totaling \$15,145,329.91;
  - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 10, 2019 through April 23, 2019 in the amount of \$22,053.22;

- c. Approval of the net Payroll, Warrant Nos. 236472 through 236490 and Advice Nos. 671980 through 672781 for the pay period ending 04/14/2019 in the amount of \$2,078,734.58;
  - d. Approval of Warrant Nos. 25534 through 25598 totaling \$53,909.12 for claim payments from the workers' compensation self-insurance fund for the period ending April 22, 2019.
  - e. Charge-offs to Uncollectible Accounts over \$1,000.00 for April 2019 - \$10,652.00.
10. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, 3, 4 AND 5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-07 WITH PIPKIN INC DBA PIPKIN CONSTRUCTION OF EAST WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
11. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-30 WITH BRIVO CORP. OF CHENEY, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

#### Regular Agenda

12. A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO SERVICES AGREEMENT (SA-TA NO. 17-116) WITH RH2 ENGINEERING, INC. TO PROVIDE LONG-TERM STRATEGIC FACILITIES PLAN ENGINEERING SERVICES
13. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE .27 ACRES OF LAND AND REQUIRED SITE IMPROVEMENTS LOCATED ADJACENT TO THE FUTURE OHME SUBSTATION FROM GBI HOLDING CO., A WASHINGTON CORPORATION
14. A RESOLUTION AUTHORIZING CAPITAL BUDGET REVISIONS FOR DISCOVERY CENTER IMPROVEMENTS
15. Manager Items
16. Commission Items
- a. Proposed Motion: To set a special meeting on May 29, 2019 at 1:00 pm at the Confluence Technology Center, 285 Technology Center Way, Wenatchee for the purpose of holding a Tri-Commission Meeting
17. Follow-up on Delegation of Action Items from Previous Board Meeting
18. Delegation of Action Items
19. 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.*

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

21. 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 AND 5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-07 WITH PIPKIN INC DBA PIPKIN CONSTRUCTION OF EAST WENATCHEE, WA AND AUTHORIZING PAYMENT 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 May 8, 2018, the District entered into a contract (Bid No. 18-07) with Pipkin Inc dba Pipkin Construction (Contractor) of East Wenatchee, WA for Similkameen Electrical and Water Meter Improvements and Purchase of Rock Island Water System Booster Backup Generator, in the amount of \$500,000.00. 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 and 5 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 and 5, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Additional Work at Similkameen – Underground Utility Relocate, Surplus Generator Set Transport, & Pump Building Electrical Modifications	\$4,064.02
2. Extension of Completion Date	\$0.00
3. Extension of Completion Date	\$0.00
4. Additional Work at Similkameen, Purchase and Installation of Motor Soft Starts	\$37,303.60
5. Extension of Completion Date	\$0.00
<b>Total</b>	<b>\$41,367.62</b>

Field Work Order Nos. 1, 2, 3, 4 and 5 result in a net increase in the contract price of \$41,367.62 for a new revised total price of \$541,367.62 (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 25, 2019. 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 and 5 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 and 5 to Bid No. 18-07 with Pipkin Inc dba Pipkin Construction for the work specified above resulting in a net increase in the purchase price of \$41,367.62, for a total revised contract price of \$541,367.62, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 18-07 was completed on March 25, 2019 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 29th day of April 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 18-30 WITH BRIVO CORP. OF CHENEY, WASHINGTON AND AUTHORIZING PAYMENT 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 June 22, 2018, the District entered into a contract (Bid No. 18-30) with BriVo Corp. (Contractor) of Cheney, Washington for Rock Island Powerhouse 2 U1, U4 and U6 Draft Tube Gate Refurbishments, in the amount of \$721,400.00. 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 and 3 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 and 3, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Revised Completion Schedule	\$0.00
2. Draft Tube Gate U1 Refurbishment – Clamp Bars Modification	\$3,593.08
3. Draft Tube Gate U1 Refurbishment – Seal Impact and Wheel Hole Issue	\$31,289.85
<b>Total</b>	<b>\$34,882.93</b>

Field Work Order Nos. 1, 2 and 3 result in a net increase in the contract price of \$34,882.93 for a new revised total price of \$756,282.93 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14125 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 4, 2019. 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 and 3 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 and 3 to Bid No. 18-30 with BriVo Corp. for the work specified above resulting in a net increase in the purchase price of \$34,882.93, for a total revised contract price of \$756,282.93, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 18-30 was completed on March 4, 2019 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 29th day of April, 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT  
NO. 4 TO SERVICES AGREEMENT (SA-TA NO. 17-  
116) WITH RH2 ENGINEERING, INC. TO PROVIDE  
LONG-TERM STRATEGIC FACILITIES PLAN  
ENGINEERING SERVICES

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District entered into a Services Agreement (SA No. 17-116) on July 26, 2017, with RH2 Engineering, Inc. to provide civil, structural, utility and site engineering on projects that support the District Long-Term Strategic Facilities Plan in an amount not to exceed \$195,000. The not-to-exceed amount was amended by Resolution No. 17-14189 to \$1,195,000.

District staff has identified the need for additional engineering services to support the District Long-Term Strategic Facilities Plan. Specifically, the District is entering into the facility design and construction phases. 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.

Through Commission action on December 4, 2017, which adopted the 2018 budget, funding was allocated to design and construct new Hydro and Central Maintenance support facilities at Rock Island and Rocky Reach dams. On April 15, 2019 the board approved moving forward with the new service center to be located within the Old Station area.

TCF architecture of Tacoma, Washington has been contracted to complete design of the new buildings. RH2 Engineering has been contracted to work with TCF architecture to support site civil design for the new structures at these facilities. RH2 Engineering will coordinate directly with TCF Architecture for site civil design for all three strategic facility programs.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 17-116 with RH2 Engineering, Inc., to increase the not to exceed amount by \$1,000,000 to assist with facility design and construction services, for a total revised contract price not to exceed \$2,195,000.

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 Amendment No. 4 to Services Agreement (SA-TA No. 117-116) with RH2 Engineering, Inc., to provide the additional services identified above. The revised contract price will not exceed \$2,195,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 29th day of April 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO PURCHASE .27 ACRES OF LAND AND REQUIRED SITE IMPROVEMENTS LOCATED ADJACENT TO THE FUTURE OHME SUBSTATION FROM GBI HOLDING CO., A WASHINGTON CORPORATION

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County, Washington (“District”), is authorized under the laws of the state of Washington (RCW 54.16.020 and 54.16.040, as amended), to purchase land, structures and other property rights and privileges, within and without its limits, necessary for the purpose of furnishing the District and its inhabitants and any other persons, including public and private corporations, with electric service.

The District owns a one-acre parcel of land in the Olds Station area for a future substation. In the process of design of the substation, staff identified the need to accommodate mobile substation installation not previously required by long range plans. To accommodate this, the District has determined it needs an additional forty feet (40’) on the northwest side of the property. The new substation is needed to replace the Olds Station substation, which is now operating near capacity and its transformer is nearing end of life.

GBI Holding Co., a Washington Corporation (“Seller”) is the owner of a 7.37 acre parcel of land located at 3537 US Hwy 97A adjacent to the District’s future Ohme Substation site. Seller is willing to sell .27 acres to the District and perform required site improvements prior to closing (“Property”), which provides the additional space needed to accommodate a mobile substation at the new substation, when combined with the District’s current site.

The Seller and the District entered in to a Purchase and Sale Agreement (“PSA”) wherein the District would pay \$348,377.67 to Seller for the Property plus an amount, not to exceed \$4,000 to reimburse the Seller for its professional costs associated with the review of this transaction, subject to Commission approval. The District and Seller agreed to a negotiated value of \$66,000 for the land and \$282,377.67 for site improvements required to prepare the site for construction of the new substation, for a total of \$348,377.67.

As part of the PSA the parties agreed District would deposit \$150,000 in an escrow account as earnest money, with the balance due at closing. In the event the District does not purchase the property, Seller’s costs incurred in completing site improvements up to the time the District provided notice to Seller would be paid out of the earnest money. Any amount in excess of Seller’s incurred site improvement costs would be refunded to the District.

Staff recommends the District approve the purchase of the Property, contingent on the satisfactory completion of required site improvements on the terms set out in the

PSA. 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, WASHINGTON, as follows:

Section 1. The Board of Commissioners hereby approves the terms of the PSA and the purchase of a .27 acre parcel of land and site improvements from GBI Holding Co., a Washington Corporation, in the amount of \$348,377.67 on the terms set out in the PSA.

Section 2. The General Manager of the District or his designee is hereby authorized to take such further steps as may be required to complete the purchase of the Property from the Seller.

Dated this 29th day of April, 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING CAPITAL  
BUDGET REVISIONS FOR DISCOVERY CENTER  
IMPROVEMENTS

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On April 15, 2019, The Board of Commissioners were provided an update on the Discovery Center program and the project team's holistic approach on improvements to the facility. During pre-design staff identified gaps in the project plans that need to be addressed to align with the District's strategic facilities plan goals. Two program gaps were presented to the Board for consideration. In addition, staff presented an update on two other existing program elements.

There are three capital projects that require project budget revisions. These projects include; 1) the remodel of the existing Discovery Center café, 2) the reconfiguration of the Discovery Center entryway, and 3) a new Discovery Center roof. District staff recommends increasing these capital project budgets in the following amounts:

<b>Project</b>	<b>Additional Funding Request</b>
Discovery Center Roof Extension	\$138,000
Discovery Center Café Improvements	\$450,000
Discovery Center Entry Improvements	\$128,000

To complete the Discovery Center program, there is a mixture of funding allocated from Public Power Benefit (PPB) and Generation Capital and Operation & Maintenance sources, totaling \$4,910,000. This resolution will increase the total of all capital projects for the Discovery Center by \$716,000. The total program supporting the Discovery center will increase to a revised total of \$5,786,000, which includes increases to O&M that do not require a budget revision.

The General Manager of the District 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, as follows:

Section 1. An increase to the Discovery Center Roof Extension capital budget in the amount of \$138,000 is hereby authorized.

Section 2. A new capital project budget for the Discovery Center Café Improvements in the amount of \$450,000 is hereby authorized.

Section 3. A new capital project budget for entry improvements in the amount of \$128,000 is hereby authorized.

DATED this 29th day of April 2019.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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