

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

REGULAR COMMISSION MEETING

MAY 3, 2021

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 767-755-652#

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

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

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Todd Shales
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. Quarterly Electrical Load Growth update
6. Low-Income Program Development and Low-Income Waiver Update
7. Rocky Reach License Implementation: Sturgeon Program

BUSINESS SESSION

1:00 PM

Consent Agenda

8. Minutes of the April 19, 2021 Regular Meeting
9. Vouchers: Accounts Payable Summary Report dated April 28, 2021:

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- a. Vouchers totaling \$16,836,133.39;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 14, 2021 through April 27, 2021 in the amount of \$82,941.31;
 - c. Approval of the net Payroll, Warrant Nos. 237454 through 237467 and Advice Nos. 712645 through 713450 for the pay period ending April 11, 2021 in the amount of \$2,176,824.96;
 - d. Approval of Warrant Nos. 27440 through 27493 totaling \$12,397.49 for claim payments from the workers' compensation self-insurance fund for the period ending April 26, 2021;
 - e. Approval of Parks Reservation System customer refunds for the period April 14, 2021 through April 23, 2021 in the amount of \$2,920.57
 - f. Approval of debt service paid with reserve account interest earnings of \$1,848.24 for the period April 1, 2021 through April 30, 2021.
10. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 20-13 WITH VOITH HYDRO, INC. OF PENNSYLVANIA AND AUTHORIZING PAYMENT OF RETAINAGE
11. A RESOLUTION RATIFYING FIELD WORK ORDERS NO. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-86 WITH TRANSCO INDUSTRIES, INC. OF PORTLAND, OREGON AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

12. A RESOLUTION REJECTING ALL BIDS FOR ITEM 4 ONLY AND DECLARING THAT NO BIDS WERE RECEIVED FOR ITEM 4 ONLY FOR THE PURCHASE OF THE ROCKY REACH SHOP EQUIPMENT PURCHASE (BID NO. 20-45) AND AUTHORIZING THAT ITEM 4 SAWING EQUIPMENT BE OBTAINED BY NEGOTIATION
13. A RESOLUTION AUTHORIZING THE EXECUTION OF A FIELD WORK ORDER/CHANGE ORDER TO CONTRACT 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE FOR AN EXTENDED CORRECTION PERIOD EXHIBIT TO BE ADDED TO THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT

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14. A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT
15. Manager Items
16. Commission Items
17. Commission Travel
18. Follow-up on Delegation of Action Items from Previous Board Meeting
19. Delegation of Action Items
20. 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.
21. Matters of general business as may necessarily come before the Commission
22. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) and to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g)

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK
ORDER NO. 1, AUTHORIZING FINAL
ACCEPTANCE OF WORK PERFORMED UNDER
BID NO. 20-13 WITH VOITH HYDRO, INC. OF
PENNSYLVANIA 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 March 18, 2020, the District issued an Invitation for Bid No. 20-13. On April 3, 2020, the District received and opened two responses to Bid No. 20-13. District staff evaluated the two bids received and determined that all bids were non-responsive. On April 13, 2020, The District's Board of Commissioners rejected all bids and authorized District staff to negotiate a contract. On May 20, 2020, the District entered into a negotiated contract (Bid No. 20-13) with Voith Hydro, Inc. (Contractor) of York, Pennsylvania for Rocky Reach Units C1 – C7 Runner Support – Lifting Links Fabrications, in the not-to-exceed amount of \$303,823.00.

The work in Field Work Order No. 1, 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 No. 1 for paint labor removal from project in the amount of \$1,000.00, which is on file in the offices of the District.

Field Work Order No. 1, results in a net increase of \$1,000.00 in the not-to-exceed contract price for a new revised total not-to-exceed price of \$304,823.00 (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 April 20, 2021. 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 No. 1, 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 No. 1, to Bid No. 20-13 with Voith Hydro, Inc. for the work specified above, which will result in a net increase in the purchase price of \$1,000.00, for a total revised not-to-exceed contract price of \$304,823.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 20-13 was completed on April 20, 2021 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 3rd day of May 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDERS NO. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-86 WITH TRANSCO INDUSTRIES, INC. OF PORTLAND, OREGON AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 20-14443 on April 13, 2020 which authorized the District to enter into a contract (Bid No. 19-86) with Transco Industries, Inc. (Contractor) of Portland, Oregon for Rocky Reach Intake Headgates, in the amount of \$3,152,930.00.

The District Commission by Resolution No. 17-14215 delegated limited authority to the General Manager and the staff to execute field work orders under certain circumstances.

The work in Field Work Orders No. 1 and 2 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 Orders No. 1 and 2, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Contract Extension	\$0.00
2. Axle Holding Plate Modifications	\$1,725.00
Total	\$1,725.00

Field Work Orders No. 1 and 2 results in a net increase in the contract price of \$1,725.00 for a new revised total price of \$3,154,655.00 (excluding sales tax), which the District's Engineers recommend be ratified. 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 April 22, 2021. 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 Orders No. 1 and 2 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 Orders No. 1 and 2 to Bid No. 19-86 with Transco Industries, Inc. for the work specified above, which will result in a net increase in the purchase price of \$1,725.00, for a total revised contract price of \$3,154,655.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 19-86 was completed on April 22, 2021 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 3rd day of May 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS FOR PURCHASE ITEM 4 SAWING EQUIPMENT OF BID NO. 20-45, PURCHASE OF ROCKY REACH SHOP EQUIPMENT, AND DECLARING THAT NO BIDS WERE RECEIVED FOR ITEM 4 SAWING EQUIPMENT AND AUTHORIZING THAT ITEM 4 SAWING EQUIPMENT BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The 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.

District staff prepared bidding documents for Bid 20-45, Rocky Reach Shop Equipment Purchase. Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were opened on April 9, 2021 at 2:45 P.M. Pacific Time in the offices of the District.

One (1) bid was received pursuant to that invitation for Item 4 Sawing Equipment. The bidder took material exceptions to the bid documents.

District staff is of the opinion that the bid was non-responsive and should be rejected. Resolution No. 17-14215 requires that the rejection of bids must come before the Commission for action when staff is recommending an action other than rebidding.

Pursuant to RCW 54.04.080, the District may procure the equipment on the open market and negotiate a contract rather than re-advertising if no bids are received. District staff recommends that, due to time constraints and project requirements, the Rocky Reach Shop Equipment Item 4 Sawing Equipment only be procured by negotiation, rather than re-advertising for bids.

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. The bid received to furnish the Rocky Reach Shop Equipment Purchase Item 4 Sawing Equipment (Bid No. 20-45) is rejected. District staff is authorized to obtain the Rocky Reach Shop Equipment Purchase Item 4 Sawing Equipment by negotiation and the General Manager (or his designee) is authorized to execute a contract for the same with acceptable terms and conditions.

DATED this 3rd day of May 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION OF A FIELD WORK ORDER/CHANGE ORDER NO. 5 TO CONTRACT 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE FOR AN EXTENDED CORRECTION PERIOD EXHIBIT TO BE ADDED TO THE ROCK ISLAND DAM POWERHOUSE #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 #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 could begin as soon as 2024, and the last unit should complete rehabilitation in 2030.

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 (RFP No. 18-10) with GE Renewals US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for preconstruction 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 (FWO/CO) 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.

The District and GE have determined it is in the best interest of the Project to have an Extended Correction Period (ECP) that will maximize the guaranteed service life and/or warranty of the eight (8) units included in the Work. The ECP will require GE to repair or replace any component originally proposed and provided under the contract for a period of 10 years, including associated disassembly and reassembly costs. Options exist within the ECP that allow the District to choose 3 years instead of 10 years, stop making payments in the middle of the 10 years, and others that could reduce the overall amount of the ECP. Therefore, District staff recommends execution of the FWO/CO No. 5 for a not to exceed amount of \$19,743,066.00 for all 8 units. The revised overall contract amount after execution of the Field Work Order/Change Order would be a not-to-exceed amount of \$25,243,066.00, excluding

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

ACTION

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

Section 1. The General Manager of the District is hereby authorized to enter into a Field Work Order/Change Order for Contract 18-10 with GE Renewals US LLC. for Rock Island Dam Powerhouse #2 – Generating Unit Extended Correction Period Exhibit. The contract amount for this Field Work Order/Change Order No. 5 shall not exceed \$19,743,066.00 without prior Board approval, for a total revised not to exceed contract amount of \$25,243,066.00. A copy of the contracts will be on file in the offices of the District.

DATED this 3rd day of May 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 1 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE THE PROCUREMENT AND MANUFACTURING OF LONG LEAD-TIME COMPONENTS FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #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 #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 could begin as soon as 2024, and the last unit should complete rehabilitation in 2030.

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 (RFP No. 18-10) with GE Renewals US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for preconstruction 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, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 5 to provide for an Extended Correction Period to be added to the Rock Island Dam Powerhouse #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.

The District and GE have determined it is in the best interest of the Project to procure and start manufacturing of long lead-time items in advance of completion of a second GMP for the first unit to meet the project construction schedule.

District staff recommends execution of GMP Amendment No. 1 with GE Renewals US LLC for a not to exceed amount of \$12,162,792.14, for the Rock Island

Dam Powerhouse #2 – Generating Unit Rehabilitation Project Long Lead Components. The revised overall contract amount after execution of the Guaranteed Maximum Price Amendment would be a not-to-exceed amount of \$\$37,405,858.14., excluding sales tax. The General Manager of the District concurs with District staff’s recommendation.

ACTION

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

Section 1. The General Manager of the District is hereby authorized to enter into a GMP Amendment No. 1 with GE Renewals US LLC. for Contract 18-10 for Rock Island Dam Powerhouse #2 – Generating Unit Rehabilitation Long Lead-Time Items. The contract amount for GMP Amendment No. 1 shall not exceed \$12,162,792.14 without prior Board approval, for a total revised contract amount of \$\$37,405,858.14.. A copy of the contracts will be on file in the offices of the District.

DATED this 3rd day of May 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal