

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

REGULAR COMMISSION MEETING

MAY 11, 2020

Public participation will be by phone only

Dial: 509-661-8750

Meeting: 4212 #

Attendee ID: 8750 #

****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
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 Energy Resources Update
4. Quarterly Financial Review and Investment Report
5. Integrated Resource Plan Load and Resource Forecast
6. Employee Recognition

BUSINESS SESSION

1:00 PM

Consent Agenda

7. Minutes of the April 27, 2020 Regular Meeting
8. Vouchers: Accounts Payable Summary Report dated May 6, 2020:
 - a. Vouchers totaling \$21,118,935.55;

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period April 22, 2020 through May 5, 2020 in the amount of \$26,163.74;
- c. Approval of the net Payroll, Warrant Nos. 237018 through 237033 and Advice Nos. 693233 through 694020 for the pay period ending 04/26/2020 in the amount of \$1,996,688.03;
- d. Approval of Warrant Nos. 26635 through 26666 totaling \$7,023.63 for claim payments from the workers' compensation self-insurance fund for the period ending May 4, 2020.

Regular Agenda

- 9. A RESOLUTION APPROVING A REQUEST FOR QUALIFICATIONS (RFQ) (NO. 20-14) FOR ROCK ISLAND DAM POWERHOUSE #2 – DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- 10. A RESOLUTION APPROVING THE REQUEST FOR QUALIFICATIONS (RFQ) AND SUBSEQUENT REQUEST FOR PROPOSALS (RFP) (PROJECT NO. 20-18) FOR ROCK ISLAND DAM POWERHOUSE #2 – GENERATOR MAIN LEAD REPLACEMENT PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
- 11. A RESOLUTION AMENDING SCHEDULE NO. 5 AND NO. 6 OF THE DISTRICT'S INVESTMENT AND BANKING POLICY ADOPTED BY RESOLUTION NO. 16-14094 TO UPDATE THE LIST OF SIGNATORS AUTHORIZED TO DISBURSE DISTRICT FUNDS
- 12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 26, 27, 28, AND 28A FOR B10, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDERS NO. 4-10 FOR B7 AND 6-02 FOR B8, FOR CONTRACT NO. 04 01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.
- 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO TASK AUTHORIZATION SERVICES AGREEMENT (SA-TA NO. 17-126) WITH GENESIS TECHNOLOGY SOLUTIONS, INC. TO PROVIDE GENERATION ASSET MANAGEMENT CONSULTING SERVICES
- 14. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR (BID NO. 19-63) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR BE OBTAINED BY NEGOTIATION

REGULAR COMMISSION MEETING AGENDA

May 11, 2020

Page 3

15. A RESOLUTION DECLARING AN EMERGENCY PURSUANT TO RCW 54.04.070 AND 39.04.280 AND AUTHORIZING THE GENERAL MANAGER TO TAKE ALL STEPS REASONABLE AND NECESSARY FOR PROCUREMENT OF THE ROCKY REACH C7 OPERATING ROD, A SPARE, AND RELATED PARTS FOUND DAMAGED AS NECESSARY

16. Manager Items

17. Commission Items

18. Commission Travel

19. Follow-up on Delegation of Action Items from Previous Board Meeting

20. Delegation of Action Items

21. 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.

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

23. 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 APPROVING A REQUEST FOR QUALIFICATIONS (RFQ) (NO. 20-14) FOR ROCK ISLAND DAM POWERHOUSE #2 – DRAFT TUBE GATE CYLINDER AND HYDRAULIC POWER UNIT UPGRADE PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT USING THE ALTERNATIVE DESIGN-BUILD PROCEDURE AUTHORIZED BY RCW 39.10.300 ET SEQ

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District intends to upgrade the draft tube gate system on all eight (8) units in Rock Island Powerhouse Two using the statutory alternative Design-Build procurement process. The upgrade includes refurbishment/replacement of the two (2) hydraulic cylinders and hydraulic power unit for each generating unit, replacement of piping due to poor condition, and procurement of some new components to mitigate schedule impacts and risk of unrepairable items. This work will be scheduled with existing unit outages, and may begin in 2021 and may be completed in 2025 or 2029 depending on scheduling options developed through the Design-Build process.

The District intends to procure the work using the Progressive Design-Build process in order to complete the work at the least cost and best schedule. The initial procurement phase will publish a Request for Qualifications (RFQ), which uses relevant technical expertise and experience from qualified firms to shortlist the most qualified firms. The second phase will provide a Request for Proposal (RFP) to the short-listed firms to evaluate project specific criteria, technical design, scheduling options, and cost factors. Services performed by the selected Design-Builder may lead to a negotiated contract for Design-Build work.

The District is in the process of receiving Washington State Capital Projects Advisory Review Board (CPARB) approval for a Public Body Project to use Design/Build alternative contracting procedures for this project.

Resolution No. 17-14215 requires Commission approval of RFQ and authorization to invite proposals that will exceed \$3,000,000. Staff estimates that the contract(s) resulting from this RFQ to cost more than \$7,000,000. The RFQ is being prepared by the District and is on file in the offices of the District.

District staff recommends that RFQ No. 20-14 is in the best interest of the District that said document be approved, and that the invitation for proposals be published.

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 RFQ No. 20-14 for the Rock Island Dam Powerhouse #2 – Draft Tube Gate Cylinder and Hydraulic Power Unit Upgrade is hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for the work required.

DATED this 11th day of May, 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE REQUEST FOR QUALIFICATIONS (RFQ) AND SUBSEQUENT REQUEST FOR PROPOSALS (RFP) (PROJECT NO. 20-18) FOR ROCK ISLAND DAM POWERHOUSE #2 – GENERATOR MAIN LEAD REPLACEMENT PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT USING THE ALTERNATIVE DESIGN-BUILD PROCEDURE AUTHORIZED BY RCW 39.10.300 ET SEQ

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District intends to replace the generator main leads on all eight (8) units in Rock Island Powerhouse Two using the statutory alternative Design-Build procurement process. This project includes the replacement of the cable bus, supports and terminations for each unit. This work will be scheduled with existing unit outages and will begin in 2021 and the last unit is anticipated to be completed between 2025 or 2029 depending on scheduling option developed through the Design-Build process.

To complete the work at the least cost and within the schedules, the District intends to procure the work using a Progressive Design-Build work process. The first phase is to issue a Request for Qualifications to evaluate technical expertise, qualifications and experience of Proposers. The District will then shortlist the most qualified firms for project design. The second phase will be to issue a Request for Proposal to the short-listed firms to evaluate project specific criteria, technical design, scheduling options and cost factors. Services performed by the selected Design-Builder may lead to a negotiated contract for Design-Build work.

The District is in the process of receiving Washington State Capital Projects Advisory Review Board (CPARB) approval for a Public Body Project to use Design-Build alternative procurement process for this project.

Resolution No. 17-14215 requires Commission approval of Requests for Qualifications and Proposals that will exceed \$3,000,000. Staff estimates that the contract(s) resulting from this RFQ/RFP to cost more than \$3,000,000. The RFQ and RFP are being prepared by the District.

District staff recommends that Project No. 20-18 is in the best interests of the District and that said documents be approved and that the invitation for qualifications be published.

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 Request for Qualifications and Request for Proposals (Project No. 20-18) for the Rock Island Dam Powerhouse #2 – Generator Main Lead Replacement Project are hereby approved and the General Manager of the District is hereby authorized to invite sealed qualifications and proposals for furnishing said material.

DATED this 11th day of May 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AMENDING SCHEDULE NO. 5 AND NO. 6 OF THE DISTRICT'S INVESTMENT AND BANKING POLICY ADOPTED BY RESOLUTION NO. 16-14094 TO UPDATE THE LIST OF SIGNATORS AUTHORIZED TO DISBURSE DISTRICT FUNDS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Commission of Public Utility District No. 1 of Chelan County, Washington (the "District"), adopted the District's Investment and Banking Policy (the "Policy") under Resolution No. 16-14094 on November 21, 2016 and amended the Policy by Resolution 17-14161 adopted on August 7, 2017 and further amended the Policy by Resolution 18-14280 adopted November 5, 2018.

From time to time, updates and changes must be made to the Policy to reflect updates in best practices, changes in business conditions, staffing or banking institutions.

District staff has reviewed the current Policy and recommends that Schedule No. 5 be updated. Schedule No. 5 designates CorVel Corporation employees, the District's Third Party Claims Administrator, who shall be authorized signators for issuance of Workers' Compensation warrants. This schedule should be modified to reflect staffing changes at CorVel Corporation with the removal of Monica Medalia and the addition of Brandon O'Brien.

District staff has reviewed the current Policy and recommends that Schedule No. 6 be updated. Schedule No. 6 designates District employees who, under the direction of the Auditor, shall be authorized initiators for electronic funds transfers. This schedule should be modified to reflect staffing changes in Payroll with the addition of Erin Roberts.

District staff recommends that it is in the best interest of the District to adopt the amendment to Schedule No. 5 and Schedule No. 6. The General Manager concurs with this recommendation.

ACTION

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

Section 1. Authorized Signators For Issuance of Workers' Compensation Claim Warrants. Any individual authorized in Schedule No. 5, in Resolution 16-14094,

as amended, can sign warrants issued by CorVel Corporation through the District's Workers' Compensation account.

Section 2. Authorized Initiators for Electronic Funds Transfers. Any individual authorized in Schedule No. 6, in Resolution 16-14094, as amended, can initiate electronic fund transfers.

Section 3. Resolution No. 16-14094 is hereby amended accordingly to reflect the changes to Schedule No. 5 and Schedule No. 6. The remainder of Resolutions No. 16-14094, 17-14161, 18-14280 and the Policy remain in full force and effect.

Dated this 11th day of May 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

S E A L

SCHEDULE NO. 5

**AUTHORIZED SIGNATORS FOR ISSUANCE OF WORKERS'
COMPENSATION CLAIM WARRANTS**

The following persons, so long as they are current employees of CorVel Corporation, the Third Party Administrator for the District's Self Insurance Program:

Richard Schweppe
Brandon O'Brien

SCHEDULE NO. 6

AUTHORIZED INITIATORS FOR ELECTRONIC FUNDS TRANSFERS

All individuals listed under Schedule No. 3 of this Policy.

The following are only authorized to initiate transfers that are payroll related:

Kathy Cowin

Jennifer Dixon

Beverly Freeman

Tracey Pettit

Erin Roberts

The following are only authorized to initiate transfers that are for state and federal payments:

Gene Cenotto

Loretta Coonfield

Jodi Martin

Melia Mayer

Amy Smith

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 26, 27, 28, AND 28A FOR B10, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDERS NO. 4-10 FOR B7 AND 6-02 FOR B8, FOR CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-BI0 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Commission approved Resolution No. 05-12754 on August 15, 2005 which authorized the award of Bid No. 04-01 Rock Island Powerhouse 1 Units B5 through B10 Rehabilitation, Part B, to VA Tech Hydro USA, now Andritz Hydro Corp. (Andritz) of Charlotte, North Carolina. The contract originally provided that the six units be modernized between 2004 and 2012. Modernization was to include replacement of the generators, turbines, governor controls and exciters. The contract allows the District to order the work on each individual unit by issuing an Order to Proceed for each unit. The original contract sets out a fixed price per unit that can be adjusted based on commodity prices in effect and published one month before the issuance of an Order to Proceed.

Previously Approved Field Work Orders

Resolution No. 05-12754 also authorized and directed the General Manager or his designee to issue the Order to Proceed and execute Field Work Order/Change Order (FWO/CO) No. 1 for the first unit under the contract for unit rehabilitation, Unit B10.

The Commission approved Resolution No. 09-13474 on June 15, 2009 which authorized and directed the General Manager or his designee to issue the Order to Proceed and execute FWO/CO No. 2-01 for the second unit under the contract for unit rehabilitation, Unit B9.

In 2010, in response to economic conditions the District decided to defer the rehabilitation of the next four units, B5 through B8, until the units began to experience failure or were declared unavailable due to operational concerns.

In 2014, an in-depth economic analysis was performed which resulted in staff recommending the District proceed with rehabilitation of Units B5 through B8 using the existing 04-01 Part B contract with Andritz. Staff proposed revising the scope to

include rehabilitation of existing runners instead of new runners on three units and the use of a new runner previously purchased on the final unit.

On December 1, 2014, the Commission approved Resolution No. 14-13922 which authorized and directed the General Manager or his designee to issue the Order to Proceed and execute FWO/CO No. 3-01 for the third unit under the contract for rehabilitation, Unit B6.

On December 7, 2015, the Commission approved Resolution Nos. 15-14000 and 15-14001 which authorized and directed the General Manager or his designee to: 1) issue FWO/CO No. 3-02 to modify the scope of work to the third unit to install a new turbine, including previously purchased runner and wicket gates, and extend the unit outage to allow for the additional work which includes installation of a new discharge liner, bottom ring, wicket gate servos, oil head draft tube modifications and a new high pressure governor system; 2) issue the Order to Proceed and execute FWO/CO No. 4-01 for the fourth Unit for rehabilitation and for procurement of new turbine components for the fifth and sixth units under the contract; and 3) revise the project budgets and 2016 budgets for rehabilitation of Units B5 through B8 under the contract.

On May 16, 2016, the Commission approved Resolution No. 16-14042 which authorized the General Manager to enter into FWO/CO No. 3-03 for a new rotor spider for the third unit and FWO/CO No. 4-02 for new rotor spiders for the fourth, fifth and sixth units. FWO/CO No. 4-02 was executed on June 29, 2016, but FWO/CO No. 3-03 was not executed.

On November 21, 2016, the Commission approved Resolution No. 16-14093 which authorized the General Manager to enter into FWO/CO No. 5-01 for release of fifth unit additional turbine and generator components, and FWO/CO No. 6-01 for release of sixth unit additional turbine and generator components.

On June 26, 2017, the Commission approved Resolution No. 17-14148 which authorized the General Manager to enter into 1) FWO/CO No. 3-03 for a new set of thrust bearing shoes for the third unit; 2) FWO/CO No. 3-04 for revising the third unit completion schedule and 3) FWO/CO No. 3-06 for a fourth new rotor spider.

On December 17, 2018, the Commission approved Resolution No. 18-14301 which authorized the General Manager to: 1) issue an order to proceed on the fifth unit; 2) enter into FWO/CO No. 5-03 for release of the remaining work on the fifth unit and 3) enter into FWO/CO 5-04 for the purchase of a new outer head cover.

In March 2019, Unit B10 was found to have damaged internal turbine runner components. The District performed inspections on B9 and B6, and found similar damage on both units. In order to perform a root cause analysis, Andritz disassembled the B10 unit and transported the turbine runner to their Spokane facilities for further disassembly and detailed inspection. The conclusion of the root

cause analysis was that turbine runner components must be changed with components of a different design in order to achieve the remaining intended life of the turbines.

FWO/CO No. 24 requires Contractor to perform repairs on Unit B10 that the District found while performing overhaul maintenance. There was no change to the total contract price. District staff has executed FWO/CO No. 24 and it is on file in the offices of the District.

FWO/CO No. 2-02 for Unit B9 changed the schedule of work on the second unit, which resulted in a change in the schedule for the third through sixth units, and changed the scope of work on the second unit. The total contract price was decreased by (\$352,000). District's staff has executed FWO/CO No. 2-02 and it is on file in the offices of the District.

FWO/CO No. 2-03 for B9 allowed Contractor to utilize the District's sandblast building for B9 Work, in exchange for sandblasting and painting the B9 trash racks, which were not originally a part of the contract. There was no change to the contract price. District's staff has executed FWO/CO No. 2-03 and it is on file in the offices of the District.

FWO/CO No. 2-04 for B9 describes Work tasks the District performed for the Contractor's benefit, and required Contractor to supply and install piping and electrical items. The total contract price was decreased by (\$12,400.53). District's staff has executed FWO/CO No. 2-04 and it is on file in the offices of the District.

FWO/CO No. 2-05 for B9 clarified coordination between the District and Contractor during a breakdown of the District's dewatering pumps and provided for a time extension in the event Contractor was not able to complete the Work on time. There was no change to the contract price. District's staff has executed FWO/CO No. 2-05 and it is on file in the offices of the District.

FWO/CO No. 2-06 for B9 clarified coordination between the District and Contractor during excessive leakage of the headgates and provided for a time extension in the event Contractor was not able to complete the Work on time. There was no change to the contract price. District's staff has executed FWO/CO No. 2-06 and it is on file in the offices of the District.

FWO/CO No. 2-07 for B9 requested Contractor provide thrust bearing load cell circuitry and to modify PLC programs. The total contract price was increased by \$8,128. District's staff has executed FWO/CO No. 2-07 and it is on file in the offices of the District.

FWO/CO No. 2-08 for B9 requested Contractor provide a new stator terminal for District installation. The total contract price was increased by \$6,644. District's staff has executed FWO/CO No. 2-08 and it is on file in the offices of the District.

FWO/CO No. 2-09 for B9 requested Contractor modify one brake cylinder and restore it to original operating condition. The total contract price was increased by \$5,300. District's staff has executed FWO/CO No. 2-09 and it is on file in the offices of the District.

FWO/CO No. 2-10 for B9 described the end of the unit outage time and the start of the trial operation period. There was no change to the contract price. District's staff has executed FWO/CO No. 2-10 and it is on file in the offices of the District.

FWO/CO No. 2-11 for B9 described the completion of the trial operation period. There was no change to the contract price. District's staff has executed FWO/CO No. 2-11 and it is on file in the offices of the District.

FWO/CO No. 2-12 for B9 reimburses Contractor for additional trips by engineers for index testing. The total contract price was increased by \$32,500.90. District's staff has executed FWO/CO No. 2-12 and it is on file in the offices of the District.

FWO/CO No. 2-13 for B9 provides for incentive payment for exceeding the generator efficiency guarantee. The total contract price was increased by \$16,462.00. District's staff has executed FWO/CO No. 2-13 and it is on file in the offices of the District.

FWO/CO No. 2-14 for B9 provided a Unit acceptance date extension. There was no change to the contract price. District's staff has executed FWO/CO No. 2-14 and it is on file in the offices of the District.

FWO/CO No. 2-15 for B9 started the warranty period and provided a time extension for Unit acceptance. There was no change to the contract price. District's staff has executed FWO/CO No. 2-15 and it is on file in the offices of the District.

FWO/CO No. 2-16 is for re-alignment of the unit, purchase of a spare oil head and modifications to gate ring piping. The total contact price was increased by \$400,000. District's staff has executed FWO/CO No. 2-16 and it is on file in the offices of the District.

FWO/CO No. 3-07 for B6 directed the Contractor to make repairs to the stay ring. The total contact price was increased by \$90,000. District's staff has executed FWO/CO No. 3-07 and it is on file in the offices of the District.

FWO/CO No. 3-08 for B6 reconciled Work performed on turbine parts with allowances in the contract. Additionally, liquidated damages were assessed due to non-timely performance. The total contact price was decreased by (\$669,959.04). District's staff has executed FWO/CO No. 3-08 and it is on file in the offices of the District.

FWO/CO No. 4-03 for B7 directed Contractor to disassemble and remove the existing rotor. Rotor disassembly and removal was the responsibility of the District. The milestone schedule dates were also revised. The total contact price was increased by \$204,756. District's staff has executed FWO/CO No. 4-03 and it is on file in the offices of the District.

FWO/CO No. 4-04 for B7 directed Contractor to procure a new outer headcover. The total contact price was increased by \$486,000. District's staff has executed FWO/CO No. 4-04 and it is on file in the offices of the District.

FWO/CO No. 4-04A for B7 revised the Milestone Schedule for fourth unit, due to Contractor's procurement of new outer headcover. There was no change to the contract price. District's staff has executed FWO/CO No. 4-04A and it is on file in the offices of the District.

FWO/CO No. 4-05 for B7 directed Contractor to machine an O-ring groove in the upper stay ring flange. The total contact price was increased by \$40,833. District's staff has executed FWO/CO No. 4-05 and it is on file in the offices of the District.

FWO/CO No. 4-06 for B7 provides 1) additional time to perform discharge ring repairs; 2) machining of an O-ring groove in the stay ring; 3) reconciles the cost of the discharge ring repairs and the O-ring groove; 4) applies charges for District labor support to Contractor, and 5) clarifies several technical specifications. The total contract price was decreased by \$14,942. District's staff has executed FWO/CO No. 4-06 and it is on file in the offices of the District.

FWO/CO No. 04-07 authorized the purchase of three sets of newly designed blade trunnion bushings designed to reduce friction during blade movement operations. Each set of blade trunnion bushings costs \$250,000.00. The total contract price for three sets of blade trunnion bushings was increased by \$750,000.00. District's staff has executed FWO/CO No. 4-07 and it is on file in the offices of the District.

FWO/CO No. 25 was the culmination of negotiations with Andritz for repair of the B10 turbine. The repairs included: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third bushing in the bottom of the hub; and 3) repair of a hardened steel overlay on one of the trunnion cranks. The total contract price was increased by \$923,511.00. District's staff has executed FWO/CO No. 25 and it is on file in the offices of the District.

FWO/CO No. 4-08 was the culmination of negotiations with Andritz for modifications of the B7 turbine. The modifications include: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third

bushing in the bottom of the hub; and 3) the removal of a hardened steel overlay on the trunnion cranks, and 4) the replacement of the blade trunnion bushings. The total contract price was increased by \$755,052.00. District's staff has executed FWO/CO No. 4-08 and it is on file in the offices of the District.

FWO/CO 5-05 set the start date for unit outage work on B5. It also directed the Contractor to cap B7 so that headgates and stoplogs could be used to unwater B5. District staff negotiated with Andritz for modifications of the B5 turbine hub, that include: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third bushing in the bottom of the hub; 3) the removal of a hardened steel overlay on the trunnion cranks, and 4) the replacement of the blade trunnion bushings. The total contract price was increased by \$977,199. District's staff has executed FWO/CO No. 5-05 and it is on file in the offices of the District.

FWO/CO No. 4-09 directed Contractor to supply 3 remaining sets of new blade trunnion bushings. The total contract price was increased by \$630,000. District's staff has executed FWO/CO 4-09 and it is on file in the offices of the District.

Executed Field Work Orders To Be Ratified

Field Work Order/Change Order No. 26

Unit B10 was removed from service in January 2019 due to severe leaking of the thrust equalizing system. District staff negotiated with Andritz for a redesign of the piston sealing system to provide more reliability and longer life. Additionally, this FWO/CO No. 26 incorporated blasting and painting of the turbine shaft. The cost of the redesign effort and the shaft painting is \$87,971.00. It was executed on 1/30/2020 and is on file in the offices of the District.

Field Work Order/Change Order No. 27

Upon disassembly of Unit B10 in January 2019, the District gained knowledge that the unit required re-centering. The Contractor took as-found readings that District engineers analyzed and determined the components that would need to be moved, in which direction, and by how much. Contractor then proceeded with the realignment work. The cost of this effort is \$120,000.00. It was executed on 2/25/2020 and is on file in the office of the District.

Field Work Order/Change Order No. 28

FWO/CO No. 28 in the amount of \$80,000 was executed to have Contractor maintain personnel on site during the shut-down due to the COVID-19 pandemic. Contractor continued to progress engineering, procurement and project management tasks in order to be prepared for restarting Work in the powerhouse. The Work suspension began on March 23,2020 and ended on April 19, 2020. It was executed on April 10, 2020 and is on file in the offices of the District.

Field Work Order/Change Order No. 28A

FWO/CO No. 28A was executed to extend the Work suspension from April 20, 2020 through May 17, 2020. The total contract price was increased by \$80,000. It was executed on April 28, 2020 and is on file in the offices of the District.

FWO/CO No.	FWO/CO VALUE	UNIT	DESCRIPTION
26	\$87,971.00	B10	Redesign Piston Sealing System
27	\$120,000.00	B10	Unit Alignment
28	\$80,000.00	B10	Work Suspension from 3/23/2020 through 4/19/2020
28A	\$80,000.00	B10	Work Suspension from 4/20/2020 through 5/17/2020
Total	\$367,971.00		

FWO/CO Nos. 26, 27, 28 and 28A result in a net increase to the contract price for Unit B10, in the amount of \$367,971.00, for a new revised not to exceed price of 29,966,328.54.

Proposed Field Work Orders For ApprovalField Work Order/Change Order No. 4-10

District staff desires to execute FWO/CO No. 4-10. During the installation of the wicket gates on Unit B7, the distance between the upper stay ring to the top of the lower stay ring, was found to be shorter than what the original drawings show. In order to allow the wicket gates to function properly, the surfaces of the upper and lower stay rings were ground to provide clearance and all linear indications were repaired. Execution of FWO/CO No. 4-10 will result in a net increase to the total contract price of \$210,000.00.

Field Work Order/Change Order No. 6-02

District staff desires to execute FWO/CO No. 6-02 for the purchase of an additional new outer headcover. Previously, Field Work Order/Change Order No. 5-04 was executed to manufacture a new outer headcover. This new outer headcover was to be used on Unit B5 in the event the existing outer headcover was determined to not be suitable for use. If the new outer headcover was not needed for Unit B5, it would be saved to be used on Unit B8. The existing B5 outer headcover was inspected and evaluated, and District engineers have determined that it is not suitable for re-use. Therefore, the outer headcover manufactured under FWO/CO 5-04 will be used on Unit B5, and a new outer headcover is needed for Unit B8 in order to keep the procurement off the critical path if inspection of the existing B8 outer headcover determines that it is not reusable. Execution of FWO/CO No. 6-02 will result in a net increase to the total contract price of \$513,313.00

The General Manager of the District concurs with staff’s recommendations that FWO/CO Nos. 26, 27, 28 and 28A be ratified, and that FWO/CO Nos. 4-10 and 6-02 be executed.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 26, 27, 28, and 28A were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change 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. 4-10 and 6-02. Copies of the Field Work Order/Change Orders shall be on file in the offices of the District.

DATED this 11th day of May, 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 1 TO TASK AUTHORIZATION SERVICES
AGREEMENT (SA-TA NO. 17-126) WITH GENESIS
TECHNOLOGY SOLUTIONS, INC. TO PROVIDE
GENERATION ASSET MANAGEMENT
CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14116 dated August 21, 2017 authorized a Services Agreement (SA-TA No. 17-126) with Genesis Technology Solutions, Inc. to provide Generation Asset Management Consulting Services, in an amount not to exceed \$750,000.

District staff has identified the need for additional services for advancing asset management capabilities to standardize information and develop asset strategies for our critical assets. This support will continue cleanup and modification of asset and location hierarchy records, assist in asset classification cleanup and development, progress reliability engineering, and provide Maximo training. Resolution No. 17-14116 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to extend the Services Agreement No. 17-126 with Genesis Technology Solutions, Inc. to December 31, 2023, and increase the not-to-exceed amount by \$900,000.00, for a total revised contract price not to exceed \$1,650,000.00.

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 (SA-TA No. 17-126) with Genesis Technology Solutions, Inc. to provide the additional services identified above. The revised contract price will not exceed \$1,650,000.00 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 11th day of May 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR (BID NO. 19-63) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METALCLAD SUBSTATION SWITCHGEAR 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 19-63, 15kV Arc Resistant Metalclad Substation Switchgear. Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were opened on April 30, 2020 at 2:00 P.M. Pacific Time in the offices of the District.

Four (4) bids were received pursuant to that invitation, two of which are identical from a single bidder. All bids exceed 15% of the engineer's estimate. Two bidders took material exceptions to the bid documents.

District staff is of the opinion that the bids were 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 work 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 15kV Arc Resistant Metalclad Substation Switchgear 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 bids received to furnish 15kV Arc Resistant Metalclad Substation Switchgear (Bid No. 19-63) are rejected. District staff is authorized to obtain 15kV Arc Resistant Metalclad Substation Switchgear 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 11th day of May 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION DECLARING AN EMERGENCY PURSUANT TO RCW 54.04.070 AND 39.04.280 AND AUTHORIZING THE GENERAL MANAGER TO TAKE ALL STEPS REASONABLE AND NECESSARY FOR PROCUREMENT OF THE ROCKY REACH C7 OPERATING ROD, A SPARE, AND RELATED PARTS FOUND DAMAGED AS NECESSARY

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Rocky Reach C1 through C7 Turbine Hub Refurbishment Program is under way with two units (C2 & C7) currently being repaired. During the disassembly of C7 the top nut threaded section of the Operating Rod was found to be sheared off. The Operating Rod is not repairable since it is a forged and machined part. This type of forging and final machining is anticipated to take roughly six months.

An emergency is an unforeseen circumstance beyond the District's control that (a) presents a real and immediate threat to essential functions; or (b) will likely result in material loss or damage to property or persons. Both of these circumstances are present if the C7 and spare Operating Rods are not immediately replaced.

Due to the long lead time in manufacturing turbine unit parts and assemblies, ordering the new C7 rod and spares are recommended. The District has prioritized replacement of the trunnion bushings/seals on C1 thru C7 over all other long-term repairs due to risks associated with turbine hub leaks. The program includes refurbishing two units at the same time to compress the schedule and return units to service. There is a risk of additional failures on the remaining small units. Having additional unplanned units off-line, particularly for an extended period of time, causes 1) program delays, 2) District revenue concerns, 3) potential challenges to meeting load serving needs, 4) increased spill and Total Dissolved Gas production, and 5) Hydro availability for bulk power system. Additionally, other related parts for the current (C2 & C7) and remaining unit rehabilitation (C3, C4, C5, C6) could be necessary if found damaged, and authorization to procure these related parts determined to be necessary is requested.

Pursuant to RCW 54.04.070 and 39.04.280, the District is authorized to waive bidding requirements in the event of an emergency.

District staff recommends that it is in the best interest of the District to declare that an emergency exists and that competitive bidding requirements to provide the Rocky Reach C7 and spare Operating Rods and related parts be waived.

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 Commission declares that an emergency exist requiring procurement of the Rocky Reach C7 and spare Operating Rods.

Section 2. The competitive bidding requirements are hereby waived due to the existence of the emergency.

Section 3. The General Manager or his designee is authorized to negotiate and execute the necessary contract or contracts for the required work by negotiation. A copy of said contract(s) will be on file at the District’s offices.

Dated this 11th day of May 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal