

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

REGULAR COMMISSION MEETING

JUNE 3, 2019

EXECUTIVE SESSION

9:30 AM

1. 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)

STUDY SESSION

10:00 AM

2. Pledge of Allegiance and Safety Minute – Teka Sellers
3. 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
4. CPO Winner Recognition
5. 2019-2020 Insurance Renewal Program
6. Sunitch Canyon/Deadhorse Public Outreach Effort
7. Public Power Benefit Program
8. Rock Island Facilities Update
9. Proposed Hartford Steam Boiler Settlement Agreement

BUSINESS SESSION

1:00 PM

10. Diamond Foundry Contract

Consent Agenda

11. Minutes of the May 13, 2019 Regular Meeting

12. Vouchers: Accounts Payable Summary Report dated May 29, 2019:

- a. Vouchers totaling \$36,042,718.21;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 8, 2019 through May 28, 2019 in the amount of \$36,833.96;
- c. Approval of the net Payroll, Warrant Nos. 236511 through 236529 and Advice Nos. 673576 through 674377 for the pay period ending 05/12/2019 in the amount of \$2,052,637.28;
- d. Approval of Warrant Nos. 25631 through 25704 totaling \$26,872.15 for claim payments from the workers' compensation self-insurance fund for the period ending May 28, 2019.

13. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-68 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE LAKE CHELAN SURGE TANK SITE ACCESS IMPROVEMENTS AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

14. A RESOLUTION REJECTING THE BID OF GENERAL PACIFIC, INC. AND ACCEPTING THE BID OF ANIXTER, INC. OF PORTLAND, OREGON (BID 19-38) FOR SUPPLY OF SUBSTATION CIRCUIT SWITCHERS

15. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERCONNECTION AND SERVICE AGREEMENT WITH D FOUNDRY I LLC FOR ELECTRIC SERVICE UNDER RATE SCHEDULE 4, LARGE LOAD

16. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 15-101) WITH PERFICIENT, INC. TO PROVIDE IBM COGNOS, FILENET, AND TIVOLI MAXIMO SUPPORT AND ADDITIONAL LICENSE PURCHASES

17. Manager Items

18. Commission Items

19. Commissioner Travel

REGULAR COMMISSION MEETING AGENDA

June 3, 2019

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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

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 AND 2, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-68 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WASHINGTON FOR THE LAKE CHELAN SURGE TANK SITE ACCESS IMPROVEMENTS 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 December 29, 2017, the District entered into a contract (Bid No. 17-68) with Hurst Construction, LLC (Contractor) of Wenatchee, Washington for the Lake Chelan Surge Tank Site Access Improvements, in the amount of \$133,565.00. 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 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 Order Nos. 1 and 2, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Furnish, Install, and Compact 4" Depth of Additional Gravel Base Course Around Surge Tank	\$4,338.66
2. Remove Bid Item #2 – Temporary Erosion & Sediment Control	-\$1,000.00
Total	\$3,338.66

Field Work Order Nos. 1 and 2 results in a net increase in the contract price of \$3,338.66 for a new revised total price of \$136,903.66 (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 May 9, 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 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 Order Nos. 1 and 2 to Bid No. 17-68 with Hurst Construction, LLC for the work specified above, which will result in a net increase in the purchase price of \$3,338.66, for a total revised contract price of \$136,903.66, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 17-68 was completed on May 9, 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 3rd day of June 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING THE BID OF
GENERAL PACIFIC, INC. AND ACCEPTING
THE BID OF ANIXTER, INC. OF PORTLAND,
OREGON (BID 19-38) FOR SUPPLY OF
SUBSTATION CIRCUIT SWITCHERS

FACTUAL BACKGROUND AND REASONS FOR ACTION

On April 25, 2019, an invitation for sealed bids was published in accordance with RCW 54.04.070 and Resolution No. 17-14215 to provide Substation Circuit Switchers. Bid proposals were opened on May 9, 2019, at 2:30 p.m. in the offices of the District. Three bids were received (excluding sales tax) as tabulated on Exhibit A attached.

The bid by General Pacific, Inc. did not meet the minimum requirements specified in the contract documents. General Pacific, Inc. proposed a disconnect switch that opens horizontally, where the technical specification required a vertical opening disconnect switch. This configuration is not consistent with the bid specifications or with the District's current standard. This bid should be rejected as non-responsive.

District staff has determined that the bid of Anixter, Inc. of Portland, Oregon in the amount of \$528,789.00 (excluding sales tax) is the lowest responsive and best bid in compliance with the plans and specifications for Bid No. 19-38. This bid meets all statutory requirements. Resolution No. 17-14215 requires that the rejection of the apparent low dollar bidder must come before the Commission for action.

District staff recommends rejecting the bid of General Pacific, Inc. as non-responsive and awarding Bid No. 19-38 to Anixter, Inc.

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

ACTION

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

Section 1. The bid submitted by General Pacific, Inc. of Fairview, Oregon did not meet the minimum requirements specified in the contract documents and is hereby rejected.

Section 2. The bid submitted by Anixter, Inc. of Portland, Oregon is the lowest responsible and best bid in compliance with the plans and specifications to provide the Substation Circuit Switchers. The General Manager of the District is hereby authorized to enter into a contract with Anixter, Inc. in the amount of \$528,789.00, excluding sales tax. A copy of the contract will be on file in the offices of the District

Dated this 3rd day of June 2019.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal

EXHIBIT A**Bid Tabulation****Bid No. 19-38 – Supply of Substation Circuit Switchers**

Bidder Name City, State	Bid Bond/ Cashier's Check	Bid Amount
General Pacific, Inc. Fairview, Oregon	Yes	\$309,730.00
Anixter, Inc. Portland, Oregon	Yes	\$528,789.00
Southern States, LLC Hampton, Georgia	Yes	\$599,700.00

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO ENTER INTO AN INTERCONNECTION
AND SERVICE AGREEMENT WITH D FOUNDRY I
LLC FOR ELECTRIC SERVICE UNDER RATE
SCHEDULE 4, LARGE LOAD

FACTUAL BACKGROUND AND REASONS FOR ACTION

D Foundry I LLC (the “Diamond Foundry”) has applied for electric service from Public Utility District No. 1 of Chelan County (the “District”) at a location near the District’s Hawley Street facility. The Diamond Foundry’s requested demand capacity is 19,000 kW, which is not currently available on the District’s electric system. The Diamond Foundry’s landlord has proposed building a substation that would have sufficient capacity for the Diamond Foundry. Resolution No. 19-14346 authorized agreements associated with such proposal. Until the completion of the new substation, the Diamond Foundry contracted capacity is limited to 7,000 kW. The District’s Rate Schedule 4, Large Load, requires a contract between the customer and the District for all electric use in excess of 5 annual average megawatts (aMWs).

The Diamond Foundry contract includes rates, terms and conditions negotiated between the customer and the District based on the customer’s energy needs, characteristics, and operating plans. The contract incorporates a blend of rates from Rate Schedules 3 and 35 and other specific charges from Rate Schedule 4, all of which are subject to adjustment throughout the contract term by the Board. The High Density Load upfront capital charge is applicable to this customer, but the charge is deferred and would only be due if the third-party substation is not constructed within three years. The term of the contract is 10 years with the option to extend up to 5 additional years. The full terms and conditions are set forth in the Interconnection and Service Agreement.

District staff recommends that the District enter into the Interconnection and Service Agreement with the Diamond Foundry, and that the Board of Commissioners authorize the General Manager to execute 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, WASHINGTON, as follows:

Section 1. The General Manager is authorized to execute the Interconnection and Service Agreement with the Diamond Foundry, or a similar agreement that is

substantially similar in form and substance, with copies of the agreement to be on file in the offices of the District.

Section 2. The General Manager or his designee is authorized to take such further steps as may be necessary or required to complete the District's obligations of the agreement hereby authorized.

DATED this 3rd day of June 2019.

ATTEST:	President
Vice President	Secretary
Commissioner	Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 2 TO SERVICES AGREEMENT (SA NO. 15-101)
WITH PERFICIENT, INC. TO PROVIDE IBM
COGNOS, FILENET, AND TIVOLI MAXIMO
SUPPORT AND ADDITIONAL LICENSE
PURCHASES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 15-13960 dated June 1, 2015 authorized a Services Agreement (SA No. 15-101) with Perficient, Inc. to provide IBM Cognos, Filenet, and Tivoli Maximo support and additional license purchases, in an amount not to exceed \$1,553,990.42 over five years.

District staff has identified the need for continued support and license purchasing services. Resolution No. 17-14215 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 amend Services Agreement No. 15-101 with Perficient, Inc. to continue support and license purchasing services in the amount of \$123,036.24, for a total revised contract price not to exceed \$1,677,026.66 through June 30, 2024.

The General Manager has reviewed District staff's recommendation and concurs in the same.

ACTION

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

Section 1. The General Manager is hereby authorized to execute an Amendment to Services Agreement (SA No. 15-101) with Perficient, Inc. to provide the additional services identified above through June 30, 2024. The revised contract price will not exceed \$1,677,026.66 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 3rd day of June 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal