

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

REGULAR COMMISSION MEETING

June 5, 2017

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – Tim Pettit
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. 2017 – 2018 District Insurance Policy Renewal
4. Public Power Benefit 2nd Discussion of Additional Items
 - Hydro Research
 - 2017-2018 PPB
5. Utility Services Policy Update
6. Business Lines Financial Policies Overview

BUSINESS SESSION

1:00 P.M.

7. Advanced Two-Way Metering Update

Consent Agenda

8. Minutes:

May 15, 2017

9. Vouchers:

Accounts Payable Summary Report dated May 30, 2017:

- a) Vouchers totaling 39,137,865.30;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 10, 2017 through May 30, 2017 in the amount of \$39,047.54.
- c) Approval of the net Payrolls, Warrant Nos. 235215 through 235240 and Advice Nos. 633679 through 634443 for the pay period ending 5/14/2017 in the amount of \$1,854,214.64; and
- d) Approval of Warrant Nos. 23438 through 23474 totaling \$15,680.44 for claim payments from the workers' compensation self-insurance fund for the period ending May 29, 2017.

Regular Agenda

Resolutions

10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LEASE AND OPERATING AGREEMENT WITH THE CITY OF ENTIAT FOR MAINTENANCE AND OPERATIONS OF ENTIAT PARK AND ENTIATQUA TRAIL
11. A RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO CONTRACT 09-32 WITH COMPUTER 5, INC. DBA LOCALTEL COMMUNICATIONS TO PROVIDE TELEPHONE LOCAL EXCHANGE SERVICES
12. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-06 WITH G.G. RICHARDSON, INC., OF WENATCHEE, WA, AND AUTHORIZING PAYMENT OF RETAINAGE
13. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-33 WITH PIPKIN INC. DBA PIPKIN CONSTRUCTION OF EAST WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

Motion

14. Proposed Motion:

A motion to approve the District Governance Policy as revised.

15. Manager Items
16. Commission Items
17. Commissioner Travel - Lisa
18. Follow-up on Delegation of Action Items from Previous Board Meeting
19. Delegation of Action Items
20. Additional Public Comment*
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 consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b).

* 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.

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LEASE AND OPERATING AGREEMENT (SA 17-076) WITH THE CITY OF ENTIAT FOR MAINTENANCE AND OPERATIONS OF ENTIAT PARK AND ENTIATQUA TRAIL

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District originally developed Entiat Park (Park) in 1978 as required in its license for the Rocky Reach Hydroelectric Project.

The District and City of Entiat (Entiat) entered into an agreement for Entiat to operate the original park in 1978 (Original Agreement).

The District received a new license for Rocky Reach in 2009. The new license included requirements for substantial renovation of the Park and development of the Entiatqua Trail. Following design completion, the District closed the Park in 2013, effectively terminating the Original Agreement. After renovations, the District and Entiat entered into two one-year agreements to allow for the completion of the landscaping contract with a third party and to allow both parties to adjust and assess changed operational needs for the redeveloped Park.

Entiat desires to continue operating the Park, and the District benefits from contracting out the Park operations. Entiat and the District now desire to enter into a new long-term Lease and Operating Agreement (Agreement) for the maintenance and operation of the Park and Entiatqua Trail. This Agreement provides that the District shall reimburse Entiat for operational costs that exceed revenues up to \$125,000 annually. This Agreement establishes an expected level of performance. Either party may cancel for any reason by written notice.

Staff recommends the District enter into the Agreement with Entiat. The General Manager of the District has reviewed staff's recommendation and concurs in the same.

ACTION

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

Section 1. The Commission hereby approves the Lease and Operating Agreement with the City of Entiat and the General Manager is hereby authorized and directed to execute the Lease and Operating Agreement. A copy of the Agreement is on file in the offices of the District.

DATED this 5th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 6
TO CONTRACT 09-32 WITH COMPUTER 5, INC. DBA
LOCALTEL COMMUNICATIONS TO PROVIDE
TELEPHONE LOCAL EXCHANGE SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Contract (09-32) on February 2, 2010, with Computer 5, Inc. dba Localtel Communications to provide ongoing, critical communication services for the District under Resolution No. 10-13520 in an amount not to exceed \$420,000.

Through the review of the District's critical communication services, staff has identified continuation of services are needed. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Amendments to Agreements when the Amendment increases the total contract price to over \$200,000.

District staff recommends that it is in the best interest of the District to amend Contract 09-32 with Computer 5, Inc. dba Localtel Communications to provide continued telephone local exchange services, increasing the amount by \$25,000, for a total revised contract price not to exceed \$445,000 and extending the completion date from August 31, 2017 to December 31, 2017.

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. 6 to Contract (09-32) with Computer 5, Inc. dba Localtel Communications to provide the

additional services identified above. The revised contract price will not exceed \$445,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 5th day of June 2017.

ATTEST:

Vice President

Commissioner

Seal

President

Secretary

Commissioner

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 6, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-06 WITH G.G. RICHARDSON, INC., OF WENATCHEE, WA, AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 08-13325 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 17, 2016, the District entered into a contract (Bid No. 16-06) with G.G. Richardson, Inc. (Contractor) of Wenatchee, WA, for Confluence Technology Center HVAC System Upgrades, in the amount of \$690,473.00. 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 through 6 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 through 6, which are on file in the offices of the District and summarized as follows:

| Field Work Order No. | Amount |
|---|---------------|
| 1. Computer Room A/C Unit Size Change due to code change and Extension of Contract Time | \$ 24,334.00 |
| 2. Copper Bonding Wire | \$ 1,436.00 |
| 3. Fan and Muffler Supports and Extension of Contract Time | \$ 13,971.00 |
| 4. Reroute Drain Line | \$ 3,543.00 |
| 5. CRAC Unit Sensors to reduce noise | \$ 18,988.00 |
| 6. Data Center Cleaning; Surge Box Relocation; Extension of Contract Time | \$ (2,171.00) |
| Total | \$ 60,101.00 |

Field Work Order Nos. 1 through 6 result in a net increase in the contract price for a new revised total price of \$750,574.00 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 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 1, 2017. 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 through 6 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 through 6 to Bid No. 16-06 with G.G. Richardson, Inc. for the work specified above, which will result in a net increase in the purchase price of \$60,101.00, for a total revised contract price of \$750,574.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 16-06 was completed on May 1, 2017 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 5th day of June 2017.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-33 WITH PIPKIN INC. DBA PIPKIN CONSTRUCTION OF EAST WENATCHEE, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 08-13325 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 28, 2017, the District entered into a contract (Bid No. 17-33) with Pipkin Inc. dba Pipkin Construction (Contractor) of East Wenatchee, Washington for the Rock Island Domestic Water – SR 28 Road Crossing, in the amount of \$187,850.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

Field Work Order No. 1 is the result of reconciling the estimated quantities to actuals for crushed rock and asphalt used in the work, and is within the scope of the contract. The District's staff has executed Field Work Order No. 1, which is on file in the offices of the District and summarized as follows:

| Field Work Order No. | Amount |
|---|-------------------|
| 1. Reconciliation of Bid Price Schedule | \$8,180.00 |
| Total | \$8,180.00 |

Field Work Order No. 1 results in a net increase in the contract price for a new revised total price of \$196,030.00 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 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, 2017. 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. 17-33 with Pipkin Inc. dba Pipkin Construction for the work specified above, which will result in a net increase in the purchase price of \$8,180.00 for a total revised contract price of \$196,030.00 plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 17-33 was completed on May 9, 2017, 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 5th day of June 2017.

| | |
|-------------------------|-----------------------|
| ATTEST: | _____ President |
| _____ Vice President | _____ Secretary |
| _____ Commissioner | _____ Commissioner |

Seal