

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

REGULAR COMMISSION MEETING

JUNE 5, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Cory Schramm
2. Approval of the Agenda

10:15am

3. Public Hearing – Surplus Property
A RESOLUTION DECLARING A 0.18-ACRE PARCEL OF LAND IN CHELAN FALLS AND A 0.15-ACRE PARCEL OF LAND IN LEAVENWORTH SURPLUS TO DISTRICT’S NEEDS AND AUTHORIZING THE SALE OF BOTH PARCELS TO ADJOINING LAND OWNERS
4. Annual Report of Safety Concern Reports Received

BUSINESS SESSION

Consent Agenda

5. Minutes of the May 22, 2023 Regular Meeting
6. Vouchers: Accounts Payable Summary Report dated May 30, 2023:
 - a. Vouchers totaling \$41,493,797.88;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period May 16, 2023 through May 29, 2023 in the amount of \$68,202.63.
 - c. Approval of the net Payroll, Warrant Nos. 238170 through 238183 and Advice Nos. 756643 through 757463 for the pay period ending May 21, 2023 in the amount of \$2,623,878.09.
 - d. Approval of Warrant Nos. 29643 through 29659 totaling \$9,871.46 for claim payments from the workers’ compensation self-insurance fund for the period ending May 29, 2023.

REGULAR COMMISSION MEETING AGENDA

June 5, 2023

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7. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-21 WITH COMBINED CONSTRUCTION, INC. OF MUKILTEO, WA AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

8. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD AND CONTRACT SIGNATURE FOR TUMWATER DAM FOUNDATION MAINTENANCE (BID NO. 22-12126)
9. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD AND CONTRACT EXECUTION FOR THE ROCK ISLAND DAM SPILLWAY EXPANSION JOINT REPAIRS (BID NO. 23-12932)
10. Capital Budget Revision for Generating Unit B3
Proposed motion: To increase the total budget for capital project RI170013, RI PH1 B3 Modernization, in the amount of \$5,600,000. The current total project budget amount is \$19,400,000. The revised total project budget would be \$25,000,000.
11. Manager Items
12. Commissioner Travel
13. Commission Items
14. Follow-up on Delegation of Action Items from Previous Board Meeting
15. Delegation of Action Items
16. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda
17. Matters of general business as may necessarily come before the Commission
18. 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) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION DECLARING A 0.18-ACRE PARCEL OF LAND IN CHELAN FALLS AND A 0.15-ACRE PARCEL OF LAND IN LEAVENWORTH SURPLUS TO DISTRICT'S NEEDS AND AUTHORIZING THE SALE OF BOTH PARCELS TO ADJOINING LAND OWNERS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District is the owner of a 0.18-acre parcel of undeveloped land which has a small useable area at the top with the remainder being steep hillside and surrounded on three sides by private property located in Chelan Falls. The parcel is a portion of land the District acquired for development of the Chelan Hydro project.

The District has received a request from adjacent property owners Danny and Krista Crowell (Crowell) to purchase the property and has entered in to a Letter of Agreement for the purchase of the property, subject to approval by the District's Board of Commissioners.

District staff has determined that there is no easement for a portion of its transmission line that crosses the Crowell property. District staff determined that a purchase price of \$500, together with Crowell's grant of a 100' overhead utility easement represents the fair market value for the parcel of land.

The District is the owner of a 0.15-acre parcel of undeveloped land which is a 20' strip encumbered by overhead and underground utilities lying adjacent to private property. The parcel is on a portion of land the District acquired for a transmission corridor, substation site and headquarters.

The District has received a request from adjacent property owner William Timmermans (Timmermans) to purchase the property and has entered into a Purchase and Sale Agreement for the property, subject to approval by the District's Board of Commissioners.

District staff has identified a need for a utility corridor from its Leavenworth substation to Chumstick Highway across Timmermans property. District staff has determined that the grant by Timmermans of a 50' overhead utility easement across Timmermans land in exchange for the 0.15 acres of District land which will be encumbered in its entirety by an overhead/underground utility easement represents fair market value for the parcel of land.

Resolution No. _____
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District staff has evaluated and determined that both the 0.18-acre Chelan Falls property and the 0.15 acre Leavenworth property are surplus to District's needs and recommends that they be declared surplus with intent to sell to Crowell and Timmermans, respectively.

RCW 54.16.180 provides that the District may sell property no longer necessary, material to, and useful in its system operations. RCW 39.33.020 requires the PUD to hold a public hearing for property valued at \$50,000 or greater. While these properties do not meet that threshold, in the interest of transparency the District has published a notice and issued a news release setting forth a hearing on June 5, 2023 at 10:15am, for a determination that the two parcels of land be declared surplus.

Following the public hearing, staff recommends the two properties be declared surplus, the Crowell Letter of Agreement and the Timmermans Purchase and Sale Agreement, both of which are on file at the District, be approved, and the General Manager or his designee be authorized to execute such documents as are necessary to complete the surplus sales.

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. After public hearing held June 5, 2023, the 0.18-acre parcel of land located in Chelan Falls, Washington, as set forth in the Crowell Letter of Agreement is declared surplus to the District's needs.

Section 2. After public hearing held June 5, 2023, the 0.15-acre parcel of land located in Leavenworth, Washington, as set forth in the Timmermans Purchase and Sale Agreement is declared surplus to the District's needs.

Section 3. The Crowell Letter of Agreement and the Timmermans Purchase and Sale Agreement are hereby approved and the General Manager or his designee is hereby authorized to take such further steps as may be required to complete the Letter of Agreement and Purchase and Sale Agreement.

Section 4. The two purchase and sale agreements and all other agreements will be on file in the offices of the PUD.

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Dated this 5th day of June 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 21-21 WITH COMBINED CONSTRUCTION, INC. OF MUKILTEO, WA AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

On January 12, 2022, the District entered into a contract (Bid No. 21-21) with Combined Construction, Inc. (Contractor) of Mukilteo, WA for Rocky Reach Hydro Concrete Repairs, in the amount of \$550,872. 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/Change Order Nos. 1-3 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order/Change Order Nos. 1-3, which are on file in the offices of the District and summarized as follows:

Field Work Order/Change Order Description	Amount
1. Revision to Contract Time	\$0.00
2. Additional repairs and revision to Contract Price	\$171,674.77
3. Additional repairs and revision to Contract Price	\$11,750.00
Total	\$ 183,424.77

Field Work Order/Change Order Nos. 1-3 results in a net increase in the contract price of \$183,424.77 for a new revised total contract price of \$734,296.77 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14215 provides that this type of field work order/change 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 11, 2023. 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/Change Order Nos. 1-3 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

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

Section 1. Field Work Order/Change Order Nos. 1-3 to Bid No. 21-21 with Combined Construction, Inc. for the work specified above, which will result in a net increase of \$183,424.77, for a total revised contract price of \$734,296.77, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 21-21 was completed on May 11, 2023, 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 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING BID
ADVERTISEMENT, AWARD AND CONTRACT
SIGNATURE FOR TUMWATER DAM
FOUNDATION MAINTENANCE (BID NO. 22-
12126)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Tumwater Dam requires maintenance work to repair the spillway surface, the downstream apron, and foundation below the apron. Over time, flood events cause erosion that scours and moves large rock and foundation material downstream from the dam's toe. The District's dam safety team monitors the conditions and manages the dam for continued reliable operation. The amount of scour and erosion has progressed, and it is now necessary to effect repairs. The last repair work was performed in 1997. Bid 22-12126, Tumwater Dam Foundation Maintenance, is to restore the dam's apron and replace eroded material at the toe of the spillway.

Resolution No. 17-14215 requires Commission approval of bids and Authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 22-12126, including specifications, are being prepared by the District and will be on file in the offices of the District.

Resolution No. 17-14215 also requires Commission approval to award bids estimated to exceed \$3,000,000. Bid No. 22-12126 has an engineer's estimate that exceeds \$3,000,000. Should all Bids exceed the engineer's estimate by more than 15%, excluding sales tax, an award will not be issued pursuant to RCW 54.04.080.

District staff recommends that Bid No. 22-12126 is in the best interest of the District and that said documents be approved and invitation for bid be published.

District staff also recommends it is in the District's best interest to authorize staff to award Bid No. 22-12126 in an amount not to exceed 15% above the engineer's estimate, excluding sales tax, and to authorize the General Manager or his designee to enter into a contract with the lowest responsive and responsible bidder with a legally compliant bid that meets the District's terms and conditions.

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 bidding documents (Bid No. 22-12126) for the Tumwater Dam Foundation Maintenance are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said labor and materials.

Section 2. The Commission hereby authorizes staff to award Bid No. 22-12126 for the Tumwater Dam Foundation Maintenance to the lowest responsive and responsible bidder in an amount not greater than 15% above the engineer’s estimate, excluding sales tax. Furthermore, the General Manager of the District is hereby authorized to enter into a contract with the lowest responsive and responsible bidder with a legally compliant bid that meets the District’s terms and conditions. A copy of the contract will be on file in the offices of the District.

DATED this 5th day of June 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING BID
ADVERTISEMENT, AWARD AND CONTRACT
EXECUTION FOR THE ROCK ISLAND DAM
SPILLWAY EXPANSION JOINT REPAIRS (BID NO.
23-12932)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Rock Island Dam was initially constructed in the early 1930s before industry knowledge of a concrete phenomenon known as alkali silica reaction, which causes concrete to grow over time. This growth has caused the concrete expansion joints in the roadway deck to close to the point where there is no longer adequate space to accommodate thermal expansion induced during seasonal temperature variations. The lack of space between the expansion joints has caused damage to other dam structures. Previously the District repaired some of the expansion joints under Contract 19-83. The proposed work is intended to repair the remaining expansion joints.

Resolution No. 17-14215 requires Commission authorization to invite bids that are estimated to exceed \$3,000,000. Solicitation documents for Bid No. 23-12932, including specifications, are being prepared by the District and once complete will be on file in the offices of the District.

Resolution No. 17-14215 also requires Commission approval to award bids estimated to exceed \$3,000,000. Bid No. 23-12932 has an engineer's estimate that exceeds \$3,000,000. Should all Bids exceed the engineer's estimate by more than 15%, excluding sales tax, an award will not be issued pursuant to RCW 54.04.080.

District staff is of the opinion that issuing Bid No. 23-12932 is in the best interests of the District and recommends that said bid documents be approved and that the invitation for bids be published.

District staff also recommends that it is in the District's best interest to authorize staff to award Bid No. 23-12932 in an amount not to exceed 15% above the engineer's estimate, excluding sales tax, and to authorize the General Manager or his designee to enter into a contract with the lowest responsive and responsible bidder with a legally compliant bid that meets the District's terms and conditions.

The General Manager of the District has reviewed District staff's recommendations 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 bidding documents (Bid No. 23-12932) for the Rock Island Dam Spillway Expansion Joint Repairs are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said labor and material.

Section 2. The Commission hereby authorizes staff to award Bid No. 23-12932 for the Rock Island Dam Spillway Expansion Joint Repairs to the lowest responsive and responsible bidder in an amount not greater than 15% above the engineer’s estimate, excluding sales tax. Furthermore, the General Manager of the District is hereby authorized to enter into a contract with the lowest responsive and responsible bidder with a legally compliant bid that meets the District’s terms and conditions. A copy of the contract will be on file in the offices of the District.

DATED this 5th day of June 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal