

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

**REGULAR COMMISSION MEETING**

**JUNE 20, 2022**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety/HPI Minute – Luke Gilbert
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. CPO Winner Recognition
4. 2022 – 2023 Insurance Program Renewal Update  
Proposed motion: To authorize expenditures by the District not to exceed \$4,800,000 plus surplus lines taxes and fees, for the purchase of District insurance for July 1, 2022-2023 policies upon terms and conditions approved by the General Manager.
5. 5th Street Redevelopment
6. Dryden Wastewater Treatment Facility Improvements
7. Confluence Parkway Due Diligence
8. Public Comment

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

9. Minutes of the June 6, 2022 Regular Meeting
10. Vouchers: Accounts Payable Summary Report dated June 15, 2022:
  - a. Vouchers totaling \$12,476,590.89;

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- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 1, 2022 through June 14, 2022 in the amount of \$27,638.14.
  - c. Approval of the net Payroll, Warrant Nos. 237862 through 237872 and Advice Nos. 736462 through 737290 for the pay period ending June 5, 2022 in the amount of \$ 2,444,368.74.
  - d. Approval of Warrant Nos. 28569 through 28595 totaling \$30,202.91 for claim payments from the workers' compensation self-insurance fund for the period ending June 13, 2022.
  - e. Approval of Parks Reservation System customer refunds for the period June 1, 2022 through June 14, 2022 in the amount of \$1,750.00.
11. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 21-13 WITH SE, INC., DBA SMITH EXCAVATION OF CASHMERE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

**Regular Agenda**

12. A RESOLUTION AUTHORIZING AN AMENDMENT TO SERVICES AGREEMENT (SA-TA NO. 10-230) WITH ERGONARE, INC. TO PROVIDE MAXIMO SOFTWARE CONSULTING AND SUPPORT
13. A RESOLUTION AUTHORIZING AN AMENDMENT TO SERVICES AGREEMENT (SA NO. 17-100) WITH UNIVERSAL PROTECTION SERVICE LP DBA ALLIED UNIVERSAL SECURITY SERVICES TO PROVIDE DISTRICT UNARMED SECURITY SERVICES
14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LARGE LOAD INTERCONNECTION AGREEMENT
15. A RESOLUTION APPROVING BID ADVERTISEMENT, AWARD, AND CONTRACT EXECUTION FOR THE DRYDEN WASTEWATER TREATMENT FACILITY IMPROVEMENTS (BID NO. 21-32)
16. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. D-24 AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. D-25 TO CONTRACT 18-33 FOR THE ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT WITH LYDIG CONSTRUCTION, INC. OF SPOKANE VALLEY, WA
17. A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO EXECUTE A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 22-12203) WITH HDR ENGINEERING, INC. OF NEBRASKA FOR PROFESSIONAL ENGINEERING SERVICES RELATED TO LARGE LOAD TRANSMISSION INTERCONNECTION PROJECT

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18. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3 AND AUTHORIZE EXECUTION OF FIELD WORK ORDER CHANGE ORDER NO. 4 TO CONTRACT 21-04 ROCK ISLAND POWERHOUSE 2 DRAIN PIPING REPLACEMENT
19. A RESOLUTION DECLARING OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON TO PAY OR REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO
20. Proposed Board-Designated Service Center Fund Use  
Proposed motion: To direct staff to apply amounts deposited in the Board designated Headquarters/Service Center Strategic Facilities Fund to project costs.
21. Manager Items
22. Commission Items
23. Follow-up on Delegation of Action Items from Previous Board Meeting
24. Delegation of Action Items
25. 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.*
26. Matters of general business as may necessarily come before the Commission
27. 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 AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 21-13 WITH SE, INC., DBA SMITH EXCAVATION OF CASHMERE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 21-14578 on August 16, 2021, which authorized the rejection of all bids, declared that no bids were received, and waived the competitive bidding requirements of RCW 54.04.070, and authorized the District to obtain the Columbia River Parks Shoreline Erosion Control 2021 via negotiation. After negotiation, the District entered into a contract (Bid No. 21-13) on August 19, 2021, with SE, Inc., dba Smith Excavation (Contractor) of Cashmere, WA for the Columbia River Parks Shoreline Erosion Control 2021, in the amount of \$1,650,826.50.

The work in Field Work Order Nos. 1-2 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. 1-2, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Miscellaneous Changes and Schedule Extension	\$9,324.00
2. Substitution of Materials for Schedule A Kirby Billingsley Hydro Park	\$9,450.00
<b>Total</b>	<b>\$18,774.00</b>

Field Work Order Nos. 1-2 result in a net increase of \$18,774.00 for a new revised total price of \$1,678,924.50 (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 work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

District staff has determined that the completion of all contract work occurred on June 2, 2022. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

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 recommends the District authorize the release of the related bond in lieu of retainage, 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. 1-2 to Bid No. 21-13 with SE, Inc., dba Smith Excavation for the work specified above, which will result in a net increase in the purchase price of \$18,774.00, for a total revised contract price of \$1,678,924.50, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 21-13 was completed on June 2, 2022, and the same is hereby accepted, subject to Section 2 hereof. Release of the Contractor's bond in lieu of retainage is authorized subject to Section 2 and Section 3 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 release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in 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 following payment of such claim, release the bond in lieu of retainage.

DATED this 20th day of June 2022.

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President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AN  
AMENDMENT TO SERVICES AGREEMENT (SA-  
TA NO. 10-230) WITH ERGONARE, INC. TO  
PROVIDE MAXIMO SOFTWARE CONSULTING  
AND SUPPORT

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement-Task Authorization (SA-TA No. 10-230) on December 21, 2010 with Ergonare, Inc. to provide Maximo software consulting and support in an amount not to exceed \$150,000. The SA-TA was amended on October 19, 2012 to increase the not to exceed amount to \$185,000. Resolution No. 13-13818 dated October 21, 2013 authorized Amendment No. 2 to the agreement to increase the not to exceed amount to \$340,000 for additional services to assist in accommodating the District's Maximo Version 7.5 upgrade. Resolution No. 15-13972 dated July 20, 2015 authorized Amendment No. 4 to the agreement to increase the not to exceed amount to \$490,000 for additional services to assist in accommodating the District's Maximo Version 7.6 upgrade. Resolution No. 18-14249 dated June 25, 2018 authorized Amendment No. 5 to the agreement to increase the not to exceed amount to \$840,000 for additional services to assist in accommodating the District's Maximo Version 7.6 upgrade. Resolution No. 20-11468 dated July 6, 2020 authorized Amendment 6 to the agreement to increase the not to exceed amount to \$1,240,000.

Maximo serves as the asset, maintenance, work and inventory management computer system used by all operating areas of the District. The system is vital to District operations. The Maximo system has benefited the District by optimizing maintenance activities, and creating the tangible benefits of improved planning, scheduling, overtime reduction, asset life, rework reduction, and sound maintenance business decisions. Maximo is utilized as the core software application for implementing the District's Strategic Asset Management Plan, and it will be vital to have Ergonare available to supplement internal resources on that implementation.

The District has retained Julio Hernandez of Ergonare, Inc. as consultant for the Maximo Enterprise Asset Management System since 2001. Mr. Hernandez has been instrumental in the implementation, support, and utilization of Maximo. District staff has determined that there is an ongoing requirement for services for technical troubleshooting, consulting on asset and work management, configuration of integrations, installation of software patches, and project quality assurance. Ergonare, Inc.'s experience with the District results in it being uniquely qualified to provide quality and cost effective services.

District staff desires to continue services in supporting, maintaining, and enhancing the District's Maximo Enterprise Asset Management Software, along with an upgrade to Maximo Application Suite v8, which will cause the total contract price

to increase to \$2,140,000. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total agreement price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement-Task Authorization No. 10-230 with Ergonare, Inc. to provide continuing Maximo software consulting and support in the amount of \$900,000 through December 30, 2025, for a revised contract price not to exceed \$2,140,000.

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-Task Authorization (SA-TA) No. 10-230 with Ergonare, Inc. to provide the additional services identified above for an additional \$900,000 through December 30, 2025. The revised contract price will not exceed \$2,140,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 20<sup>th</sup> day of June 2022

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

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Commissioner

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Commissioner

Seal



## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT  
 NO. 11 TO SERVICES AGREEMENT (SA NO. 17-  
 100) WITH UNIVERSAL PROTECTION SERVICE  
 LP DBA ALLIED UNIVERSAL SECURITY  
 SERVICES TO PROVIDE DISTRICT UNARMED  
 SECURITY SERVICES

## FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14193 dated November 20, 2017 authorized a Services Agreement (SA No. 17-100) with Universal Protection Service LP, dba Allied Universal Security Services to provide District unarmed security services, in an amount not to exceed \$5,000,000.

Resolution No. 20-14508 dated December 7, 2020 authorized an Amendment to SA No. 17-100 in the amount of \$400,000 bringing the revised contract price to \$5,400,000 for unarmed security services through December 31, 2022.

District staff has identified the need for continued unarmed security services. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the amount of the Amendment exceeds the previously authorized amount.

District staff recommends that it is in the best interest of the District to amend SA No. 17-100 with Universal Protection Service LP, dba Allied Universal Security Services to extend the Service Agreement through December 31, 2025 and increase the contract price in the amount of \$4,500,000, for a total revised contract price not to exceed \$9,900,000 for unarmed security services through December 31, 2025.

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 SA No. 17-100 with Universal Protection Service LP, dba Allied Universal Security Services to provide the additional services identified above through December 31, 2025. The revised contract price will not exceed \$9,900,000 for unarmed security services through December 31, 2025 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 20th day of June 2022.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE GENERAL  
MANAGER TO ENTER INTO A LARGE LOAD  
INTERCONNECTION AGREEMENT**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In 2021, the District completed a years-long effort to develop a suite of formal policies and practices governing the provision of all aspects of transmission service, including interconnection service. The Commission adopted template interconnection agreements for large loads and large generators in Resolution No. 21-14585, and the Commission incorporated those templates into an adopted transmission tariff in Resolution No. 21-14611. The terms and conditions of the interconnection agreements allocate responsibility between the District and the interconnection customer for design, procurement, construction, ownership, and operation of the interconnection facilities, including assigning cost responsibility.

Since the adoption of the template agreements, District staff has completed study work related to a large load interconnection request, and the interconnection customer elected to proceed to interconnection. During subsequent negotiations, the interconnection customer requested certain changes from the template interconnection agreement. In particular, the interconnection customer wants to set a not-to-exceed cost and provide up-front funding, in two payments, for procurement and work to be performed by the District.

The proposed payment approach is a deviation from the template, which uses monthly billing for work performed, with posted security, and open-ended cost obligation for the customer. To maintain the same allocations of responsibility as the template, District staff and the interconnection customer included conditions regarding the proposed payment provisions. First, the up-front payments are timed such that the District will not exhaust the first payment before the second payment is made. This takes the place of the template requirement for separate posted security. Second, the parties will have regular meetings after certain amounts have been expended to determine whether the project costs may exceed the not-to-exceed cost in the agreement. If this appears likely, the parties will determine the amount of additional funding needed and amend the not-to-exceed amount accordingly. This prevents the District from incurring project costs that are allocated to the interconnection customer. In Resolution No. 21-14585, the Commission authorized the General Manager to execute agreements that are substantially similar in form and substance to the template interconnection agreements. Because the payment provisions in the negotiated large load interconnection agreement are not substantially similar, the General Manager needs specific authorization to execute this agreement.

To proceed with engineering, procurement and construction activities associated with the interconnection agreement, which will begin soon after approval of the interconnection agreement, a new capital budget revision will be required for fiscal year 2022. The amount of the capital budget revision will equal the not-to-

exceed amount included in the interconnection agreement which is a Total Project Budget of \$86,500,000. The current year budget amount is \$8,582,000 with the remainder to be expended in 2023-2025.

District staff recommends that the Commission authorize the General Manager to execute the modified large load interconnection agreement and the associated 2022 capital budget revision. 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 (or designee) is authorized to execute the Large Load Interconnection Agreement on behalf of the District.

Section 2. Establish a new fiscal year 2022 capital budget is increased by \$86,500,000 to include the activities required under the Large Load Interconnection Agreement. The current year budget amount is \$8,582,000 with the remainder to be expended in 2023-2025.

Section 3. The General Manager (or designee) is authorized to execute on behalf of the District any necessary or appropriate agreements and to take such further steps as may be required to complete the District’s obligations and implement the executed Large Load Interconnection Agreement.

Section 4. Procurement and other contracting necessary to implement the Large Load Interconnection Agreement will be done consistent with existing delegations of authority.

DATED this 20th day of June 2022.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING BID  
ADVERTISEMENT, AWARD, AND CONTRACT  
EXECUTION FOR THE DRYDEN WASTEWATER  
TREATMENT FACILITY IMPROVEMENTS (BID  
NO. 21-32)

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The purpose of the Dryden Wastewater Treatment Facility (WWTF) Improvements Project, Bid No. 21-32, is to modernize the facility in order to meet environmental requirements of the Washington State Department of Ecology Wastewater Discharge Permit. A new permit was issued for the Dryden system in 2019 as a result of a broader effort to reduce phosphorus loadings within the Wenatchee River watershed. The Project seeks to replace the existing 40-year-old septic system with a new sequencing batch reactor treatment system with subsurface discharge (similar to the treatment technology successfully in service at the Peshastin WWTF).

Resolution No. 17-14215 requires Commission authorization to invite bids that are estimated to exceed \$3,000,000. Solicitation documents for Bid No. 21-32, including specifications and engineering drawings, have been prepared by the District and are 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. 21-32 is currently budgeted with an Engineer's Estimate which 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 54.04.070.

Due to realized and anticipated construction cost escalations related to extant economic and supply chain factors which continue to affect the current bidding environment, District staff recommend a capital budget increase of \$2,111,287 for a total project capital budget of \$5,500,000.

District staff have concluded that issuing Bid No. 21-32 is in the best interest of the District and therefore recommend that said documents and invitation for Bids be approved for publication.

District staff also recommends that is in the District's best interest to authorize staff to Award Bid No. 21-32 in an amount not to exceed the authorized Project budget nor more than 15% above the Engineer's Estimate, excluding sales tax, whichever may be less, and authorize the General Manager or their designee to enter into Contract(s) with the lowest responsive and responsible Bidder(s) 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 with the same.

**ACTION**

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

Section 1. The capital budget for the Dryden Wastewater Treatment Facility Improvements is hereby increased by \$2,111,287 for a total authorized project capital budget amount of \$5,500,000.

Section 2. The bidding documents (Bid No. 21-32) for the Dryden Wastewater Treatment Facility Improvements are hereby approved and the General Manager of the District or their designee is hereby authorized to invite sealed Contractor proposals for furnishing the requisite labor and materials to construct the same.

Section 3. The Commission hereby authorizes staff to Award Bid No. 21-32 for the Dryden Wastewater Treatment Facility to the lowest responsive and responsible Bidder(s), in an amount not greater than the project budget authorized herein nor in excess of 15% above the Engineer's Estimate, excluding sales tax. Furthermore, the General Manager of the District or their designee is hereby authorized to enter into Contract(s) with the lowest responsive and responsible Bidder(s) with a legally compliant bid that meets the District's terms and conditions. A copy of the Contract(s) will be on file in the offices of the District.

DATED this 20th day of June 2022.

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President

ATTEST:

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Vice President

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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. D-24 AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. D-25 TO CONTRACT 18-33 FOR THE ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT WITH LYDIG CONSTRUCTION, INC. OF SPOKANE VALLEY, WA

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On April 2, 2018, by Resolution No. 18-14232, the Commission authorized the General Manager to invite sealed proposals to provide General Contractor Construction Manager (GCCM) services to the District in support of planned improvements to Rock Island Dam and Rocky Reach Dam operation and maintenance facilities. Work at both sites includes: installation of site utilities and demolition, construction and/or refurbishment of buildings for fabrication, machine work, sandblast, paint, warehouse, office, crew facilities, storage, fueling, hazardous material handling and various other activities. Although this is one Project, the work at Rock Island and Rocky Reach will be treated as two different phases. This Resolution addresses the work required at Rocky Reach Dam.

On February 4, 2019 by Resolution No. 19-14316, the Commission authorized the General Manager to enter into an A133 contract (RFP No. 18-33) with Lydig Construction, Inc. (“Lydig”) for the Rocky Reach Hydroelectric Support Facility Improvements. The not to exceed contract price for preconstruction services for the Rocky Reach A133 was \$300,000.00 (excluding sales tax).

On October 7, 2019 by Resolution No. 19-14389, the Commission authorized the General Manager to enter into Guaranteed Maximum Price (GMP) Amendment No. 1 with Lydig for a not to exceed price of \$3,623,409.54 for Phase 1. The total contract price for the Rocky Reach Hydroelectric Support Facility Improvements was \$3,923,409.54 (excluding sales tax).

On September 8, 2020 by Resolution No. 20-14482, the Commission authorized the General Manager to enter into GMP Amendment No. 2 with Lydig for a not to exceed price of \$33,027,823.00 for the Phase 2 facility construction package. The revised overall contract price for the Rocky Reach Hydroelectric Support Facility Improvements was \$36,951,232.54 (excluding sales tax).

**Previously Approved Field Work Order/Change Orders**

On September 7, 2021 by Resolution No. 21-14580, the Commission ratified Field Work Order/Change Order (FWO/CO) Nos. C-01, D-01 through D-16, authorized the General Manager to execute Field Work Order/Change Order Nos. D-17 and D-18 and approved budget revision for \$1,118,688.46. The revised overall contract price for the Rocky Reach Hydroelectric Support Facility Improvements was \$38,069,921.00 (excluding sales tax).

On March 21, 2022 by Resolution No. 22-14644, the Commission ratified FWO/CO Nos. D-19 through D-23 including the correction of the revised overall contract price as approved under Resolution No. 21-14580 to \$38,064,963.00. These FWO/COs resulted in a net increase in the contract price of \$448,152.00 for a new revised overall contract price of \$38,513,115.00 (excluding sales tax),

**Executed FWO/CO to be Ratified**

The work in FWO/CO No. D-24 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 FWO/CO No. D-24, which is on file in the offices of the District and summarized as follows:

<b>FWO/CO No.</b>	<b>Description</b>	<b>Amount</b>
D-24	CM17 roof asbestos abatement, R11 insulation purchase to replace abated insulation materials, credit for unused Negotiated Support Services, miscellaneous changes caused by discrepancies between the construction design and field conditions.	\$272,607.00
<b>Total</b>		<b>\$272,607.00</b>

This FWO/CO No. D-24 results in a net increase in the contract price of \$272,607.00 for a new revised overall contract price of \$38,785,722.00 (excluding sales tax), which the District's Engineers recommend be ratified. The General Manager of the District concurs with staff's recommendations.

**FWO/CO to be Approved**

District staff desires to execute FWO/CO No. D-25 in the amount of \$718,124.00 (excluding sales tax) covering the purchase and installation costs associated with new CM17 Warehouse shelving, installation of CM17 Polyiso insulation and vapor barrier, purchase and delivery of the Rock Island C22 shop shear, and miscellaneous changes caused by discrepancies between the design and field conditions.



Execution of FWO/CO No. D-25 will result in a net increase of \$718,124.00 (excluding sales tax) in the contract price for a new revised total contract price of \$39,503,846.00 (excluding sales tax).

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

**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 FWO/CO No. D-24 to Contract No. 18-33 with Lydig for the Rocky Reach Hydroelectric Support Facility Improvements was properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said FWO/CO is hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute FWO/CO No. D-25 for the work described above resulting in a new revised total contract price of \$39,503,846.00 (excluding sales tax). A Copy of the FWO/CO shall be on file in the offices of the District.

DATED this 20th day of June 2022.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE GENERAL  
MANAGER OF THE DISTRICT TO EXECUTE A  
TASK AUTHORIZATION SERVICES AGREEMENT  
(SA NO. 22-12203) WITH HDR ENGINEERING,  
INC. OF NEBRASKA FOR PROFESSIONAL  
ENGINEERING SERVICES RELATED TO LARGE  
LOAD TRANSMISSION INTERCONNECTION  
PROJECT

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District's engineers have identified the need for a professional engineer to provide transmission and substation engineering support for Microsoft's large load interconnection project. This is anticipated to include project management support, project controls support, and support services during transmission line and substation construction. This agreement will not be executed until the Large Load Interconnection Agreement (LLIA) between the District and Microsoft is signed, payment is received, and land purchasing is complete.

In compliance with RCW 39.80.010 et. seq. and the District's Procedures and Guidelines formulated in accordance therewith for Procurement of Architectural and Engineering Services, the District has formed a Selection Committee which has reviewed and evaluated the qualifications and capabilities of certain firms possessing the availability, expertise and experience required for the subject work.

The District's Selection Committee has completed said review and evaluation in accordance with the evaluation criteria set forth in Article VI of the District's Procedure and Guidelines for Procurement of Architectural and Engineering Services and has determined that HDR Engineering, Inc. of Nebraska is the most highly qualified firm for this particular project. The Selection Committee is of the opinion that it is in the best interest of the District to enter into a Services Agreement with HDR Engineering, Inc. for said services for an amount not to exceed \$5,000,000.00. Services shall be provided when and as requested by the District, according to written task orders which define the scope, budget and schedule for individual tasks. No work shall be undertaken by HDR Engineering, Inc. without a written task order.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements that exceed \$500,000.

The District's General Manager has reviewed the recommendations of the Selection Committee and concurs with the same.

**ACTION**

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

Section 1. The District's General Manager is hereby authorized to execute a written Agreement with HDR Engineering, Inc. of Nebraska at a price and terms that are fair and reasonable to the District. A copy of said Agreement is on file at the District. The scope of services may be changed or increased provided that the cost of the services to be provided by HDR Engineering, Inc. shall not exceed the sum of \$5,000,000.00 without further Board action.

DATED this 20th day of June 2022.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION RATIFYING FIELD WORK  
ORDER NOS. 1 THROUGH 3 AND AUTHORIZE  
EXECUTION OF FIELD WORK ORDER CHANGE  
ORDER NO. 4 TO CONTRACT 21-04 ROCK ISLAND  
POWERHOUSE 2 DRAIN PIPING REPLACEMENT

**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 3, 2021, the District entered into a Contract (Bid No. 21-04) with BriVo Corp. of Cheney, Washington, for the Rock Island Powerhouse 2 Drain Piping Replacement in the amount of \$951,300. This Contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The Bid by the Contractor was the low bid and met the District's specifications.

The Work in Field Work Order Nos. 1 through 3 consists of conditions and work not anticipated or included in the original Contract, but are within the intended scope of the Contract. The District's staff has executed Field Work Order Nos. 1 through 3, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Field Work Value</b>	<b>Description</b>
1	-\$3,000	Contractor use of third-party leased scaffolding
2	\$0	Revise technical details for pipe supports
3	\$376,655	Adjusted estimated quantities in Bid Form based on Contractor's inspection
<b>Total</b>	<b>\$373,655</b>	

Field Work Order Nos. 1 through 3 result in a net increase in the Contract Price of \$373,655, for a revised not-to-exceed amount of \$1,324,955 (excluding sales tax), which the District's Engineers recommend be ratified.

Additionally, District staff desires to execute Field Work Order/Change Order No. 4, which has three parts. First, an increase in scope for sanitary line replacements; second, an increase in the quantity of hangers and couplers to match the refined sanitary line installation process; and third, the reconciliation of as-built quantities for 3 of 13 installation regions. Field Work Order/Change Order No. 4 will result in an increase to the total Contract Price in the amount of \$138,820, with the total cost increase resulting from all Field Work Order/Change Orders of \$512,475 and a new subsequent not-to-exceed Contract Price of \$1,463,775.

The General Manager of the District concurs with staff's recommendations that Field Work Order Nos. 1 through 3 be ratified and that FWO/CO No. 4 be authorized for execution.

**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 Nos. 1 through 3 with BriVo Corp. for Rock Island Powerhouse 2 Drain Piping Replacement were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work 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 for the work described above resulting a new not to exceed contract price of \$1,463,774. A copy of the Field Work Order/Change Orders shall be on file in the offices of the District.

DATED this 20<sup>th</sup> day of June 2022.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

## RESOLUTION NUMBER \_\_\_\_\_

A RESOLUTION DECLARING OFFICIAL INTENT UNDER U.S. TREASURY REGULATIONS OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON TO PAY OR REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

## FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County, Washington (the “District”) intends to incur expenditures for the acquisition, construction or improvement of assets owned or to be owned by the District, including without limitation, distribution system additions and betterments, such as substations and advance metering infrastructure, and a new service and operations center (the “Projects”).

The District has paid and/or expects to pay certain expenditures in connection with the Projects (the “Prior Expenditures”) prior to the issuance of bonds or other debt obligations in one or more series (collectively, the “Debt”) to finance costs associated with the Projects on a long-term basis.

The District reasonably expects that the Debt will be issued in a principal amount not to exceed \$100,000,000 and that certain of the proceeds of such Debt will be used to reimburse the Prior Expenditures.

For federal income tax purposes, in order to allocate proceeds of tax-exempt obligations to reimburse expenditures originally paid prior to the date of issuance of those obligations, Section 1.150-2 of the Treasury Regulations (the “Treasury Regulations”) requires the District to declare its reasonable official intent to reimburse such prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing.

The District understands that the Treasury Regulations generally require that reimbursement of certain Prior Expenditures must occur no later than the later of (i) 18 months after the Prior Expenditure was paid, or (ii) 18 months after the Projects to which the Prior Expenditure relates is placed in service (but no more than 3 years after the Prior Expenditure was paid), and that no reimbursement may be made of a Prior Expenditure paid with proceeds of another debt obligation. The District understands that less than all of the Prior Expenditures might qualify for reimbursement from proceeds of future tax-exempt Debt under the Treasury Regulations.

**ACTION**

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

Section 1. The District finds and determines that the foregoing recitals are true and correct.

Section 2. This resolution is adopted solely for purposes of establishing compliance with the requirements of the Treasury Regulations. This resolution does not bind the District to make any expenditure, incur any indebtedness, or proceed with the Projects.

Section 3. The District hereby declares its official intent to use proceeds of the Debt to reimburse itself for Prior Expenditures to the extent permitted by the Treasury Regulations or other existing or future federal income tax authority.

Section 4. This declaration shall take effect from and after its adoption.

DATED this 20<sup>th</sup> day of June 2022.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

SEAL