

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

**REGULAR COMMISSION MEETING**

**JULY 6, 2021**

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 481-251-068#

**\*\*Please remember to mute your phone to reduce background noise\*\***

Please contact PUD staff at 509-661-4212 to let us know if you intend to participate by phone

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety/HPI Minute – Katie Marcoux
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. Service Center Update
4. Safety Investigation Recommendations Follow-Up
5. Cost-Plus Contract Update

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

6. Minutes of the June 14, 2021 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated June 30, 2021:
  - a. Vouchers totaling \$16,351,691.52;
  - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 9, 2021 through June 29, 2021 in the amount of \$47,260.05.

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- c. Approval of the net Payroll, Warrant Nos. 237508 through 237520 and Advice Nos. 715861 through 716670 for the pay period ending June 6, 2021 in the amount of \$2,203,899.38.
  - d. Approval of the net Payroll, Warrant Nos. 237521 through 237532 and Advice Nos. 716671 through 717476 for the pay period ending June 20, 2021 in the amount of \$2,287,116.49.
  - e. Approval of Warrant Nos. 27631 through 27681 totaling \$6,796.49 for claim payments from the workers' compensation self-insurance fund for the period ending June 28, 2021.
  - f. Approval of Parks Reservation System customer refunds for the period June 4, 2021 through June 22, 2021 in the amount of \$4,141.09.
  - g. Approval of debt service paid with reserve account interest earnings of \$924.12 for the period June 1, 2021 through June 30, 2021.
8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER CONTRACT NO. 18-54 WITH BRIVO CORP. OF WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

**Regular Agenda**

9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1, 4 - PRE-CONSTRUCTION AND 5 – PRE-CONSTRUCTION AND AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE A GUARANTEED MAXIMUM PRICE AND SCHEDULE FOR THE REHABILITATION OF THE FIRST UNIT FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT AND APPROVING CAPITAL BUDGET REVISIONS
10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 5-09 AND 5-10 FOR UNIT B5, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 6-03 FOR UNIT B8 FOR CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.
11. Manager Items
12. Commission Items
13. Commission Travel

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

15. Delegation of Action Items

16. 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.*

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), to evaluate the qualifications of an applicant for public employment and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g)

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

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

A RESOLUTION AUTHORIZING FINAL  
ACCEPTANCE OF PERFORMANCE UNDER  
CONTRACT NO. 18-54 WITH BRIVO CORP. OF  
CHENEY, WASHINGTON 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.

On March 18, 2019, the District entered into a unit priced contract (Contract No. 18-54) with BriVo Corp. (Contractor) of Cheney, Washington for Mechanical Services Dock Crew, in the not to exceed amount of \$1,029,776.00 (exclusive of taxes). This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. By Resolution No. 20-14430, the option to extend the Contract was exercised via Field Work Order/Change Order No. 1, and the not to exceed amount was increased to \$2,090,445.00 (excluding sales tax).

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 24, 2021. At the completion of the work, the actual total contract spend based on unit prices was \$1,485,750.85 (excluding taxes). 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 and recommends the District 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. All the contract work required under Contract No. 18-54 was completed on June 24, 2021, and is hereby accepted, subject to Section 2 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 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 2. 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 3. 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 6th day of July 2021.

\_\_\_\_\_  
President

ATTEST:

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

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

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1, 4 - PRE-CONSTRUCTION AND 5 – PRE-CONSTRUCTION AND AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE A GUARANTEED MAXIMUM PRICE AND SCHEDULE FOR THE REHABILITATION OF THE FIRST UNIT FOR CONTRACT 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE #2 – GENERATING UNIT REHABILITATION PROJECT AND APPROVING CAPITAL BUDGET REVISIONS

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On October 1, 2018, by Resolution No. 18-14273, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of planned rehabilitation to Rock Island Dam Powerhouse #2 – Generating Units. Rehabilitation includes refurbishment of most major components, replacement of some due to known poor condition and limited remaining life, and procurement of some new components to mitigate schedule impacts from finding unrepairable items during the construction outage. The rehabilitation work on the first unit could begin as soon as 2024, and the last unit should complete rehabilitation in 2030.

**Previously Approved Field Work Orders**

On July 20, 2020, by Resolution No. 20-14473, the Commission of the District Authorized the General Manager to enter into a Design-Build contract (RFP No. 18-10) with GE Renewals US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for preconstruction services.

On March 1, 2021, by Resolution 21-14537, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 3 to extend the pre-construction completion date to May 31, 2021 and add \$1,000,000.00 to the current not to exceed amount. The new not to exceed amount is \$5,500,000.00.

On May 3, 2021, by Resolution 21-14562, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 5 to provide for an Extended Correction Period to be added to the Rock Island Dam Powerhouse #2 – Generating Unit Rehabilitation Project for a not to exceed amount of \$19,743,066.00. The new not to exceed amount is \$25,243,066.00.

On May 3, 2021, by Resolution 21-14563, the Commission of the District authorized the General Manager to enter into a GMP Amendment No. 1 to provide for the long lead components to be ordered for the first unit for a not to exceed amount of \$12,162,792.14. The new not to exceed amount is \$37,405,858.14.

#### **Executed Field Work Orders to be Ratified**

Field Work Order/Change Order No. 1 updated the Exhibit S Technical Specifications with 12 different sections of Technical Specifications that had been approved and finalized. There was no change in the contract price. It was executed on May 6, 2021, and is on file in the office of the District.

Field Work Order/Change Order No. 4 – Pre-Construction updated the hourly rate sheet for pre-construction services. There was no change in the contract price. It was executed on April 26, 2021, and is on file in the office of the District.

Field Work Order/Change Order No. 5 – Pre-Construction extended the Pre-Construction Services completion date to July 31, 2021. There was no change in the contract price. It was executed on May 25, 2021, and is on file in the office of the District.

#### **Proposed Field Work Order for Approval**

The District and GE have determined since work has progressed to a point where GE will provide a guaranteed maximum price and schedule for the rehabilitation of the first unit to move forward with a GMP Amendment No. 2. The first unit GMP Amendment No. 2 includes manufacturing of new components not already authorized under GMP Amendment No. 1. It also includes unit disassembly, reassembly and refurbishment of some of the existing components.

District staff recommends execution of GMP Amendment No. 2 with GE Renewals US LLC for a not to exceed amount of \$66,874,395.56, for the Rock Island Dam Powerhouse #2 – Generating Unit Rehabilitation Project First Unit Rehabilitation. The revised overall contract amount after execution of the Guaranteed Maximum Price Amendment would be a not-to-exceed amount of \$104,280,253.70, excluding sales tax. The General Manager of the District concurs with District staff's recommendation.

To include the work from GMP Amendment No. 2, District staff recommends creating two new capital projects; one for U5 rehabilitation with a capital budget of \$99,500,000.00, and one for U7 rehabilitation with a capital budget of \$6,000,000.00. District staff further recommends that the existing U1-U8 rehabilitation capital budget be reduced to \$12,500,000.00. The combined 2021 capital budget will increase by \$2,500,000.00 from \$18,500,000.00 to \$21,000,000.00. The overall project forecast will also be increased from \$324,000,000.00 to \$456,000,000.00.

## ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 1, 4- Pre-Construction and 5- Pre-Construction were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to enter into a GMP Amendment No. 2 with GE Renewals US LLC. for Contract 18-10 for Rock Island Dam Powerhouse #2 – Generating Unit Rehabilitation First Unit Rehabilitation. The contract amount for GMP Amendment No. 2 shall not exceed \$66,874,395.56 without prior Board approval, for a total revised contract amount of \$104,280,253.70. A copy of the contracts will be on file in the offices of the District.

Section 3. Capital projects for U5 rehabilitation and U7 rehabilitation are hereby established with capital budgets of \$99,500,000.00 and \$6,000,000.00, respectively. The existing U1-U8 rehabilitation capital budget is hereby revised to \$12,500,000.00. The combined 2021 capital budget for all Rock Island Powerhouse #2 – Generating Rehabilitation projects is hereby revised to \$21,000,000.00.

DATED this 6<sup>th</sup> day of July 2021.

\_\_\_\_\_  
President

ATTEST:

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal



## CAPITAL PROJECT BUDGET REVISION



## Total Project Revision

Project ID	Project Title	Fund	Dept	Total Project Budget		
				Current	incr (decr)	Revised
RI180003	RI PH2 U1-U8 Rehab	HYDROS	4290	25,865,126	(13,365,126)	12,500,000
	-	-		-		-
	-	-		-		-
	-	-		-		-
	-	-		-		-
	-	-		-		-

## New Project

	Project Title	Tot Budget
	RI PH2 U5 Rehab	99,500,000
	RI PH2 U7 Rehab	6,000,000

## Current Year Budget changes (optional)

Project ID	Project Title	Fund		Current Year Budget		
				Current	incr (decr)	Revised
RI180003	RI PH2 U1-U8 Rehab	RICN	4290	18,500,000	(14,100,000)	4,400,000
	RI PH2 U5 Rehab	RICN	4290	-	13,600,000	13,600,000
	RI PH2 U7 Rehab	RICN	4290	-	3,000,000	3,000,000
	-	-		-		-
	-	-		-		-
	-	-		-		-

SYSTEM	Current Year System Budget		
	Current	Tot CY chg above	Revised
ROCK ISLAND	61,291,010	2,500,000	63,791,010

## Narrative (attach additional pages if necessary):

To date, the Rock Island Powerhouse 2 U1-8 Rehabilitation project has been planned as a single project under RI180003 with the intention to capitalize costs by unit when known. Now that negotiations have completed and GMP values are generally known, costs should be allocated to units accordingly.

For Total Project Revisions, RI180003 RI PH2 U1-U8 Rehab should be reduced to \$12.5m. For RI PH2 U5 Rehab, the total budget requested for approval by the board on 7/6 is \$99.5m. For RI PH2 U7 Rehab, the initial budget requested for approval by the board on 7/6 is \$6.0m. These costs will be included in the forecast through 2024 for the first unit, U5 and the probable second unit U7. In addition, the total estimated cost of \$456m will be placed in the financial forecast through 2030.

For Current Year Budget Changes (2021), \$13.6m should be moved to RI PH2 U5 Rehab for GMP No. 1 long lead items and GMP No. 2 first unit costs (U5); and \$3m added to RI PH2 U7 Rehab; while RI PH2 U1-U8 Rehab can be reduced by \$14.1m. Additionally, this year's annual budget for Rock Island capital should be increased in total by \$2.5m reflecting the net change in these three capital budgets combined from \$18.5m to \$21m.

## APPROVALS:

Director

Date

Business Advisor

Date

Managing Director (New or total increases greater than \$50k)

Date

**General Manager** (New or total increases greater than \$150k)

DRAFT

*Note: Board approval required for new or total increases greater than \$500k.*

Date \_\_\_\_\_

9

### Budget Entry

Date \_\_\_\_\_

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

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 5-09 AND 5-10 FOR UNIT B5, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 6-03 FOR UNIT B8 FOR CONTRACT NO. 04-01 PART B FOR THE ROCK ISLAND B5-B10 REHABILITATION PROJECT WITH ANDRITZ HYDRO CORP.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

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

**Previously Approved Field Work Orders**

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

On July 30, 2007, the Commission approved Resolution No. 07-13145 which authorized the General Manager to enter into: 1) FWO/CO No. 2 to allow Contractor to manufacture stator pole in Austria; 2) FWO/CO No. 3 provided for a 3 month delay in the start of Unit B10 outage; 3) FWO/CO No. 4 provided for a new generator housing and generator air gap; 4) FWO/CO No. 5 provided for a 2 ½ month delay in unit outage start date; 5) FWO/CO No. 6 modified the scope of work to the first unit; 6) FWO/CO No. 7 directed Contractor to repair several of the pieces of equipment that were being reused; 7) FWO/CO No. 8 was executed to procure a new bottom ring; and 8) FWO/CO No. 9 directed Contractor to perform weld repairs to the generator lower bracket.

On January 14, 2008, the Commission approved Resolution No. 08-13242 which authorized the General Manager to enter into: 1) FWO/CO No. 11 for additional cost of machining of wicket gate servo foundation bases, painting of concrete around stator and stay ring weld repairs; 2) FWO/CO No. 12 directed

Contractor to perform repairs to unit B10 generator brake cylinders; 3) FWO/CO No. 13 directed Contractor to perform repairs to the discharge ring, bottom ring and revised milestone schedule.

On June 16, 2008, the Commission approved Resolution No. 08-13340 which authorized the General Manager to enter into: 1) FWO/CO No. 14 to perform model testing for incremental gain in turbine efficiency; 2) FWO/CO No. 15 revised milestone date for start of trial operation.

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

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

In 2014, an in-depth economic analysis was performed which resulted in staff recommending the District proceed with rehabilitation of Units B5 through B8 using the existing 04-01 Part B contract with Andritz. Staff proposed revising the scope to include rehabilitation of existing runners instead of new runners on three units and the use of a new runner previously purchased on the final unit.

On July 21, 2014, the Commission approved Resolution No. 14-13889 which authorized the General Manager or his designee to: 1) FWO/CO No. 17 which provided for an incentive payment to Contractor for exceeding generator efficiency; 2) FWO/CO No. 18 provide for turbine performance index and power gate tests and report; 3) FWO/CO No. 19 provided for a scope change for achieving unit acceptance of unit B10; 4) FWO/CO No. 20 provided change to milestone date for delivery of first and second sets of runner assembly components; 5) FWO/CO No. 22 provided for a reduction in contract price due to District purchasing warranty repair materials; and 6) FWO/CO No. 23 modified payment terms and when final payment will be made on unit B10.

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

On December 7, 2015, the Commission approved Resolution Nos. 15-14000 and 15-14001 which authorized and directed the General Manager or his designee to: 1) issue FWO/CO No. 3-02 to modify the scope of work to the third unit to install a new turbine, including previously purchased runner and wicket gates, and extend the unit outage to allow for the additional work which includes installation of a new discharge liner, bottom ring, wicket gate servos, oil head draft tube modifications and

a new high pressure governor system; 2) issue the Order to Proceed and execute FWO/CO No. 4-01 for the fourth Unit for rehabilitation and for procurement of new turbine components for the fifth and sixth units under the contract; and 3) revise the project budgets and 2016 budgets for rehabilitation of Units B5 through B8 under the contract.

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

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

On June 26, 2017, the Commission approved Resolution No. 17-14148 which authorized the General Manager to enter into: 1) FWO/CO No. 3-03 for a new set of thrust bearing shoes for the third unit; 2) FWO/CO No. 3-04 for revising the third unit completion schedule; 3) FWO/CO No. 3-06 for a fourth new rotor spider and 4) FWO/CO No. 3-05 for 3<sup>rd</sup> unit additional work.

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

In March 2019, Unit B10 was found to have damaged internal turbine runner components. The District performed inspections on B9 and B6 and found similar damage on both units. In order to perform a root cause analysis, Andritz disassembled the B10 unit and transported the turbine runner to their Spokane facilities for further disassembly and detailed inspection. The conclusion of the root cause analysis was that turbine runner components must be changed with components of a different design in order to achieve the remaining intended life of the turbines.

On August 19, 2019, the Commission approved Resolution No. 19-14376 which authorized the General Manager to enter into: 1) FWO/CO 24 which required Contractor to perform repairs on Unit B10 that the District found while performing overhaul maintenance; 2) FWO/CO No. 2-02 which changed the schedule of work on Unit B9; 3) FWO/CO 2-03 which allowed Contractor to utilize the District's sandblast building for Unit B9 work, in exchange for sandblasting and painting the B9 trash racks; 4) FWO/CO 2-04 which required Contractor to supply and install piping and electrical items for Unit B9 and detailed Work tasks the District performed for the Contractor's benefit; 5) FWO/CO No. 2-05 for Unit B9 clarified coordination between the District and Contractor during a breakdown of the District's dewatering

pumps and provided for a time extension in the event Contractor was not able to complete the Work on time; 6) FWO/CO No. 2-06 for B9 clarified coordination between the District and Contractor during excessive leakage of the headgates and provided for a time extension in the event Contractor was not able to complete the Work on time; 7) FWO/CO No. 2-07 for B9 requested Contractor provide thrust bearing load cell circuitry and to modify PLC programs; 8) FWO/CO No. 2-08 for B9 requested Contractor provide a new stator terminal for District installation; 9) FWO/CO No. 2-09 for B9 requested Contractor modify one brake cylinder and restore it to original operating condition; 10) FWO/CO No. 2-10 for B9 described the end of the unit outage time and the start of the trial operation period; 11) FWO/CO No. 2-11 for B9 described the completion of the trial operation period; 12) FWO/CO No. 2-12 for B9 reimburses Contractor for additional trips by engineers for index testing; 13) FWO/CO No. 2-13 for B9 provides for incentive payment for exceeding the generator efficiency guarantee; 14) FWO/CO No. 2-14 for B9 provided a Unit acceptance date extension; 14) FWO/CO No. 2-15 for B9 started the warranty period and provided a time extension for Unit acceptance; 15) FWO/CO No. 2-16 is for Unit B9 re-alignment, purchase of a spare oil head and modifications to gate ring piping; 16) FWO/CO No. 3-07 for B6 directed the Contractor to make repairs to the stay ring; 17) FWO/CO No. 3-08 for B6 reconciled Work performed on turbine parts with allowances in the contract. Additionally, liquidated damages were assessed due to non-timely performance; 18) FWO/CO No. 4-03 for B7 directed Contractor to disassemble and remove the existing rotor. Rotor disassembly and removal was the responsibility of the District. The milestone schedule dates were also revised; 19) FWO/CO No. 4-04 for B7 directed Contractor to procure a new outer headcover; 20) FWO/CO No. 4-04A for B7 revised the Milestone Schedule for fourth unit, due to Contractor's procurement of new outer headcover; 21) FWO/CO No. 4-05 for B7 directed Contractor to machine an O-ring groove in the upper stay ring flange; 22) FWO/CO No. 4-06 for B7 provides 1) additional time to perform discharge ring repairs; 2) machining of an O-ring groove in the stay ring; 3) reconciles the cost of the discharge ring repairs and the O-ring groove; 4) applies charges for District labor support to Contractor, and 5) clarifies several technical specifications; and 23) FWO/CO No. 04-07 authorized the purchase of three sets of newly designed blade trunnion bushings designed to reduce friction during blade movement operations.

On October 21, 2019, the Commission approved Resolution No. 19-14393 which authorized the General Manager to enter into: 1) FWO/CO No. 25 was the culmination of negotiations with Andritz for repair of the B10 turbine. The repairs included: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third bushing in the bottom of the hub; and 3) repair of a hardened steel overlay on one of the trunnion cranks; 2) FWO/CO No. 4-08 was the culmination of negotiations with Andritz for modifications of the B7 turbine. The modifications include: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third bushing in the bottom of the hub; and 3) the removal of a hardened steel overlay on the trunnion cranks, and 4) the replacement of the blade trunnion bushings; 3) FWO/CO 5-05 set the start date for unit outage work on B5. It also directed the Contractor to cap B7 so that headgates

and stoplogs could be used to unwater B5. District staff negotiated with Andritz for modifications of the B5 turbine hub, that include: 1) the replacement of the turbine crosshead slide key system with a stronger design; 2) the addition of a third bushing in the bottom of the hub; 3) the removal of a hardened steel overlay on the trunnion cranks, and 4) the replacement of the blade trunnion bushings and 4) FWO/CO No. 4-09 directed Contractor to supply 3 remaining sets of new blade trunnion bushings.

On May 11, 2020, the Commission approved Resolution No. 20-14454 which authorized the General Manager to enter into: 1) FWO/CO No. 26 which allowed District staff to negotiate with Andritz for a redesign of the piston sealing system of Unit B10 to provide more reliability and longer life. Additionally, this FWO/CO No. 26 incorporated blasting and painting of the turbine shaft; 2) FWO/CO No. 27 was used for the knowledge gained upon disassembly of Unit B10 in January 2019 to direct Contractor to realignment work on the unit; 3) FWO/CO No. 28 was executed to have Contractor maintain personnel on site during the shut-down due to the COVID-19 pandemic. Contractor continued to progress engineering, procurement and project management tasks in order to be prepared for restarting Work in the powerhouse. The Work suspension began on March 23, 2020 and ended on April 19, 2020; 4) FWO/CO No. 28A executed to extend the Work suspension from April 20, 2020 through May 17, 2020; 5) FWO/CO No. 4-10 directed the Contractor to ground the surfaces of the upper and lower stay rings to provide clearance for the wicket gates to function properly; and 6) FWO/CO No. 6-02 was executed for the purchase of an additional new outer headcover. Previously, Field Work Order/Change Order No. 5-04 was executed to manufacture a new outer headcover. This new outer headcover was to be used on Unit B5 in the event the existing outer headcover was determined to not be suitable for use. If the new outer headcover was not needed for Unit B5, it would be saved to be used on Unit B8. The existing B5 outer headcover was inspected and evaluated, and District engineers have determined that it is not suitable for re-use. Therefore, the outer headcover manufactured under FWO/CO 5-04 will be used on Unit B5, and a new outer headcover is needed for Unit B8 in order to keep the procurement off the critical path if inspection of the existing B8 outer headcover determines that it is not reusable.

On April 19, 2021, the Commission approved Resolution 21-14555 which authorized the General Manager to enter into: 1) FWO/CO No. 29 was executed for the purchase of supplying a solution to seal the gap between floor and generator air housing on B10 plus supplied equipment for the thrust equalizing system piston seals; 2) FWO/CO No. 3-09 on B6 provided a resolution on a warranty issue; 3) FWO/CO No. 4-11 on B7 revised the milestone schedule; 4) FWO/CO No. 4-12 on unit B7 changed the turbine guide bearing – shoe bearing segments; 5) FWO/CO No. 4-13 was for work pertaining to gate operating ring grease lines; 6) FWO/CO No. 4-14 removed the site work from the contract on B7 and allowed the District's Central Maintenance crews to perform the work; 7) FWO/CO No. 5-02 extended the warranty period of B5 inner headcover extension and bottom ring; 8) FWO/CO No. 5-06 provided for repairs to stay vane, cylinder cover, turbine shaft, generator shaft and made milestone schedule revisions; 9) FWO/CO No. 5-07 on B5 approved on-site

technical assistance; 10) FWO/CO No. 5-08 on B5 provided for repairs to upper stay ring, gate operating ring, head cover, thrust bearing base ring and machine upper stay ring.

### **Executed Field Work Orders To Be Ratified**

#### **Field Work Order/Change Order No. 5-09**

This FWO directed Contractor to rework stator sole plate anchor bolt, authorized shipping of thrust bearing shoes, provided a credit for transport of rotor spider and added contract time for o-ring groove machining to the upper stay ring flange. The cost of this effort is \$9,155.26. It was executed on May 7, 2021 and is on file in the office of the District.

#### **Field Work Order/Change Order No. 5-10**

This FWO covers additional o-ring groove machining to the B5 thrust bearing base ring. The cost of this effort is \$12,207.00. It was executed on May 17, 2021 and is on file in the office of the District.

FWO/CO No.	FWO/CO VALUE	UNIT	DESCRIPTION
5-09	\$9,155.26	B5	Rework stator sole plate anchor bolt, authorize shipping of thrust bearing shoes, provided a credit for transport of rotor spider and added contract time for o-ring groove machining in the upper stay ring
5-10	\$12,207.00	B5	Additional o-ring groove machining to the thrust bearing base ring
<b>Total</b>	<b>\$21,362.26</b>		

FWO/CO Nos. 5-09 and 5-10 result in an increase to the contract price in the amount of \$21,362.26.

### **Proposed Field Work Orders For Approval**

#### **Field Work Order/Change Order No. 6-03**

District staff desires to execute FWO/CO No. 6-03 for the release to supply all remaining materials and equipment except for the materials required for the draft tube modification for Unit B8 for a total price not to exceed \$ 3,129,566.78. The release amount includes escalation since January 2018 of about 3.1% per year for a total amount of \$289,649.58. The total amount released prior to execution of FWO/CO No. 6-03 is \$11,329,360.05 on a contract total of \$24,162,526.54. Execution of FWO/CO No. 6-03 will result in a net increase in the amount released to \$14,458,926.83. The contract price is increasing only by the amount of the escalation. The new contract price is \$24,452,176.12.



The General Manager of the District concurs with staff's recommendations that FWO/CO Nos. 5-09 and 5-10 be ratified, and that FWO/CO No. 6-03 be executed.

### **ACTION**

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 5-09 and 5-10 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 6-03. Copies of the Field Work Order/Change Orders shall be on file in the offices of the District.

DATED this 6<sup>th</sup> day of July 2021.

\_\_\_\_\_  
President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal