

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

REGULAR COMMISSION MEETING

JULY 18, 2022

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Charles von Reis
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. Quarterly Board Balanced Scorecard Status Update
5. Climate Commitment Act Cost Burden Analysis
6. 5th Street Redevelopment
Proposed motion: To approve the recommendation of the Fifth Street Redevelopment Evaluation Team to shortlist Steinhauer Properties Inc and GTS Development LLC for further development and evaluation of their proposals for the Fifth Street PUD Campus Redevelopment Project
7. Confluence Parkway Due Diligence
8. Public Comment

BUSINESS SESSION

1:00 PM

Consent Agenda

9. Minutes of the July 5, 2022 Regular Meeting
10. Vouchers: Accounts Payable Summary Report dated July 13, 2022:
 - Vouchers totaling \$11,186,555.47;

- Approval of Customer Deposit Returns and Conservation Incentive payments for the period June 29, 2022 through July 12, 2022 in the amount of \$14,771.14.
- Approval of the net Payroll, Warrant Nos. 237883 through 237891 and Advice Nos. 738113 through 738948 for the pay period ending July 3, 2022 in the amount of \$ 2,474,729.02.
- Approval of Warrant Nos. 28632 through 28662 totaling \$7,241.83 for claim payments from the workers' compensation self-insurance fund for the period ending July 11, 2022.
- Approval of Parks Reservation System customer refunds for the period June 22, 2022 through July 12, 2022 in the amount of \$2,940.00.

Regular Agenda

11. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR THE PROCUREMENT OF CABLE BUS SYSTEM LONG LEAD MATERIALS FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)
12. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11135) WITH ENVIRONMENTAL ASSESSMENT SERVICES, LLC. OF RICHLAND, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE WITH MEETING FERC AND ECOLOGY REQUIREMENTS AND TO ASSIST WITH WATER QUALITY PROGRAM OPERATIONS
13. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA NO. 21-11409) WITH FOUR PEAKS ENVIRONMENTAL SCIENCE & DATA SOLUTIONS, LLC. OF WENATCHEE, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE AND SUPPORT SERVICES FOR WATER QUALITY MONITORING, MODELING AND STRATEGY DEVELOPMENT REGARDING COMPLIANCE
14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICE AGREEMENT (SA NO. 21-11599) WITH UTILITY SOLUTIONS PARTNERS, LLC FOR CONSULTING SERVICES
15. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR (BID NO. 21-12048) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR BE OBTAINED BY NEGOTIATION

16. Capital Budget Revision

Proposed motion:

- To increase the Total Project Budget and 2022 current year budget amount for capital project DSXX0006, Substation Equipment Replacements, in the amount of \$700,000 to complete SCADA and relay upgrades at Miller, Western and South Shore Substations and replace breakers at Summit Substation. The revised Total Project Budget and 2022 current year budget would both be \$1,200,000. And,
- To establish a Total Project Budget in the amount of \$3.3 million for construction of North Shore Substation Getaways, capital project CAP_4060, and approve the current year 2022 budget of \$530,000.

17. Manager Items

18. Commission Items

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

20. Delegation of Action Items

21. 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.

22. Matters of general business as may necessarily come before the Commission

23. 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 THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 2 TO OLSSON INDUSTRIAL ELECTRIC, INC. OF SPRINGFIELD, OREGON FOR THE PROCUREMENT OF CABLE BUS SYSTEM LONG LEAD MATERIALS FOR THE ROCK ISLAND POWERHOUSE NO. 2 - GENERATOR LEAD REPLACEMENT PROJECT (CONTRACT NO. 20-18)

FACTUAL BACKGROUND AND REASONS FOR ACTION

On May 11, 2020, by Resolution No. 20-14452, the Commission of the District authorized the General Manager to invite sealed proposals to provide design-build services to the District in support of the replacement of the generator main leads on all eight (8) units in Rock Island Powerhouse No. 2. This project includes the replacement of the cable bus, supports and terminations for each unit. The work will be scheduled with existing unit outages and will begin in 2022 and is planned to be completed between 2024 and 2029.

On April 19, 2021, by Resolution No. 21-14556, the Commission of the District authorized the General Manager to enter into a Design-Build Agreement (Contract No. 20-18) with Olsson Industrial Electric, Inc. In addition to the general terms and conditions, the Contract authorized \$314,355.00 for preconstruction services.

On December 2, 2021, by Resolution No. 21-14610, the Commission of the District authorized the General Manager to enter into GMP Amendment No. 1 with Olsson Industrial Electric, Inc. in the amount of \$777,756.79 for the construction of Rock Island Powerhouse No. 2 - Generator Lead Replacement Unit U-2. The revised overall contract amount after execution of GMP Amendment No. 1 was \$1,092,111.79, excluding sales tax.

The District and Olsson Industrial Electric, Inc. have determined that it is in the best interest of the Project to acquire the Cable Bus System Long Lead Materials for the Rock Island Powerhouse No. 2 - Generator Lead Replacement project's remaining 7 units (U-1, 3, 4, 5, 6, 7, and 8).

District's staff recommends execution of the GMP Amendment No. 2 with Olsson Industrial Electric, Inc. in the amount of \$1,323,377.89 for the Cable Bus System Long Lead Materials for the Rock Island Powerhouse No. 2 - Generator Lead Replacement project. The revised overall contract amount after execution of GMP Amendment No. 2 will be \$2,415,489.68, excluding sales tax. The General Manager of the District concurs with District staff's recommendation

ACTION

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

Section 1. The General Manager of the District is hereby authorized to enter into a Guaranteed Maximum Price Amendment No. 2 with Olsson Electric, Inc. in the amount of \$1,323,377.89 for a total revised Contract Price of \$2,415,489.68, excluding sales tax. A copy of the contract will be on file in the offices of the District.

DATED this 18th day of July 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11135) WITH ENVIRONMENTAL ASSESSMENT SERVICES, LLC. OF RICHLAND, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE WITH MEETING FERC AND ECOLOGY REQUIREMENTS AND TO ASSIST WITH WATER QUALITY PROGRAM OPERATIONS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into Services Agreement (SA No. 20-11135) on October 13, 2020 with Environmental Assessment Services, LLC. to provide technical assistance and support services for water quality monitoring, modeling and strategy development, in an amount not to exceed \$30,000. Amendment No. 1 increased the amount by \$33,800 for a not-to-exceed amount of \$63,800.

District staff has identified the need for continued services to support ongoing Federal Energy Regulatory Commission license implementation at the Rocky Reach and Rock Island projects, and continued Rock Island relicensing assistance provided under this Professional Services Agreement. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 20-11135 with Environmental Assessment Services, LLC to extend the completion date to January 31, 2028 and increase the amount by \$775,000, for a total revised contract price not to exceed \$838,800.

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

ACTION

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

Section 1. The General Manager is hereby authorized to execute Amendment No. 2 to Services Agreement (SA No. 20-11135) with Environmental Assessment Services, LLC to provide the continued services identified above. The revised contract price will not exceed \$838,800 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 18th day of July 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA NO. 21-11409) WITH FOUR PEAKS ENVIRONMENTAL SCIENCE & DATA SOLUTIONS, LLC. OF WENATCHEE, WASHINGTON TO PROVIDE TECHNICAL ASSISTANCE AND SUPPORT SERVICES FOR WATER QUALITY MONITORING, MODELING AND STRATEGY DEVELOPMENT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into Services Agreement (SA No. 21-11409) on April 19, 2021 with Four Peaks Environmental Science & Data Solutions, LLC. to provide technical assistance and support services for water quality monitoring, modeling and strategy development, in an amount not to exceed \$300,000. Amendment No. 2 increased the amount by \$10,000 for a not-to-exceed amount of \$310,000.

District staff has identified the need for continued services to support ongoing Federal Energy Regulatory Commission license implementation at the Rocky Reach and Rock Island projects, and continued Rock Island relicensing assistance provided under this Professional Services Agreement. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 21-11409 with Four Peaks Environmental Science & Data Solutions, LLC to extend the completion date to January 31, 2028 and increase the amount by \$1,175,000, for a total revised contract price not to exceed \$1,485,000.

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 Amendment No. 3 to Services Agreement (SA No. 21-11409) with Four Peaks Environmental Science & Data Solutions, LLC to provide the continued services identified above. The revised contract price will not exceed \$1,485,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 18th day of July 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO
SERVICE AGREEMENT (SA NO. 21-11599) WITH
UTILITY SOLUTIONS PARTNERS, LLC FOR
CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Service Agreement (SA No. 21-11599) with Utility Solutions Partners, LLC (“USP”) effective June 6, 2021 to provide consulting services for implementation of upgrades and enhancements to the District’s CIS Software (Oracle C2M) to support ongoing operations and the implementation of advanced metering with an amount not to exceed \$485,000.

District staff have identified a need for additional funds for continued support of the Oracle C2M customer service and billing software as well as testing, configuration, and development services supporting AMI implementation. Resolution No. 17-14215 requires that the Commission authorize Service Agreements and Amendments via resolution when the total contract price exceeds \$500,000.

District staff recommend that it is in the best interest of the District to amend SA No. 21-11599 with USP to increase the contract price in the amount of \$500,000 to provide the consulting and technical services detailed above, for a total revised contract price not to exceed \$985,000.

The General Manager has reviewed District staff’s recommendation 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 General Manager of the District is hereby authorized to execute Amendment No. 1 to Service Agreement No. 21-11599 with Utility Solutions Partners, LLC to add \$500,000 to the total contract price. The revised contract price shall not exceed \$985,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

Dated this 18th day of July, 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR (BID NO. 21-12048) AND AUTHORIZING THE PURCHASE OF 15KV ARC RESISTANT METAL CLAD SUBSTATION SWITCHGEAR BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The 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.

District staff prepared bidding documents for Bid 21-12048, 15kV Arc Resistant Metal Clad Substation Switchgear for North Shore Chelan Substation. Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were opened on June 23, 2022 at 2:00P.M. Pacific Time in the offices of the District.

Three (3) bids were received pursuant to that invitation, two (2) of which are identical from a single bidder. All bids exceed the engineer's estimate by more than 15%. One bidder took minor material exceptions to the bid documents.

District staff is of the opinion that the bids were non-responsive and should be rejected. Resolution No. 17-14215 requires that the rejection of bids must come before the Commission for action when staff is recommending an action other than rebidding.

Pursuant to RCW 54.04.080, the District may procure the work on the open market and negotiate a contract rather than re-advertising if no bids are received. District staff recommends that, due to time constraints and project requirements, the 15kV Arc Resistant Metal Clad Substation Switchgear be procured by negotiation, rather than re-advertising for bids.

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 bids received to furnish 15kV Arc Resistant Metal Clad Substation Switchgear (Bid No. 21-12048) are rejected. District staff is authorized to obtain 15kV

Arc Resistant Metal Clad Substation Switchgear by negotiation and the General Manager (or his designee) is authorized to execute a contract for the same with acceptable terms and conditions.

DATED this 18th day of July 2022.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal