

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

REGULAR COMMISSION MEETING

JULY 24, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Lynn Machado
2. Approval of the Agenda
3. Quarterly Board Balanced Scorecard Status Update
4. Rate 35/36 Update
Proposed motion: To further defer the 2023 annual adjustment of the Rate Schedule 36 market energy charge to October 3, 2023, to allow time to complete the consideration and potential modification of Rate Schedule 36
5. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

Consent Agenda

6. Minutes of the July 10, 2023 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated July 18, 2023:
 - a. Vouchers totaling \$14,428,097.25;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 05, 2023 through July 17, 2023 in the amount of \$25,213.83.
 - c. Approval of the net Payroll, Warrant Nos. 238208 through 238219 and Advice Nos. 759113 through 759943 for the pay period ending July 02, 2023 in the amount of \$2,574,440.78.
 - d. Approval of Warrant Nos. 29818 through 29861 totaling \$28,936.91 for claim payments from the workers' compensation self-insurance fund for the period ending July 17, 2023.
 - e. Approval of Parks Reservation System customer refunds for the period July 05, 2023 through July 17, 2023 in the amount of \$3,570.00.

Regular Agenda

8. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 19-086) WITH MEAD & HUNT, INC. TO PROVIDE LAKE CHELAN DAM POWER TUNNEL ISOLATION SYSTEM ENGINEERING SERVICES
9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 7, 8, AND 9, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 10 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES
10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 21-17A WITH BATCHELOR EXCAVATION LLC FOR UNIT PRICE TRENCHING (NORTH)
11. A RESOLUTION APPROVING THE PURCHASE OF SEVEN METAL ENCLOSED CAPACITORS VIA MASTER PURCHASING AGREEMENT 23-12773
12. A RESOLUTION AMENDING AND RESTATING THE ELECTRIC LINE EXTENSION POLICY, AND THE WATER AND WASTEWATER LINE EXTENSION POLICY PORTIONS OF THE DISTRICT'S UTILITY SERVICE POLICIES
13. Manager Items
14. Commission Items
15. Follow-up on Delegation of Action Items from Previous Board Meeting
16. Delegation of Action Items
17. Additional Public Comment
18. Matters of general business as may necessarily come before the Commission
19. 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 consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, as authorized by RCW 42.30.110(1)(b), and to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 5 TO SERVICES AGREEMENT (SA NO. 19-086)
WITH MEAD & HUNT, INC. TO PROVIDE LAKE
CHELAN DAM POWER TUNNEL ISOLATION
SYSTEM ENGINEERING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 19-086) on July 23, 2019 with Mead & Hunt, Inc. to provide Lake Chelan Dam Power Tunnel Isolation System Engineering Services, in an amount not to exceed \$159,800. Amendments 1-4 increased the not to exceed amount to \$459,900.

District staff has identified the need for additional services for continued engineering services as a result of Federal Energy Regulatory Commission comments on deliverables previously provided by the contractor. 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 increase Services Agreement No. 19-086 with Mead & Hunt, Inc. in the amount of \$81,700, for a total revised contract price not to exceed \$541,600.

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 (SA No. 19-086) with Mead & Hunt, Inc. to provide the additional services identified above. The revised contract price will not exceed \$541,600 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 24th day of July 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 7, 8, AND 9, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 10 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

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 District staff to execute field work orders under certain circumstances.

On December 30, 2019, the District entered into a contract (Bid No. 19-72) with Rayfield Brothers Excavating, Inc. of Peshastin, Washington for Unit Price Excavation Services in the amount of \$812,985.60 through December 31, 2022, with the option to extend one (1) additional year. 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.

On October 5, 2020, by Resolution No. 20-14491, the Commission of the District ratified FWO/CO Nos. 1 and 2 and authorized the General Manager to execute FWO/CO No. 3 for a revised contract price of \$2,307,985.60 for District-wide unit price excavation services and to support planned and unplanned work for Fiber, Distribution, and Transmission through 2020.

On December 20, 2021, by Resolution No. 21-14613, the Commission of the District ratified FWO/CO Nos. 4 and 5 and authorized the General Manager to execute FWO/CO No. 6 for a revised contract price of \$3,452,985.60 for District-wide unit price excavation services and to support planned and unplanned work for Fiber, Distribution, and Transmission.

The work in Field Work Order Nos. 7, 8 and 9 consists of work within the scope of the contract. The District's staff has executed Field Work Order/Change Order Nos. 7, 8 and 9, which are on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
7	Adjust Annual Unit Prices	\$0
8	Adjust Annual Unit Prices and Extend Term	\$0
9	Increase Not to Exceed Contract Amount	\$495,000
Total		\$495,000

Field Work Order Nos. 7, 8, and 9 resulted in a net increase in the Contract Price of \$495,000 for a revised not to exceed contract price of \$3,947,985.60 (excluding sales tax), which District staff recommend be ratified.

Additionally, District Staff recommends execution of FWO/CO No. 10 to increase the not-to-exceed amount by \$750,000 for a revised not to exceed Contract Price of \$4,697,985.60. The additional \$750,000 will be used for continued support on the PPB Fiber Acceleration and priority Transmission work as well as other possible District-wide needs. The expiration date for the Contract is December 31, 2023.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order Nos. 7, 8, and 9 be ratified, and that Field Work Order/Change Order No. 10 be approved.

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. 7, 8 and 9 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. 10 resulting in a revised not to exceed Contract Price of \$4,697,985.60 (excluding sales tax). A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

Section 3. The General Manager of the District is hereby further authorized, in accordance with the delegated authorities established by Resolution No. 17-14215, to adjust the Contract Price via Field Work Order/Change Order as deemed prudent for the efficient completion of District priorities contemplated under this Contract. Any such Field Work Order/Change Order shall be in compliance with all policies of the District and shall be filed in the offices thereof.

DATED this 24th day of July 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 5, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO CONTRACT NO. 21-17A WITH BATCHELOR EXCAVATION LLC FOR UNIT PRICE TRENCHING (NORTH)

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 District staff to execute field work orders under certain circumstances.

On November 1, 2021, the District entered into a contract (Bid No. 21-17A) with Batchelor Excavation LLC of Manson, Washington for Unit Price Trenching (North) in the amount of \$660,469.38. The contract term was for an initial one (1) year term from the Effective Date of the Contract, which was November 22, 2021 with the option for three (3) additional one (1) year extensions. 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 5 consists of work within the scope of the contract. The District's staff has executed Field Work Order/Change Order Nos. 1 through 5, which are on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
1	Add Unit Price Items	\$0
2	Add Unit Price Items	\$0
3	Increase the not to exceed Contract Price	\$500,000
4	Extend Contract Term and Annual Unit Price Adjustments	\$0
5	Revise Specifications and Unit Price Items	\$0
TOTAL		\$500,000

Field Work Order Nos. 1 through 5 resulted in a net increase in the Contract Price of \$500,000 for a revised not to exceed contract price of \$1,160,469.38 (excluding sales tax), which District staff recommends be ratified.

Additionally, District Staff recommends execution of FWO/CO No. 6 to extend the contract term to November 21, 2024, and increase the not-to-exceed amount by \$1,200,000 for a revised not-to-exceed Contract Price of \$2,360,469.38. This Unit Price Contract can be extended by one (1) additional one (1) year term.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order Nos. 1 through 5 be ratified, and that Field Work Order/Change Order No. 6 be approved.

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. 1 through 5 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 resulting in a revised not to exceed Contract Price of \$2,360,469.38 (excluding sales tax) and extend the contract term to November 21, 2024. Staff may further extend the Contract term without Commission approval within the delegated limits of Resolution 17-14215. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

Section 3. Section 3. The General Manager of the District is hereby further authorized to adjust the Contract Price via Field Work Order/Change Order in accordance with the provisions of Resolution No. 17-14215. Any such Field Work Order/Change Order shall be in compliance with all laws and policies applicable to the District and shall be filed in the offices of the District

DATED this 24th day of July 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PURCHASE OF
SEVEN METAL ENCLOSED CAPACITORS VIA
MASTER PURCHASING AGREEMENT 23-12773

FACTUAL BACKGROUND AND REASONS FOR ACTION

Jumpoff Ridge substation, which will be constructed in accordance with the District's Large Load Interconnection Agreement with Microsoft, requires the purchase of seven (7) capacitor banks. Jumpoff Ridge substation is currently planned to begin construction in the fourth quarter of 2023. Due to long lead times, procurement of the seven capacitor banks is required in the third quarter of 2023.

Resolution No. 17-14215 requires Commission approval of purchases from master purchasing agreements that exceed \$3,000,000 for same kind of materials in a calendar year. The District has set up a master purchasing agreement with Sourcewell, under District Interlocal Agreement 12-178.

Sourcewell entered into Contract 091422-WES with Wesco Distribution Inc. for the supply of various materials. The District reviewed and approved the use of this cooperative purchasing contract under District Contract 23-12773.

District staff recommends that purchasing the seven metal enclosed capacitors and extended warranty, for the cost of \$3,964,400 under Contract 23-12773, is in the best interests of the District.

The General Manager of the District 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, as follows:

Section 1. Purchase Order #2023007443 for the purchase of seven metal enclosed capacitors and extended warranty at the cost of \$3,964,400 is hereby approved to be purchased under District Contract 23-12773.

DATED this 24th day of July 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING THE
ELECTRIC LINE EXTENSION POLICY, AND THE
WATER AND WASTEWATER LINE EXTENSION
POLICY PORTIONS OF THE DISTRICT'S UTILITY
SERVICE POLICIES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) has established policies for Electric, Water and Wastewater services entitled "Utility Service Policies" adopted via resolution 08-13307 and last amended by resolution 19-14413.

District staff identified the need to revise portions of the latecomer policy in Section 12 of the Electric Line Extension Policy, and Section B of the Water and Wastewater Line Extension Policy. Revisions are intended to better align policy with practices, mitigate risks to the District, as well as provide clarity for customers and improve customer satisfaction through a phased-change approach. Phase I revisions would be effective on a go-forward basis, upon adoption, and would not supersede any previous eligibility determinations. Staff's recommendation includes:

Phase I (effective immediately)

- Remove property ineligibility language
- Maintain existing policy, including revisions as stated herein, for applications accepted on or before December 31, 2023

Phase II (effective January 1, 2024)

- Establish residential single lot eligibility
- Establish reimbursement term of four (4) years
- Establish minimum project cost threshold of \$15,000
- Limit subsequent payouts to two (2)
- Limit reimbursement(s) to PUD originated customer paid costs
- Offset amounts to pay off any utility account unpaid delinquent balances
- Phase II revisions will be applicable to new, eligible Line Extensions applications accepted after January 1, 2024

District staff recommends that it is in the best interest of the District to amend the Electric Line Extensions Policy, and the Water and Wastewater Line Extension Policy as described herein.

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. Effective immediately, the District’s Electric Line Extension Policy shall be amended as provided in Attachment “A”.

Section 2. Effective January 1, 2024, the District’s Electric Line Extension Policy shall be amended as provided in Attachment “B”.

Section 3. Effective immediately, the District’s Water and Wastewater Line Extension Policy shall be amended as provided in Attachment “C”.

Section 4. Effective January 1, 2024, the District’s Water and Wastewater Line Extension Policy shall be amended as provided in Attachment “D”.

Section 5. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

Dated this 24th day of July 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

ATTACHMENT "A"

Electric Line Extension Policy (Effective through December 31, 2033)

12.1 LATECOMER FEE

Customers who request to connect to an existing Line Extension may be required to share the costs with the original construction as set forth herein.

- A. The District will establish a per foot cost of the original Line Extension construction upon completion of the original construction project.
- B. If an additional new service connects to this extension, the new service customer shall pay to the District the Latecomer Fee for the original Line Extension based on the footage of original construction utilized by the new customer's Line Extension.
- C. The Latecomer Fee will be refunded to the customer who paid for the original construction. This Latecomer Fee repayment program will be in force for ten (10) years after Final Acceptance of original construction.
- D. When the customer installs, or has installed by someone other than the District, the trench, conduit (electrical and fiber), vaults, bases and any other electric facilities that were not paid to the District, the customer will need to supply the District with receipts showing actual costs if the customer requests the District to collect Latecomer Fees for these costs. The District will have the right to determine that these supplied costs are fair and reasonable. Receipts must be submitted within 30 days of energization of the line.
- E. Primary industrial customers and developers or owners of multi-site developments such as subdivisions, boundary line adjustment developments, mobile home courts, and recreational campsites are not eligible for Latecomer Fees.
- F. This policy is limited to qualifying new Line Extensions applications accepted on or before December 31, 2023.

ATTACHMENT “B”**Electric Line Extension Policy
(Effective January 1, 2024)****12.2 LATECOMER FEE**

Applicants applying for a Line Extension providing service to a single residential lot on or after January 1, 2024, with PUD estimated costs of \$15,000 or more may be eligible to receive Latecomer Fee reimbursement if a new Applicant connects to the line.

- A. The District, in its sole discretion, will determine the Latecomer Fee for the original Line Extension utilized by the new Applicant’s connection.
- B. Costs considered for Latecomer Fees are limited to the District originated customer paid Line Extension Estimate.
- C. The Applicant is no longer eligible after four (4) years from the date of original energization or after two (2) Latecomer Fee reimbursements, whichever occurs first.
- D. The District, in its sole discretion, may apply Latecomer Fees to any amounts owing to the District by the original Applicant.

ATTACHMENT “C”

Water and Wastewater Line Extension Policy (Effective through December 31, 2033)

B.1 Administration

1. Latecomer Fees

Future Applicants seeking to connect to a Line Extension subject to Latecomer Fees, shall share the cost of the original construction as set forth herein.

The District will establish a cost per foot of the original Line Extension construction upon Final Acceptance of the original Line Extension. The Applicant shall pay Latecomer Fees to the District based on the footage of original construction utilized by the Applicant’s Line Extension.

If a future new service connects to a Latecomer Line Extension, the new service Applicant shall pay to the District the Latecomers Fee for the original Line Extension. The Latecomer Fee will be refunded to the Applicant who installed and paid for the original construction. This “Latecomer Fee” repayment program will be in force for ten (10) years after Final Acceptance of original construction.

This policy is limited to qualifying new Line Extensions applications accepted on or before December 31, 2023.

ATTACHMENT “D”

Water and Wastewater Line Extension Policy (Effective January 1, 2024)

B.2 Administration

1. Latecomer Fees

Applicants applying for a Line Extension providing service to a single residential lot on or after January 1, 2024, with PUD estimated costs of \$15,000 or more may be eligible to receive Latecomer Fee reimbursement if a new Applicant connects to the line.

- A. The District, in its sole discretion, will determine the Latecomer Fee for the original Line Extension utilized by the new Applicant’s connection.
- B. Costs considered for Latecomer Fees are limited to the District originated customer paid Line Extension Estimate.
- C. The Applicant is no longer eligible after four (4) years from the date of Final Acceptance or after two (2) Latecomer Fee reimbursements, whichever occurs first.
- D. The District, in its sole discretion, may apply Latecomer Fees to any amounts owing to the District by the original Applicant.