

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

REGULAR COMMISSION MEETING

AUGUST 6, 2018

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Steve Black
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. Quarterly District Performance Plan Status Update
4. Quarterly Financial Review and Investment Report
5. Major Projects, Contracts, and Project Revisions Update
6. Rock Island Facilities Design and Contractor Update
7. Commissioner Travel

**CONFLUENCE TECHNOLOGY CENTER
285 TECHNOLOGY CENTER WAY, WENATCHEE**

BUSINESS SESSION

1:00 PM

8. Public Hearing – Cryptocurrency Moratorium

Consent Agenda

9. Minutes of the July 23, 2018 Regular Meeting and July 30, 2018 Special Meeting
10. Vouchers: Accounts Payable Summary Report dated August 1, 2018:
 - a. Vouchers totaling \$13,642,556.03;

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 18, 2018 through July 31, 2018 in the amount of \$48,973.20;
- c. Approval of the net Payrolls, Warrant Nos. 236081 through 236101 and Advice Nos. 657343 through 658129 for the pay period ending 07/22/2018 in the amount of \$1,998,778.77; and
- d. Approval of Warrant Nos. 24663 through 24695 totaling \$37,583.51 for claim payments from the workers' compensation self-insurance fund for the period ending July 30, 2018.

Regular Agenda

- 11. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PESHASTIN WASTEWATER TREATMENT FACILITY IMPROVEMENTS (BID NO. 18-05) AND AUTHORIZING THE PROCUREMENT OF THE PESHASTIN WASTEWATER TREATMENT FACILITY IMPROVEMENTS TO BE OBTAINED BY NEGOTIATION
- 12. A RESOLUTION AMENDING RESOLUTION NO. 80-6286 TO RESCIND AND REPLACE SECTION IX THEREOF RELATING TO NOTICE AND INFORMATION TO CUSTOMERS OF PROPOSED RATE ACTIONS
- 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
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.
- 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).

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

RESOLUTION NO. _____

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR PESHASTIN WASTEWATER TREATMENT FACILITY IMPROVEMENTS (BID NO. 18-05) AND AUTHORIZING THE PROCUREMENT OF THE PESHASTIN WASTEWATER TREATMENT FACILITY IMPROVEMENTS TO 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 the Peshastin Wastewater Treatment Facility Improvements project to comply with effluent discharge requirements set by Washington State Department of Ecology. The project includes new equipment and facilities necessary to achieve compliance by the March 1, 2020 deadline.

On June 12, 2018, in accordance with Resolution No. 17-14215 the General Manager authorized the advertisement of proposals for Bid 18-05.

Sealed proposals were invited and published in accordance with RCW 54.04.070. Proposals for Bid 18-05 were opened on July 25, 2018 in the offices of the District.

Four bids were received pursuant to the invitation for Bid 18-05. All Bid Proposals exceeded the engineer's estimate by more than fifteen percent. In accordance with RCW 54.04.080, no contract shall be let for more than fifteen percent in excess of the estimated cost of the materials or work. Therefore, the bids did not meet statutory requirements and should be rejected as non-responsive.

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 Peshastin Wastewater Treatment Facility Improvements 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 for Peshastin Wastewater Treatment Facility Improvements (Bid No. 18-05) are rejected. District staff is authorized to obtain Peshastin Wastewater Treatment Facility Improvements 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 6th day of August 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AMENDING RESOLUTION NO. 80-6286 TO RESCIND AND REPLACE SECTION IX THEREOF RELATING TO NOTICE AND INFORMATION TO CUSTOMERS OF PROPOSED RATE ACTIONS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 80-6286 entitled “A resolution adopting final order on Public Utility Regulatory Policies Act of 1978 (PURPA) Standards” which established at Section IX a procedure for rate proceedings and customer notice requirements related to proposed rate changes. The Board adopted a separate procedure for the imposition of rate surcharges, as may be necessary, via Resolution No. 07-13164.

Section IX of Resolution No. 80-6286 requires the District to hold public informational meetings in a minimum of three locations identified in the Wenatchee, Leavenworth, and Chelan areas, as well as a public hearing prior to seeking official rate action. The procedure also includes advertising requirements, dates, and media outlets as well as rate change notice requirements for affected customers. This procedure has been modified, when appropriate, by motion of the Board. Experience gained through rate proceedings held since 1980 has demonstrated that the existing procedures should be modernized to more effectively enable the District to engage its customers on rate issues.

In light of advancements in technology and opportunities for more efficient, cost-effective advertising through digital platforms, and frequent low attendance at informational meetings, staff is recommending a revised rate setting procedure that would provide the Commission with the ability to determine the appropriate number and location of informational meetings, and the manner of public notices and outreach based upon the circumstances of the proposed rate action. The updated procedure will support the District’s objective of equitable rates by enhancing customer engagement. The procedure would apply to all District retail rate proposals (electric, water, and wastewater). Staff will provide a procedural recommendation to the Commission for consideration and approval concurrent with a rate action recommendation. The Commission will establish an appropriate procedure for engagement and notice prior to taking the rate action. Staff’s recommendation and the Board’s action will include the following at a minimum:

1. Notice Policy for Rate Proceeding:

- The number and location of informational meetings shall be based upon the circumstances of the proposed rate action and type of utility service involved. Factors to be considered include, without limitation, number of affected customers, and relative impact of the rate proposal.
- A date for a public hearing on the rate action and notice of the hearing requirements will be proposed, including legal public notice which will occur during the two (2) weeks prior to the hearing.

- An outreach plan using appropriate media sources for providing public notice including, but not limited to, newspapers, radio announcements, social media, and digital platforms.

2. Information to Customers:

- Transmittal of one notice to each of the affected customers of the newly adopted rate or rate action not later than 30 days after the date of adoption which shall include a concise explanation of the new rate components. Staff may utilize various methods to deliver information to customers including, but not limited to, direct mail, email, bill messages or other media outlets.
- Additional notifications may be distributed to affected customers if a significant delay occurs between adoption and implementation.

District staff recommends that it is in the best interest of the District to adopt the following process and procedure for ensuring public notice and information of proposed rate actions, together with the opportunity for public hearing and comment, to the customer requirements for retail electric, water, and wastewater rate proceedings in place of the procedures adopted in Resolution No. 80-6286. Staff recommends retaining the rate surcharge procedure adopted in Resolution No. 07-13164. Staff recommends that these changes be effective immediately.

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 August 6, 2018, Section IX "Information to Consumers" in Resolution No. 80-6286 is rescinded and is hereby replaced with the following process and procedure for ensuring public notice and information of proposed rate actions, together with the opportunity for public hearing and comment, to the customer requirements for retail electric, water, and wastewater rate proceedings:

- a. Staff Proposal: Staff shall provide a procedural recommendation to Commission for consideration and approval, concurrent with a rate action recommendation. The Commission shall establish the appropriate procedure for engagement and notice prior to taking the rate action. Staff's proposal shall include recommendations for public notice and informational measures appropriate for the particular rate proceeding and consistent with (b) and (c) below. Staff shall propose a recommended hearing date and comment period. The Board will consider the staff proposal and will establish the appropriate procedure for engagement and notice to customers prior to taking the rate action.

b. Notice Policy for Rate Proceeding:

- The Board will set the number and location of informational meetings based upon the circumstances of the proposed rate action and type of utility service involved. Factors to be considered include, without limitation, the number of affected customers, and the relative impact of the rate proposal.
- The Board will set a date for a public hearing on the proposed rate action. Public notice of the hearing, including legal public notice, will occur during the 2 weeks prior to the meeting at a minimum.
- The Board will establish an outreach plan using appropriate media sources to provide public notice to customers including, but not limited to, newspapers, radio announcements, social media, and digital platforms.

c. Information to Customers:

- Transmittal of one notice to each of the affected customers of the newly adopted rate or rate action not later than 30 days after the date of adoption which shall include a concise explanation of the new rate components. Staff may utilize various methods to deliver information to customers including, but not limited to, direct mail, email, bill messages or other media outlets.
- Additional notifications may be distributed to affected customers if a significant delay occurs between adoption and implementation.

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 6th day of August, 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal