

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

REGULAR COMMISSION MEETING

AUGUST 20, 2018

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – John Wasniewski
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 Energy Resources Update
5. HR and Safety Legislative Update
6. Chelan-Manson Transmission Hardening
7. Service Center / HQ Facilities Update
8. Debt Ratio Target Update

BUSINESS SESSION

1:00 PM

9. Public Hearing – Cryptocurrency Moratorium

Consent Agenda

10. Minutes of the August 6, 2018 Regular Meeting and corrected minutes of the July 30, 2018 Special Meeting
11. Vouchers: Accounts Payable Summary Report dated August 15, 2018:
 - a. Vouchers totaling \$14,291,339.80;

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- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period August 1, 2018 through August 14, 2018 in the amount of \$13,316.78;
- c. Approval of the net Payrolls, Warrant Nos. 236102 through 236122 and Advice Nos. 658130 through 658926 for the pay period ending 08/05/2018 in the amount of \$2,059,804.47;
- d. Approval of Warrant Nos. 24696 through 24768 totaling \$55,035.13 for claim payments from the workers' compensation self-insurance fund for the period ending August 13, 2018;
- e. Approval of FERC payment – Statement of Annual Charges for Administration, Government Dams and Indian Lands – Lake Chelan, Rock Island Dam and Rocky Reach Dam – in the amount of \$45,670.91, \$516,183.35 and \$1,041,726.14 respectively; and
- f. Approval of Hydropower Research Institute payment in the amount of \$477,493.47.

Regular Agenda

12. A RESOLUTION ACCEPTING THE PROPOSAL OF LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENT PROJECTS AND TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO CONTRACT FOR SAID SERVICES

13. A RESOLUTION REJECTING THE BID OF VOITH HYDRO, INC. AND ACCEPTING THE BID OF K & N ELECTRIC, INC. OF SPOKANE VALLEY, WA (BID 17-76) FOR ROCKY REACH UNIT C9 WICKET GATE MODIFICATIONS

14. Manager Items

15. Commission Items

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

17. Delegation of Action Items

18. 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.

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

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20. 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) and 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).

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

RESOLUTION NO. _____

A RESOLUTION ACCEPTING THE PROPOSAL OF LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENT PROJECTS AND TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO CONTRACT FOR SAID SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

On April 2, 2018, by Resolution No. 18-14232, the Commission of the District 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.

Resolution No. 17-14215 requires that the Commission, by resolution, award Request for Proposals (RFP) that exceed \$3,000,000.

On April 4, 2018 the District solicited Request for Proposals from GCCM firms. On April 20, 2018 the District received four (4) Proposals. The evaluation team reviewed and scored the proposals provided by the firms and advanced three (3) firms to the interview stage based on qualifications and project understanding, as provided in RCW 39.10. On May 17 and 18, 2018 the evaluation team interviewed the qualified firms. After scoring the interviews, two (2) firms were invited to submit Request for Final Proposals (RFFP). On July 10, 2018, the District received and publically opened two (2) Final Proposals. The evaluation team reviewed and selected Lydig Construction, Inc. based on the combined scores for proposal, interview and pricing.

District's staff has determined that Lydig Construction, Inc. is the firm best qualified to provide the anticipated work and that the proposal provided for said work is fair, reasonable and meets all statutory requirements.

District's staff recommends awarding RFP No. 18-33 to Lydig Construction, Inc. Lydig will assist the District with Pre-Construction Services. When design is complete, Lydig and the District will negotiate a Guaranteed Maximum Price (GMP) to build the Rock Island Improvements and, subsequently, the Rocky Reach Improvements. Throughout the duration of the projects, the awarded contract shall be

amended, by Board resolution, to include construction work to be completed for the guaranteed maximum price.. 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. Lydig Construction, Inc. of Spokane Valley, WA has been identified as the most qualified proposer for General Contractor Construction Manager Services for the Rock Island and Rocky Reach Hydroelectric Support Facility Improvements project based on their qualifications and final proposal. The General Manager of the District is hereby authorized to enter into a contract with Lydig Construction, Inc. The contract amount shall not exceed \$220,000 without prior Board approval. A copy of the contract will be on file in the offices of the District.

DATED this 20th day of August 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION REJECTING THE BID OF VOITH HYDRO, INC. AND ACCEPTING THE BID OF K & N ELECTRIC, INC. OF SPOKANE VALLEY, WA (BID 17-76) FOR ROCKY REACH UNIT C9 WICKET GATE MODIFICATIONS

FACTUAL BACKGROUND AND REASONS FOR ACTION

On July 6, 2018, an invitation for sealed bids was published in accordance with RCW 54.04.070 and Resolution No 17-14215 to provide/construct Rocky Reach Unit C9 Wicket Gate Modifications. Bid proposals were opened on July 31, 2018, at 2:00, p.m. in the offices of the District. Two bids were received (excluding sales tax) as tabulated on Exhibit A attached.

The bid by Voith Hydro, Inc. did not meet the minimum requirements specified in the contract documents. They submitted exceptions and clarifications/limitations to the District's commercial terms. This bid should be rejected as non-responsive.

District staff has determined that the bid of K & N Electric, Inc. of Spokane Valley, WA in the amount of \$982,851.00 (excluding sales tax) is the lowest responsive and best bid in compliance with the plans and specifications for Bid No. 17-76. This bid meets all statutory requirements. Resolution No. 17-14215 requires that the rejection of the apparent low dollar bidder must come before the Commission for action.

District staff recommends awarding Bid No. 17-76 to K & N Electric, Inc.

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, WASHINGTON, as follows:

Section 1. The bid submitted by Voith Hydro, Inc. of York, PA did not meet the minimum requirements specified in the contract documents and is hereby rejected.

Section 2. The bid submitted by K & N Electric, Inc. of Spokane Valley, WA is the lowest responsible and best bid in compliance with the plans and specifications to provide/construct Rocky Reach Unit C9 Wicket Gate Modifications. The General Manager of the District is hereby authorized to enter

into a contract with K & N Electric, Inc. in the amount of \$982,851.00, excluding sales tax. A copy of the contract will be on file in the offices of the District

Dated this 20th day of August 2018.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal

POWER**Bid Tabulation****Bid No. 17-76****Unit C9 Wicket Gate Modifications****July 31, 2018, 2:00 PM****Conf. Rm. Utility Svcs. Large HQ Svc. Bldg. (15-20)****Estimate of Work: \$968,940**Opened by: Bruce Porter Recorded by: Amy O'Banion

Bidder Name City, State	Bid Bond/ Cashier's Check	Bid Amount
Voith Hydro, Inc. York, PA	Yes	\$833,682
K&N Electric, Inc. Spokane, WA	Yes	\$982,851

These Bid Tabulations may not reflect recommendation of award.

Bid proposals are currently being evaluated. Questions may be directed to Bruce Porter at 509-661-4127 or Bruce.Porter@ChelanPUD.org