

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

**REGULAR COMMISSION MEETING**

**SEPTEMBER 20, 2021**

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 490-284-603#

**\*\*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 – Jim White
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. Riverfront Park Master Plan - Progress Update
5. Hydro Modernization Contingency Plan

**BUSINESS SESSION**

**1:00 PM**

**Consent Agenda**

6. Minutes of the September 7, 2021 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated September 15, 2021:
  - a. Vouchers totaling \$12,008,392.14;

REGULAR COMMISSION MEETING AGENDA

September 20, 2021

Page 2

- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 1, 2021 through September 14, 2021 in the amount of \$35,037.10;
  - c. Approval of the net Payroll, Warrant Nos. 237586 through 237597 and Advice Nos. 720713 through 721515 for the pay period ending August 29, 2021 in the amount of \$2,359,879.94;
  - d. Approval of Warrant Nos. 27890 through 27921 totaling \$10,968.42 for claim payments from the workers' compensation self-insurance fund for the period ending September 13, 2021;
  - e. Approval of Parks Reservation System customer refunds for the period August 24, 2021 through September 7, 2021 in the amount of \$1,656.03.
8. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 19-71 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
9. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-77 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

**Regular Agenda**

10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 15 THROUGH 20, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 21 TO CONTRACT 16-60 WITH ANDRITZ HYDRO
11. A RESOLUTION APPROVING INTERCONNECTION AGREEMENT TEMPLATES AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE AND ENTER INTO INTERCONNECTION AGREEMENTS
12. Manager Items
13. Commission Items
14. Follow-up on Delegation of Action Items from Previous Board Meeting
15. Delegation of Action Items

REGULAR COMMISSION MEETING AGENDA

September 20, 2021

Page 3

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) and 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 BID NO. 19-71 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE, WA AND AUTHORIZING RELEASE OF THE BOND IN LIEU 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 July 2, 2020 the District entered into a contract (Bid No. 19-71) with IMCO General Construction, Inc. (Contractor) of Ferndale, WA for Rocky Reach Trash Boom Cable – Float Installations, in the amount of \$409,600. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080

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.

The work in Field Work Order No. 1 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order No. 1, which is on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
1. Deductive FWO/CO for unused items.	-\$12,119.85
<b>Total</b>	-\$12,119.85

Field Work Order No. 1 results in a net decrease in the contract price of \$12,119.85 for a new revised total price of \$397,480.15 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14215 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on September 3, 2021. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

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 release of the related bond in lieu of retainage, 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 Bid No. 19-71 was completed on September 3, 2021, and the same is hereby accepted, subject to Section 2 hereof. Release of the Contractor's bond in lieu of retainage is authorized 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 release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in 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 following payment of such claim, release the bond in lieu of retainage.

DATED this 20th day of September 2021.

\_\_\_\_\_  
President

ATTEST:

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

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

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 19-77 WITH IMCO GENERAL CONSTRUCTION, INC. OF FERNDALE 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. Authority was also granted to the General Manager and the staff to execute field work order/change orders under certain circumstances.

On September 1, 2020, the District entered into a contract (Bid No. 19-77) with IMCO General Construction, Inc. (Contractor) of Ferndale Washington for the Rocky Reach Safety Boat Dock, in the amount of \$344,500. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Order/Change Order No. 1 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order/Change Order No. 1, which are on file in the offices of the District and summarized as follows:

<b>Field Work Order/Change Order No.</b>	<b>Description</b>	<b>Amount</b>
1	Extend runoff plate	\$7,535.48
	<b>Total</b>	<b>\$7,535.48</b>

Field Work Order/Change Order No. 1 results in a net increase in the contract price for a new revised total price of \$352,035.48 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 17-14215 provides that this type of field work order/change order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on May 4, 2021. 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, ratify Field Work

Order/Change Order No. 1 and 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. Field Work Order/Change Order No. 1 to Bid No. 19-77 with IMCO General Construction, Inc. for the work specified above, which will result in a net increase in the purchase price of \$7,535.48, for a total revised contract price of \$352,035.48, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 19-77 was completed on May 4, 2021 and the same is hereby accepted, subject to Section 3 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 3 and Section 4 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 3. 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 4. 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 20<sup>th</sup> day of September 2021.

\_\_\_\_\_  
President

ATTEST:

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

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

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 15 THROUGH 20, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE FIELD WORK ORDER/CHANGE ORDER NO. 21 TO CONTRACT 16-60 WITH ANDRITZ HYDRO

### **FACTUAL BACKGROUND AND REASONS FOR ACTION**

On December 30, 2016 the Commission approved Resolution No. 16-14108 authorizing the General Manager of the District to enter into a contract with Andritz Hydro Inc. in the amount of \$41,813,228 (excluding sales tax) for modernization of units B1 to B4.

#### **Previously Approved Field Work Orders**

The District Commission by Resolution No. 08-13325 delegated limited authority to the General Manager and the staff to execute Field Work Orders under certain circumstances. In May 2017 District staff initiated FWO/CO No. 1 to delete the requirement for Andritz to procure a second set of stop logs and dewatering pumps. These items were instead purchased by the District. FWO/CO No. 1 was executed August 16, 2017 for a reduction of the contract price of \$454,000.

On May 15, 2017, the Commission approved Resolution No. 17-14163 authorizing the General Manager to execute FWO/CO No. 2 for purchase of an additional set of head gates for a price not to exceed \$950,000. FWO/CO NO. 2 was executed on August 16, 2017 in an amount of \$554,000.

On August 7, 2017 the Commission approved Resolution No. 17-14163 which authorized the execution of FWO/CO No. 3 and 4 for purchase of new wicket gates, generator shafts and pole bodies. FWO/CO NO. 3 was executed August 16, 2017 in the amount of \$2,273,889. FWO/CO NO. 4 was executed on September 26, 2017 in the amount of \$2,160,000.

On January 22, 2018, the Commission approved Resolution No. 18-14222 which authorized the execution of FWO/CO No. 5 for purchase of new thrust runners and purchase of one spare (5 total) for a not to exceed price of \$900,000.00. FWO/CO No. 5 was executed on April 2, 2018 in the amount of \$809,056.00.

On July 1, 2019, the Commission approved Resolution No. 19-14357 which authorized the execution of FWO/CO No. 11 for supply of new gate operating ring equipment for up to four units for B1 to B4 for a price not to exceed \$1,600,000.00. FWO/CO NO. 11 was executed on July 11, 2019 in the amount of \$1,317,980.00.

On August 19, 2019, the Commission approved Resolution 19-14375 which ratified FWO/CO No. 6 to change dates for Site Work, resulting in no change to the total contract price, as executed on October 4, 2018. FWO/CO No. 7 was ratified for supply of new wicket gate arm assemblies for \$283,507, as executed on December 10, 2018. FWO/CO No. 9 was ratified for design of a new gate operating ring, as executed on June 21, 2019. The Commission approved authorizing the General Manager to execute FWO/CO No. 8 for discharge ring repairs on Unit B4, in the amount of \$237,849. Additionally, the Commission approved authorizing the General Manager to execute FWO/CO No. 10 converting the work schedule from one that requires the Contractor to work on multiple units at a time, to one that requires the Contractor to work on one unit at a time. The additional cost associated with this change and reflected in FWO/CO No. 10 was \$2,789,057.37

On June 1, 2020, the Commission approved Resolution 20-14462 which ratified FWO/CO No. 12 for repairs to the existing Unit B4 Turbine Guide Bearing Housing in the amount of \$145,170. FWO/CO No. 12 was executed on February 7, 2020. FWO/CO No. 13 was ratified for the Contractor to maintain supervision on site during the shut-down due to the COVID-19 pandemic in the amount of \$80,000 which was executed on April 10, 2020. FWO/CO No. 13A was ratified to extend the Work suspension from April 20, 2020 through May 17, 2020 in the amount of \$80,000 which was executed on April 10, 2020. Additionally, the Commission approved FWO/CO No. 14 for the replacement of the top 2.25 inch band at the top of the B4 discharge ring due to lack of sufficient plate thickness in the amount of \$350,000 which was issued as a directive on June 8, 2020.

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

FWO/CO No. 15 in the amount of \$69,573.53 for spare parts was executed on October 27, 2020 and is on file in the offices of the District.

FWO/CO No. 16 in the amount of \$75,000.00 for a 3-1/2" thick 15" wide, flat stainless-steel plate for use as the insert ring for the discharge liner on Unit B3 was executed on November 2, 2020 and is on file in the offices of the District.

FWO/CO No. 17 resulting in no change in the contract price for the correction of the counter thrust rings and fasteners for units B1, B2, B3 and B4 was issued as a directive on March 23, 2021 and is on file in the offices of the District.

FWO/CO No. 18 assessing \$1,400,100.00 in liquidated damages for milestone 1Q was issued as a directive on April 14, 2021 and is on file in the offices of the District.

FWO/CO No. 19 resulting in no change in the contract price for the suspension of the start of B3 Sitework was issued as a directive on May 6, 2021 and is on file in the offices of the District.

FWO/CO No. 20 resulting in no change in the contract price revising Specification Section 01770 – Unit Turnover, Startup and Commissioning and was executed on May 3, 2021 and is on file in the offices of the District.

FWO/CO No.	Amount	Liquidated Damages	Unit	Description
15	\$69,573.53			Spare Parts
16	\$75,000.00		B3	Purchase Discharge Liner Insert for Unit B3
17	\$0			Discharge Ring Correction – Stack-up Height - Directive
18		\$1,400,100.00	B4	Assess Liquidated Damages - Directive
19	\$0		B3	Suspend Start of B3 Sitework - Directive
20	\$0			Onsite Technical Representative
Total	\$144,573.53	\$1,400,100.00		

FWO/CO Nos. 15, 16, 17, 19 and 20 result in a net increase to the contract price of \$144,573.53 for a new revised total contract price of \$52,624,309.70 (excluding sales tax). Field Work Order No. 18 resulted in Liquidated Damages being assessed in accordance with the Contract in the amount of \$1,400,100.00 which will be deducted from future payments. Liquidated Damages are reimbursement for damages/costs and do not reduce the total construction price pursuant to the direction of the Department of Revenue.

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

Additionally, District staff desires to execute FWO/CO No. 21 which is to reimburse Contractor for Tariff charges for the purchase of steel components from China. Execution of this FWO/CO will result in a net increase to the total contract price of \$649,810.25, for a revised total of \$53,274,119.95.

The General Manager of the District concurs with staff's recommendations that FWO/CO Nos. 15 through 20 be ratified, and that FWO/CO No. 21 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. 15 through 20 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. 21 as a Directive. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 20<sup>th</sup> day of September 2021.

ATTEST:

\_\_\_\_\_  
President

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

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

**A RESOLUTION APPROVING INTERCONNECTION AGREEMENT TEMPLATES AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE AND ENTER INTO INTERCONNECTION AGREEMENTS****FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District has undertaken a years-long effort to develop a suite of formal policies and practices and governing the provision of all aspects of transmission service, including interconnection service. One facet of this effort is the development of template agreements for transmission and interconnection service.

Recently, the District has received multiple inquiries about interconnecting to its transmission system, including some formal requests that have proceeded to interconnection studies. In anticipation of customer requests to enter interconnection agreements, District staff has finalized the interconnection agreement templates.

The terms and conditions of the interconnection agreements allocate responsibility between the District and the interconnection customer for design, procurement, construction, ownership, and operation of the interconnection facilities, including assigning cost responsibility. The Large Generator Interconnection Agreement template is for use with generating resources greater than 20 MW, and The Large Load Interconnection Agreement template is for use with loads greater than 5 MW that materially affect the District's transmission system.

District staff recommends that the District adopt the template interconnection agreements for use with potential interconnection customers, and that the Board of Commissioners authorizes the General Manager to execute the agreements or agreements that are substantially similar in form and substance. 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. The following template agreements are authorized for use when interconnecting applicable customers to the District's transmission or distribution system:

- Standard Large Generator Interconnection Agreement (LGIA) for generating resources greater than 20 MW
- Standard Large Load Interconnection Agreement (LLIA) for loads greater than 5 MW that the District has determined materially affect the District's transmission system

Section 2. The General Manager or his designee is authorized to execute these agreements, or agreements that are substantially similar in form and substance, with copies of the agreements to be on file in the offices of the District.

Section 3. The General Manager or his designee is authorized to take such further steps as may be required to complete the District’s obligations and implement the executed agreements.

DATED this 20th day of September 2021.

\_\_\_\_\_  
President

ATTEST:

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

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal