

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

REGULAR COMMISSION MEETING

OCTOBER 7, 2019

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Presentation – Tim Pettit
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. Remembrance for former General Manager Gerald “Jerry” Copp
4. Fiber Rates
5. Strategic Plan Adoption
6. A RESOLUTION ADOPTING AND AUTHORIZING IMPLEMENTATION OF THE CHELAN COUNTY PUD STRATEGIC PLAN 2020-2024
7. Supported Employment Program Update
8. Service Center and Fifth Street Redevelopment Update
9. Rock Island Powerhouse 2 Cranes Update
10. Draft 5-Year Business Plans presented to Board

BUSINESS SESSION

1:00 PM

Consent Agenda

11. Minutes of the September 16, 2019 Regular Meeting and September 30, 2019 Special Meeting

12. Vouchers: Accounts Payable Summary Report dated October 2, 2019:

- a. Vouchers totaling \$16,795,875.31;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 11, 2019 through October 01, 2019 in the amount of \$47,791.80;
- c. Approval of the net Payroll, Warrant Nos. 236691 through 236710 and Advice Nos. 680860 through 681655 for the pay period ending 09/15/2019 in the amount of \$2,099,906.79.
- d. Approval of Warrant Nos. 25986 through 26067 totaling \$25,467.24 for claim payments from the workers' compensation self-insurance fund for the period ending September 30, 2019.

13. A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 14 THROUGH 21, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-65 WITH K&N ELECTRIC MOTORS INC. OF SPOKANE VALLEY, WA. AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

14. A RESOLUTION AUTHORIZING BUDGET AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (SA 19-045) WITH THE CITY OF WENATCHEE FOR THE TACOMA AVENUE ROADWAY AND UTILITY IMPROVEMENTS

15. A RESOLUTION AUTHORIZING AMENDMENT NO. 8 TO SERVICE AGREEMENT (SA-TA NO. 15-151) WITH TCF ARCHITECTURE PLLC. TO PROVIDE LONG TERM STRATEGIC FACILITIES PLAN

16. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A FIELD WORK ORDER/CHANGE ORDER WITH LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA FOR ADDING C-19 BUILDING SITEWORK TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

17. A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE THE ROCKY REACH CENTRAL MAINTENANCE FACILITY IMPROVEMENTS TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

REGULAR COMMISSION MEETING AGENDA

October 7, 2019

Page 3

18. Manager Items

19. Commission Items

20. Commissioner Travel

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

22. Delegation of Action Items

23. 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.

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

25. 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 ADOPTING AND AUTHORIZING
IMPLEMENTATION OF THE CHELAN COUNTY PUD
STRATEGIC PLAN 2020-2024

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District has engaged in a comprehensive strategic planning process over the last year that has included substantial public outreach and engagement. The planning process has included input from the Board of Commissioners ("Board"), the General Manager, senior management team, employees, and customer-owners, business leaders, Topic Team participants, stakeholders and others.

The proposed Chelan County PUD Strategic Plan 2020-2024 ("Plan") has been discussed regularly at public Board meetings as well as numerous other public venues including City Council, Community Council, and civic club meetings and has received extensive media coverage. A countywide survey resulted in over 3,700 public comments and there were many ways for the public to participate in the plan development process.

For a complete summary of public outreach associated with the planning process, please see "Appendix C" of the Plan.

Pursuant to its adopted Governance Policies, the Board is responsible for identifying and defining the strategic direction of the District. The General Manager is responsible for implementing said Plan and reporting to the Board the District's progress in its implementation.

The Strategic Plan presented to the Board and public includes the District's statement of values, objectives, priorities, strategies, and other information to be used by the General Manager and staff to implement and measure the strategic direction as reflected in the Plan consistent with the District's Mission and Vision statements.

The Board has fully reviewed the proposed Chelan County PUD Strategic Plan 2020-2024 and finds that adoption of that Plan is in the best interests of the District.

ACTION

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

Section 1. The Board of Commissioners adopts the Chelan County PUD Strategic Plan 2020-2024. The Board of Commissioners authorizes the General

Manager to implement and measure performance relative to the objectives, priorities, strategies, and other actions presented. The General Manager is also authorized to make changes to these items as necessary and report to the Board any substantive changes. The General Manager will also periodically report to the Board on the District's progress in the Plan's implementation.

Section 2. A copy of the Plan is on file at the District's Main Office and is also available electronically at www.chelanpud.org.

Section 3. Staff is directed to prepare follow up resolutions for consideration by the Board to amend and supersede all resolutions and policies in conflict with the Chelan County PUD Strategic Plan 2020-2024 if they so exist.

DATED this 7th day of October 2019.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

S E A L

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 14 THROUGH 21, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 15-65 WITH K&N ELECTRIC MOTORS INC. OF SPOKANE VALLEY, WA. AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 16-14043 on May 16, 2016 which authorized the District to enter into a contract (Bid No. 15-65) with K & N Electric Motors, Inc. (Contractor) of Spokane Valley, WA for Rocky Reach Dam Powerhouse Bridge Cranes Refurbishment, in the amount of \$4,401,504.15.

The Commission by Resolution No. 17-14175 ratified Field Work Order/Change Order Nos. 1-7 in the amount of \$468,599.82 and by Resolution No. 18-14223 ratified Field Work Order/Change Order Nos. 8 through 13 in the amount of \$536,472.87 which were executed under the delegation authority of Resolution No. 08-13325.

The District Commission by Resolution No. 17-14215 delegated limited authority to the General Manager and the staff to execute field work orders under certain circumstances.

The work in Field Work Order Nos. 14 through 21 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 Nos. 14 through 21, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
14. South and North Crane Painting	\$ 28,750.00
15. Crane Girders Weld Trace Repairs	\$ 22,220.25
16. Install Trolley Rail clips	\$ 39,519.30
17. Additional Bridge Truck Bearing Cartridges and actual quantities adjustment to FWO/CO 13 Axel Line-Boring	\$ 6,656.25
18. Modifications to the Trolley Drive Shafts	\$ 25,697.00
19. Site Work Completion Date Revision	\$ 0.00
20. Crane Link Modifications	\$ 25,602.78
21. Hoist Brake Limit Switch Modifications	\$ 18,798.00
Total	\$167,243.58

Field Work Order Nos. 14 through 21 result in a net increase in the contract price of \$167,243.58 for a new revised total price of \$5,573,820.42 (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 27, 2019. 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 Nos. 14 through 21 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 Nos. 14 through 21 to Bid No. 15-65 with K & N Electric Motors, Inc. for the work specified above, which will result in a net increase in the purchase price of \$167,243.58, for a total revised contract price of \$5,573,820.42, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 15-65 was completed on September 27, 2019 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 7th day of October 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING BUDGET AND
AUTHORIZING THE GENERAL MANAGER TO
ENTER INTO AN INTERLOCAL AGREEMENT (SA
19-045) WITH THE CITY OF WENATCHEE FOR
THE TACOMA AVENUE ROADWAY AND
UTILITY IMPROVEMENTS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The City of Wenatchee is planning to complete roadway, pedestrian and storm water improvements on Tacoma Avenue between Maple and McKittrick Streets. The District has an existing steel water main in the same corridor, which is at the end of its useful life. Coordinating and conducting work with the City is the most efficient path forward. The interlocal agreement (SA 19-045) identifies the City as the lead agency, responsible for design and construction, with the District providing reimbursement for costs associated with the water main replacement portion of the project. Initial estimates, which will be refined through the design process, total \$455,000 for this interlocal agreement.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Interlocal Agreements that exceed \$200,000. It is staff's recommendation that it is in the best interest of the District to enter into an interlocal agreement with City of Wenatchee for the above-described services.

Additionally, budget has not been approved for this project. Staff recommends a total project budget of \$500,000 to cover \$45,000 in internal labor cost, in addition to the interlocal agreement. Based on the City's schedule, staff anticipates \$15,000 to be spent in 2019, \$35,000 in 2020 and \$450,000 in 2021.

The General Manager of the District 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, as follows:

Section 1. The General Manager of the District is hereby authorized to enter into an interlocal agreement with City of Wenatchee for the Tacoma Avenue Roadway and Utility Improvements in an amount not to exceed \$455,000 without prior Commission approval. A copy of the Agreement will be on file in the offices of the District.

Section 2. The total project budget of \$500,000 is authorized for the Tacoma Avenue project.

DATED this 7th day of October 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

SEAL

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 8 TO SERVICE AGREEMENT (SA-TA NO. 15-
151) WITH TCF ARCHITECTURE PLLC. TO
PROVIDE LONG TERM STRATEGIC FACILITIES
PLAN

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 16-14011 dated January 4, 2016 authorized a Service Agreement (SA-TA No. 15-151) with TCF Architecture PLLC to provide Long Term Strategic Facilities Plan, in an amount not to exceed \$980,000.

Resolution No. 17-14141 dated May 15, 2017 authorized an additional amount of \$208,000, for an amended not to exceed amount of \$1,188,000.

Resolution No. 17-14188 dated November 6, 2017 authorized an additional amount of \$4,000,000, for an amended not to exceed amount of \$5,188,000.

Resolution No. 19-14315 dated February 4, 2019 authorized an additional amount of \$6,000,000, for an amended not to exceed amount of \$11,188,000.

District staff has identified the need for additional services for analysis, planning, design, and construction support services. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to amend Service Agreement No. 15-151 with TCF Architecture PLLC in the amount of \$9,500,000, for a total revised contract price not to exceed \$20,688,000.

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. 8 to Service Agreement (SA-TA No. 15-151) with TCF Architecture PLLC to provide the additional services identified above. The revised contract price will not exceed \$20,688,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 7th day of October 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A FIELD WORK ORDER/CHANGE ORDER WITH LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA FOR ADDING C-19 BUILDING SITEWORK TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

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. Although this is one Project, the work at Rock Island and Rocky Reach will be treated as two different phases.

On August 20, 2018, by Resolution No. 18-14257, the Commission of the District authorized the General Manager to enter into a contract (RFP No. 18-33) with Lydig Construction for the Rock Island Improvement phase. This contract, known as the A133, governs the general terms between the District and Lydig and the not to exceed dollar amount of \$220,000.00 for pre-construction services.

On June 17, 2019, by Resolution No. 19-14354, the Commission of the District authorized the General Manager to enter into a Guaranteed Maximum Price (GMP) Amendment with Lydig Construction for a not to exceed amount of \$19,830,830.00, for the Rock Island Improvements, which resulted in a revised total contract price of \$20,050,830.00.

District staff recommends execution of FWO/CO No. B-01 with Lydig for a not to exceed price of \$275,000.00 for adding the C-19 Building sitework. The revised overall contract price for the Rock Island Dam Improvements after execution of FWO/CO No. B-01 will be \$20,295,830.00

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 execute FWO/CO No. B-01 for adding the C-19 Building sitework with Lydig Construction, Inc. for Rock Island Dam Improvements for a price not to exceed \$275,000.00. and increases the total contract price to \$20,295,830.00. The delegation authority and procedures as set forth in Resolution No. 17-14215 shall apply to the contract. A copy of the contracts will be on file in the offices of the District.

DATED this 7th day of October 2019.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT TO LYDIG CONSTRUCTION, INC OF SPOKANE VALLEY, WA TO PROVIDE THE ROCKY REACH CENTRAL MAINTENANCE FACILITY IMPROVEMENTS TO THE GENERAL CONTRACTOR CONSTRUCTION MANAGER (GCCM) SERVICES FOR THE ROCK ISLAND AND ROCKY REACH HYDROELECTRIC SUPPORT FACILITY IMPROVEMENTS PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

On April 2, 2018, by Resolution No. 18-14232, the Commission 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. Although this is one Project, the work at Rock Island and Rocky Reach will be treated as two different phases.

Rock Island

On August 20, 2018, by Resolution No. 18-14257, the Commission authorized the General Manager to enter into an A133 contract (RFP No. 18-33) with Lydig Construction, Inc. (Lydig) for the Rock Island Improvements phase. The A133 covered the terms of the agreement and the not to exceed contract price for preconstruction services of \$220,000.

On June 17, 2019, by Resolution No. 19-14354, the Commission authorized the General Manager to enter into a Guaranteed Maximum Price (GMP) Amendment with Lydig for a not to exceed amount of \$19,830,830.00, for the Rock Island Improvements. The total contract price for the Rock Island Dam Improvements is \$20,050,830.00

Rocky Reach

On February 4, 2019 by Resolution No. 19-14316, the Commission authorized the General Manager to enter into a second A133 contract with Lydig Construction Inc. for the Rocky Reach Improvements Phase. The not to exceed contract price for preconstruction services for the Rocky Reach A133 was \$300,000.00

During the pre-construction phase, Lydig, the District and the District’s consultant, TCF Architecture PLLC, determined that dividing the Rocky Reach construction work into two phases would increase the efficiency and the safety of the project. The first phase consists of early site work, and the second phase will be the construction of the structures.

Now that the early site work package has been bid, District staff recommends execution of the GMP Amendment with Lydig for a not to exceed price of \$3,623,409.54 for the early site work package. The revised overall contract price for the Rocky Reach Central Maintenance Improvements after execution of the GMP Amendment will be a not to exceed amount of \$3,923,409.54.

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 GMP Amendment with Lydig Construction, Inc. for Rocky Reach Central Maintenance Improvements in an amount not to exceed \$3,623,409.54, for a total revised contract price of \$3,923,409.54. The delegation authority and procedures as set forth in Resolution No. 17-14215 shall apply to the contract. A copy of the contracts will be on file in the offices of the District.

DATED this 7th day of October 2019.

ATTEST:

President

Vice President

Secretary

Commissioner

Commissioner

Seal