

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

**REGULAR COMMISSION MEETING**

**October 16, 2017**

**AGENDA**

**STUDY SESSION**

**10:00 A.M.**

1. Pledge of Allegiance and Safety Minute – Doug Lewis
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. Quarterly Board Balanced Scorecard Status Update
4. 2018 Budget Targets and Major Assumptions
5. Water & Wastewater Update
6. Energy Sales Diversification
7. Orondo River Park
8. Long Range Facilities Plan

**BUSINESS SESSION**

**1:00 P.M.**

**Consent Agenda**

9. Minutes:

October 2, 2017 Regular Meeting

10. Vouchers:

Accounts Payable Summary Report dated October 11, 2017:

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- a) Vouchers totaling \$5,894,360.84
- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 27, 2017 through October 10, 2017 in the amount of \$21,087.07
- c) Approval of the net Payrolls, Warrant Nos. 235561 through 235588 and Advice Nos. 641350 through 642112 for the pay period ending 10/01/2017 in the amount of \$1,890,960.69; and
- d) Approval of Warrant Nos. 23789 through 23791 totaling \$2,514.40 for claim payments from the workers' compensation self-insurance fund for the period ending October 9, 2017.

**Regular Agenda**

11. A RESOLUTION APPROVING BIDDING DOCUMENTS FOR 2018-2019 DISTRICT TREE TRIMMING AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
12. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 16-23 WITH OSMOSE UTILITIES SERVICES, INC. OF PEACHTREE CITY, GEORGIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
13. A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR CHELAN HYDRO 11KV BREAKER REPLACEMENT (BID NO. 17-56) AND AUTHORIZING THE CHELAN HYDRO 11KV BREAKER REPLACEMENT BE OBTAINED BY NEGOTIATION
14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 17-157) WITH ALCATEL-LUCENT USA, INC. OF NEW JERSEY FOR MICROWAVE SUPPORT SERVICES
15. A RESOLUTION APPROVING AN EXCHANGE AGREEMENT AND AUTHORIZING THE GENERAL MANAGER AND/OR HIS DESIGNEE TO EXECUTE A BOUNDARY LINE ADJUSTMENT AND RELATED QUIT CLAIM DEED TO RESOLVE A MINOR BUILDING ENCROACHMENT ON THE SOUTH WENATCHEE RESERVOIR SITE
16. Manager Items
17. Commission Items
18. Follow-up on Delegation of Action Items from Previous Board Meeting

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19. Delegation of Action Items

20. Additional Public Comment\*

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

22. 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 conduct collective bargaining sessions with employee organizations, including contract negotiations, grievance meetings and discussions relating to the interpretation or application of a labor agreement, as authorized by RCW 42.30.140(4)(a) and to consider matters affecting national security; and To consider, if in compliance with any required data security breach disclosure under RCW 19.255.010 and 42.56.590, and with legal counsel available, information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results to the extent that they identify specific system vulnerabilities, and other information that if made public may increase the risk to the confidentiality, integrity, or availability of agency security or to information technology infrastructure or assets, as authorized by RCW 42.30.110(1)(a)(i) and (ii).

\* 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.

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

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

A RESOLUTION APPROVING BIDDING DOCUMENTS FOR 2018-2019 DISTRICT TREE TRIMMING AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

This is a two-year contract to provide tree trimming along the District's overhead power lines and fiber optical infrastructure. The contract is made up of unit pricing and hourly rate pricing. This service helps increase service reliability & public safety, along with reducing the risk of fire.

Resolution No. 08-13325 requires Commission approval of bids and authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 17-78, including specifications have been prepared by the District and are on file in the offices of the District.

District staff recommends that Bid No. 17-78 is in the best interests of the District and that said documents be approved and that the invitation for bid be published.

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 bidding documents (Bid No. 17-78) for the 2018-2019 District Tree Trimming are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said material.

DATED this 16th day of October 2017.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

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

A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 16-23 WITH OSMOSE UTILITIES SERVICES, INC. OF PEACHTREE CITY, GEORGIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District Commission by Resolution No. 08-13325 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less.

On May 31, 2016, the District entered into a contract (Bid No. 16-23) with Osmose Utilities Services, Inc. (Contractor) of Peachtree City, Georgia for Wood Pole Test and Treat, in the amount of \$286,937.28. 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.

District staff has determined that the completion of all contract work occurred on August 17, 2017. 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. 16-23 was completed on August 17, 2017, 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 16th day of October 2017.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

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

A RESOLUTION REJECTING ALL BIDS AND DECLARING THAT NO BIDS WERE RECEIVED FOR CHELAN HYDRO 11KV BREAKER REPLACEMENT (BID NO. 17-56) AND AUTHORIZING THE CHELAN HYDRO 11KV BREAKER REPLACEMENT BE OBTAINED BY NEGOTIATION

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The Commission, by Resolution No. 08-13325, 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 Chelan Hydro 11kV Breaker Replacement. The replacement of the 11kV circuit breakers is to maintain the plant's operational reliability.

Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were opened on September 22, 2017 at 2:30 pm Pacific Time in the offices of the District.

One bid was received pursuant to that invitation. The bid proposal did not meet all statutory requirements. The bidder was not registered with L&I in accordance with RCW 18.27.020, at the time of the bid opening on September 22, 2017. Additionally, the Bidder submitted their company terms and conditions, and made two exceptions to the Contract Specifications.

District staff is of the opinion that the bid was non-responsive and should be rejected. Resolution No. 08-13325 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 Chelan Hydro 11kV Breaker Replacement 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 bid received to furnish Chelan Hydro 11kV Breaker Replacement (Bid No. 17-56) is rejected. District staff is authorized to obtain Chelan Hydro 11kV Breaker Replacement 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 16th day of October 2017.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

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

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 17-157) WITH ALCATEL-LUCENT USA, INC. OF NEW JERSEY FOR MICROWAVE SUPPORT SERVICES

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District's microwave network is a critical telecommunications system providing transport for two-way radio and other SCADA traffic. The system is scheduled for replacement in preparation for the two-way radio replacement. The District has selected Alcatel-Lucent to replace the microwave system under the National Association of State Procurement Officers (NASPO) contract. In addition to purchasing the new system, the District desires to enter into this service agreement for ongoing support and maintenance services.

Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

Alcatel-Lucent USA, Inc. (Alcatel) of New Jersey has prepared a proposal to perform microwave support services for ten years for an estimated cost of \$1,001,482.

District staff has determined that Alcatel is the best qualified firm to provide the required services and that the cost for said services of \$1,001,482 is a fair and reasonable price.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Alcatel for the above-described services.

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 a Services Agreement with Alcatel-Lucent USA, Inc. for microwave support services in an amount not to exceed \$1,200,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 16th day of October 2017.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

(RESOLUTION NO. \_\_\_\_\_)

A RESOLUTION APPROVING AN EXCHANGE AGREEMENT AND AUTHORIZING THE GENERAL MANAGER AND/OR HIS DESIGNEE TO EXECUTE A BOUNDARY LINE ADJUSTMENT AND RELATED QUIT CLAIM DEED TO RESOLVE A MINOR BUILDING ENCROACHMENT ON THE SOUTH WENATCHEE RESERVOIR SITE

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

The District is the owner of real property (“Property”) known as the South Wenatchee Reservoir Site in Chelan County, Washington. The Property is improved with a water reservoir which serves the South Wenatchee area. The legal description of the Property is on file in the District offices.

Staff has discovered that there is a minor encroachment from a building on adjoining property owned by James R. and Karen Miltimore (“Miltimore”). A Boundary Line Adjustment (“BLA”) is required to resolve the encroachment issue. To resolve the issue, the District and Miltimore entered into an Exchange Agreement (“Agreement”) on July 28, 2017, contingent on the approval of the District’s Board of Commissioners.

Pursuant to the Agreement District staff and the Miltimore’s have agreed to exchange by BLA property of equivalent value and Miltimores will pay for the BLA application, lot fees, recording fees and any other costs associated with the BLA or the Agreement. District staff has determined that the property the District will receive from the Miltimores is of equal value and is equally useful to the District to meet District needs.

District staff recommends the Agreement be approved and the General Manager be authorized to execute the contemplated BLA and related Quit Claim Deed in order to preserve the District’s interests and resolve the encroachment issue.

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 Board of Commissioners hereby approves the Agreement and authorizes the General Manager or his designee to execute a Boundary Line Adjustment and related Quit Claim Deed with Miltimore and to take such further steps as may be required to resolve the encroachment issue.

Dated this 16th day of October 2017.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L