

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
203 OLDS STATION ROAD
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

OCTOBER 16, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Sarah Valdez
2. Approval of the Agenda
3. CPO Winner Recognition
4. Quarterly Board Balanced Scorecard Status Update
5. Draft 5-Year Business Plans
6. 2024 Budget Targets and Major Assumptions
7. Treasury Topics / 2024 Plan of Finance
8. Conservation Potential Assessment and 2-Year Targets
9. Draft Integrated Resource Plan Results
10. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

1:00 PM

Consent Agenda

11. Minutes of the October 2, 2023 Regular Meeting and October 4, 2023 Special Meeting
12. Vouchers: Accounts Payable Summary Report dated October 10, 2023:
 - a. Vouchers totaling \$10,716,026.72;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 26, 2023 through October 9, 2023 in the amount of \$114,733.11.

- c. Approval of the net Payroll, Warrant Nos. 238278 through 238288 and Advice Nos. 764149 through 764984 for the pay period ending September 24, 2023 in the amount of \$2,690,475.13.
- d. Approval of Warrant Nos. 30127 through 30183 totaling \$6,284.89 for claim payments from the workers' compensation self-insurance fund for the period ending October 9, 2023.
- e. Approval of Parks Reservation System customer refunds for the period September 12, 2023 through October 9, 2023 in the amount of \$945.00.

Regular Agenda

- 13. A RESOLUTION RATIFYING THE SECOND AMENDMENT TO AMENDED AND RESTATED LEASE AND OPERATING AGREEMENT (SA 17-076) WITH THE CITY OF ENTIAT TO PROVIDE MAINTENANCE AND OPERATIONS OF ENTIAT PARK AND ENTIATQUA TRAIL
- 14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 AND 2, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3 FOR CONTRACT NO. 20-41 WITH MOE ASPHALT PATCHING & SEALCOATING, INC. OF WENATCHEE, WASHINGTON FOR DISTRICT WIDE UNIT PRICE ASPHALT/CONCRETE MAINTENANCE
- 15. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 3, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 4 TO CONTRACT NO. 22-12101 WITH PALOUSE POWER, LLC FOR UNIT PRICE ELECTRICAL DOCK CREW
- 16. A RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO SERVICES AGREEMENT (SA NO. 20-10743) WITH ANCHOR QEA, LLC TO PROVIDE SHORELINE EROSION CONTROL CONSULTING
- 17. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11011) WITH SCHWEITZER ENGINEERING LABORATORIES, INC. OF PULLMAN, WA TO PROVIDE PROTECTION AND AUTOMATION EQUIPMENT FOR USE AT THE DISTRICT'S HYDROELECTRIC FACILITIES AND TRANSMISSION AND DISTRIBUTION SYSTEMS
- 18. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 23-13005) WITH THE CONFEDERATED TRIBES OF THE COLVILLE RESERVATION (CTCR) FOR COST SHARING OF THE DESIGN OF A WHITE STURGEON HATCHERY FACILITY

REGULAR COMMISSION MEETING AGENDA

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19. Surplus Property

Proposed motion: To set a public hearing on November 6, 2023 at the Service Center, 203 Olds Station Road, Wenatchee for the purpose of taking comment on the proposed sale of a portion of the Chelan County PUD headquarters property located at 327 North Wenatchee Avenue determined to be surplus to the District needs and directing staff to publish notice as required by RCW 39.33.020

20. Manager Items

21. Commission Items

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

23. Delegation of Action Items

24. Additional Public Comment

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

26. 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) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING THE SECOND AMENDMENT TO AMENDED AND RESTATED LEASE AND OPERATING AGREEMENT (SA 17-076) WITH THE CITY OF ENTIAT TO PROVIDE MAINTENANCE AND OPERATIONS OF ENTIAT PARK AND ENTIATQUA TRAIL

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14144 dated June 05, 2017, authorized a Lease and Operating Agreement (No. 17-076) with the City of Entiat (“Entiat”) to provide maintenance and operation of Entiat Park and Entiatqua Trail, along with the approval for the District to reimburse Entiat up to \$125,000 each year. The District entered to an Amended and Restated Lease and Operating Agreement (“Agreement”) on July 18, 2019, replacing the 2017 Agreement, and allowing Entiat to use a portion of the District’s annual reimbursement to build a storage shed on District land and to access and maintain the shed. On March 11, 2021, the District and Entiat entered into the First Amendment to the Amended Agreement which allowed Entiat to be reimbursed for small tools and equipment used solely in the operation and maintenance of Entiat Park.

Since 1978, the District has permitted the Entiat Community Historical Society (“Historical Society”) and their predecessors in interest to operate and maintain an old residence and storage building located within the Entiat Park as a museum which has become a community asset. The Historical Society approached the District in 2022 and requested help in funding repairs and maintenance to the museum. Upon review, it has been determined that the museum building is historic in nature and changes may require a permit from the Department of Archeology and Historic Preservation and the buildings must maintain their historic nature.

The District approached Entiat about assuming the maintenance of the museum as part of the operation and maintenance of Entiat Park. On August 10, 2023, the District and Entiat entered into the Second Amendment to the Amended and Restated Lease and Operating Agreement (“Second Amendment”) which: 1) changes the annual monetary contribution to one hundred fifty thousand dollars (\$150,000) per year; 2) provides for the annual contribution to be paid by January 31st each year with Entiat providing a report of expenditures and balance remaining by December 15th; 3) provides that unspent District contributions may be rolled over for use in subsequent years for District approved park improvements; and 4) adds the repair, maintenance and capital improvements to the museum and other enhancements to be considered reimbursable expenses.

District staff recommends that it is in the best interest of the District to ratify the Second Amendment to the Agreement with the City of Entiat for the maintenance and operations of Entiat Park and Entiatqua Trail.

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, as follows:

Section 1. The Commission hereby ratifies the Second Amendment to the Amended and Restated Lease and Operating Agreement (No. 17-076), dated August 10, 2023. A copy of the Second Amendment is on file in the offices of the District.

Dated this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 AND 2, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3 FOR CONTRACT NO. 20-41 WITH MOE ASPHALT PATCHING & SEALCOATING, INC. OF WENACHEE, WASHINGTON FOR DISTRICT WIDE UNIT PRICE ASPHALT/CONCRETE MAINTENANCE

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 February 18, 2021, Bid No. 20-14 for District Wide Unit Price Asphalt/Concrete Placement and Maintenance was advertised for public bid. Moe Asphalt Patching & Sealcoating, Inc. (Contractor) of Wenatchee, Washington was the low bidder and its bid met the District's specifications. On March 18, 2021, the District entered into a contract (Bid No. 20-41) with Contractor in accordance with RCW 54.04.070 and .080. The Contract amount was \$2,364,000. The Contract Term was for an initial three years, with the option for one additional one-year extension.

Field Work Order/Change Orders to be Ratified

The work in Field Work Order Nos. 1 and 2 was within the scope of the contract. The District's staff executed Field Work Order Nos. 1 and 2, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Description	Amount
1	Revise Annual Unit Price Rates	\$0
2	Increase Not-to-Exceed Contract Price	\$450,000
	Total:	\$450,000

Field Work Order Nos. 1 and 2 resulted in a net increase in the Contract amount of \$450,000 for a revised Contract amount of \$2,814,000 (excluding sales tax), which District staff recommends be ratified.

Proposed Field Work Order/Change Order for Approval

Additionally, District Staff recommends execution of FWO/CO No. 3 to extend the contract term to March 29, 2025, and increase the Contract amount by

\$1,600,000 for a revised Contract amount of \$4,414,000. This is the final contract term extension.

The General Manager of the District concurs with staff’s recommendations that Field Work Order/Change Order Nos. 1 and 2 be ratified, and that Field Work Order/Change Order No. 3 be approved.

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. 1 and 2 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. 3 resulting in a revised Contract amount of \$4,414,000 (excluding sales tax) and extend the contract term to March 29, 2025. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 3, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 4 TO CONTRACT NO. 22-12101 WITH PALOUSE POWER, LLC FOR UNIT PRICE ELECTRICAL DOCK CREW

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 September 14, 2022, Bid No. 22-12101 for Unit Price Electrical Dock Crew was advertised for public bid. Palouse Power, LLC (Contractor) of Quincy, Washington was the low bidder and its bid met the District's specifications. On November 14, 2022, the District entered into a contract (Bid No. 22-12101) with Contractor in accordance with RCW 54.04.070 and .080. The Contract Amount was \$1,100,000. The Contract Term was for an initial one-year term with the option for three additional one-year extensions.

Previously Approved Field Work Order/Change Orders

On May 1, 2023, by Resolution 23-14760 the Commission ratified Field Work Order/Change Order No. 1 which added Unit Price Items and further approved Field Work Order/Change Order No. 2 which increased the contract amount by \$1,000,000 for a revised contract amount of \$2,100,000.

Field Work Order/Change Order to be Ratified

The work in Field Work Order No. 3 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. 3, which is on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
3	Add Unit Price Items	\$0
TOTAL		\$0

Field Work Order No. 3 did not change the not to exceed contract price of \$2,100,000 (excluding sales tax), which District staff recommend be ratified.

Proposed Field Work Order/Change Order for Approval

Additionally, District Staff recommends execution of FWO/CO No. 4 to extend the contract term to January 2, 2025, and increase the contract amount by \$2,000,000 for a revised Contract amount of \$4,100,000 (excluding sales tax). This Unit Price Contract can be extended by two additional one-year terms.

The General Manager of the District concurs with staff’s recommendations that Field Work Order/Change Order No. 3 be ratified, and that Field Work Order/Change Order No. 4 be approved.

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 No. 3 was properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change Order is hereby formally acknowledged and ratified.

Section 2. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 4 resulting in a revised Contract amount of \$4,100,000 (excluding sales tax) and extend the contract term to January 2, 2025. Staff may further extend the Contract term without Commission approval within the delegated limits of Resolution 17-14215. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 3 TO SERVICES AGREEMENT (SA NO. 20-
10743) WITH ANCHOR QEA, LLC TO PROVIDE
SHORELINE EROSION CONTROL CONSULTING

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 20-10743) on June 19, 2020, and amended on April 9, 2021 and August 5, 2022, with Anchor QEA, LLC to provide Shoreline Erosion Control Consulting, in an amount not to exceed \$450,000.

District staff has identified the need for additional services for Shoreline Erosion Control Consulting at locations along the Columbia River and Lake Chelan. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 20-10743 with Anchor QEA, LLC in the amount of \$200,000, for a total revised contract price not to exceed \$650,000.

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 an Amendment to Services Agreement (SA No. 20-10743) with Anchor QEA, LLC to provide the additional services identified above. The revised contract price will not exceed \$650,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 20-11011) WITH SCHWEITZER ENGINEERING LABORATORIES, INC. OF PULLMAN, WA TO PROVIDE PROTECTION AND AUTOMATION EQUIPMENT FOR USE AT THE DISTRICT'S HYDROELECTRIC FACILITIES AND TRANSMISSION AND DISTRIBUTION SYSTEMS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 20-14487 dated September 21, 2020 authorized a Services Agreement (SA No. 20-11011) with Schweitzer Engineering Laboratories, Inc., through its sole authorized sales representative in the State of Washington, Peak Measure, Inc., to provide the Protection and Automation Equipment, in an amount not to exceed \$700,000.

District staff has identified the need for additional equipment and services for three primary purposes: ongoing replacement of ageing assets, human machine interface (HMI) devices for unit rehabs, and advances in substation and switchyard data integration. 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 Services Agreement No. 20-11011 with Schweitzer Engineering Laboratories, Inc. to increase the not to exceed amount by \$450,000, for a total revised contract price not to exceed \$1,150,000.

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 an Amendment to Services Agreement (SA No. 20-11011) with Schweitzer Engineering Laboratories, Inc. to provide the additional equipment and services identified above. The revised contract price will not exceed \$1,150,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 23-13005) WITH THE CONFEDERATED TRIBES OF THE COLVILLE RESERVATION (CTCR) FOR COST SHARING OF THE DESIGN OF A WHITE STURGEON HATCHERY FACILITY

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Interlocal Agreements that exceed \$200,000.

Public Utility District No. 1 of Chelan County, Washington (“District”) operates the Rocky Reach Hydroelectric Project under the Terms and Conditions of the Federal Energy Regulatory Commission (FERC) License No. 2145, issued on February 9, 2009. The Rocky Reach FERC License obligates the District to maintain a white sturgeon supplementation program, more generally referenced as the District’s White Sturgeon Mitigation Plan (WSMP).

CTCR is investigating the feasibility and cost of constructing additional space for rearing of white sturgeon at their existing hatchery facility. The District is interested in determining if the CTCR could facilitate a cost-effective execution of the District’s WSMP on a long-term basis. In order to determine if this is possible, District staff propose to fund a portion of a new sturgeon hatchery design with the intent of reserving future white sturgeon rearing capacity (3,000 white sturgeon larvae) if it is cost-effective.

CTCR has hired a contractor to create a design and related cost estimate for the expanded facility. CTCR will administer this contract and the District will be included in the review and comment of the design process, with prescribed design deliverables to the District. Upon design completion, CTCR will deliver to the District a cost proposal to rear up to 3,000 white sturgeon larvae. The District proposes to reimburse CTCR up to, but not exceeding, \$231,267.

It is District staff’s recommendation that it is in the best interest of the District to enter into a Interlocal Agreement with CTCR for the above-described project.

Consistent with Resolution 17-14215, entering this Interlocal Agreement with CTCR must be presented to the Board prior to execution.

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, or his designee, is hereby authorized to enter into and execute on behalf of the District an Interlocal Agreement with the Confederated Tribes of the Colville Reservation to cost share the design of a white sturgeon hatchery facility in an amount not to exceed \$231,267. A copy of the Agreement is on file in the offices of the District.

DATED this 16th day of October 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal