

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

REGULAR COMMISSION MEETING

OCTOBER 18, 2021

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 766-493-045#

****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 – Devin Howe
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. Quarterly Board Balanced Scorecard Status Update
4. 2022 Budget Targets and Major Assumptions
5. Treasury Topics
6. Integrated Resource Plan Load and Resource Forecast
7. Clean Energy Implementation Plan Introduction
8. Introduction to Updated Transmission Practices and Policies

BUSINESS SESSION

1:00 PM

Consent Agenda

9. Minutes of the October 4, 2021 Regular Meeting

10. Vouchers: Accounts Payable Summary Report dated October 13, 2021:

- a. Vouchers totaling \$13,121,468.13;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 29, 2021 through October 12, 2021 in the amount of \$22,713.14.
- c. Approval of the net Payroll, Warrant Nos. 237613 through 237625 and Advice Nos. 722319 through 723116 for the pay period ending September 26 , 2021 in the amount of \$2,263,535.23.
- d. Approval of Warrant Nos. 27976 through 28003 totaling \$5,791.36 for claim payments from the workers' compensation self-insurance fund for the period ending October 11, 2021.

11. A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-01 WITH WHECO CORPORATION OF RICHLAND, WA AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

12. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3 THROUGH 7 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 8 TO CONTRACT 18-26 WITH STELLA-JONES CORPORATION FOR THE PURCHASE OF DISTRIBUTION AND TRANSMISSION POLES

13. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 19-10413) WITH ELECTRICAL CONSULTANTS, INC. TO PROVIDE TRANSMISSION AND DISTRIBUTION ENGINEERING SUPPORT

14. A RESOLUTION FOR APPROVAL OF FIELD WORK ORDER/CHANGE ORDER NO. 1 TO CONTRACT 20-39B WITH KEMP WEST, INC. FOR THE DISTRICT TREE PRUNING 2021-2023

15. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH MICHAEL A. AND MARTHA H. BUCKINGHAM, AND RICHARD BUCKINGHAM FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

16. Manager Items

17. Commission Items

a. WPUA Scholarship Nominee

b. Tri-Commission Meeting

Proposed motion: Move to set a special meeting on Tuesday, November 30, 2021 @ 1:00pm to be held virtually for the purpose of holding a Tri-Commission meeting.

Virtual meeting information will be posted on the PUD website.

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

19. Delegation of Action Items

20. 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.

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)

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDERS NOS. 1, 2, 3 AND 4, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT NO. 20-01 WITH WHECO CORPORATION OF RICHLAND, WA 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 orders under certain circumstances.

On May 14, 2020, the District entered into a contract (Bid No. 20-01) with WHECO Corporation (Contractor) of Richland, WA for Rock Island Powerhouse 2 Headgates Refurbishment, in the amount of \$1,308,600.00. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Orders Nos. 1, 2, 3 and 4 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 Orders Nos. 1, 2, 3 and 4, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Extension of Contract Time for the First Set of Headgates and Replacement of Corroded Hardware	\$9,600.00
2. Headgate Lower Wedge Seal Offset Modifications	\$8,000.00
3. Additional Welding Repairs Cost	\$6,525.00
4. Additional Welding Repairs Cost and Reconciliation for Unit Price Item	\$15,486.00
Total	\$39,611.00

Field Work Orders Nos. 1, 2, 3 and 4 results in a net increase in the contract price of \$39,611.00, for a new revised total price of \$1,348,211.00 (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 09/29/2021. 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 Orders Nos. 1, 2, 3 and 4 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 Orders Nos. 1, 2, 3 and 4 to Contract No. 20-01 with WHECO Corporation for the work specified above, which will result in a net increase in the purchase price of \$39,611.00, for a total revised contract price of \$1,348,211.00, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Contract No. 20-01 was completed on 09/29/2021 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 18th day of October 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 3 THROUGH 7 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 8 TO CONTRACT 18-26 WITH STELLA-JONES CORPORATION FOR THE PURCHASE OF DISTRIBUTION AND TRANSMISSION POLES

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 orders under certain circumstances.

On June 26, 2018, the District entered into a contract (Bid No. 18-26) with Stella-Jones Corporation of Tacoma, Washington for the purchase of Distribution and Transmission Poles in the amount of \$829,135. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The bid by the Contractor was the low bid and met the District's specifications.

On October 21, 2019 by Resolution 19-14391, the District Commission approved Field Work Order/Change Order No. 1-2 for Bid 18-26. This resulted in an increase of \$750,000, for a revised not to exceed contract price of \$1,579,135.

The work in Field Work Order/Change Order Nos. 3 through 7 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 Nos. 3 through 7, which are on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
3	Contractor name change.	\$0
4	Extended completion date.	\$0
5	Updated unit pricing.	\$0
6	Increased contract price.	\$475,000
7	Updated unit pricing.	\$0
Total		\$475,000

Field Work Order Nos. 3 through 7 result in a net increase in the not to exceed contract price for a new revised not to exceed contract price of \$2,054,135.00 (excluding sales tax), which the District's Engineers recommend be ratified.

District staff recommends and is seeking Board approval to execute Field Work Order/Change Order No. 8 to add additional funds of \$400,000, for a revised not to exceed contract price of \$2,454,135 (excluding sales tax).

The General Manager of the District concurs with staff's recommendations that Field Work Order Nos. 3 through 7 be ratified, and that Field Work Order/Change Order No. 8 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. 3 through 7 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Orders are hereby formally acknowledged and ratified.

Section 2. The General Manager of the District, or his delegee, is hereby authorized to execute Field Work Order/Change Order No. 8, increasing the contract price by \$400,000 for a revised not to exceed contract price of \$2,454,135.00. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 18th day of October 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 2 TO SERVICES AGREEMENT (SA NO. 19-
10413) WITH ELECTRICAL CONSULTANTS, INC.
TO PROVIDE TRANSMISSION AND
DISTRIBUTION ENGINEERING SUPPORT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 19-10413) on December 23, 2019 with Electrical Consultants, Inc. to provide Transmission and Distribution Engineering Support, in an amount not to exceed \$450,000.

District staff has identified the need for continued services for transmission and distribution engineering support. 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. 19-10413 with Electrical Consultants, Inc. in the amount of \$600,000, for a total revised contract price not to exceed \$1,050,000.

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. 2 to Services Agreement (SA No. 19-10413) with Electrical Consultants, Inc. to provide the continued services identified above. The revised contract price will not exceed \$1,050,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 18th day of October 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION FOR APPROVAL OF FIELD
WORK ORDER/CHANGE ORDER NO. 1 TO
CONTRACT 20-39B WITH KEMP WEST, INC. FOR
THE DISTRICT TREE PRUNING 2021-2023

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 January 11, 2021, the District entered into a contract (Bid No. 20-39) with Kemp West, Inc. of Snohomish, Washington for the District Tree Pruning 2021-2023 in the amount not to exceed \$500,000. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The bid by the Contractor was the second low bid and met the District's specifications, and was awarded secondary awardee status.

District staff recommends and is seeking Board approval to execute Field Work Order/Change Order No. 1 to add additional funds of \$1,000,000 for a revised not to exceed contract price of \$1,500,000 (excluding sales tax).

The General Manager of the District concurs with staff's recommendations.

ACTION

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

Section 1. The General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 1, adding an additional \$1,000,000.00 for a revised not to exceed contract price of \$1,500,000. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 18th day of October 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH MICHAEL A. AND MARTHA H. BUCKINGHAM, AND RICHARD BUCKINGHAM FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

FACTUAL BACKGROUND AND REASONS FOR ACTION

District entered into a Relocation Agreement dated May 13, 1958 with Washington State Highway Commission for relocation of old Primary Highway 10 as part of District's plan to build Rocky Reach Hydroelectric Project, subject to certain terms and conditions including District's filing of a condemnation suit and a decree of public use entered by a court.

District filed a condemnation suit in Chelan County Superior Court, Cause No. 20334 and the court entered an order authorizing the District to inundate those described lands including streets and alleys in the town of Entiat, which included portions of old Primary Highway 10.

District received title to District Property from Washington State by Quit Claim Deed dated February 2nd, 1965, recorded under Chelan County Auditor No. 631729 after Washington State Highway Commission passed Resolution 1084 abandoning Primary Highway 10 and relocated and reestablished pursuant to contract with District.

Pursuant to Ordinance No. 101 on January 27, 1961 City of Entiat approved vacation of Cairns Street, formerly known as a portion of old Primary Highway 10.

However, Entiat did not have the right to vacate old Primary Highway 10 because title was vested in the State of Washington, subject to the 1958 Relocation Agreement and Chelan County Superior Court Order under Cause No. 20334 authorizing District condemnation and inundation of such lands.

Michael A. and Martha H. Buckingham and Richard Buckingham ("Purchaser") believed they owned that portion of the old Primary Highway 10 that was vacated by Entiat and which was attached to their property by the Chelan County Assessor's Office by an apparent erroneous application of operation of law ("Disputed Area").

The District and Purchaser, in settlement of any disagreement regarding the Disputed Area have entered in to a Purchase and Sale Agreement dated September 29, 2021 for the Disputed Area in the amount of \$13,776.48, contingent on approval of the Chelan County PUD Board of Commissioners.

Staff recommends approval of the Purchase and Sale Agreement with the Purchaser be approved, and the General Manager directed to take the necessary steps to close the transaction. 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, as follows:

Section 1. The Purchase and Sale Agreement with Michael A. and Martha H. Buckingham and Richard Buckingham for the described real property in this Resolution in the amount of \$13,776.48, is hereby approved and the General Manager or his designee is hereby authorized to take such further steps as may be required to complete the transaction.

Section 2. The Purchase and Sale Agreement will be on file in the offices of the PUD.

DATED this 18th day of October 2021.

ATTEST:	_____ President
_____ Vice President	_____ Secretary
_____ Commissioner	_____ Commissioner

Seal