

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

REGULAR COMMISSION MEETING

NOVEMBER 15, 2021

Public participation will be by phone only

Dial: 253-999-5697

Meeting ID: 211-312-424#

****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 – Rachel Hansen
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. Quarterly Energy Resources Update
5. Electric Vehicle Rate
6. Fees and Charges Update
7. Transmission Tariff Update

BUSINESS SESSION

1:00 PM

8. Public Hearing - 2022 Budget Update

Consent Agenda

9. Minutes of the November 1, 2021 Regular Meeting

10. Vouchers: Accounts Payable Summary Report dated November 10, 2021:

- a. Vouchers totaling \$9,254,008.22;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 27, 2021 through November 9, 2021 in the amount of \$67,324.12.
- c. Approval of the net Payroll, Warrant Nos. 237642 through 237655 and Advice Nos. 723914 through 724700 for the pay period ending October 24, 2021 in the amount of \$2,293,372.80.
- d. Approval of Warrant Nos. 28062 through 28084 totaling \$29,647.93 for claim payments from the workers' compensation self-insurance fund for the period ending November 8, 2021.

Regular Agenda

11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER INTERAGENCY AGREEMENT SA NO. 15-123 WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO OPERATE THE FISH HATCHERY PROGRAMS REQUIRED IN THE LICENSES FOR THE ROCKY REACH, ROCK ISLAND, AND LAKE CHELAN HYDROELECTRIC PROJECTS
12. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO INTERAGENCY SERVICES AGREEMENT (SA NO. 19-10432) WITH WASHINGTON STATE DEPARTMENT OF FISH AND WILDLIFE TO PROVIDE HATCHERY MONITORING AND EVALUATION SERVICES
13. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 20-11236) WITH THE WASHINGTON DEPARTMENT OF FISH AND WILDLIFE FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION
14. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 20-11320) WITH THE BUREAU OF LAND MANAGEMENT FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION
15. A RESOLUTION DECLARING THAT NO BIDS WERE RECEIVED FOR RI PH2 ROOF LIFTING STRUCTURE (BID NO. 21-SW10) AND AUTHORIZING THE PROJECT BE OBTAINED BY NEGOTIATION
16. A RESOLUTION DECLARING OILS AMERICA CORPORATION OF PLYMOUTH, MICHIGAN AS THE SOLE SOURCE SUPPLIER OF WICKET GATE STEM BUSHINGS FOR ROCKY REACH C1-C7
17. Manager Items

REGULAR COMMISSION MEETING AGENDA

November 15, 2021

Page 3

18. Commission Items

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

20. Delegation of Action Items

21. 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.*

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

23. 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 AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER INTERAGENCY AGREEMENT SA NO. 15-123 WITH WASHINGTON DEPARTMENT OF FISH AND WILDLIFE TO OPERATE THE FISH HATCHERY PROGRAMS REQUIRED IN THE LICENSES FOR THE ROCKY REACH, ROCK ISLAND, AND LAKE CHELAN HYDROELECTRIC PROJECTS

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14215 requires that the Commission, by resolution, authorize amendments to agreements for services provided by another governmental entity that increase the authorized amounts above \$200,000.

Public Utility District No. 1 of Chelan County, Washington (District) owns and operates the Rocky Reach, Rock Island, and Lake Chelan Hydroelectric Projects. The District's operation of these projects is governed by the licenses granted by the Federal Energy Regulatory Commission (FERC). These licenses require the District, or its designated agents, to operate hatchery facilities to meet fish production obligations.

The District has a current agreement (SA No. 15-123) with the Washington Department of Fish and Wildlife (WDFW) to operate its hatcheries to meet FERC production obligations through December 31, 2022. Resolutions 15-13996, 16-14101, 17-14206, 18-14304, 19-14399, and 20-14503 authorized the original agreement and individual task authorizations on an annual basis. The current agreement provides for annual reviews of the tasks to be performed by WDFW to ensure compliance with FERC obligations and continued cost-effectiveness. District staff also reviews billings and work completed prior to making any payments. Current individual task authorizations for 2021 will expire on December 31, 2021.

Based on historic performance and the evaluation of proposed future services, District staff have determined that (1) WDFW is a qualified contractor capable of operating the District's hatcheries to produce fish and meet the District's FERC production obligations and (2) that the costs proposed by WDFW for their services are fair and reasonable. District staff recommends entering into new task authorizations with WDFW to continue required hatchery operations through December 31, 2022. The total negotiated cost of task authorizations for the service of hatchery operations to be provided by WDFW from January 1, 2022 through December 31, 2022 shall not exceed \$3,439,253.

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 execute individual task authorizations under interagency agreement SA No. 15-123 with WDFW to provide the services identified above in an amount not to exceed \$3,439,253 for services through December 31, 2022, without prior Commission approval. A copy of the agreement and task authorizations with WDFW are on file in the offices of the District.

DATED this 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 2 TO INTERAGENCY SERVICES AGREEMENT
(SA NO. 19-10432) WITH WASHINGTON STATE
DEPARTMENT OF FISH AND WILDLIFE TO
PROVIDE HATCHERY MONITORING AND
EVALUATION SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$200,000.

The Rock Island and Rocky Reach Habitat Conservation Plans (HCPs) require the District, or its designated agents, to monitor and evaluate the success of the District's hatchery programs and provide information to the District and the HCP Hatchery Committees to adaptively manage these programs. On November 18, 2019, by Resolution No. 19-14400, the Commission of the District approved an Interagency Services Agreement (SA No. 19-10432) with Washington State Department of Fish and Wildlife ("WDFW") to provide hatchery monitoring and evaluation services, in an amount not to exceed \$1,093,205.

On December 7, 2020, by Resolution No. 20-14504, the Commission of the District authorized Amendment No. 1 increasing the not to exceed amount by \$1,141,969 for a new not to exceed amount of \$2,235,174.

District staff has identified the need for continued hatchery monitoring and evaluation services. District staff recommends that it is in the best interest of the District to amend Interagency Services Agreement No. 19-10432 with WDFW to extend the expiration date through December 30, 2022 and increase the not to exceed amount by \$1,167,673 for a total revised contract price not to exceed \$3,402,847.

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 Interagency Services Agreement No. 19-10432 with WDFW to provide continued hatchery monitoring and evaluation services identified above. The revised contract price will not exceed \$3,402,847 through December 30, 2022, without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (NO. 20-11236) WITH THE WASHINGTON DEPARTMENT OF FISH AND WILDLIFE FOR ROCKY REACH LICENSE WILDLIFE HABITAT IMPLEMENTATION

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 develop a Wildlife Habitat Management Plan (WHMP) for FERC approval every 5 years and contains Articles from the Settlement Agreement to reimburse the Washington Department of Fish and Wildlife (WDFW) for wildlife habitat improvements completed under a WHMP Funding amount that are also specified in the Rocky Reach Settlement Agreement. The most recent Rocky Reach WHMP (2021-2025) was approved by FERC on June 9, 2021.

As prescribed in the Rocky Reach Settlement Agreement and under the approved WHMP, the District is obligated to make \$314,000 available (which includes annual inflation estimates from 2021-2025) to reimburse WDFW for habitat improvements made on WDFW lands within the Rocky Reach Wildlife Area from 2021 through 2025.

Per the Rocky Reach operating license, the Settlement Agreement, and the approved WHMP (2021-2025), the District is obligated to provide funding and to enter into Interlocal Agreement No. 20-11236 with WDFW to implement the approved WHMP (2021-2025).

Consistent with Resolution 17-14215, entering this Interlocal Agreement with WDFW 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 Cooperative Agreement with the Washington Department of Fish and Wildlife to implement wildlife improvement measures consistent with the approved Rocky Reach Wildlife Habitat

Management Plan (2021-2025) in an amount not to exceed \$314,000 through December 31, 2025. A copy of the Agreement is on file in the offices of the District.

DATED this 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO ENTER INTO AN INTERLOCAL
AGREEMENT (NO. 20-11320) WITH THE BUREAU OF
LAND MANAGEMENT FOR ROCKY REACH
LICENSE WILDLIFE HABITAT IMPLEMENTATION

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 develop a Wildlife Habitat Management Plan (WHMP) for FERC approval every 5 years and contains Articles from the Settlement Agreement to reimburse the Bureau of Land Management (BLM) for wildlife habitat improvements completed under a WHMP Funding amount that are also specified in the Rocky Reach Settlement Agreement. The most recent Rocky Reach WHMP (2021-2025) was approved by FERC on June 9, 2021.

As prescribed in the Rocky Reach Settlement Agreement and under the approved WHMP, the District is obligated to make \$664,000 available (which includes annual inflation estimates from 2021-2025) to reimburse the BLM for habitat improvements made on BLM lands within the Rocky Reach Wildlife Area from 2021 through 2025.

Per the Rocky Reach operating license, the Settlement Agreement, and the approved WHMP (2021-2025), the District is obligated to provide funding and to enter into Interlocal Agreement No. 20-11320 with the BLM to implement the approved WHMP (2021-2025).

Consistent with Resolution 17-14215, entering this Interlocal Agreement with BLM 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 Cooperative Agreement with the Bureau of Land Management to implement wildlife improvement measures consistent with the approved Rocky Reach Wildlife Habitat Management

Plan (2021-2025) in an amount not to exceed \$664,000 through December 31, 2025. A copy of the Agreement is on file in the offices of the District.

DATED this 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION DECLARING THAT NO BIDS WERE RECEIVED FOR RI PH2 ROOF LIFTING STRUCTURE (BID NO. 21-SW10) AND AUTHORIZING THE PROJECT BE OBTAINED BY NEGOTIATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

The 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.

District staff prepared bidding documents for RI PH2 Roof Lifting Structure (Bid 21-SW10).

Sealed proposals were invited and published in accordance with RCW 54.04.070 and said bids were allowed until November 9, 2021, at 2:15 pm Pacific Time in the offices of the District. No bids were received pursuant to that invitation.

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 RI PH2 Roof Lifting Structure project 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. No bids were received to furnish RI PH2 Roof Lifting Structure (Bid No. 21-SW10). District staff is authorized to obtain RI PH2 Roof Lifting Structure 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 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION DECLARING OILES AMERICA CORPORATION OF PLYMOUTH, MICHIGAN AS THE SOLE SOURCE SUPPLIER OF WICKET GATE STEM BUSHINGS FOR ROCKY REACH C1-C7 (NO. 21-11885)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Oiles America Corporation brand Wicket Gate Stem Bushings are currently installed on all Rocky Reach units and have been in service for approximately 20-25 years without significant issues. The Oiles America Corporation metallic self-lubricating bushings and their embedded solid lubricants are proprietary to Oiles America Corporation and not available from any other manufacturer.

The District's Engineering and Project Management team has determined that the existing wicket gate bushings in C1-C7 are likely nearing the end of their expected life. Oiles America Corporation Wicket Gate Stem Bushings are necessary to ensure continued efficient operation at Rocky Reach C1-C7.

Pursuant to RCW 54.04.070 and 39.04.280, the District may, when there is clearly and legitimately a sole source of supply, waive the statutory competitive bidding requirements otherwise applicable to the purchase of equipment. Resolution No. 17-14215 requires that a declaration for sole source purchases over the statutory limits (\$60,000 per month) must come before the Commission for action.

District staff has determined that it would be in the best interest of the District to designate Oiles America Corporation as the sole source supplier for the Wicket Gate Stem Bushings in an amount not to exceed \$162,000.00 (excluding taxes). Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

The General Manager has reviewed staff's recommendations 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 Commission declares Oiles America Corporation to be the sole source supplier for the Rocky Reach C1-C7 Wicket Gate Stem Bushings.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Oiles America Corporation as the sole source supplier for the Wicket Gate Stem Bushings.

Section 3. The General Manager or his designee is authorized to enter into a purchase contract with Oiles America Corporation for the purchase of the Wicket Gate Stem Bushings at a cost not to exceed \$162,000.00 (excluding taxes) without prior Commission approval. A copy of the contract will be on file in the offices of the District.

Dated this 15th day of November 2021.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal