

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

REGULAR COMMISSION MEETING

NOVEMBER 19, 2018

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety Minute – Vicky Nordentoft
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. Quarterly Projects, Contracts, and Project Revisions Update
6. Horan Property Transactions
Proposed motion: Chelan County PUD Board of Commissioners hereby set a public hearing to take comment on December 3, 2018 at ten o'clock a.m. for the purpose of the proposed sale of Chelan County PUD Confluence Technology Center (CTC) Condominium Units LL1, 201 and related Limited Common Elements, along with two generators, two cooling towers and related appurtenances, as part of an intergovernmental disposition between Chelan County PUD and the Port of Chelan County, and directing staff to publish public notice as required by RCW 39.33.020
7. Fees and Charges Update
8. Advanced Metering RFP Update

BUSINESS SESSION

1:00 PM

9. Public Hearing – Cryptocurrency Rate & Moratorium
10. Public Hearing – 2019 Preliminary Budget Presentation

Consent Agenda

11. Minutes of the November 5, 2018 Special Meeting and November 5, 2018 Regular Meeting

12. Vouchers: Accounts Payable Summary Report dated November 14, 2018:

- a. Vouchers totaling \$6,087,646.72;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 31, 2018 through November 13, 2018 in the amount of \$14,420.68.
- c. Approval of the net Payrolls, Warrant Nos. 236231 through 236252 and Advice Nos. 662849 through 663624 for the pay period ending 10/28/2018 in the amount of \$2,054,583.31; and
- d. Approval of Warrant Nos. 24973 through 25007 totaling \$35,578.96 for claim payments from the workers' compensation self-insurance fund for the period ending November 13, 2018.

13. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT 16-175 (INTERNALLY ASSOCIATED WITH 16-01) WITH CACHE VALLEY ELECTRIC COMPANY OF SALT LAKE CITY, UT AND AUTHORIZING PAYMENT OF RETAINAGE

Regular Agenda

14. A RESOLUTION APPROVING BIDDING DOCUMENTS FOR (BID NO. 18-67) FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

15. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 2 TO CONTRACT NO. 16-93 WITH ELECTRIC RESEARCH & MANUFACTURING COOPERATIVE FOR SUPPLY OF OVERHEAD AND UNDERGROUND TRANSFORMERS

16. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 4 TO CONTRACT NO. 16-81 WITH RAYFIELD BROS. EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

17. A RESOLUTION AUTHORIZING CONTINUATION OF SERVICES UNDER SERVICE AGREEMENT (SA NO. 13-028) WITH NORTHWEST OPEN ACCESS NETWORK (NOANET) TO PROVIDE NETWORK OPERATIONS CENTER SERVICES

18. Manager Items

19. Commission Items

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

21. Delegation of Action Items

22. 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.

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

24. 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 consider 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 pursuant to RCW 42.30.110(1)(a)(ii), 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).

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1, 2, AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER CONTRACT 16-175 WITH CACHE VALLEY ELECTRIC COMPANY OF SALT LAKE CITY, UT AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 17-14152 on June 26, 2017 which authorized the District to enter into a contract (Contract 16-175/Bid No. 16-01) with Cache Valley Electric Company of Salt Lake City, UT for the CCTV Camera System Replacement and Support project, in the amount of \$2,027,830.38. The authorized Contact Price includes a contingency amount of \$39,761.38.

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. 1-3 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 Nos. 1-3, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Adjusts scope of work by adding additional cameras at guard stations, adding one additional view client work station and adding cabling for infrastructure components. Increase of \$20,187.71. Contingency absorbs amount (2% Contingency included in original Contract Price)	\$0
2. Adjusts scope of work to add purchase of a firewall switch, Credit from the contractor for return of directory servers not required for the project, and one additional client work station. Increase of \$8,440.76. Contingency absorbs amount (2% Contingency included in original Contract Price)	\$0
3. Adjusts scope of work by adding and removing various security components. Removed unused unit price items Decrease of \$9,604.91. Contingency absorbs partial increase amount (2% Contingency included in original Contract Price)	-\$9,604.91

Total	-\$9,604.91
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Field Work Order Nos. 1-3 results in a net decrease of \$9,604.91 in the contract price resulting in a new revised total price of \$2,018,225.40 (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 20, 2018. 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. 1-3 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. 1-3 to Contract 16-175/Bid No. 16-01 with Cache Valley Electric Company for the work specified above, which will result in a net decrease in the purchase price of \$9,604.91, for a total revised contract price of \$2,018,225.40, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Contract 16-175/Bid No. 16-01 was completed on September 20, 2018 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 19th day of November 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING BIDDING DOCUMENTS FOR (BID NO. 18-67) FOR 28 MVA, 115/12.47 KV SUBSTATION POWER TRANSFORMERS AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

Construction of a new electric substation is planned for 2019 to support long term growth and enhance reliability in the Olds station area. Two (2) power transformers will be installed in this substation and will be the initial purchase of this bid. In 2020, construction of a new substation near Chelan and an expansion and reconstruction of the Wenatchee substation are planned. As a result, four (4) additional power transformers will be needed in 2020. A new substation in Leavenworth is planned for construction in 2021. This substation will be designed to be expanded, but will initially require one (1) power transformer.

A power transformer is a key component of an electric substation. Due to long lead times associated with procurement of large power transformers, it is desirable to optionally purchase up to five (5) additional identical power transformers in future years from the successful bidder (for a total of seven (7) power transformers) when in the District's best interests. Unit costs for the optional additional power transformers will be based on the bid unit costs for the initial two (2) transformers, and will be escalated using the change in the Producer Price Index for Power Transformer Manufacturers when additional units are shipped.

The estimated price of each transformer is \$700,000 (\$1,400,000 for the initial two (2) units). If a total of seven (7) transformers are ultimately purchased, the total estimated initial price is \$4,900,000.

Resolution No. 17-14215 requires Commission approval of bids and authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 18-67, including specifications have been prepared by the District and are on file in the offices of the District.

District staff recommends that Bid No. 18-67 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. 18-67) for the 28 MVA, 115/12.47 kV Substation Power Transformers are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said material.

DATED this 19th day of November 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK
ORDER NO. 1 AND APPROVING FIELD WORK
ORDER/CHANGE ORDER NO. 2 TO CONTRACT
NO. 16-93 WITH ELECTRIC RESEARCH &
MANUFACTURING COOPERATIVE FOR SUPPLY
OF OVERHEAD AND UNDERGROUND
TRANSFORMERS

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. Authority was also granted to the General Manager and the staff to execute field work orders under certain circumstances.

Resolution No. 17-14131 dated May 1, 2017, approved the award of Bid 16-93 to Electric Research & Manufacturing Cooperative of Dyersburg, TN. On May 12, 2017, the District entered into a contract with Electric Research & Manufacturing Cooperative of Dyersburg, TN for the Supply of Overhead and Underground Transformers in the amount of \$826,515. 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 lowest bid that met the District's specifications. The contract also allows for additional terms, up to twenty-four additional months.

Field Work Order/Change Order No. 1 consisted of a one-year extension, and additional funds to purchase transformers through 2018. The District's staff executed Field Work Order/Change Order No. 1 on December 20, 2017, under delegated authorities of Resolution 08-13325 in effect at the time. The Field Work Order/Change Order is on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
1	Extend contract for one year and add funds for purchases during that extension.	\$782,000
Total		\$782,000

Field Work Order/Change Order No. 1 resulted in a net increase in the contract price for a new revised total of \$1,608,515 (excluding sales tax), which the District's Engineers recommend be ratified.

Effective January 1, 2017, the District Commission by Resolution No. 17-14215 revised delegated authorities to the General Manager and the staff to execute field work order/change orders under certain circumstances. Resolution No. 17-14215 requires that when the cumulative value of the Field Work Order/Change Orders

result in an actual or expected net increase to the original contract price of more than \$500,000 the Field Work Order/Change Order requires prior approval by the Commission.

District staff desires to execute Field Work Order/Change Order No. 2 for an additional one-year extension of the Contract, and contract price increase in the amount of \$800,000, which will result in a new revised total \$2,408,515.

The General Manager of the District concurs with staff's recommendations that Field Work Order No. 1 be ratified, and that Field Work Order/Change Order No. 2 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. 1 was properly executed pursuant to the authority delegated by Resolution No. 08-13325 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. 2. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 19th day of November 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 3, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 4 TO CONTRACT NO. 16-81 WITH RAYFIELD BROS. EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

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 December 22, 2016, the District entered into a contract (Bid No. 16-81) with Rayfield Bros. Excavating, Inc. of Leavenworth, Washington for Unit Price Excavation Services in the amount of \$426,258.00. 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.

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

FWO/CO No.	Description	Amount
1	One year contract extension and increase not to exceed amount	\$434,783.16
2	Amend Specific Requirements 1	0
3	Add Unit Price Item: 500 Gallon Vac Tron	\$12,342.00
Total		\$447,125.16

Field Work Order Nos. 1 through 3 result in a net increase in the Contract Price for a revised not to exceed Contract Price of \$873,383.16 (excluding sales tax), which the District's Engineers recommend be ratified.

Additionally, District Staff desires to execute FWO/CO No. 4 to extend the Contract Term by one additional year and increase the not to exceed amount by \$900,000 for a revised not to exceed Contract Price of \$1,773,383.16.

The General Manager of the District concurs with staff's recommendations that Field Work Order Nos. 1 through 3 be ratified, and that Field Work 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 Nos. 1 through 3 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 is hereby authorized to execute Field Work Order/Change Order No. 4. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 19th day of November 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING CONTINUATION
OF SERVICES UNDER SERVICE AGREEMENT (SA
NO. 13-028) WITH NORTHWEST OPEN ACCESS
NETWORK (NOANET) TO PROVIDE NETWORK
OPERATIONS CENTER SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 12-13770 dated December 17, 2012 authorized a Services Agreement (SA No. 13-028) with NOANET to provide network operations center services, in an amount not to exceed \$1,038,149.88 for up to six years.

Resolution 16-14082 dated November 7, 2016 added additional funds, revising the not to exceed amount to \$1,124,549.88, and continued the service through December 31, 2018.

District staff recommends continuation of services under Service Agreement No. 13-028 with NoaNet to provide network operations services through June 30, 2019, and adding additional funds in the amount of \$84,000, which will result in a new not to exceed amount of \$1,208,549.88 for services through June 30, 2019.

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. District staff is hereby authorized to expend up to \$84,000, in addition to the previously authorized funds, through June 30, 2019 under Services Agreement (SA No. 13-028) with NoaNet to provide continued network operations center services. The revised authorized amount will not exceed \$1,208,549.88 without prior Commission approval.

DATED this 19th day of November 2018.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal