

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

**REGULAR COMMISSION MEETING**

**NOVEMBER 21, 2022**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety/HPI Minute – Hardy Thayer
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. Fifth Street Redevelopment Options
5. Quarterly Electrical Load Growth Update
6. Quarterly Energy Resources Update
7. Transmission Contracting and Policy Development Updates
8. Public Comment

**BUSINESS SESSION**

**1:00 PM**

9. Public Hearing: 2023 Budget Hearing #2

**Consent Agenda**

10. Minutes of the November 7, 2022 Regular Meeting
11. Vouchers: Accounts Payable Summary Report dated November 16, 2022:
  - a. Vouchers totaling \$13,570,357.17;
  - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 2, 2022 through November 15, 2022 in the amount of \$71,743.88.

- c. Approval of the net Payroll, Warrant Nos. 237986 through 237996 and Advice Nos. 745517 through 746324 for the pay period ending November 6, 2022 in the amount of \$ 2,490,181.48.
- d. Approval of Warrant Nos. 28943 through 28982 totaling \$26,010.89 for claim payments from the workers' compensation self-insurance fund for the period ending November 14, 2022.

**Regular Agenda**

- 12. A RESOLUTION DECLARING NOKIA OF AMERICA CORPORATION, AS THE CONTINUING SOLE SOURCE OF CERTAIN FIBER TO THE PREMISES EQUIPMENT; WAIVING THE BIDDING REQUIREMENTS; APPROVING ADDITIONAL EXPENDITURES; AND AUTHORIZING THE DISTRICT TO EXTEND THE DISTRICT'S EXISTING CONTRACT FOR THE PURCHASE OF SAID EQUIPMENT AND SUPPORT SERVICES
- 13. A RESOLUTION RESTATING AND REVISING POLICIES AND DELEGATING AUTHORITY REGARDING REAL ESTATE TRANSACTIONS AND EXECUTION OF REAL ESTATE DOCUMENTS, LICENSES AND PERMITS
- 14. A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO SERVICES AGREEMENT (SA NO. 22-12254) WITH WILLAMETTE CULTURAL RESOURCES ASSOCIATES TO PROVIDE CULTURAL RESOURCES SUPPORT FOR CONSTRUCTION OF THE NEW SERVICE CENTER
- 15. Manager Items
- 16. Commission Items
- 17. Follow-up on Delegation of Action Items from Previous Board Meeting
- 18. Delegation of Action Items
- 19. 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.*
- 20. Matters of general business as may necessarily come before the Commission

REGULAR COMMISSION MEETING AGENDA

November 21, 2022

Page 3

21. 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 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), to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price, as authorized by RCW 42.30.110(1)(c), and to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g) for \_\_\_ minutes

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

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

A RESOLUTION DECLARING NOKIA OF AMERICA CORPORATION, AS THE CONTINUING SOLE SOURCE OF CERTAIN FIBER TO THE PREMISES EQUIPMENT; WAIVING THE BIDDING REQUIREMENTS; APPROVING ADDITIONAL EXPENDITURES; AND AUTHORIZING THE DISTRICT TO EXTEND THE DISTRICT'S EXISTING CONTRACT FOR THE PURCHASE OF SAID EQUIPMENT AND SUPPORT SERVICES

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District has been in the process of developing, designing, constructing and updating telecommunications facilities ("Facilities") as authorized by RCW 54.16. As part of the process of developing, designing, testing and implementing a design of its Facilities, the District determined the Facilities should be designed using standards-based Passive Optical Network (PON) technology and single strand optical fiber delivery.

Pursuant to Resolution No. 03-12454, the District waived the competitive bidding requirements. Pursuant to the resolution the District entered into sole source Contract No. 03-33 with Alcatel-Lucent USA, Inc. ("Alcatel") for the purchase of Optical Access Equipment and Services, including but not limited to, network terminating equipment manufactured by Alcatel that implemented a standards-based PON technology and single strand optical fiber delivery. Contract No. 03-33 ("Contract") was established between the District and Alcatel on December 3, 2003 for an amount not to exceed \$15,000,000 over four years with expenditures approved annually in the budget.

In 2007, Resolution No. 07-13228 continued the declaration of sole source and extended the Contract preserving the original terms and Amendments to that date, through December 31, 2011 with no change to the original \$15,000,000 authorization. In May of 2011, pursuant to Resolution No. 11-13649, additional funding in the amount of \$800,000 was authorized, along with continued sole source declaration, bringing the total to \$15,800,000. Later that year in 2011, the Board approved Resolution No. 11-13696 authorizing the District to extend the Contract for up to an additional two years, and added funding of \$3,000,000 for a revised amount of \$18,800,000. On December 16, 2013, the Board continued the declaration of sole source and authorized extension of the Contract with Alcatel on the same Contract terms, along with all Amendments for an additional five years and added funding of \$6,875,000 for a revised not-to-exceed amount of \$25,675,000. In 2014, the Board declared Alcatel as the sole source supplier of Optical Access Equipment using standards based on PON technology and single strand fiber optic delivery and authorized an additional \$3,200,000 through Resolution No. 14-13879 for the

upgrade of the BPON system bringing the total not-to-exceed amount to \$28,875,000 through December 31, 2018. On December 18, 2017, Resolution No. 17-14210 continued the declaration of sole source and extended the Contract with Alcatel for an additional four years and added funding of \$9,120,000 for a total not-to-exceed amount of \$37,995,000 in order to continue to expand, operate and maintain the system through 2022.

On January 1, 2018, the legal name of Alcatel-Lucent USA, Inc. changed to Nokia of America Corporation (Nokia).

Since the passage of Resolution 17-14210, District staff have reviewed the budget and updated estimates for the Contract and estimate an additional \$3,800,000 will be required to expand, operate, and maintain the system through 2027, bringing the total not-to-exceed Contract amount to \$41,795,000.

The Contract has been managed by amendments consisting of adding, modifying, and removing certain equipment in the Exhibit A, as well as adding, removing, and altering the level and scope of maintenance and support for Nokia equipment, but all within the scope of the Contract through Amendments 1 through 49.

District staff has concluded that, with no other vendor manufacturing equipment interoperable with the existing Nokia equipment, the only source of Fiber to the Premises Equipment using standards-based PON technology and single strand fiber optic delivery is that manufactured and sold by Nokia.

District staff and Nokia have negotiated an extension of the existing Contract for an additional five years for District purchase of the Fiber to the Premises Equipment at the lowest price Nokia would offer the Equipment to any other person or entity purchasing similar quantities.

District staff recommends that it would be in the District's best interests to authorize up to an additional \$3,800,000 for a total not-to-exceed amount of \$41,795,000 to buy equipment, warranty, and ongoing support services for the fiber expansion and core system capital projects, and to designate Nokia as the continuing sole source supplier for the Fiber to the Premises Equipment under Contract 03-33 through December 31, 2027. The expenditures in each year shall be approved in the annual budget. Staff also recommends that the bid requirements and alternative competitive negotiation requirements as authorized by RCW 54.04.070, RCW 39.04.280 and RCW 39.04.270, be waived.

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 Commission declares Nokia to be the continuing sole source supplier for Fiber to the Premises Equipment, for the District’s telecommunications Facilities using standards-based PON technology and single strand fiber optics delivery.

Section 2. The Commission hereby waives the bid requirements and alternative competitive negotiation requirements as authorized by RCW 54.04.070, RCW 39.04.280 and RCW 39.04.270, are hereby waived due to the designation of Nokia as the continuing sole source supplier for Fiber to the Premises Equipment.

Section 3. The Commission authorizes up to an additional \$3,800,000, for a total not-to-exceed amount of \$41,795,000 for Contract No. 03-33 with Nokia of America Corporation through 2027.

Section 4. The General Manager of the District or his designee is hereby authorized and directed to execute an extension of the existing Contract with Nokia for the purchase of the Fiber to the Premises Equipment, warranty and support services in a total amount for Contract 03-33 not to exceed \$41,795,000. A copy of the Contract will be on file in the offices of the District.

DATED this 21st day of November 2022.

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President

ATTEST:

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Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

Seal

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

A RESOLUTION RESTATING AND REVISING  
POLICIES AND DELEGATING AUTHORITY  
REGARDING REAL ESTATE TRANSACTIONS AND  
EXECUTION OF REAL ESTATE DOCUMENTS,  
LICENSES AND PERMITS**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The Commission of the District has previously adopted and modified policies and procedures regarding the approval and execution of real estate documents, dock and buoy permits and other documents related to District lands. District staff recommends that the policies and procedures be modified and updated. This resolution replaces Resolution Nos. 08-13251 and 08-13329 and restates the applicable delegation of authority to District staff for ease of reference and clarity.

The Commission recognizes the need to expedite the processing of routine real estate transactions. The Commission is authorized to delegate the execution of documents within defined limitations.

The Commission finds that it is in the best interests of the District to delegate the authority to the District's General Manager, or his designee, to execute routine real estate documents and take the necessary related actions to complete the following real estate transactions after all legal requirements have been satisfied and appropriate internal reviews completed:

***Permits/Leases:*** Permits/leases granting use of District lands where the agreement includes the District's ability to cancel upon one-year's notice or less for agricultural uses and 180 days' notice or less for all other uses.

***Easements/Permits/Leases/Interest in Real Property to the District:*** Documents granting the District an easement, permit, lease, or other interest in real estate owned by others where the compensation paid by the District does not exceed Five Hundred Thousand Dollars (\$500,000.00).

***Permits for Dock/Buoy or Related Improvements:*** Documents approving or allowing improvements, including without limitation docks and buoys, within District's project boundaries provided all conditions required under the District's FERC license have been met and where the permit includes the District's ability to cancel upon 90 days' notice or less upon determination of District need, which determination will be at the sole discretion of the District, or for failure to maintain the improvements. Documents will be issued after the appropriate internal departments have been consulted, provided that there is no conflict with any existing uses.

***Easements on District Lands:*** Documents granting easements on District Lands provided that the potential impact on the use of the land does not adversely impact the existing or future District use.

***Release of easement and other partial interest in real estate:*** Documents releasing easements or other interests in real estate when the facilities for which the rights were acquired by the District have been abandoned or were never constructed, provided that there is no anticipated existing or future need for the rights.

***Land Use Documents:*** Documents and other filings required by any governmental agency or other authorities or jurisdictional entities necessary to make the desired use of the District's land or other land in which the District has an interest.

***Other Real Estate Documents:*** Other documents necessary or related to routine real estate transactions conducted in the ordinary course of the District's business. For purposes of this Resolution and the delegation granted hereby, routine real estate transactions shall include real estate transactions that do not involve the surplus and sale of District real properties or the purchase of fee title to parcels of real property for a monetary fee pursuant to a purchase and sale agreement. Transactions that are primarily administrative in nature or designed to clear title to property or clarify lot lines, such as boundary line adjustments, quit claim deeds clarifying title or boundary lines, requests for vacation of roads or other public interests, and similar documents, even for a fee, are subject to this delegation and not considered to be the purchase of real estate which would require Board action.

The General Manager has reviewed the 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 hereby delegates authority for approving and executing real estate documents as described and limited herein to the General Manager or his designee for the actions outlined above after all legal requirements have been met.

Section 2. Resolution Nos. 08-13251 and 08-13329 are hereby rescinded and replaced.



DATED this 21<sup>st</sup> day of November, 2022.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

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

A RESOLUTION AUTHORIZING AMENDMENT  
NO. 2 TO SERVICES AGREEMENT (SA NO. 22-  
12254) WITH WILLAMETTE CULTURAL  
RESOURCES ASSOCIATES TO PROVIDE  
CULTURAL RESOURCES SUPPORT FOR  
CONSTRUCTION OF THE NEW SERVICE CENTER

## FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA No. 22-12254) on April 8, 2022 with Willamette Cultural Resources Associates to provide cultural resources support for construction of the District's new Service Center in Olds Station, in an amount not to exceed \$200,000.

District staff has identified the need for additional services for significant archaeological monitoring for all ground-disturbing work associated with the District's new Service Center construction. 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. 22-12254 with Willamette Cultural Resources Associates in the amount of \$750,000, for a total revised contract price not to exceed \$950,000 through December 31, 2023.

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. 22-12254) with Willamette Cultural Resources Associates to provide the additional services identified above. The revised contract price will not exceed \$950,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 21st day of November 2022.

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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

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