

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

**REGULAR COMMISSION MEETING**

**December 4, 2017**

**AGENDA**

**STUDY SESSION**

**10:00 A.M.**

1. Pledge of Allegiance and Safety Minute – Larry Peterson
2. Approval of the Agenda - Any item on the Regular Agenda shall be subject to transfer to the Consent Agenda upon request of any Commission member
3. Rocky Reach Bridge Crane Update
4. Revise Alcatel/Nokia 03-33 Contract
5. Fiber Update and Customer Survey
6. 2018 Proposed Budget Update
7. Debt Planning: The Next Level of Detail

**BUSINESS SESSION**

**1:00 P.M.**

8. PUBLIC HEARING – I-937 Targets

A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET AND AMENDING THE 2016-17 PLAN AND TARGET DUE TO A MATHEMATICAL ERROR, AS REQUIRED UNDER RCW CHAPTER 19.285

## REGULAR COMMISSION MEETING AGENDA

December 4, 2017

Page 2

### 9. Advanced Metering Infrastructure (AMI)

A RESOLUTION AUTHORIZING STAFF TO PROCEED WITH DEVELOPMENT AND DESIGN OF AN ADVANCED TWO-WAY METERING INFRASTRUCTURE SYSTEM AS THE PREFERRED ALTERNATIVE FOR FUTURE CUSTOMER METERING AND TO BE ASSUMED AS A PART OF THE INTEGRATED CUSTOMER TECHNOLOGY PROGRAM THAT INCLUDES THE NEW CUSTOMER INFORMATION SYSTEM (CIS) AND METER DATA MANAGEMENT (MDM)

### **Consent Agenda**

#### 10. Minutes:

November 20, 2017 Regular Meeting

#### 11. Vouchers:

Accounts Payable Summary Report dated November 29, 2017:

- a) Vouchers totaling \$10,227,596.96
- b) Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 15, 2017 through November 28, 2017 in the amount of \$34,616.96.
- c) Approval of the net Payrolls, Warrant Nos. 235641 through 235663 and Advice Nos. 643633 through 644376 for the pay period ending 11/12/2017 in the amount of \$1,826,849.29; and
- d) Approval of Warrant Nos. 23900 through 23941 totaling \$20,898.95 for claim payments from the workers' compensation self-insurance fund for the period ending November 27, 2017.

### **Regular Agenda**

- 12. A RESOLUTION APPROVING THE 2018 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES
- 13. A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-03 WITH HURST

REGULAR COMMISSION MEETING AGENDA

December 4, 2017

Page 3

CONSTRUCTION, LLC OF WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE

14. A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 16-59 WITH OSMOSE UTILITIES SERVICES, INC. OF PEACHTREE CITY, GEORGIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE
15. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-45 WITH WHITEFISH ENERGY HOLDINGS, LLC OF WHITEFISH, MONTANA AND AUTHORIZING PAYMENT OF RETAINAGE
16. 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
17. A RESOLUTION AUTHORIZING CONTINUATION OF SERVICES UNDER THE ENABLING AGREEMENT (06-073) WITH PEER TECHNICAL, INC. OF FOND DU LAC, WISCONSIN
18. A RESOLUTION ACCEPTING THE BID OF HALME BUILDERS, INC. OF DAVENPORT, WASHINGTON (BID 17-53) TO PROVIDE CONSTRUCTION OF THE ROCK ISLAND STORAGE BUILDING
19. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 16-106) WITH ENABLON NORTH AMERICA CORP OF CHICAGO, IL AND OPTIMIT NA, LLC DBA STANDARD MODEL PARTNERS OF CHICAGO, IL FOR GOVERNANCE, RISK, AND COMPLIANCE (“GRC”) SOFTWARE AS SERVICES SYSTEM, IMPLEMENTATION SERVICES, MAINTENANCE AND SUPPORT
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

## REGULAR COMMISSION MEETING AGENDA

December 4, 2017

Page 4

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).

\* 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.

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

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

A RESOLUTION ESTABLISHING THE DISTRICT'S 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET, AND AMENDING THE 2016-17 PLAN AND TARGET DUE TO A MATHEMATICAL ERROR, AS REQUIRED UNDER RCW CHAPTER 19.285

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In November 2006, Washington voters approved the Energy Independence Act (the Act), also known as Initiative 937. The Act, codified as RCW Chapter 19.285, directs utilities that serve more than 25,000 customers to develop targets for energy conservation and use of eligible renewable resources. The District serves more than 25,000 electric customers and is subject to the Act's requirements.

Conservation is defined in the statute as any reduction in electric power consumption resulting from an increase in the efficiency of energy use, production or distribution. Beginning January 1, 2010, qualifying utilities have been required under the Act to acquire all conservation that is cost-effective, reliable and feasible. Utilities are required to identify their achievable cost-effective conservation potential. Every two years the utility must review and update its 10-year conservation potential plan and establish a biennial acquisition target that is not less than the pro rata share of the 10-year conservation potential and meet that target during the subsequent two-year period. The District has developed its biennial target and 10-year plan in accordance with RCW 19.285 and WAC 194-37-070. The recommended 10-year conservation potential plan is attached as Exhibit A. The General Manager concurs with this recommendation.

On November 5, 2017, a legal advertisement notifying customers of a public hearing and opportunity to submit public comment on conservation targets and planning appeared in The Wenatchee World. On December 4, 2017, the properly noticed public hearing established the 10-year conservation plan and two-year conservation target as required under RCW Chapter 19.285. No comments were received prior to the hearing on December 4, 2017.

In addition, during the Conservation Potential Analysis process, a mathematical error in the 2016-17 calculations was discovered. Due to the error, staff recommends amending the 2016-17 conservation potential plan and two-year target.

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY that:

Section 1. It is in the best interest of the District to establish the 10-year conservation potential plan and two-year conservation target as set forth in Exhibit A. The Commission will review the plan and target as required by RCW 19.285. The District's biennial target shall be no less than its pro rata share of its 10-year conservation potential plan.

Section 2. The 2016-17 conservation potential plan and two-year target is hereby amended to reflect a revised conservation savings goal of 1.78 aMW.

Dated this 4<sup>th</sup> day of December, 2017.

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President

ATTEST:

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Vice President

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Secretary

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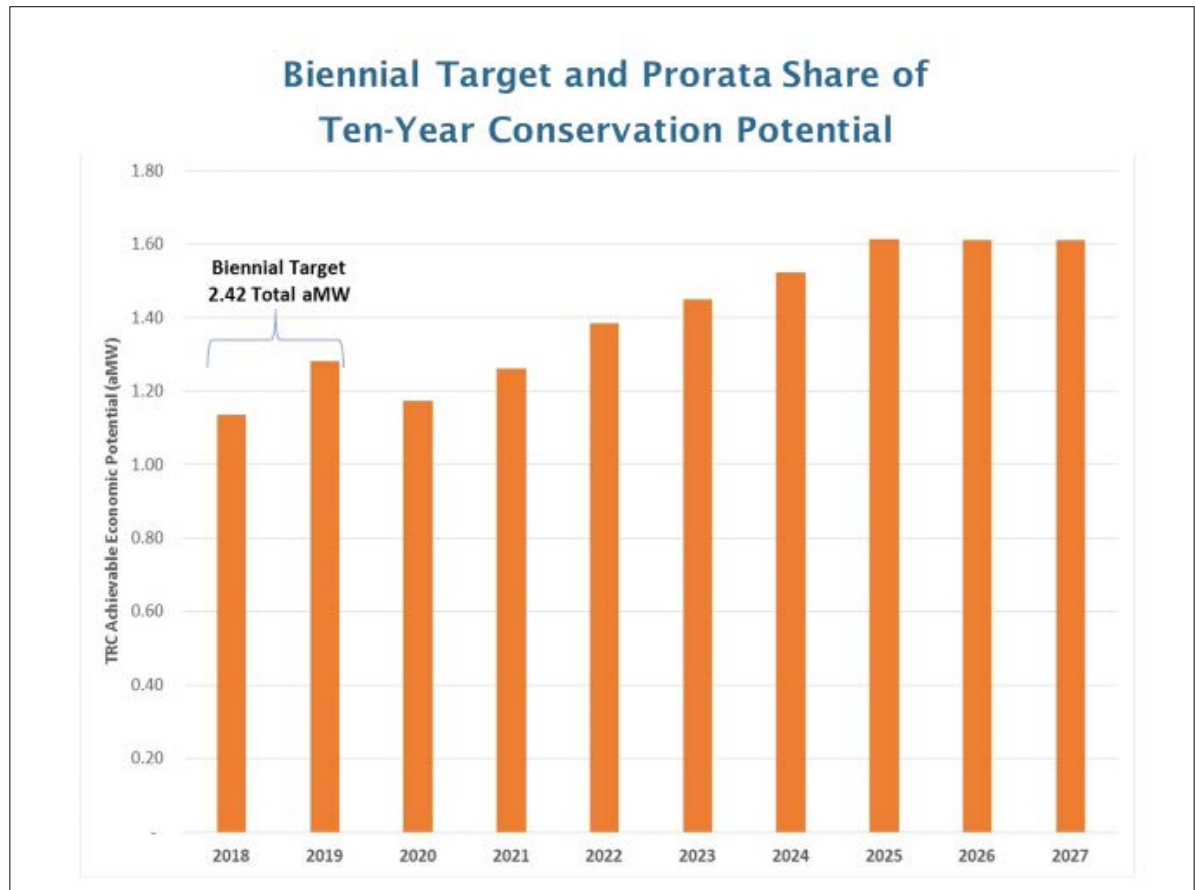
Commissioner

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Commissioner

S E A L

Exhibit A



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

A RESOLUTION AUTHORIZING STAFF TO PROCEED WITH DEVELOPMENT AND DESIGN OF AN ADVANCED TWO-WAY METERING INFRASTRUCTURE SYSTEM AS THE PREFERRED ALTERNATIVE FOR FUTURE CUSTOMER METERING AND TO BE ASSUMED AS A PART OF THE INTEGRATED CUSTOMER TECHNOLOGY PROGRAM THAT INCLUDES THE NEW CUSTOMER INFORMATION SYSTEM (CIS) AND METER DATA MANAGEMENT (MDM)

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

District staff has researched the customer and operational benefits of installing Two-way Advanced Metering Infrastructure (AMI) for the District's 46,500 residential and commercial electric meters since 2005. During that time, District staff:

- Identified industry best practices in discussions and site visits with several utilities across the country;
- Installed a one-way drive by automated meter reading for all water meters
- Established a meter reading service contract and reduced meter reader positions from 13 to 2
- Expanded the one-way drive by metering system to over 16,000 homes as the current preferred alternative for customer meters
- Sought the expertise of Utiliworks, an industry leader in utility consultation, to help staff develop a comprehensive AMI business case;
- Presented the AMI business case in July of 2015 and as well as an update in January 2017 that cites operational cost savings and direct customer-owner value.
- Reviewed the literature for health and privacy impacts

Through the extensive research the findings demonstrate that customers will immediately realize a number of direct benefits as a result of AMI installation, including:

- Better management of energy use and a way to better manage energy costs;
- More timely and accurate outage notifications;
- Quicker response to bill/usage inquiries
- Remote account access and turn off/turn on requests;
- Initiate services calls from personal computer;
- Increased billing accuracy and reduced number of estimated bills;
- Reduced need for utility worker access on customer property; and
- Quicker outage identification and power restoration.

The District and its customer-owners will realize a number of efficiencies and cost savings as well, including:



- Reduced operational costs for meter reading and various other types of service calls;
- Reduced customer service costs related to bill handling;
- Reduced cost for outage restoration and management;
- Increased meter accuracy;
- Greater information to support asset management strategies;
- Improvements in safety; and
- Carbon footprint reduction.

Commissioners have previously directed staff to perform extensive outreach throughout the service territory inviting customers to provide feedback regarding the deployment of advanced metering.

In April and May of 2017, District staff did extensive customer and stakeholder outreach including:

- More than 450 people reached “face to face;”
- More than 18 community meetings;
- More than 45,000 post cards were sent to encourage customers to attend one of the meetings, or to provide the District with comments and share information online;
- Another 33,000 emails were sent to customers for whom the District has email addresses. These emails also encouraged attendance at one of the many community meetings. Customers were encouraged to submit comments and questions on line; and
- Separate website landing page, [www.chelanpud.org/advanced-meters](http://www.chelanpud.org/advanced-meters) was set up and dedicated to information sharing from the District and from customers.

During this engagement process, some questions and concerns centered around radio frequency (RF) and electromagnetic fields (EMF), meter safety, privacy and security issues and options to “opt-out” of advanced meter installation. Staff listened to community members and conducted extensive research around the country and internationally looking at the best science available to address customer concerns. That information is available on the District’s website at [www.chelanpud.org/advanced-meters](http://www.chelanpud.org/advanced-meters).

The AMI meters the District is considering provide very infrequent pulses of RF. We conclude that the best available research indicates that likely there is not a significant increase in health risk due to the use of radio frequency associated with AMI meters. In addition, the adoption of best available two-way technology is likely to decrease the use of radio frequency compared against the District’s current strategy of deploying one- way meters that pulse RF more frequently.

The District is committed to protecting individual customer information consistent with current state law.

The District is committed to offering an opt-out option for customers who do not want an AMI meter at their home. During the design and Request for Proposal (RFP) process, staff will continue to review technology offerings and look for feasible, attractive options for

customers who want to “opt-out.” Pricing for an opt-out option will be determined prior to AMI meter implementation.

District staff has determined that it is in the best interest of the District to move into the budgeting process for AMI as the preferred alternative for future customer metering and as part of the overall comprehensive CIS/MDM project, and create an associated request for proposal to be reviewed and approved by the Board of Commissioners prior to issuing.

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 that:

Section 1. District staff is hereby authorized to begin budget development and design options for an Advanced Metering Infrastructure as the preferred alternative for future customer metering and to be incorporated in the overall comprehensive customer technology program currently underway with the District’s Customer Information System and Meter Data Management system. The General Manager is authorized to proceed with developing a recommended Request for Proposal for this project to the Board for action.

DATED this 4<sup>th</sup> day of DECEMBER, 2017.

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President

ATTEST:

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Vice President

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Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

S E A L

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

A RESOLUTION APPROVING THE 2018 DISTRICT BUDGETS FOR THE FIBER NETWORK, WATER, WASTEWATER AND INTEGRATED ELECTRIC (DISTRIBUTION, TRANSMISSION, COLUMBIA RIVER-ROCK ISLAND HYDRO-ELECTRIC, LAKE CHELAN HYDRO-ELECTRIC, ROCKY REACH HYDRO-ELECTRIC SYSTEMS, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In compliance with Washington state statutes and District Resolution No. 07-13147, proposed budgets for the contemplated financial transactions of the various systems of the District for the year 2018 have been discussed with the Board of Commissioners.

The proposed 2018 budgets are intended to build upon the District's strategic plan, strategic initiatives and five-year business plans. The foundation of the strategic initiatives and budgets is at the top of the District's balanced scorecard – Customer-owner satisfaction. The 2018 budget process has taken into consideration the strategic plan priorities within the three strategic plan focus areas:

1. Reinvesting in assets and people
2. Reducing debt balance
3. Continuing the Public Power Benefit Program

Strategic priorities, significant projects, challenges, and constraints of the proposed 2018 budgets were discussed at a public meeting on October 16, 2017 and again at public hearings on November 6, 2017 and November 20, 2017.

The first public hearing on the proposed 2018 budgets was held on Monday, November 6, 2017, at 1:00 p.m. in the Board of Commissioners' office at 327 North Wenatchee Avenue, Wenatchee, Washington. Ratepayers were given full opportunity to appear and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date, time and location of the hearings.

The second public hearing on the proposed 2018 budgets was held on Monday, November 20, 2017, at 1:00 p.m. in the Board of Commissioners' office at 327 North Wenatchee Avenue, Wenatchee, WA, 98801. Ratepayers were given full opportunity to appear and be heard for or against the whole or any part of the proposed budgets. The notice for this public hearing was advertised with the local newspaper stating the date, time and location of the hearings.

The adoption of the District budgets is categorically exempt from the requirements of the Washington State Environmental Policy Act. WAC 197-11-800(14)(c).

The General Manager recommends that the proposed 2018 budgets as presented and discussed be adopted by the Commission.

The Commission, having completed the budget hearings, deems it proper and necessary that proposed budgets for the calendar year 2018 be finally determined and adopted as set forth in this resolution.

### **ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, that the budget for the District in words and figures as set forth in the copy of each budget for the Fiber Network, Water, Wastewater And Integrated Electric (Distribution, Transmission, Columbia River-Rock Island Hydro-Electric, Lake Chelan Hydro-Electric, Rocky Reach Hydro-Electric Systems, Internal Service System and Financing Facilities) business lines as presented to the Board on December 4, 2017 are adopted as the budgets for the year 2018. The budget summary is attached and other supporting information is on file in the office of the District.

Dated this 4th day of December 2017.

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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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**Chelan County PUD**  
**2018 Proposed Budget (\$000)**

12

	Combined District	Integrated Electric	Fiber & Telecom	Water	Wastewater	Eliminations
Service Revenue	64,693	50,753	10,897	6,239	701	(3,896)
EP&T Net Wholesale	108,001	108,001	-	-	-	-
LT Hydro Contract	121,115	121,115	-	-	-	-
Other Wholesale Activity	(1,320)	(1,320)	-	-	-	-
Wholesale Energy Revenue	227,796	227,796	-	-	-	-
Other Revenue	21,129	22,280	1	62	2	(1,216)
	<b>313,618</b>	<b>300,828</b>	<b>10,898</b>	<b>6,301</b>	<b>702</b>	<b>(5,112)</b>
Other Operating Expenses	173,846	167,625	6,730	3,739	864	(5,112)
Taxes	7,986	7,070	35	870	11	-
Depreciation & Amortization	44,030	39,148	3,099	1,506	277	-
	225,863	213,843	9,864	6,115	1,153	(5,112)
<b>Operating Income/(Loss)</b>	<b>87,755</b>	<b>86,985</b>	<b>1,034</b>	<b>186</b>	<b>(450)</b>	<b>-</b>
Non Operating Activity	15,913	19,306	(2,805)	(510)	(78)	-
Interest Earnings	(9,249)	(8,885)	(239)	(73)	(52)	-
Interest Expense	25,402	25,370	-	32	-	-
Fair Market Value Change	92	104	(7)	(3)	(3)	-
Other Non Operating Activity	4,032	4,064	(17)	(14)	(1)	-
Capital Contributions	(4,364)	(3,846)	(43)	(452)	(23)	-
Intersystem Transfers/Adjustment	-	2,500	(2,500)	-	-	-
<b>Change in Net Postion</b>	<b>71,842</b>	<b>67,679</b>	<b>3,839</b>	<b>696</b>	<b>(372)</b>	<b>-</b>
<b>Capital Projects: Gross</b>	<b>139,685</b>	<b>131,563</b>	<b>5,547</b>	<b>1,236</b>	<b>1,339</b>	<b>-</b>
Less Capital Contributions	(3,794)	(3,277)	(43)	(452)	(23)	-
<b>Capital Projects: Net</b>	<b>135,890</b>	<b>128,286</b>	<b>5,504</b>	<b>784</b>	<b>1,316</b>	<b>-</b>
<b>Regulatory Assets</b>	<b>4,010</b>	<b>4,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Relicensing</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Hydro License Obligations</b>	<b>427</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>	<b>173,846</b>					
<b>Taxes</b>	<b>7,986</b>					
<b>Non-Operating (Inc)Exp</b>	<b>20,276</b>					
<b>Total Expenditures = OperExp + Taxes + NonOp +</b>						
<b>Net Capital + Regulatory Assets</b>						
<b>+ Deferred Relicensing</b>	<b>342,537</b>					
<b>Net Debt Reduction</b>	<b>23,642</b>					
<b>Total Expenditures &amp; Net Debt Reduction</b>	<b>366,179</b>					

*Notes:*

- Purchased Power included in Net Wholesale
- Net Regulatory Assets is net of related Capital Contributions

**2018 Capital Projects**  
**Proposed Budget**

12

				Current	Total Project		
	Discrete/ Recurring	Project#	Title	Total Project Budget	Change: Current vs Proposed	Proposed Total Project Budget	2018 Annual Budget
Electr Distribution	Discrete	DS140004	Bavarian Substation	772,000	1,978,000	2,750,000	1,100,000
		DS140005	N Shore Chelan Substatn	455,000	2,295,000	2,750,000	500,000
		DS150007	Transformer Load Tester	258,000	200	258,200	258,000
		DS160002	Recloser Tester	60,000		60,000	60,000
		DS170001	Fleet - Distribution	2,018,000		2,018,000	500,000
		DS170004	PPB: RR Visitor Ctr Imprvments	1,000,000		1,000,000	350,000
		DS170005	ACS 6-180 Relay Upgrade	40,000	150,000	190,000	150,000
		DS170006	Ohme Substation	20,000	1,980,000	2,000,000	1,000,000
		DS180001	Fleet - Distribution		1,582,000	1,582,000	1,582,000
		DS180002	Sys Ops Avalanche Replacement		150,000	150,000	150,000
	Recurring	DS180003	Icicle Mobile Substation		35,000	35,000	35,000
		DS180004	Stud Welder		20,000	20,000	20,000
		DS180005	Feeder Addition - South Shore		30,000	30,000	30,000
		2XXX0100	UG Xfrmrs-Capital Purchases		619,000	619,000	619,000
		2XXX0200	OH Xfrmrs-Capital Purchases		410,000	410,000	410,000
		2XXX0300	Line Devices-Regulators		135,000	135,000	135,000
		DSLEXXX1	DS - Line Extensions		1,500,000	1,500,000	1,500,000
		DSXX0001	DS - Customer Services		1,300,000	1,300,000	1,300,000
		DSXX0002	DS - Electric Meters		250,000	250,000	250,000
		DSXX0003	DS-Undergrnd Cable Replacement		400,000	400,000	400,000
		DSXX0006	Substation Equip Replacements		300,000	300,000	300,000
		DSXX0007	Distribution Line Improvements		750,000	750,000	750,000
		DSXX0009	Substation Improvements		800,000	800,000	800,000
		DSXX0011	Elec Reconductor Upgrades		200,000	200,000	200,000
		DSXX0014	Elec Mandated Relocate		600,000	600,000	600,000
		DSXX0015	NESC Distribution Upgrades		1,500,000	1,500,000	1,500,000
		DSXX0018	TRS Structural Pole Replace DS		25,000	25,000	25,000
		DSXX0020	TRS Structural Pole Replc LCRD		115,000	115,000	115,000
	DSXX0021	DS Pole Replacement		200,000	200,000	200,000	
	DSXX0022	Feeder Device/line replacements		50,000	50,000	50,000	
	System Forecast Adjustment						
Electr Distribution Total				4,623,000	17,374,200	21,997,200	14,293,050
Network Transmsn	Discrete	XT120005	N Mid C Transmission Project	4,245,300		4,245,300	600,000
		XT130022	AC-SUM Fac Remediation	1,545,000		1,545,000	15,000
		XT150008	Sys Ops Video System	695,000	25,000	720,000	172,250
		XT160001	RRS 230KV Prot/SCADA Panel31	243,000		243,000	233,000
		XT160004	AY-AC 1&2 Relocate	2,415,000		2,415,000	420,000
		XT170001	LEAV Undervoltage Mitigation	354,000	146,000	500,000	485,000
		XT170002	WNS 6-240 Breaker Replace	193,000	22,000	215,000	128,000
		XT170003	WNS 6-250 Breaker Replace	220,000	18,000	238,000	151,000
		XT170004	RRS Pnl 31 - Bus 3 Diff	186,000		186,000	16,000
		XT180001	Y-AC3 Goodwin Bridge Partial Rbld		1,150,000	1,150,000	118,000
	Recurring	XT180002	RRS Control House Restrtrm		40,000	40,000	40,000
		XT180003	CHS 115kV Bus PTs		88,000	88,000	88,000
		XT180004	Greater McNeil Cyn Proj		500,000	500,000	500,000
		XT180005	CSE Primary Cntrl Cntr EMS		20,000	20,000	20,000
		XT180006	Burgess Andrew York		150,000	150,000	150,000
		XTXX0001	TRS Structural Pole Replc XT		260,000	260,000	260,000
		XTXX0004	WSDOT Clear Zone		50,000	50,000	50,000
		System Forecast Adjustment					

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				Current	Total Project		
System	Discrete/ Recurring	Project#	Title	Total Project Budget	Change: Current vs Proposed	Proposed Total Project Budget	2018 Annual Budget
Network Transmsn Total				10,096,300	2,469,000	12,565,300	2,929,312
Fiber & Telecom	Discrete	NW180001	Fiber Vehicles		82,000	82,000	82,000
		NW180002	7342 to 7360 Platform Upgrade		1,500,000	1,500,000	600,000
		NW180003	Nokia Service Portal Express		350,000	350,000	350,000
		NW180004	Bandwidth Management Links		2,200,000	2,200,000	700,000
		NW180005	Fusion Equipment		180,000	180,000	30,000
		NW180006	OTDR Equipment		40,000	40,000	20,000
	Recurring	NW180007	NNI Upgrades-Retail Service Providers		500,000	500,000	75,000
		NW180008	NNI Redundancy-Retail Svc Providers		250,000	250,000	50,000
		NW180009	Cable Plow		12,000	12,000	12,000
		NWLEXXX7	Fiber Drops-Line Extensions		20,000	20,000	20,000
		NWXX0002	Franchise Fiber Relocates		25,000	25,000	25,000
		NWXX0003	Fiber District Relocates		25,000	25,000	25,000
		NWXX0010	Fiber Drops		675,000	675,000	675,000
		NWXX0011	Fiber Devices		337,500	337,500	337,500
		NWXX0012	Fiber Conduit Installation		10,000	10,000	10,000
		NWXX0013	Fiber Infrastructure Systems		225,000	225,000	225,000
		NWXX0014	Fiber Subdivisions		100,000	100,000	100,000
		System Forecast Adjustment					
	Fiber Expansion PPB			6,130,722	2,040,298	8,171,020	2,500,000
Fiber & Telecom Total			6,130,722	8,571,798	14,702,520	5,546,800	
Water	Discrete	WR170002	Wenatchee Heights Tank Repl	40,000	296,000	336,000	301,000
		WR180001	Water Vehicles- Equipment		312,000	312,000	312,000
		WRXX0001	WS - New Water Services	100,000	-15,000	85,000	85,000
		WRXX0002	WS - Customer Line Extensions	60,000		60,000	60,000
		WRXX0003	WS - Water Main Replacements	670,000	-190,000	480,000	480,000
		WRXX0004	WS - Water Main Fire Hydrants	7,000		7,000	7,000
		WRXX0005	Water Main Mandated Relocate	42,000	-27,000	15,000	15,000
		WRXX0006	Water Meters	32,000	1,000	33,000	33,000
	System Forecast Adjustment						-57,050
Water Total			951,000	377,000	1,328,000	1,235,950	
Wastewater	Discrete	SW140001	Peshastin Wastewater Upgrade	650,000	1,350,000	2,000,000	1,385,650
		SWXX0001	New Sewer Svcs-Lake Wenatchee	35,000	-15,000	20,000	20,000
		SWXX0002	New Sewer Svcs-Peshastin	3,000		3,000	3,000
	System Forecast Adjustment						-69,283
Wastewater Total			688,000	1,335,000	2,023,000	1,339,367	
Internal Services	Discrete	CAP180001	Fleet Shop Equipment		75,000	75,000	75,000
		CAP180002	Facilities Upgrades		500,000	500,000	500,000
		CAP180003	Security System Upgrades		150,000	150,000	150,000
		IS130001	LMR Network Replacement	5,600,000		5,600,000	5,350,000
		IS130002	Microwave Replacement	3,720,000		3,720,000	2,822,000
		IS150002	Security Infrastructure	2,291,092	167,602	2,458,694	500,000
		IS150006	Dispatch Log	400,000	200,000	600,000	370,000
		IS160002	CIS Upgrade	3,520,018		3,520,018	3,520,018
		IS160012	Enterprise Search	298,000	80,000	378,000	80,000
		IS170001	Fleet - Shared	1,750,000		1,750,000	700,000
		IS170005	Bid Workflow	275,000	20,000	295,000	295,000
		IS170021	Physical Access Cntrl Platform	150,000	1,020,000	1,170,000	1,020,000
		IS180001	Fleet - Shared		1,061,000	1,061,000	1,061,000
		IS180002	CM Tools 2018		125,000	125,000	125,000
		IS180003	Hydraulic Model		800,000	800,000	800,000
		IS180004	Sys Ops Consoles		156,000	156,000	156,000
		IS180005	Data Analytics Platform		470,000	470,000	470,000
		IS180006	Enterprise Storage HW-SW		110,000	110,000	110,000

DRAFT							12
System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2018 Annual Budget
	Discrete	IS180007	Server/Network Infrastructure		150,000	150,000	150,000
		IS180008	IT Software New Services		120,000	120,000	120,000
		IS180009	Telemetry - Flow Meters		420,000	420,000	220,000
		IS180010	CIP-Low Impact Switchyards		101,000	101,000	81,000
		IS180011	Core Network Switches		280,000	280,000	280,000
		IS180012	Security Info-Event Mgmt Sys		100,000	100,000	100,000
		IS180013	Mobile Asset & Work Management		215,000	215,000	215,000
		IS180015	RR-CM Facilities Upgrade		41,518,973	41,518,973	284,667
		IS180016	HQ Services Facility Plan		2,600,000	2,600,000	2,600,000
	System Forecast Adjustment						-1,107,734
Internal Services Total				18,004,110	50,439,575	68,443,685	21,046,951
Rocky Reach	Discrete	RR110005	RR HW Gantry Crane	6,285,754		6,285,754	14,000
		RR110010	RR C8-C11 Gen Protect Relays	211,628		211,628	1,000
		RR110012	RR C1-C11 Unit Ctrls Governor	5,183,535		5,183,535	1,250,000
		RR120004	RR Excitation Reg Replc C1-C11	4,508,217		4,508,217	975,000
		RR120006	RR Unit DFR Installation	766,200		766,200	70,000
		RR130004	RR Tran & SS Relay Replacement	343,415		343,415	100,000
		RR150008	RR Additional Headgates	4,000,000		4,000,000	1,000
		RR160006	RR Bridge Cranes	5,730,000		5,730,000	865,000
		RR160009	RR C9 Head Cover	850,000		850,000	207,000
		RR160010	RR C10 Head Cover	850,000		850,000	211,000
		RR160011	RR C11 Head Cover	850,000		850,000	456,000
		RR170003	PKBB Boat Launch & Docks Repl	700,000		700,000	700,000
		RR170005	RR Dam Deformation	372,000		372,000	1,000
		RR170006	RR Tailrace Buoy Placement	500,000	25,000	525,000	1,000
		RR170007	RR Fire Alarm System	1,115,000	605,000	1,720,000	1,570,000
		RR170010	RRFW Dewatering Pumps	285,000	23,000	308,000	10,000
		RR170011	RR Flow Meter Replacement	50,000	390,000	440,000	190,000
		RR180001	RR Vehicles & Equip		211,844	211,844	211,844
		RR180002	PKBB Construction BB-1 BB-2		790,000	790,000	55,000
		RR180003	PKCFP Swim Beach Stabilization		1,100,000	1,100,000	1,100,000
		RR180004	RR Oil Rooms Fire Suppression		1,525,000	1,525,000	1,525,000
		RR180005	HTCH Raceway Safety Improvements		191,000	191,000	15,000
		RR180006	PKET Repl Moorage Docks		351,000	351,000	36,000
		RR180007	HTCF Jump Screens		45,000	45,000	45,000
		RR180008	HTSP Elec System Upgrade		380,000	380,000	380,000
	System Forecast Adjustment						-1,498,477
Rocky Reach Total				32,600,749	5,636,844	38,237,593	8,491,367
Rock Island	Discrete	RI0800B2	RI PH1 B-2 Stator Replacement	4,961,785		4,961,785	1
		RI080B09	RI PH1 Unit B9 Rehabilitation	26,000,000		26,000,000	1
		RI110001	RI PH1 Excitation Sys B1-B4	1,010,990		1,010,990	1
		RI110004	RI PH1 Govrn DigCtrls B2	2,890,000		2,890,000	1
		RI110008	RI PH2 Excitation Sys U1-U8	2,196,799		2,196,799	107,000
		RI110009	RI PH2 Relays U1-U8	841,054		841,054	120,000
		RI110011	RI PH2 XFMR/Bus Pro Relays	240,000		240,000	35,000
		RI110012	RI PH2 MCM Install U1-U-8	1,100,000		1,100,000	123,000
		RI110013	RI PH2 Generator DFR	256,396		256,396	24,000
		RI110015	RI PH2 Gov Digtl Ctrls U1-U8	11,172,820		11,172,820	1,100,000
		RI130002	RI PH2 Unit MCC	2,040,000		2,040,000	275,000
		RI140002	RI PH1 B6 Modernization	30,700,000		30,700,000	250,000
		RI140003	RI PH2 Gantry Crane	2,574,000		2,574,000	1,625,000
		RI140004	RI PH2 Bridge Crane	2,870,000	39,009	2,909,009	1,762,000
		RI150003	RIFW Controls Upgrds	825,000	8,181	833,181	1,000
		RI150006	RI PH2 Gov Air Comp Replc	180,000		180,000	6,000



DRAFT							12
System	Discrete/ Recurring	Project#	Title	Current Total Project Budget	Total Project Change: Current vs Proposed	Proposed Total Project Budget	2018 Annual Budget
	Discrete	RI160003	HTDP Flow Meter Installation	92,500	89,791	182,291	2,500
		RI160014	RI PH1 Dom Wtr Twr & Piping	2,253,000		2,253,000	1,750,000
		RI160015	RI PH1 B5 Modernization	31,300,000		31,300,000	3,600,000
		RI160016	RI PH1 B7 Modernization	31,300,000		31,300,000	16,600,000
		RI160017	RI PH1 B8 Modernization	31,300,000		31,300,000	4,165,000
		RI170005	RI Dam Deformation	349,500		349,500	1,000
		RI170006	RI PH1 Battery Rms HVAC	195,000		195,000	115,000
		RI170007	RI PH1 Intake Gantry Repl	4,373,000		4,373,000	80,000
		RI170008	RI PH1 Relocate Micro Antenna	105,500	46,500	152,000	137,000
		RI170009	RI PH2 Storage Building	1,110,000	5,140,000	6,250,000	5,140,000
		RI170010	RI PH1 B9-B10 Turbine Staging	102,000		102,000	22,000
		RI170011	RI PH1 B1 Modernization	15,415,000		15,415,000	6,550,000
		RI170012	RI PH1 B2 Modernization	16,450,000		16,450,000	10,775,000
		RI170013	RI PH1 B3 Modernization	16,275,000		16,275,000	11,150,000
		RI170014	RI PH1 B4 Modernization	19,860,000	40,000	19,900,000	12,800,000
		RI170016	RI PH2 Storage Bldg Crane	440,000	448,000	888,000	868,620
		RI170019	RI PH1 Stoplogs B1-B4 Mod	725,000		725,000	21,000
		RI170020	RI PH1 Pumps B1-B4 Mod	555,000		555,000	23,000
		RI170021	RI PH1 Headgates B1-B4 Mod	770,000		770,000	515,000
		RI170022	HTEB Flow Meter Installation	22,000	370,000	392,000	185,000
		RI170023	RI Flow Meter Replacement	11,000	321,000	332,000	135,000
		RI180001	RI Fleet Vehicles		139,000	139,000	139,000
		RI180002	RI PH2 6-350 Breaker Replace		300,000	300,000	70,000
		RI180003	RI PH2 U1-U8 Rehab		1,800,000	1,800,000	1,800,000
		RI180004	RI PH2 UPS Upgrade		140,000	140,000	140,000
		RI180005	RI PH2 SS Breakers 480V		233,000	233,000	233,000
		RI180006	RI PH1 HVAC Upgrades		720,000	720,000	720,000
		RI180007	PKWRF Boat Launch Rpl		554,000	554,000	75,000
		RI180008	PKKB Erosion 3 5 6 9		585,000	585,000	60,000
		RI180009	HTDP Anti-Avian Predation		180,000	180,000	30,000
		RI180010	HTDP Water Qual Samplers		155,000	155,000	25,000
		RI180011	HTCW Reuse Sys Concrete Floor		40,000	40,000	5,000
		RI180012	HTEB Jump Screens		50,000	50,000	50,000
		RI180013	HTCW Jump Screens		45,000	45,000	45,000
		RI180014	HTEB Backup Generator		450,000	450,000	450,000
		RI180015	HTEB Handrail		240,000	240,000	15,000
		RI180016	PKWC Site 235 Stabilization		741,000	741,000	91,000
		RI180017	RI Facilities Upgrade		32,693,111	32,693,111	8,619,375
		System Forecast Adjustment					-9,232,360
Rock Island Total				262,862,344	45,567,592	308,429,936	83,398,139
Lake Chelan	Discrete	LC160001	LC Dam Deformation	225,000		225,000	31,500
		LC170001	LC PH SS 11kv Breakers	670,000	195,000	865,000	838,000
		LC170002	LC A1 11kv Breakers	161,000		161,000	161,000
		LC170003	LC A2 11kv Breakers	162,000		162,000	161,000
		LC180001	PKMP Log Boom & Dock Replace		850,000	850,000	90,000
		LC180002	PKMP Parking lot replace		370,000	370,000	370,000
		System Forecast Adjustment					-247,725
Lake Chelan Total				1,218,000	1,415,000	2,633,000	1,403,775
TOTAL				337,174,225	133,186,009	470,360,234	139,684,711

<u>Gross Capital</u>	
Electr Distribution	14,293,050
Network Transmsn	2,929,312
Fiber & Telecom	5,546,800
Water	1,235,950
Wastewater	1,339,367
Internal Services	21,046,951
Rocky Reach	8,491,367
Rock Island	83,398,139
Lake Chelan	1,403,775
<b>Total Gross Capital</b>	<b>139,684,711</b>

<u>Customer Contributions</u>	
Electr Distribution	(2,970,000)
Network Transmsn	-
Fiber & Telecom	(42,500)
Water	(452,000)
Wastewater	(23,000)
Rock Island	(306,900)
<b>Total CIAC</b>	<b>(3,794,400)</b>

<u>Net Capital:</u>	
Electr Distribution	11,323,050
Network Transmsn	2,929,312
Fiber & Telecom	5,504,300
Water	783,950
Wastewater	1,316,367
Internal Services	21,046,951
Rocky Reach	8,491,367
Rock Island	83,091,239
Lake Chelan	1,403,775
<b>Total Net Capital</b>	<b>135,890,311</b>

Regulatory Assets (DSOP-1823)	4,579,503
Net Regulatory Assets	4,010,211
RI Relicensing DEFERRED	100,000
Make Available (LCRL-2536)	427,170

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

A RESOLUTION RATIFYING FIELD WORK ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 17-03 WITH HURST CONSTRUCTION, LLC OF WENATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE

**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.

On May 12, 2017, the District entered into a contract (Bid No. 17-03) with Hurst Construction, LLC of Wenatchee, WA for Number 1 Canyon Road Water Main Replacement, in the amount of \$419,500. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

The work in Field Work Order No. 1 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 No. 1, which is on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Amount</b>
Additional work and Contract reconciliation for items/quantities not consumed	-\$4,465.28
<b>Total</b>	<b>-\$4,465.28</b>

Field Work Order No. 1 results in a net decrease in the contract price for a new revised total price of \$415,034.72 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 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 October 16, 2017. 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 No. 1 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 No. 1 to Bid No. 17-03 with Hurst Construction, LLC for the work specified above, which will result in a net decrease in the purchase price of \$419,500, for a total revised contract price of \$415,034.72, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 17-03 was completed on October 16, 2017, 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 4TH day of DECEMBER 2017.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

S E A L

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

A RESOLUTION AUTHORIZING FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 16-59 WITH OSMOSE UTILITIES SERVICES, INC. OF PEACHTREE CITY, GEORGIA AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

**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.

On August 5, 2016, the District entered into a contract (Bid No. 16-59) with Osmose Utilities Services, Inc. (Contractor) of Peachtree City, Georgia for Transmission Pole Fire Retardant Application and Pole Testing, in the amount of \$352,630.89. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080

District staff has determined that the work required under the contract has been performed in accordance with the terms of the contract and recommends that the District accept the work.

District staff has determined that the completion of all contract work occurred on 10/27/17. In accordance with the terms of the contract, the Contractor has provided a bond in lieu of retainage equal to 5% of the contract price.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and recommends the District authorize the release of the related bond in lieu of retainage, 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. All the contract work required under Bid No. 16-59 was completed on 10/27/17, and the same is hereby accepted, subject to Section 2 hereof. Release of the Contractor's bond in lieu of retainage is authorized subject to Section 2 and Section 3 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 2. 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 3. 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 release the bond in lieu of retainage. In the event said taxes, claims, expenses and fees have not been paid, the General Manager is authorized and directed to file a claim against the bond in lieu of retainage in 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 following payment of such claim, release the bond in lieu of retainage.

DATED this 4th day of December 2017.

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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

S E A L

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

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NO. 1, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-45 WITH WHITEFISH ENERGY HOLDINGS, LLC OF WHITEFISH, MONTANA AND AUTHORIZING PAYMENT OF RETAINAGE

**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/change orders under certain circumstances.

On May 1, 2017, the District entered into a contract (Bid No. 16-45) with Whitefish Energy Holdings, LLC (Contractor) of Whitefish, Montana for Slide Ridge Overhead Power Rebuild, in the amount of \$437,598.88. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080.

Field Work Order/Change Order No. 1 serves to reconcile estimated quantities used for bidding to actual quantities used. The District's staff has executed Field Work Order No. 1, which is on file in the offices of the District and summarized as follows:

<b>Field Work Order No.</b>	<b>Description</b>	<b>Amount</b>
1	Reconciliation from estimates to actuals.	\$1,303.05
	<b>Total</b>	<b>\$1,303.05</b>

Field Work Order No. 1 results in a net increase in the contract price for a new revised total price of \$438,901.93 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 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 November 22, 2017. 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 No. 1 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 No. 1 to Bid No. 16-45 with Whitefish Energy Holdings, LLC for the work specified above, which will result in a net increase in the purchase price of \$1,303.05, for a total revised contract price of \$438,901.93, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 16-45 was completed on November 22, 2017 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 4th day of December 2017.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

## 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. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$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 with Washington Department of Fish and Wildlife (WDFW) to operate its hatcheries to meet FERC production obligations through December 31, 2020. 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. Individual task authorizations for 2017 will expire on December 31, 2017.

Based on historic performance and the evaluation of proposed future services, District staff have determined that (1) WDFW is the best qualified contractor to continue to operate the District's hatcheries and produce fish to meet the District's FERC production obligations and (2) that the costs proposed by WDFW for the services are fair and reasonable. District staff recommends entering into new task authorizations with WDFW to continue required hatchery operations through December 31, 2018. The total costs for the hatchery operation services to be provided by WDFW through December 31, 2018 shall not exceed \$3,053,933.

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 with Washington Department of Fish and Wildlife for hatchery operations in an amount not to exceed \$3,053,933 through December 31, 2018 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 4th day of December 2017.

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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

S E A L

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

A RESOLUTION AUTHORIZING CONTINUATION  
OF SERVICES UNDER THE ENABLING  
AGREEMENT (06-073) WITH PEER TECHNICAL,  
INC. OF FOND DU LAC, WISCONSIN

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

In March 2006, the District entered into a perpetual Enabling Agreement with Peer Technical, Inc. to provide temporary employee services for performing specific tasks (i.e. construction coordination and inspection) by executing Project Confirmation Agreements pursuant to the Enabling Agreement.

Peer Technical, Inc. employees will be needed to assist District staff with execution of 2018 budgeted work where there is no long-term staffing need and District staff are not available. The additional labor resources will primarily be used to for construction projects at the District such as B1 to B4 rehabilitation, B5 to B8 modernization, C9 turbine repairs and rotor pole replacement, Rock Island storage building, water and wastewater replacements and electrical system upgrades. Additional services are also needed to support hatchery operations and maintenance, asset management implementation, operational training development and contract advisory services.

The services provided by Peer Technical, Inc. have been satisfactory, and District staff actively test the market annually to ensure the District receives quality services for a reasonable price. It is staff's recommendation that it is in the best interest of the District to continue with Peer Technical, Inc. and authorize additional expenditures in 2018. District staff estimates \$2,500,000 will be required for the year 2018.

Actual amounts paid to Peer Technical, Inc. (inclusive of all fees and costs incurred by Peer Technical, Inc. in the performance of the Project Confirmation Agreements) will be based upon invoices and verification by District staff.

Funds previously authorized and expended under Enabling Agreement No. 06-073 total \$4,667,141.92.

District staff recommends continuing to obtain services under the Enabling Agreement No. 06-073 with corresponding Project Confirmation Agreements executed as authorized in Resolution No. 08-13325. For 2018, expenditures will not exceed \$2,500,000 without further Board approval.

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, WASHINGTON, as follows:

Section 1. District staff is hereby authorized to expend up to \$2,500,000 in the year 2018 under the Enabling Agreement 06-073 with Peer Technical, Inc. Expenditures for 2018 shall not exceed \$2,500,000 without further Board approval. Copies of the agreement and project confirmation agreements are on file in the offices of the District.

DATED this 4th day of December 2017.

ATTEST:

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President

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L

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

A RESOLUTION ACCEPTING THE BID OF HALME BUILDERS, INC. OF DAVENPORT, WASHINGTON (BID 17-53) TO PROVIDE CONSTRUCTION OF THE ROCK ISLAND STORAGE BUILDING

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On June 26, 2017, by Resolution No. 17-14151, the Commission of the District authorized the General Manager to invite sealed bids to provide construction of the Rock Island Storage Building. Resolution No. 08-13325 requires that the Commission, by resolution, award bids that exceed \$3,000,000.

An invitation for sealed bids was published in accordance with RCW 54.04.070. Bid proposals were opened on November 2, 2017, at 4:00 pm in the offices of the District. Five bids were received (excluding sales tax) as tabulated on Exhibit A attached.

District's staff has determined that the bid of Halme Builders, Inc. of Davenport, Washington, in the amount of \$3,425,000 (excluding sales tax) is the lowest and best bid in compliance with the plans and specifications for Bid No. 17-53. Said bid meets all statutory requirements.

District's staff recommends awarding Bid No. 17-53 to Halme Builders, Inc. The General Manager of the District concurs with District staff's recommendation.

**ACTION**

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

Section 1. The bid submitted by Halme Builders, Inc. of Davenport, Washington is the lowest responsible and best bid in compliance with the plans and specifications to provide the construction of the Rock Island Storage Building. The General Manager of the District is hereby authorized to enter into a contract with Halme Builders, Inc. in the amount of \$3,425,000, excluding sales tax. A copy of the contract will be on file in the offices of the District.

DATED this 4th day of December 2017.

\_\_\_\_\_  
President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

S E A L



**EXHIBIT A****Bid Tabulation****Bid No. 17-53 Rock Island Storage Building**

<b>Bidder Name City, State</b>	<b>Bid Bond/ Cashier's Check</b>	<b>Base Bid Bid Amount</b>	<b>Alternate #1 Bid Amount</b>	<b>Alternate #2 Bid Amount</b>
Halme Builders, Inc. Davenport, WA	X	\$3,425,000	N/A	N/A
Tiger Construction Everson, WA	X	\$3,543,049	N/A	N/A
Bethlehem Construction Cashmere, WA	X	\$4,164,178	N/A	N/A
Northcon, Inc Hayden, ID	X	\$4,373,900	\$3,836,200	N/A
RJS Construction Yakima, WA	X	\$5,431,448	N/A	N/A

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

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SERVICES AGREEMENT (SA NO. 16-106) WITH ENABLON NORTH AMERICA CORP. OF CHICAGO, IL AND OPTIMIT NA, LLC DBA STANDARD MODEL PARTNERS OF CHICAGO, IL FOR GOVERNANCE, RISK, AND COMPLIANCE (“GRC”) SOFTWARE AS SERVICES SYSTEM, IMPLEMENTATION SERVICES, MAINTENANCE AND SUPPORT.

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District has substantially managed its external and internal compliance obligations in an ad hoc manner. Each District business unit has developed its own compliance processes and tools such as different combinations of charts, documents, spreadsheets, SharePoint, email, and Maximo. There is no District-wide consistency in the processes and tools used.

The District’s GRC initiative was established to identify and evaluate available alternatives should the District decide to implement an enterprise-wide GRC program and for the purpose of assisting the District in identifying, tracking and meeting, in a proactive fashion, its external and internal compliance obligations. RFP 16-35 was issued August 2, 2016 requesting proposals for GRC Software System Implementation and Support. The District Proposal Evaluation Team reviewed the responses and has selected the proposal of Enablon North America Corp., which included Optimit NA, LLC dba Standard Model Partners (“SMP”), as its certified implementer, to be the most advantageous to the District.

Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

Enablon North America Corp. and SMP prepared proposals to perform GRC Software System Implementation (with software to be supplied as a service), Maintenance and Support for an estimated cost of \$1,200,000 for a 3 year term. The proposals have been negotiated pursuant to RCW 39.04.270 and Resolution No. 08-13325.

District staff has determined that Enablon North America Corp and SMP are the best qualified firms to provide the required services and that the cost for said services of \$1,200,000 for a 3 year term is a fair and reasonable price. Within District’s discretion, the contract provides optional pricing for additional software modules and it may be renewed for an additional 3 year term. These latter items are not included in the not to exceed price of \$1,200,000.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Enablon North America Corp and Standard Model Partners for the above-described services.

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 enter into a Services Agreement with Enablon North America Corp and Optimit NA, LLC, dba Standard Model Partners, for GRC Software as Services System, Implementation Services, Maintenance and Support Services in an amount not to exceed \$1,200,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 4TH day of DECEMBER 2017.

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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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