

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
203 OLDS STATION ROAD
WENATCHEE WA 98801**

REGULAR COMMISSION MEETING

DECEMBER 18, 2023

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Jered Paine
2. Approval of the Agenda
3. Safety Investigation Recommendations Follow-up
4. Legislative Update
5. Peshastin Water District Acquisition Update
6. Vegetation Management Update
7. Ravenwing Ranch Property Purchase and Sale Agreement
8. Public Comment
Time reserved for public comments or questions related to matters not covered by the agenda

BUSINESS SESSION

1:00 PM

Consent Agenda

9. Minutes of the November 30, 2023 Special Meeting and December 4, 2023 Regular Meeting
10. Vouchers: Accounts Payable Summary Report dated December 12, 2023:
 - a. Vouchers totaling \$24,908,916.22;
 - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period November 28, 2023 through December 11, 2023 in the amount of \$86,849.01.

- c. Approval of the net Payroll, Warrant Nos. 238328 through 238333 and Advice Nos. 768308 through 769122 for the pay period ending December 03, 2023 in the amount of \$2,555,961.62.
- d. Approval of Warrant Nos. 30359 through 30408 totaling \$4,655.03 for claim payments from the workers' compensation self-insurance fund for the period ending December 11, 2023.

Regular Agenda

11. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA NO. 16-034) WITH AON CONSULTING, INC TO PROVIDE EMPLOYEE BENEFIT CONSULTING SERVICES
12. A RESOLUTION AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 2-GMP3 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT
13. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 4, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 5 TO CONTRACT 20-39A WITH WRIGHT TREE SERVICE, INC. FOR TREE PRUNING
14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDERS 1, 2, 4, AND 5 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO BID NO. 21-30 FOR HYDRO GENERATION MECHANICAL SITE LABOR WITH BENDER CCP, INC. OF VERNON, CALIFORNIA
15. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 3 AND APPROVING FIELD WORK ORDER 4 TO BID NO. 21-31A FOR HYDRO GENERATING UNIT SHOP MACHINING WITH BENDER CCP, INC. OF VERNON, CALIFORNIA
16. Manager Items
17. Commission Items
 - a. Election of 2024 Officers
 - b. Board Workshop
Proposed motion: To set a special meeting on Tuesday, February 6, 2024 @ 9:00am at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, for the purpose of holding a Board Workshop
18. Follow-up on Delegation of Action Items from Previous Board Meeting
19. Delegation of Action Items

20. Additional Public Comment

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

22. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) 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) for ___ minutes

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 5 TO SERVICES AGREEMENT (SA NO. 16-034)
WITH AON CONSULTING, INC TO PROVIDE
EMPLOYEE BENEFIT CONSULTING SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 16-14068 dated October 3, 2016 authorized a Services Agreement (SA No. 16-034) with Aon Consulting, Inc to provide employee benefit consulting services, in an amount not to exceed \$584,946.50 for a five year term, through October 18, 2021. Resolution No. 21-14608 dated December 6, 2021 authorized an Amendment with Aon Consulting, Inc in the amount of \$219,250 for a total revised contract price not to exceed \$804,196.50 through December 31, 2023. Aon Consulting, Inc. was hired as the District's broker to act as the representative of the District for employee health and welfare benefits management, including, but not limited to, 1) effecting the most advantageous placement of insurance coverage, 2) providing actuarial valuations of the medical/dental plan, and 3) providing a full range of value-added services.

District staff has identified the need for continued employee benefit consulting services through December 31, 2025. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000. This contract amendment allows for the same services described above for two additional calendar years.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 16-034 with Aon Consulting, Inc in the amount of \$319,000 for a total revised contract price not to exceed \$1,123,196.50 through December 31, 2025.

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. 16-034) with Aon Consulting, Inc to provide the services identified above through December 31, 2025. The revised contract price will not exceed \$1,123,196.50 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 18th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION OF FIELD WORK ORDER/CHANGE ORDER NO. 2-GMP3 TO CONTRACT NO. 18-10 WITH GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

On October 1, 2018, by Resolution No. 18-14273, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of planned rehabilitation to Rock Island Dam Powerhouse No. 2 – Generating Units. Rehabilitation includes refurbishment of most major components, replacement of some due to known poor condition and limited remaining life, and procurement of some new components to mitigate schedule impacts from finding unrepairable items during the construction outage. The rehabilitation work on the first unit began in 2023, and the rehabilitation on the last unit is scheduled to be complete in 2031.

Previously Approved Guaranteed Maximum Price (GMP) Amendments and Field Work Orders

On July 20, 2020, by Resolution No. 20-14473, the Commission of the District Authorized the General Manager to enter into a Design-Build contract No. 18-10 with GE Renewables US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for pre-construction services.

On March 1, 2021, by Resolution 21-14537, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 3 to extend the pre-construction completion date to May 31, 2021 and add \$1,000,000.00 to the current not to exceed amount. The new not to exceed amount is \$5,500,000.00.

On May 3, 2021, by Resolution 21-14562, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 2 to provide for an Extended Correction Period to be added to the Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation Project for a not to exceed amount of \$19,743,066.00. The new not to exceed amount is \$25,243,066.00.

On May 3, 2021, by Resolution 21-14563, the Commission of the District authorized the General Manager to enter into a GMP Amendment No. 1 to provide for the long lead components to be ordered for the first unit for a not to exceed amount of \$12,162,792.14. The new not to exceed amount is \$37,405,858.14.

On July 6, 2021, by Resolution 21-14574, the Commission of the District ratified Field Work Order/Change Order Nos. 1, 4- Pre-Construction and 5- Pre-Construction, authorized the General Manager to enter into a GMP Amendment No. 2 for an amount of \$66,874,395.56 to provide for the first unit (U5) rehabilitation, and approved the revised combined 2021 capital budget for all Rock Island Powerhouse No. 2 – Generating Rehabilitation projects. The new overall not to exceed contract amount is \$104,280,253.70.

On February 22, 2022, by Resolution 22-14632, the Commission of the District ratified Field Work Order/Change Order No. 1-ECP, 3, 1-GMPA1 and 6-Pre-Construction for a reduction of \$1,306,300.69 from the overall contract amount, authorized the General Manager to execute Field Work Order/Change Order No. 1-GMP2 for updating the work scope under GMP Amendment No. 2 - First Unit (U5) with GE for an amount of \$1,032,059.80 for a revised not to exceed amount of \$104,006,012.81, excluding sales tax.

On March 6, 2023, by Resolution 23-14741, the Commission of the District ratified Field Work Order/Change Order Nos. 2-GMP1, 2-GMP2, 3-GMP2, and 4-GMP2 and authorized the General Manager to execute Field Work Order/Change Order No. 5-GMP2 to update the work scope under the GMP Amendment No. 2 – First Unit (U5) in an amount of \$1,443,227.80 for a revised overall contract amount of \$105,449,240.61, excluding sales tax.

On March 20, 2023, by Resolution No. 23-14746, the Commission of the District authorized the General Manager to execute GMP Amendment No. 3 to procure and start manufacturing of long lead-time components for the second and third Units in an amount of \$9,038,126.93 for a revised overall contract amount of \$114,487,367.54, excluding sales tax. The Commission of the District also approved the budget revision for Unit U7 and established the initial total project budget and 2023 budget for Unit U3.

On November 6, 2023, by Resolution No. 23-14817, the Commission of the District ratified Field Work Order/Change Order Nos. 4, 6-GMP2, 1-GMP3, 3-GMP1, and 4-GMP1, and authorized the General Manager to execute Field Work Order/Change Order No. 7-GMP2 covering engineering design changes under GMP Amendment No. 2 - First Unit (U5) with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 - Generating Unit Rehabilitation First Unit Rehabilitation for an amount of \$3,329,652.66 for a revised overall contract amount of \$117,990,362.20, excluding sales tax.

Proposed Field Work Order for Approval

Field Work Order/Change Order No. 2-GMP3 provides nine (9) turbine runner hub bushing sets for the remaining turbine generator units and appropriate spares for construction and future maintenance activities. The cost for the nine (9) turbine runner hub bushing sets is \$5,127,596.64 which will result in a new revised total contract price

for GMP Amendment No. 3 - Long Lead Components for second (U7) and third (U3) Units of \$14,165,723.57.

District staff recommends execution of Field Work Order/Change Order No. 2-GMP3 for an amount of \$5,127,596.64, for the Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation Project First Unit Rehabilitation. The revised overall contract amount after execution of this Field Work Order/Change Order No. 2-GMP3 will be \$123,117,958.84, excluding sales tax. 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 General Manager of the District is hereby authorized to execute Field Work Order/Change Order No. 2-GMP3 covering nine (9) turbine runner hub bushing sets under GMP Amendment No. 3 – Long Lead Components for second (U7) and third (U3) Units with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation First Unit Rehabilitation for an amount of \$5,127,596.64 for a revised overall contract amount of \$123,117,958.84, excluding sales tax.

DATED this 18th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 4, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 5 TO CONTRACT 20-39A WITH WRIGHT TREE SERVICE, INC. FOR TREE PRUNING

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) adopted Resolution No. 21-14520 on January 4, 2021 which authorized the District to enter into a contract (Bid No. 20-39A) with Wright Tree Service, Inc. (Contractor) of West Des Moines, Iowa for tree pruning, in the amount of \$7,512,648.

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/Change Order Nos. 1 through 4 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District's staff has executed Field Work Order/Change Order Nos. 1 through 4, which are on file in the offices of the District and summarized as follows:

Field Work Order/Change Order No.	Description	Amount
1	Added additional unit price item	\$0
2	Increased unit rates for 2022	\$0
3	Increased unit rates for 2023	\$0
4	Added additional unit price item	\$0
Total		\$0

Field Work Order/Change Order Nos. 1 through 4 result in no net increase in the contract price, which the District's Engineers recommend be ratified.

Additionally, District staff recommends execution of Field Work Order/Change Order No. 5 to extend the contract term to January 17, 2025, and increase the not-to-exceed amount by \$3,000,000 for a revised not-to-exceed contract price of \$10,512,648.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order Nos. 1 through 4 be ratified, and Field Work Order/Chage Order No. 5 be approved.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 1 through 4 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. 5 resulting in a revised Contract Price of \$10,512,648 (excluding sales tax).

DATED this 18th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDERS 1, 2, 4, AND 5 AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 6 TO BID NO. 21-30 FOR HYDRO GENERATION MECHANICAL SITE LABOR WITH BENDER CCP, INC. OF VERNON, CALIFORNIA

FACTUAL BACKGROUND AND REASONS FOR ACTION

Bid No. 21-30 – Hydro Generation Mechanical Site Labor is a unit price contract to provide labor, equipment and consumable materials to repair, overhaul, or rehabilitate the District’s hydro-electric generating equipment.

On November 1, 2021, the District Commission approved Resolution 21-14593 which authorized the advertisement and award for Bid 21-30. The bid was subsequently advertised and awarded to the lowest responsive and responsible bidder. A contract was executed with Bender CCP, Inc. of Vernon, California on August 5, 2022, in a not to exceed contract price of \$5,000,000, exclusive of sales tax.

On October 17, 2022, the District Commission approved Resolution 22-14704 which approved Change Order No. 3 to increase the contract price by \$7,000,000 for a revised not-to-exceed contract price of \$12,000,000.

The work in Field Work Order/Change Order Nos. 1, 2, 4, and 5 consists of conditions and work not anticipated or included in the original contract but within the scope of the contract. The District’s staff has executed Field Work Order/Change Order Nos. 1, 2, 4, and 5, which are on file in the offices of the District and summarized as follows:

Field Work Order/Change Ordre No.	Amount
1. Add Additional Unit Price Items	\$0
2. Add Additional Unit Price Items	\$0
4. Add Additional Unit Price Items	\$0
5. Revise Section 01 13 00 - Administrative Requirements	\$0
Total	\$0

Field Work Order/Change Order Nos. 1, 2, 4, and 5 do not change the total not-to-exceed contract price of \$12,000,000 (excluding sales tax), which the District's Engineers recommend be ratified.

District Staff recommends execution of FWO/CO No. 6 to increase the not-to-exceed amount by \$23,000,000 for a revised not-to-exceed contract price of \$35,000,000, excluding sales tax. FWO/CO No. 6 also extends the Contract Term by

two (2) additional years to August 14, 2026. This will be the final extension of this unit price contract. The additional funds and Contract Term extension will be used for continued support of the Rock Island Powerhouse 1 Unit Modernization Work as well as other potential emergent Work at other District Hydroelectric Generation facilities.

The General Manager of the District concurs with staff's recommendations that Field Work Order /Change Order Nos. 1, 2, 4, and 5 be ratified.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order No. 6 be approved.

ACTION

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

Section 1. The Commission finds that Field Work Order/Change Order Nos. 1, 2, 4, and 5 were executed pursuant to the authority delegated by Resolution 17-14215 and said Field Work Order/Change 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. 6 resulting in a revised contract price of \$35,000,000 (excluding sales tax) and extension of the Contract through August 14, 2026. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 18th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 THROUGH 3 AND APPROVING FIELD WORK ORDER 4 TO BID NO. 21-31A FOR HYDRO GENERATING UNIT SHOP MACHINING WITH BENDER CCP, INC. OF VERNON, CALIFORNIA

FACTUAL BACKGROUND AND REASONS FOR ACTION

Bid No. 21-31A – Hydro Generating Unit Shop Machining is a unit price contract to provide small- and large- scale machining and welding services for the District’s Rocky Reach, Rock Island and other hydro-generation facilities, whereby the contractor shall possess and furnish qualified personnel, operationally reliable and appropriate equipment, and professional supervision to perform small- and large-scale machining, welding/fabrication, painting and abatement, as well as general shop utility labor services to refurbish and/or remanufacture assemblies and components of hydro-electric generating units.

The District Commission by Resolution No. 17-14215 delegated authority to the General Manager to advertise, award and execute contracts when the total contract price is \$3,000,000 or less. Authority was also granted to the General Manager and the staff to execute field work order/change orders under certain circumstances.

On January 6, 2022, the District entered into a contract (Bid No. 21-31A) with Bender CCP, Inc. of Vernon, California for the Hydro Generating Unit Shop Machining in the amount of \$2,000,000. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The bid by the Contractor was the low bid and met the District’s specifications.

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

Field Work Order/ Change Order No.	Amount
1. Add Specification Section 01300 - Administrative Requirements	\$0
2. Revise Specification Section 01300 - Administrative Requirements, 1.1.7 District Submittal Response	\$0
3. Extend Contract Term to 1/31/2026	\$0
Total	\$0

Field Work Order/Change Order Nos. 1 through 3 do not change the total not to exceed contract price of \$2,000,000 (excluding sales tax), which the District's Engineers recommend be ratified.

District Staff recommends execution of FWO/CO No. 4 to increase the not-to-exceed amount by \$6,000,000 for a revised not-to-exceed contract price of \$8,000,000, excluding sales tax. The additional funds will be used for continued support for the Modernization of the remaining Units at Rock Island Powerhouse No. 1, ongoing repair and refurbishment of Unit components at Rocky Reach, as well as other emergent component needs from any of the District's hydro-generation facilities. The term for this contract is through January 31, 2026 with no option for additional extensions.

The General Manager of the District concurs with staff's recommendations that Field Work Order /Change Order Nos. 1 through 3 be ratified.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change 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/Change Order Nos. 1 through 3 were properly executed pursuant to the authority delegated by Resolution No. 17-14215 and said Field Work Order/Change 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 resulting in a revised not to exceed contract price of \$8,000,000 (excluding sales tax). A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 18th day of December 2023.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal