

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

REGULAR COMMISSION MEETING

OCTOBER 5, 2020

Public participation will be by phone only

Dial: 509-661-8872

Conference ID: 61705#

****Please remember to mute your phone to reduce background noise****

Please contact PUD staff at 509-661-4212 to let us know if you intend to participate by phone

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and HPI Minute – Dave Parkhill
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. Draft 5-Year Business Plans presented to Board
4. Quarterly Electrical Load Growth Update
5. Employee Recognition

BUSINESS SESSION

1:00 PM

Consent Agenda

6. Minutes of the September 21, 2020 Regular Meeting
7. Vouchers: Accounts Payable Summary Report dated September 30, 2020:
 - a. Vouchers totaling \$12,439,824.80;

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- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period September 16, 2020 through September 29, 2020 in the amount of \$16,648.89;
 - c. Approval of the net Payroll, Warrant Nos. 237189 through 237207 and Advice Nos. 701124 through 701906 for the pay period ending 09/13/2020 in the amount of \$2,100,668.08;
 - d. Approval of Warrant Nos. 26921 through 26940 totaling \$21,834.18 for claim payments from the workers' compensation self-insurance fund for the period ending September 28, 2020.
8. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 5 AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-43 WITH MAGNUM POWER, LLC OF CASTLE ROCK, WASHINGTON FOR ELECTRICAL DOCK CREW
9. A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 4 AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-82 WITH TRENCHLESS CONSTRUCTION SERVICES, LLC OF ARLINGTON, WASHINGTON FOR UNDERGROUND TRENCHLESS CONDUIT INSTALLATION

Regular Agenda

10. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 AND 2, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES
11. A RESOLUTION AUTHORIZING BUDGET AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (SA 20-11099) WITH CHELAN COUNTY FOR THE KNOWLES ROAD PROJECT PHASE II, COUNTY ROAD PROJECT NO. 725 (CRP725)
12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH PACIFIC STUDIOS INC. OF SEATTLE, WASHINGTON FOR EXHIBIT CREATION AND INSTALLATION FOR THE ROCKY REACH DISCOVERY CENTER
13. A RESOLUTION DECLARING NOKIA OF AMERICA CORPORATION. OF DALLAS, TX AS THE SOLE SOURCE SUPPLIER OF TELECOMMUNICATIONS EQUIPMENT, SERVICES AND SUPPORT FOR THE DISTRICT'S TELECOMMUNICATIONS TRANSPORT NETWORK
14. Manager Items
15. Commission Items
- a. Tri-Commission meeting:

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Proposed motion: Move to set a special meeting on Tuesday, November 24, 2020 @ 1:00pm to be held virtually for the purpose of holding a Tri-Commission meeting. Virtual meeting information will be posted on the PUD website.

b. WPUDA Scholarship Nominee

16. Commissioner Travel

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

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)

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

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 5 AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-43 WITH MAGNUM POWER, LLC OF CASTLE ROCK, WASHINGTON FOR ELECTRICAL DOCK CREW AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

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

On July 6, 2016, the District entered into a contract (Bid No.16-43) with Magnum Power, LLC (Contractor) of Castle Rock, Washington for Electrical Dock Crew, in the amount of \$738,392.14. 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 Nos. 1 through 5 was within the scope of the contract. The District's staff has executed Field Work Order Nos. 1 through 5, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Contract Extension and Revise Unit Price Rates	\$0
2. Amend SR 2	\$0
3. Contract Extension and Revise Unit Price Rates	\$0
4. Increase NTE Contract Price	\$50,000.00
5. Final Reconciliation of Contract Price	-\$371,685.64
Total	-\$321,685.64

Field Work Order Nos. 1 through 5 result in a net decrease in the contract price for a new revised total price of \$416,706.50 (excluding sales tax). District staff recommend Field Work Orders 1 through 5 be ratified. Resolution No. 17-14215 provides that this type of field work order shall be presented to the Commission for approval as part of the final acceptance resolution.

District staff has determined that the completion of all contract work occurred on August 26, 2020.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and ratify Field Work Order Nos. 1 through 5.

ACTION

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

Section 1. Field Work Order Nos. 1 through 5 to Bid No. 16-43 with Magnum Power, LLC for the work specified above, which will result in a net increase in the purchase price of \$-321,685.64, for a total revised contract price of \$416,706.50, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 16-43 was completed on August 26, 2020 and the same is hereby accepted subject to Section 3 hereof. Release of the Contractor's bond in lieu of retainage is authorized 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 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 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER NOS. 1 THROUGH 4 AND AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-82 WITH TRENCHLESS CONSTRUCTION SERVICES, LLC OF ARLINGTON, WASHINGTON FOR UNDERGROUND TRENCHLESS CONDUIT INSTALLATION AND AUTHORIZING RELEASE OF THE BOND IN LIEU OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

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

On January 5, 2017, the District entered into a contract (Bid No.16-82) with Trenchless Construction Services, LLC (Contractor) of Arlington, Washington for Underground Trenchless Conduit Installation, in the amount of \$498,990.00. 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 Nos. 1 through 4 was within the scope of the contract. The District's staff has executed Field Work Order Nos. 1 through 4, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
1. Contract Extension and Revise Unit Price Rates	\$0
2. Increase NTE Contract Price	\$329,086.23
3. Increase NTE Contract Price	\$170,000.00
4. Final Reconciliation of Contract Price	\$-39,577.76
Total	\$459,508.47

Field Work Order Nos. 1 through 4 result in a net increase in the contract price for a new revised total price of \$958,498.47 (excluding sales tax). District staff recommends Field Work Order Nos. 1 through 4 be ratified. Resolution No. 17-14215 provides that these types 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 August 26, 2020.

The General Manager of the District concurs with staff's recommendations that the District accept the work performed by the Contractor and ratify Field Work Order Nos. 1 through 4.

ACTION

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

Section 1. Field Work Order Nos. 1 through 4 to Bid No. 16-82 with Trenchless Construction Services, LLC for the work specified above, which will result in a net increase in the purchase price of \$459,508.47, for a total revised contract price of \$958,498.47, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 16-82 was completed on August 26, 2020 and the same is hereby accepted, subject to Section 3 hereof. Release of the Contractor's bond in lieu of retainage is authorized 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 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 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1 AND 2, AND APPROVING FIELD WORK ORDER/CHANGE ORDER NO. 3 TO CONTRACT NO. 19-72 WITH RAYFIELD BROTHERS EXCAVATING, INC. FOR UNIT PRICE EXCAVATION SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

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

On December 30, 2019, the District entered into a contract (Bid No. 19-72) with Rayfield Brothers Excavating, Inc. of Peshastin, Washington for Unit Price Excavation Services in the amount of \$812,985.60. This contract was advertised for public bid and was awarded as required by RCW 54.04.070 and .080. The bid by the Contractor was the low bid and met the District's specifications.

The work in Field Work Order Nos. 1 and 2 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 and 2, which are on file in the offices of the District and summarized as follows:

FWO/CO No.	Description	Amount
1	Increase the not-to-exceed Contract Price	\$250,000
2	Increase the not-to-exceed Contract Price	\$245,000
Total		\$495,000

Field Work Order Nos. 1 and 2 result in a net increase in the Contract Price of \$495,000 for a revised not to exceed contract price of \$1,307,985.60 (excluding sales tax), which District staff recommend be ratified.

Additionally, District Staff desires to execute FWO/CO No. 3 to increase the not to exceed amount by \$1,000,000 for a revised not to exceed Contract Price of \$2,307,985.60.

The General Manager of the District concurs with staff's recommendations that Field Work Order/Change Order Nos. 1 and 2 be ratified, and that Field Work Order/Change Order No. 3 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 and 2 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. 3. A copy of the Field Work Order/Change Order shall be on file in the offices of the District.

DATED this 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING BUDGET AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT (SA 20-11099) WITH CHELAN COUNTY FOR THE KNOWLES ROAD PROJECT PHASE II, COUNTY ROAD PROJECT NO. 725 (CRP725)

FACTUAL BACKGROUND AND REASONS FOR ACTION

Chelan County is planning to complete roadway improvements, including storm water and sewer improvements, on Knowles Road between American Fruit Road and School Street. Pursuant to the District's franchise agreement, the County is mandating the District relocate 2,200 feet of existing water main in the same corridor. The District's existing steel water main is at the end of its useful life and due for replacement. Coordinating and conducting work with the County is the most efficient path forward. The interlocal agreement (SA 20-11099) identifies the County as the lead agency, responsible for contracting and construction, with the District providing design for the water main replacement portion only and reimbursement for costs associated with construction of the same. The initial estimate is \$368,000 for this interlocal agreement. This estimated amount will be further refined through the design process.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Interlocal Agreements that exceed \$200,000. It is staff's recommendation that it is in the best interest of the District to enter into an interlocal agreement with County for the above-described services.

Additionally, budget has not been approved for this project. Staff recommends a total project budget of \$440,000 to cover \$72,000 in design and internal labor cost, in addition to the interlocal agreement. Based on the County's schedule, staff anticipates \$26,200 to be spent in 2020, \$23,500 in 2021 and \$390,300 in 2022.

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 an interlocal agreement with Chelan County for the Knowles Road Project Phase II (County Road Project No. 725) in an amount not to exceed \$368,000 without prior

Commission approval. A copy of the Agreement will be on file in the offices of the District.

Section 2. The total project budget of \$440,000 is authorized for the Knowles Road project.

DATED this 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

SEAL

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO ENTER INTO A CONTRACT WITH
PACIFIC STUDIOS INC. OF SEATTLE, WASHINGTON
FOR EXHIBIT CREATION AND INSTALLATION FOR
THE ROCKY REACH DISCOVERY CENTER

FACTUAL BACKGROUND AND REASONS FOR ACTION

In 2018, the District contracted with Pacific Studios, Inc. to complete design work for the new exhibits proposed for the Rocky Reach Discovery Center. Over the course of the last two years, Pacific Studios, Inc. has worked collaboratively with District Commissioners and staff to reach the 100% Design Development documents. With the completion of exhibit design documents and costs estimates for exhibit creation and installation, the District team is ready to contract with Pacific Studios for the exhibit creation and installation for the artwork for the Rocky Reach Discovery Center. Pacific Studios, Inc. is a highly qualified firm that specializes in design and creation of artwork for public entities. Pacific Studios, Inc. has created exhibit artwork currently installed at Rocky Reach Museum of the Columbia. The construction work associated with the installation will be performed under a separate public works contract.

District staff has determined that it would be in the best interest of the District to execute a contract with Pacific Studios, Inc. for the exhibit creation and installation for the Rocky Reach Discovery Center in an amount not to exceed \$1,313,588.00.

The General Manager has reviewed staff's recommendations and concurs in the same.

ACTION

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

Section 1. The General Manager or his designee is authorized to enter into a contract with Pacific Studios, Inc. for the exhibit creation and installation for the Rocky Reach Discovery Center at an initial contract price not to exceed \$1,313,588.00. Any amendments to the contract shall be subject to the delegated authorities of Resolution No. 17-14215. A copy of the contract will be on file in the offices of the District.

Dated this 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION DECLARING NOKIA OF AMERICA CORPORATION. OF DALLAS, TX AS THE SOLE SOURCE SUPPLIER OF TELECOMMUNICATIONS EQUIPMENT, SERVICES AND SUPPORT FOR THE DISTRICT'S TELECOMMUNICATIONS TRANSPORT NETWORK

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District selected Telecommunications Transport Network equipment from Nokia of America Corporation (“Nokia”) through a cooperative contract to upgrade the aged microwave system. Site access routers, switches, microwave radios and management system with advanced features and capabilities were installed to transport the District’s critical applications. Due to the critical nature of telecommunications for the District, plans to expand the network to more District locations are a high priority. Standardizing this equipment will help mitigate risks to the District’s assets and will reduce the burden of the District’s engineering and procurement groups with purchasing equipment, services and support. Staff recommends that the Telecommunications Transport Network equipment and all associated accessory equipment necessary (hereinafter referred to as “Telecommunications Equipment”) as well as associated professional services and support be procured from Nokia.

District staff has undertaken a review of the availability of equipment alternative to the Telecommunications Equipment manufactured by Nokia. Although the existing Nokia equipment is standards-based, no alternative equipment is currently interoperable with the installed Nokia equipment and management system.

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

District staff has determined that it would be in the best interest of the District to continue to designate Nokia, as the sole source supplier for the Telecommunications Equipment in an amount not to exceed \$2,500,000.00 through December 31, 2028. Staff also recommends that the competitive bidding requirements of RCW 54.04.070 be waived.

District staff intends to negotiate a new nine year contract with Nokia for the Telecommunications Equipment at the lowest price it would offer to any other person or entity purchasing similar quantities.

The General Manager has reviewed staff's recommendations and concurs in the same.

ACTION

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

Section 1. The Commission declares Nokia of America Corporation to be the sole source supplier for the Telecommunications Equipment, services and support for the Telecommunications Transport Network.

Section 2. The competitive bidding requirements of RCW 54.04.070 are hereby waived due to the designation of Nokia of America Corporation as the sole source supplier for the Telecommunications Equipment, services and support for the Telecommunications Transport Network.

Section 3. The General Manager or his designee is authorized to enter into a contract with Nokia of America Corporation for the purchase of the Telecommunications Equipment, services and support for the Telecommunications Transport Network at a cost not to exceed \$2,500,000.00 without prior Commission approval through December 31, 2028. A copy of the contract will be on file in the offices of the District.

Dated this 5th day of October 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

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