

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

REGULAR COMMISSION MEETING

December 5, 2016

AGENDA

STUDY SESSION

10:00 A.M.

1. Pledge of Allegiance and Safety Minute – Ryan Baker
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. Pre-Legislative Update
4. Fees & Charges Update
5. Red Flags
6. Public Power Benefit – Look Back & Look Forward
7. Awards

BUSINESS SESSION

1:00 P.M.

Consent Agenda

8. Minutes:

November 21, 2016

9. Vouchers:

Accounts Payable Summary Report dated November 29, 2016:

- a) Vouchers totaling \$11,464,575.25;
- b) Approval of Customer Deposit Returns and Conservation Incentive payments dated

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November 29, 2016 in the amount of \$30,762.36;

- c) Approval of the net Payrolls, Warrant Nos. 234820 through 234847 and Advice Nos. 624260 through 624986 for the pay period ending 11/13/2016 in the amount of \$1,772,873.89; and
- d) Approval of Warrant Nos. 22991 through 23020 totaling \$7,792.31 for claim payments from the workers' compensation self-insurance fund for the period ending November 28, 2016.

Regular Agenda

Resolutions

10. A RESOLUTION APPROVING THE 2017 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, TREASURY SERVICES, INTERNAL SERVICE SYSTEM AND FINANCING FACILITIES) BUSINESS LINES
11. A CORRECTED RESOLUTION SUPERSEDING AND REPLACING RESOLUTION NO. 16-14074 WHICH AUTHORIZED FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-40 WITH TRENCHLESS CONSTRUCTION SERVICES, LLC OF ARLINGTON, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE
12. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 16-123) WITH LERCH BATES, INC. OF ENGLEWOOD, COLORADO FOR CONSULTANT SERVICES AS IT RELATES TO THE DISTRICT'S ELEVATOR MODERNIZATION
13. A RESOLUTION RATIFYING NO-COST FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 12-07 WITH MOE ASPHALT PATCHING AND SEALCOATING, INC. OF WENATCHEE, WASHINGTON, AND AUTHORIZING PAYMENT OF RETAINAGE
14. A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS.1-5 AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-25 WITH PIPKIN INC. DBA PIPKIN CONSTRUCTION OF EAST WNEATCHEE, WA AND AUTHORIZING PAYMENT OF RETAINAGE
15. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER SERVICES 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

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16. A RESOLUTION AUTHORIZING AMENDMENT NO. 5 TO SERVICES AGREEMENT (SA-TA NO. 15-133) WITH ASPECT CONSULTING LLC TO PROVIDE TECHNICAL ASSISTANCE REGARDING THE DISTRICT'S WATER RIGHTS AND WATER RESOURCES PROGRAM
17. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA-TA NO. 16-104) WITH BQS - BRAZIL QUALITY SERVICES LTDA TO PROVIDE INSPECTION SERVICES
18. A RESOLUTION AMENDING AND RESTATING THE UTILITY SERVICE REGULATIONS
19. A RESOLUTION AMENDING AND RESTATING THE ELECTRIC LINE EXTENSION POLICY AND WATER AND WASTEWATER LINE EXTENSION POLICY PORTIONS OF THE UTILITY SERVICE POLICIES
20. Commission Items
21. Commission Travel
22. Manager Items
23. Follow-up on Delegation of Action Items From Previous Board Meeting
24. Delegation of Action Items
25. Additional Public Comment*
26. Matters of general business as may necessarily come before the Commission
27. 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 APPROVING THE 2017 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, TREASURY SERVICES, 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 2017 have been discussed with the Board of Commissioners.

The proposed 2017 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 2017 budget process has taken the strategic plan priorities in to consideration and proposes to establish priorities within the three strategic plan focus areas: reinvesting in assets and people is the highest priority, reducing debt next and continuing the Public Power Benefit program (including the fiber build-out throughout the county) third. These priorities best protect the long term interest of customer-owners.

Strategic priorities, significant projects, challenges, and constraints of the proposed 2017 budgets were discussed at a public meeting on October 3, 2016 and again at public hearings on November 7, 2016 and November 21, 2016.

The first public hearing on the proposed 2017 budgets was held on Monday, November 7, 2016, 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 2017 budgets was held on Monday, November 21, 2016, 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 strategic priorities and the proposed 2017 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 2017 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, as follows:

Section 1. The Commission establishes the following 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

Section 2. The budgets 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, Treasury Services, Internal Service System and Financing Facilities) business lines as presented to the Board on December 5, 2016 are adopted as the budgets for the year 2017. The budget summary is attached and other supporting information is on file in the office of the District.

Dated this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

SEAL

EKW

Chelan County PUD
2017 Proposed Budget (\$000)

	Combined District	Integrated Electric	Fiber & Telecom	Water	Wastewater	Eliminations
Service Revenue	63,168	50,258	9,114	5,894	668	(2,766)
EP&T Net Wholesale	114,138	114,138	-	-	-	-
LT Hydro Contract	124,572	124,572	-	-	-	-
Other Wholesale Activity	(1,320)	(1,320)	-	-	-	-
Wholesale Energy Revenue	237,390	237,390	-	-	-	-
Other Revenue	20,886	21,874	1	60	2	(1,052)
	321,444	309,522	9,116	5,953	670	(3,818)
Other Operating Expenses	162,178	155,561	6,028	3,722	685	(3,818)
Taxes	7,895	7,220	34	628	13	-
Depreciation & Amortization	48,244	43,452	3,083	1,472	237	-
	218,317	206,232	9,144	5,822	936	(3,818)
Operating Income/(Loss)	103,127	103,290	(29)	131	(266)	-
Non Operating Activity	17,770	20,649	(2,302)	(489)	(87)	-
Interest Earnings	(8,015)	(7,748)	(153)	(68)	(45)	-
Interest Expense	26,736	26,700	-	37	-	-
Fair Market Value Change	27	42	(8)	(3)	(3)	-
Other Non Operating Activity	4,195	4,214	(11)	(7)	(1)	-
Capital Contributions	(5,173)	(4,658)	(30)	(447)	(38)	-
Change in Net Postion	85,356	82,641	2,274	620	(179)	-
Capital Projects: Gross	95,088	89,620	3,935	1,116	418	-
Less Capital Contributions	(4,604)	(4,089)	(30)	(447)	(38)	-
Capital Projects: Net	90,484	85,531	3,905	669	380	-
Regulatory Assets	4,724	4,724	-	-	-	-
Hydro License Obligations	767	767	-	-	-	-
Operating Expenses	162,178					
Taxes	7,895					
Non-Operating (Inc)Exp	22,944					
Total Expenditures = OperExp + Taxes + NonOp +						
Net Capital + Regulatory Assets	288,992					
Net Debt Reduction	52,386					
Total Expenditures & Net Debt Reduction	341,378					

Notes:

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

System	Discrete/ Recurring	Project#	Title	Current Project Budget	TP Chg: Curr vs Proposed Bud Total	Proposed Project Budget	2017
Electr Distribution	Discrete	DS140001	Hawley Street Crane Rehab	265,000		265,000	5,000
		DS140004	Bavarian Substation	772,000		772,000	420,000
		DS140005	N Shore Chelan Substatn	455,000		455,000	385,500
		DS150007	Transformer Load Tester	258,000		258,000	258,000
		DS160001	Distribution Vehicles-Major Eq	1,259,825	45,735	1,305,560	768,000
		DS160002	Recloser Tester	60,000		60,000	60,000
		DS160003	Line Locators	18,800	20,200	39,000	20,000
		DS160004	Plain Substation Site Improve	200,000		200,000	180,000
		DS170001	Fleet - Distribution		2,018,000	2,018,000	2,018,000
	Recurring	DS170002	NESC Imprv-Mission Creek FDT-134		950,000	950,000	950,000
		2XXX0100	UG Xfrmrs-Capital Purchases		604,000	604,000	604,000
		2XXX0200	OH Xfrmrs-Capital Purchases		400,000	400,000	400,000
		2XXX0300	Line Devices-Regulators		55,000	55,000	55,000
		DSLEPROJ	DS - Line Extensions		1,300,000	1,300,000	1,300,000
		DSXX0001	DS - Customer Services		1,500,000	1,500,000	1,500,000
		DSXX0002	DS - Electric Meters		250,000	250,000	250,000
		DSXX0003	DS-Undergrnd Cable Replacement		350,000	350,000	350,000
		DSXX0006	Substation Equip Replacements		475,000	475,000	475,000
		DSXX0007	Distribution Line Improvements		265,000	265,000	265,000
		DSXX0009	Substation Improvements		895,000	895,000	895,000
		DSXX0014	Elec Mandated Relocate		500,000	500,000	500,000
		DSXX0015	NESC Distribution Upgrades		1,000,000	1,000,000	1,000,000
		DSXX0018	TRS Structural Pole Replace DS		25,000	25,000	25,000
		DSXX0020	TRS Structural Pole Replc LCDR		115,000	115,000	115,000
		DSXX0021	DS Pole Replacement		250,000	250,000	250,000
		DSXX0022	Feeder Device/line replacements		50,000	50,000	50,000
		System Forecast Adjustment					
Electr Distribution Total				3,288,625	11,067,935	14,356,560	12,586,825
Network Transmsn	Discrete	XT120005	N Mid C Transmission Project	3,339,000	906,300	4,245,300	485,000
		XT130021	AY-AC3 Fac Remediation	105,782		105,782	70,000
		XT130022	AC-SUM Fac Remediation	1,545,000		1,545,000	110,000
		XT140008	Mck-Bev White Pine Relocate	1,100,000		1,100,000	613,000
		XT150005	AYS - ACS 3 Relay Upgrade POTT	190,000		190,000	160,000
		XT150008	Sys Ops Video System	650,000	45,000	695,000	653,500
		XT160001	RRS 230KV Prot/SCADA Panel31	243,000		243,000	200,000
		XT160002	WNS 6-260 Breaker Replace	190,000		190,000	101,000
		XT160003	WNS 6-760 Breaker Replace	228,500		228,500	122,500
		XT160004	AY-AC 1&2 Relocate	2,415,000		2,415,000	1,090,000
		XT160006	HQ RTU Replace	127,600		127,600	117,600
		Recurring	XT170001	LEAV Undervoltage Mitigation		354,000	354,000
	XT170002		WNS 6-240 Breaker Replace		170,000	170,000	100,000
	XT170003		WNS 6-250 Breaker Replace		170,000	170,000	100,000
	XTXX0001		TRS Structural Pole Replc XT		260,000	260,000	260,000
	System Forecast Adjustment						
Network Transmsn Total				10,133,882	2,055,300	12,189,182	3,885,585
Fiber & Telecom	Discrete	NW120006	Node Backup Generators	260,000		260,000	40,000
		NW160005	CT DC Power System	46,000		46,000	26,000
		NW170001	Fiber Vehicles		90,000	90,000	90,000
	Recurring	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		448,750	448,750	448,750

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System	Discrete/ Recurring	Project#	Title	Current Project Budget	TP Chg: Curr vs Proposed Bud Total	Proposed Project Budget	2017	
Fiber & Telecom	Recurring	NWXX0011	Fiber Devices		468,750	468,750	468,750	
		NWXX0012	Fiber Conduit Installation		10,000	10,000	10,000	
		NWXX0013	Fiber Infrastructure Systems		350,000	350,000	350,000	
		NWXX0014	Fiber Subdivisions		100,000	100,000	100,000	
		Fiber Expansion PPB System Forecast Adjustment			5,340,052	-54,089	5,285,963	2,536,908 -205,520
Fiber & Telecom Total				5,646,052	1,483,411	7,129,463	3,934,888	
Water	Discrete Recurring	WR170001	Water Vehicles- Equipment		185,000	185,000	185,000	
		WRXX0001	WS - New Water Services		100,000	100,000	100,000	
		WRXX0002	WS - Customer Line Extensions		60,000	60,000	60,000	
		WRXX0003	WS - Water Main Replacements		710,000	710,000	710,000	
		WRXX0004	WS - Water Main Fire Hydrants		7,000	7,000	7,000	
		WRXX0005	Water Main Mandated Relocate		42,000	42,000	42,000	
		WRXX0006	Water Meters		32,000	32,000	32,000	
		WRXX0007	Water System Equipment		31,000	31,000	31,000	
System Forecast Adjustment							-51,000	
Water Total					1,167,000	1,167,000	1,116,000	
Wastewater	Discrete	SW120001	Lake Wenatchee Lagoon Liner	1,283,264		1,283,264	50,000	
		SW140001	Peshastin/Dryden WW Upgrade	500,000	150,000	650,000	350,000	
		Recurring	SWXX0001	New Sewer Svcs-Lake Wenatchee		35,000	35,000	35,000
			SWXX0002	New Sewer Svcs-Peshastin		3,000	3,000	3,000
System Forecast Adjustment							-20,000	
Wastewater Total				1,783,264	188,000	1,971,264	418,000	
Internal Services	Discrete	CAP170001	Fleet Shop Equipment		110,000	110,000	110,000	
		CAP170002	Facilities Upgrades		1,000,000	1,000,000	1,000,000	
		CAP170003	Hatchery Replacement/Upgrades		150,000	150,000	150,000	
		CAP170004	Security System Upgrades		800,000	800,000	500,000	
		IS120004	Telephone Switch Upgrade	600,000	1,221,000	1,821,000	1,528,307	
		IS130001	LMR Network Replacement	100,000	5,500,000	5,600,000	430,000	
		IS130002	Microwave Replacement	2,000,000	1,720,000	3,720,000	3,540,000	
		IS150001	Oper Rel CIPv5 PM Implement	750,000		750,000	75,000	
		IS150002	Security Infrastructure	1,840,000	361,092	2,201,092	1,790,000	
		IS150006	Dispatch Log	400,000		400,000	200,000	
		IS160002	CIS Upgrade	3,500,000	150,000	3,650,000	1,900,000	
		IS160011	Governance-Risk-Compliance SW	300,000	350,216	650,216	650,000	
		IS160012	Enterprise Search	298,000		298,000	133,000	
		IS160016	FCLW Warehouse Storage Racks	96,000		96,000	62,000	
		IS160018	CTC Meet Me Room	200,000		200,000	196,744	
		IS170001	Fleet - Shared			1,750,000	1,750,000	1,750,000
		IS170002	GIS Data Collector			8,800	8,800	8,800
		IS170003	Oracle Encryption/Security			250,000	250,000	250,000
		IS170004	Tape Library Server-Network			92,241	92,241	92,241
		IS170005	Bid Workflow			275,000	275,000	150,000
		IS170006	Enterprise Storage HW-SW			60,000	60,000	60,000
		IS170007	Server/Network Infrastructure			151,938	151,938	151,938
		IS170008	IT Software New Services			101,254	101,254	101,254
		IS170009	Security HW/SW			100,000	100,000	100,000
		IS170010	CM Power Quality Monitor			7,000	7,000	7,000
		IS170011	RR Haz/Whs/CM/Fleet Fire Alarm			91,000	91,000	91,000
		IS170012	CM Pwr System Simulator Test Set			65,000	65,000	65,000
IS170013	CM Comm System Analyzer			30,000	30,000	30,000		
IS170014	CM Network Analyzer			15,000	15,000	15,000		
IS170015	CM OTDR Fiber Optic Tester			15,000	15,000	15,000		
IS170016	CM DSX Quat OLTS Insp Kit			26,000	26,000	26,000		
IS170017	CM Dead Weight Tester			8,000	8,000	8,000		
System Forecast Adjustment							-759,315	
Internal Services Total				10,084,000	14,408,540	24,492,540	14,426,968	

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System	Discrete/ Recurring	Project#	Title	Current Project Budget	TP Chg: Curr vs Proposed Bud Total	Proposed Project Budget	2017
Rocky Reach	Discrete	RR110005	RR HW Gantry Crane	6,285,754		6,285,754	2,570,000
		RR110010	RR C8-C11 Gen Protect Relays		40,000	40,000	20,000
		RR110012	RR C1-C11 Unit Ctrls Governor	5,063,117	120,418	5,183,535	465,000
		RR120004	RR Excitation Reg Replc C1-C11	4,508,217		4,508,217	440,000
		RR120006	RR Unit DFR Installation	766,200		766,200	51,000
		RR130004	RR Tran & SS Relay Replacement	343,415		343,415	25,000
		RR140001	RR Partial Discharge C8-C10	320,000		320,000	130,000
		RR140006	RR09b PKDG Imprv Shore	158,363		158,363	88,000
		RR160002	PKCF Boat Launch & Docks Repl	700,000	18,683	718,683	672,073
		RR160006	RR Bridge Cranes	5,400,000		5,400,000	4,200,000
		RR160008	RR C8 Head Cover	850,000	96,500	946,500	2,500
		RR160009	RR C9 Head Cover	850,000		850,000	416,800
		RR160010	RR C10 Head Cover	850,000		850,000	625,300
		RR160011	RR C11 Head Cover	850,000		850,000	656,900
		RR160013	RR C8 Cooling Wtr Supply	80,000		80,000	15,000
		RR170001	RR Vehicles & Equip		690,000	690,000	690,000
		RR170002	PKRR Trail Rpl Stairs		230,000	230,000	230,000
		RR170003	PKBB Boat Launch & Docks Repl		700,000	700,000	700,000
		RR170004	RR Generator Fire Protect Syst		5,500,000	5,500,000	1,635,000
		RR170005	RR Dam Deformation		372,000	372,000	97,000
		RR170006	RR Tailrace Buoy Placement		500,000	500,000	500,000
		RR170007	RR Fire Alarm System		1,115,000	1,115,000	1,115,000
		RR170008	RR C9 Cooling Wtr Supply		80,000	80,000	80,000
RR170009	RR C11 Cooling Wtr Supply		80,000	80,000	80,000		
System Forecast Adjustment							-2,325,686
Rocky Reach Total				27,025,066	9,542,601	36,567,667	13,178,887
Rock Island	Discrete	RI0800B2	RI PH1 B-2 Stator Replacement	4,961,785		4,961,785	1,000
		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 Govrnr DigCtrls B2	2,890,000		2,890,000	1
		RI110008	RI PH2 Excitation Sys U1-U8	2,196,799		2,196,799	138,000
		RI110009	RI PH2 Relays U1-U8	627,657	213,397	841,054	180,000
		RI110011	RI PH2 XFMR/Bus Pro Relays	240,000		240,000	25,000
		RI110012	RI PH2 MCM Install U1-U-8	1,100,000		1,100,000	26,000
		RI110013	RI PH2 Generator DFR	256,396		256,396	26,000
		RI110015	RI PH2 Gov Digtl Ctrls U1-U8	11,172,820		11,172,820	2,200,000
		RI110018	RI Spillway AG Controls	140,000		140,000	45,000
		RI130002	RI PH2 Unit MCC	2,040,000		2,040,000	1
		RI130006	RI Spillway NG Remote Cntrl	170,868	27,000	197,868	47,000
		RI130010	RI PH1 B1-B8 Gen Heat Detection	208,985	31,998	240,983	40,000
		RI130016	RI Site 45CH791 45CH302	570,000	278,583	848,583	352,651
		RI140002	RI PH1 B6 Modernization	27,100,000		27,100,000	11,000,000
		RI140003	RI PH2 Gantry Crane	1,285,000	1,289,000	2,574,000	1,022,000
		RI140004	RI PH2 Bridge Crane	1,720,000	1,150,000	2,870,000	1,126,000
		RI150003	RIFW Controls Upgrds	825,000		825,000	240,000
		RI150006	RI PH2 Gov Air Comp Replc	180,000		180,000	170,000
		RI160002	PKWC 50 Amp Service	983,000		983,000	611,000
		RI160011	PKWW Information Kiosk	48,000	500	48,500	48,000
		RI160013	RI 56 Shop New Shear	44,000	11,000	55,000	55,000
		RI160014	RI PH1 Dom Wtr Twr & Piping	1,996,000	257,000	2,253,000	2,121,000
		RI160015	RI PH1 B5 Modernization	31,300,000		31,300,000	6,200,000
		RI160016	RI PH1 B7 Modernization	31,300,000		31,300,000	12,000,000
RI160017	RI PH1 B8 Modernization	31,300,000		31,300,000	3,700,000		
RI160021	HTTW PIT Tag Array	107,000		107,000	100,000		
RI170001	RI Fleet Vehicles		138,000	138,000	138,000		
RI170002	PKWW Shoreline Stabilization		430,000	430,000	430,000		
RI170003	PKKB Parking Lot Replace		225,000	225,000	225,000		

DRAFT						10		
System	Discrete/ Recurring	Project#	Title	Current Project Budget	TP Chg: Curr vs Proposed Bud Total	Proposed Project Budget	2017	
	Discrete	RI170004	PKWW Paving and Storage Bldg		300,000	300,000	300,000	
		RI170005	RI Dam Deformation		349,500	349,500	106,000	
		RI170006	RI PH1 Battery Rms HVAC		195,000	195,000	195,000	
		RI170007	RI PH1 Intake Gantry Repl		4,373,000	4,373,000	138,000	
		RI170008	RI PH1 Relocate Micro Antenna		105,500	105,500	105,500	
		RI170009	RI PH2 Storage Building		1,110,000	1,110,000	1,110,000	
		RI170010	RI PH1 B9-B10 Turbine Staging		102,000	102,000	102,000	
		RI170011	RI PH1 B1 Modernization		14,650,000	14,650,000	675,000	
		RI170012	RI PH1 B2 Modernization		14,520,000	14,520,000	675,000	
		RI170013	RI PH1 B3 Modernization		14,420,000	14,420,000	1,375,000	
		RI170014	RI PH1 B4 Modernization		16,410,000	16,410,000	4,575,000	
		RI170015	RI PH2 C14 Bldg Hoists		30,000	30,000	30,000	
		RI170016	RI PH2 Storage Bldg Crane		440,000	440,000	440,000	
		RI170017	RI PH2 Microwave Batt Replace		44,000	44,000	44,000	
		RI170018	RI Underwater Camera		40,000	40,000	40,000	
		System Forecast Adjustment						-7,734,924
Rock Island Total				181,774,300	71,140,477	252,914,777	44,442,231	
Lake Chelan	Discrete	LC160001	LC Dam Deformation	225,000		225,000	105,000	
		LC160002	LC Breaker Racking Device	25,000		25,000	25,000	
		LC170001	LC PH SS 11kv Breakers		670,000	670,000	670,000	
		LC170002	LC A1 11kv Breakers		161,000	161,000	161,000	
		LC170003	LC A2 11kv Breakers		162,000	162,000	162,000	
		LC170004	LC Fire Alarm System		170,000	170,000	170,000	
		System Forecast Adjustment						-193,950
Lake Chelan Total				250,000	1,163,000	1,413,000	1,099,050	
TOTAL				239,985,189	112,216,264	352,201,453	95,088,434	

<u>Gross Capital</u>	
Electr Distribution	12,586,825
Network Transmsn	3,885,585
Fiber & Telecom	3,934,888
Water	1,116,000
Wastewater	418,000
Internal Services	14,426,968
Rocky Reach	13,178,887
Rock Island	44,442,231
Lake Chelan	1,099,050
Total Gross Capital	95,088,434

<u>Customer Contributions</u>	
Electr Distribution	(2,865,000)
Network Transmsn	(613,000)
Fiber & Telecom	(30,000)
Water	(447,000)
Wastewater	(38,000)
Rock Island	(611,000)
Total CIAC	(4,604,000)

<u>Net Capital:</u>	
Electr Distribution	9,721,825
Network Transmsn	3,272,585
Fiber & Telecom	3,904,888
Water	669,000
Wastewater	380,000
Internal Services	14,426,968
Rocky Reach	13,178,887
Rock Island	43,831,231
Lake Chelan	1,099,050
Total Net Capital	90,484,434

Net Regulatory Assets	4,724,491
Make Available (LCRL-2536)	766,958

RESOLUTION NO. _____

A CORRECTED RESOLUTION SUPERSEDING AND REPLACING RESOLUTION NO. 16-14074 WHICH AUTHORIZED FINAL ACCEPTANCE OF PERFORMANCE UNDER BID NO. 15-40 WITH TRENCHLESS CONSTRUCTION SERVICES, LLC OF ARLINGTON, WASHINGTON AND AUTHORIZING PAYMENT OF RETAINAGE

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District Commission by Resolution No. 16-14074 authorized final acceptance of Bid 15-40 with Trenchless Construction on October 17, 2016. The total amount specified in the resolution was incorrectly stated as the evaluated bid price of \$372,721. The total cost for work performed under this unit price contract is corrected to be the \$329,417.81 which is the actual amount spent.

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 July 13, 2015, the District entered into a unit price contract (Bid No. 15-40) with Trenchless Construction Services, LLC (Contractor) of Arlington, WA for Underground Conduit Trenchless Construction. 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 September 22, 2016. 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 and recommends the District 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. All the contract work required under Bid No. 15-40 was completed on September 22, 2016, and the same is hereby accepted, subject to Section 2 hereof. The total cost for work performed under this unit price contract for underground conduit construction project as specified in the bid documents is corrected to be \$329,417.81 instead of \$372,721 as state under Resolution No. 16-14074 authorized on October 17, 2016. 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 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 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.

Section 4. Resolution No. 16-14074 is hereby superseded and replaced.

DATED this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner
Seal

Commissioner

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A TASK AUTHORIZATION SERVICES AGREEMENT (SA NO. 16-123) WITH LERCH BATES, INC. OF ENGLEWOOD, COLORADO FOR CONSULTANT SERVICES AS IT RELATES TO THE DISTRICT'S ELEVATOR MODERNIZATION

FACTUAL BACKGROUND AND REASONS FOR ACTION

Modernization of District elevators with two (2) at Headquarters, four (4) at Rock Island Dam, and five (5) at Rocky Reach Dam requires expertise in contract documents for bid, as well as construction support through the length of the contract. Lerch Bates, Inc. is qualified to perform this work to ensure that the District elevators are modernized to current codes and regulations. This work is anticipated to be completed in 2020 when the final Rock Island elevator is completed. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Service Agreements that exceed \$200,000.

Lerch Bates, Inc. of Englewood, Colorado has prepared a proposal to perform consultant services as it relates to the District's elevator modernization.

District staff has determined that Lerch Bates, Inc. is the best qualified firm to provide the required services and that the costs proposed for the services is a fair and reasonable price. The total costs for the services to be provided by Lerch Bates, Inc. shall not exceed \$300,000.

It is District staff's recommendation that it is in the best interest of the District to enter into a Services Agreement with Lerch Bates, Inc. for the above-described services. Services shall be provided when and as requested by the District, according to written task orders which define the scope, budget and schedule for individual tasks. No work shall be undertaken by Lerch Bates, Inc. without a written task order.

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 Lerch Bates, Inc. for consultant services as it relates to the

District's elevator modernization in an amount not to exceed \$300,000 without prior Commission approval. A copy of the Agreement is on file in the offices of the District.

DATED this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING NO-COST FIELD WORK ORDER NOS. 1, 2 AND 3, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 12-07 WITH MOE ASPHALT PATCHING AND SEALCOATING, INC. OF WENATCHEE, WASHINGTON, 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 March 6, 2012, the District entered into a unit price contract (Bid No. 12-07) with Moe Asphalt Patching and Sealcoating, Inc. (Contractor) of Wenatchee, WA for Unit Price paving and concrete repairs. 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, 2, and 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 No. 1, 2, and 3, which are on file in the offices of the District and summarized as follows:

Field Work Order No.	Amount
#1 Added 3 unit price items per the Unit Price Schedule for Changed Work	-0-
#2 Extended Contract for 2 years; revised unit price rates and set limit of Work Assignments to a "not to exceed" limit of \$25,000	-0-
#3 Added a unit price item to Schedule A – Asphalt	-0-
Total	-0-

Field Work Order Nos. 1, 2 and 3 were no-cost work orders. The total contract price is \$1,018,345.33 (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, 2016. 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 no-cost Field Work Order Nos. 1, 2 and 3 and authorize the payment of retainage due the Contractor, subject to the requirements of the contract and state law.

ACTION

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

Section 1. No-cost Field Work Order Nos. 1, 2 and 3 to Bid No. 12-07 with Moe Asphalt Patching and Sealcoating, Inc. for the work specified above, result in no change to the purchase price of \$1,018,345.33, plus Washington State sales tax, is hereby ratified.

Section 2. All the contract work required under Bid No. 12-07 was completed on November 22, 2016 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 5th day of December 2016

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION RATIFYING FIELD WORK ORDER/CHANGE ORDER NOS. 1-5, AUTHORIZING FINAL ACCEPTANCE OF WORK PERFORMED UNDER BID NO. 16-25 WITH PIPKIN INC. DBA PIPKIN CONSTRUCTION OF EAST 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 July 7, 2016, the District entered into a contract (Bid No. 16-25) with Pipkin Inc. dba Pipkin Construction (Contractor) of East Wenatchee, WA for the April Drive Water Main Replacement, in the amount of \$771,535.00. 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/Change Order (FWO/CO) Nos. 1-5 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 FWO/CO Nos.1-5, which are on file in the offices of the District and summarized as follows:

FWO/CO No. and Description	Amount
1. Change Phase 1 Milestone Completion Date.	\$0.00
2. Rock excavation and unforeseen encumbrances.	\$21,929.49
3. Relocation of existing underground power.	\$12,478.35
4. Change final Completion date.	\$0.00
5. Installation of connections and survey monuments, reconnection of service, and a one hour delay; reconciliation for changed quantities.	\$2,522.45
Total	\$36,930.29

FWO/CO Nos. 1-5 result in a net increase in the contract price \$36,930.29 for a new revised total price of \$808,465.29 (excluding sales tax), which the District's Engineers recommend be ratified. Resolution No. 08-13325 provides that this type of FWO/CO 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 21, 2016. 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 FWO/CO Nos. 1-5 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/Change Order Nos. 1-5 to Bid No. 16-25 with Pipkin Inc. dba Pipkin Construction for the work specified above, which will result in a net increase in the contract price of \$36,930.29, for a total revised contract price of \$808,465.29, plus Washington State sales tax, are hereby ratified.

Section 2. All the contract work required under Bid No. 16-25 was completed on November 21, 2016 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 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE INDIVIDUAL TASK AUTHORIZATIONS UNDER SERVICES 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 2016 will expire on December 31, 2016.

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, 2017. The total costs for the hatchery operation services to be provided by WDFW through December 31, 2017 shall not exceed \$2,985,384.

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 \$2,985,384 through December 31, 2017 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 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT NO. 5
TO SERVICES AGREEMENT (SA-TA NO. 15-133)
WITH ASPECT CONSULTING LLC TO PROVIDE
TECHNICAL ASSISTANCE REGARDING THE
DISTRICT'S WATER RIGHTS AND WATER
RESOURCES PROGRAM

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into a Services Agreement (SA-TA No. 15-133) on August 27, 2015 with Aspect Consulting LLC to provide technical assistance related to water rights, permitting, and compliance associated with the District's portfolio of water rights, in an amount not to exceed \$195,000.

Resolution No. 16-14026 increased the contract price by \$100,000 for a revised contract price not to exceed \$295,000.

Through the review of the District's water rights and Water Resources Program, staff has identified additional work that is needed. Resolution No. 08-13325 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$200,000.

District staff recommends that it is in the best interest of the District to amend Services Agreement No. 15-133 with Aspect Consulting LLC to provide technical services regarding the District's water rights increasing the amount by \$210,000, for a total revised contract price not to exceed \$505,000.

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-TA No. 15-133) with Aspect Consulting LLC to provide the

additional services identified above. The revised contract price will not exceed \$505,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this **5th** day of **December 2016**.

ATTEST:

Vice President

Commissioner

Seal

President

Secretary

Commissioner

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 1 TO SERVICES AGREEMENT (SA-TA NO. 16-
104) WITH BQS - BRAZIL QUALITY SERVICES
LTDA TO PROVIDE INSPECTION SERVICES.

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into Services Agreement SA 14-183 on October 24, 2014 with BQS - Brazil Quality Services Ltda (BQS) to provide shop inspection services for the C8-C11 turbine repair project. The contract has a not-to-exceed amount of \$164,000 and expires December 30, 2017.

The District entered into Services Agreement SA 15-090 on May 7, 2015 with BQS to provide shop inspection services for the B6 and B7 unit modernization projects. The contract has a not-to-exceed amount of \$195,000 and expires December 31, 2019.

The District entered into Services Agreement SA-TA 16-104 on August 8, 2016 with BQS to provide inspection services, in an amount not to exceed \$190,000 and an expiration date of December 31, 2017. The District has issued two task authorizations for inspection under the contract, one for Rocky Reach intake gantry crane manufacturing and one for Rocky Reach C8-C11 winding manufacturing.

District staff has identified the need for additional inspection services for District projects through 2021 in an amount of \$1,330,000 including items such as: Rocky Reach C8-C11 head covers; C9 and C10 piston rods, and cylinder spiders; B5 and B8 turbines, wicket gates, head covers, rotor spiders, bottom rings, discharge liners, stators, and rotor poles; and B1 to B4 turbines, head covers, and rotors.

Resolution No. 08-13325 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$200,000. To reduce administrative work revising multiple Service Agreements for scope, dollar value and expiration dates and to have consistent terms for all work, District staff recommends amending SA-TA 16-104 to increase the not to exceed amount by \$1,330,000 for a total revised contract price not to exceed \$1,520,000 and extend the duration of the contract from December 31, 2017 to December 31, 2021.

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-TA 16-104 with BQS to provide the additional services identified above. The revised contract price will not exceed \$1,520,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING THE
UTILITY SERVICE REGULATIONS**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Public Utility District No. 1 of Chelan County (District) has established provisions, regulations and practices for Electric, Water and Wastewater services entitled “Utility Service Regulations” as adopted by Resolution No. 07-13211 and most recently updated by Resolution No. 15-13987.

District staff identified the need to revise the language of sections 32 and 37 of the Electric Service portion of the Regulations. Proposed changes to section 32 “Delivery Phase and Voltage,” removes a electric service connection size no longer offered by the District for new connections due to safety concerns. Horsepower limitations have also been corrected to be consistent with service connection handbooks and applicable rate schedules. Proposed changes to section 37 “Customer’s Wiring and Equipment” are necessary to support proposed changes to section 32 by identifying the need for single-phase protection for all three-phase loads as recommended by the District.

Staff is also proposing changes to sections of the regulations addressing metering and load changes. Specifically addressing metering are changes proposed to section 34 “Meter Location and Installation”. The proposed changes address safety and operational concerns related to recessed meter bases. Recessed meter bases will no longer be permitted for new installations. The change also requires a minimum of thirty-six (36) inches working space in front of the meter base and that all conduits are exposed and accessible for normal maintenance and operation. Proposed changes to section 41 “Changes in Load” require High Density Load customers to provide advance notice to the District of any changes, increases or transfers of load via a new service application in order for staff to effectively apply Rate Schedule 35 and maintain safety and reliability.

Staff also proposes changes to section 65 of the Water Service portion of the Regulations. Proposed changes to section 65 “Cross-Connection Control” provides revised expectations for residential customers to meet the required annual backflow assembly testing and inspections. The District will provide three courtesy reminder notices to the customers along with a list of independent inspectors available in the area. For customers that do not meet the deadline, the District will perform the required inspection for a fee (included in Fees and Charges). This process avoids disconnection of water service as the immediate course of corrective action and is supported by the Washington State Department of Health.

District staff recommends that it is in the best interest of the District to amend Sections 32, 34, 37, 41, and 65 of the Utility Service Regulations as described herein. The revised Regulations are set forth in Attachment A. Staff recommends that these changes be effective on January 1, 2017.

The General Manager 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. Effective January 1, 2017, the District's Utility Service Regulations shall be as provided in Attachment A.

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

EXHIBIT A

ELECTRIC SERVICE REGULATIONS

The following service regulations are specific to Electric Service and Telecommunications Infrastructure and apply in addition to the general Utility Service Regulations.

27. DEMAND METERS

Demand meters shall be installed when the nature of the Customer's equipment, as may be set forth in the initial and subsequent applications for Electric Services, indicate that a Demand meter is required for correct application of the Rate Schedule. The Customer shall be obligated to notify the District in writing prior to any change in equipment or operations that may require separate meters. For example but not by way of limitation, different voltages, use occupancy change, mixed-use buildings, any change in equipment or operations that impacts Electric Service regardless of whether a building permit is required. For billing purposes, all Demands will be determined to the nearest whole kilowatt (KW), or horsepower (HP) where standard metering accuracy equipment permits or as provided in the Rate Schedule under which Electric Service is furnished. The District may supply Demand data to the Customer upon special request, i.e. demand pulses, made to the District in writing. The Customer shall reimburse the District for all costs incurred for installation of the equipment to furnish this data. The District shall not be responsible for the accuracy or the use of the Demand data by the Customer.

28. POWER FACTOR ADJUSTMENT

Loads supplied under schedules providing for a Demand charge shall be subject to the provisions of the District's [Electric Rate Schedules](#) covering power factor provisions for power loads.

All Customer installations of power factor corrective equipment shall be subject to the approval of the District. Power factor shall be determined by permanently installed instruments. Unless specifically otherwise agreed, the District shall not be obligated to deliver power to the Customer at any time at a power factor below 0.75.

29. RESALE OF ENERGY/OWNERSHIP OF ENVIRONMENTAL ATTRIBUTES

Electric Energy is not to be re-sold by the Customer, except by special Contract or written permission of the District.

The District retains ownership for its own use and benefit any environmental attributes (as those terms may be defined under any applicable federal or state law, rule or regulation or by any market or otherwise) of the Electric Service and Energy supplied to the Customer.

30. REDISTRIBUTION OF TELECOMMUNICATIONS INFRASTRUCTURE

Access to the District's Telecommunications Infrastructure shall not be resold or made available to others.

31. POINT OF DELIVERY

It shall be the responsibility of the Customer or the licensed electrical contractor on behalf of the Customer to advise the District in writing of the Customer's electric equipment ratings in advance of installing or altering the Electric equipment. The District will determine whether the location, voltages available, and installation are acceptable and in conformance with the District Electrical Service Requirements and these Regulations.

LOCATION

For overhead Electric Service, the location of Point(s) of Delivery shall be such that the District's Electric Service conductors (including fiber optic cable) attach at only one location.

For underground residential Electric Service, the Point of Delivery is at the District's entrance to the meter base. For commercial and/or industrial service, the Point of Delivery is the secondary lugs of the transformer or other specified point, and in rare instances, as approved by the District, a primary disconnection point that is UL listed. The service point for Telecommunication Infrastructure provided through an underground service shall be the Premises Gateway Device.

All Electric Services to new Customers and platted residential developments, new commercial or industrial buildings or any area where overhead Electric Service can be reasonably avoided shall be underground unless otherwise agreed upon or provided in applicable franchises. Such underground Electric Services shall be in accordance with the District Standard Practices and Electrical Service Requirements and shall be approved by the District's Engineering Department prior to installation.

DISTRICT-DIRECTED ALTERNATE CONFIGURATIONS

The rates of the District are based upon the supply of Electric Service to the Premises through a single Point of Delivery. Under certain conditions multiple meters may be necessary. The District may, in its sole discretion, determine that due to load and/or system requirements, more than one meter is necessary. If the District determines multiple meters are required or appropriate to serve the same Customer class, the District may elect to aggregate these meters for the purposes of billing. Examples of the considerations for such alternate metering configurations include the following:

- Capacity limitations where two (2) or more feeder circuits are necessary to serve one load where typically it would be served by one feeder;
- System improvements or changes that result in the need to serve existing one-meter loads with multiple meters; or
- System acquisitions where existing system design require more than one metering station to meet Customer load.

Regardless of the meter configuration, the appropriate terms of each Rate Schedule shall apply based on the original or standard meter configuration and Point of Delivery. The District may, in its sole discretion, determine whether consolidation or deconsolidation of meters is necessary.

Where the District agrees to furnish separate transformers to provide multiple Electric Services or multiple voltages for the mutual benefit of the District and the Customer, metering and billing shall be either by application of the District's rates separately to each such separate Electric Service at secondary voltage or consolidated at primary voltage with addition of an allowance for transformation losses to the metered amounts.

COMBINED SERVICE

If more than one end-user of Electric Service are served by a single electric service/meter (for example, commercial landlord/tenant or other arrangement between more than one end-user at a Premises) Section 45, Separate Meter for Each Class of Service, or Section 46, Combined Residential and Commercial Service, of these Utility Service Regulations may apply as determined appropriate by the District.

32. DELIVERY PHASE AND VOLTAGE

All Electric Service shall be alternating current at a nominal 60 hertz.

A. Standard secondary Electric Service voltages are available as follows:

1. 120/240 volt 3 wire single phase (1 \emptyset)
2. 208Y/120 volt 4 wire three phase (3 \emptyset) wye
3. 480Y/277 volt 4 wire three phase (3 \emptyset) wye
4. At District's discretion, 120/240 volt 4 wire three phase (3 \emptyset) delta.

The District will endeavor to deliver Energy at voltages within five percent (5%) plus or minus of nominal voltages. In general, delivery voltages and phases will be those available at the point Electric Service is desired; and if other phase or voltages are necessary, they may be made available by the District in accordance with the provisions of its line extension policies and schedules then in effect.

In the case of large loads, power may be delivered at other voltages, primary or secondary, that are approved by the District. In general, motor loads up to and including 7 ½ HP may be served at 240 volts single phase. Upon review, the District may approve loads up to 15 HP on single phase when phase shifting equipment and appropriate filters are used. Motors of 7 ½ HP or more may be served at 208 volts three phase. Motors of 40 HP or more may be served at 480 volts three phase. Minimum loads allowed to be served are in accordance with the District standard practices unless existing facilities allow connection without transformer changes. The final determination of voltage and allowed loads shall be made by the District.

The District may require Customers to install reduced-voltage starting equipment in cases where across-the-line starting would result in excessive or undesirable voltage disturbances on the District's system. The District may specify the particular type of reduced-voltage starting equipment required and, in some cases, may not allow certain types of loads to be installed or may require that certain loads be disconnected from the District's system to prevent excessive voltage disturbances that may degrade electrical service to the District's Customers.

33. VOLTAGE STANDARDS AND FLUCTUATIONS

The American National Standards Institute (ANSI) has set voltage standards. These standards address all the common voltages used in the United States. The intent of the National Standard is to provide both the supplier of the electrical service (in this case the District) and equipment manufacturers a guideline so that manufactured electrical equipment and devices will operate without damage within the standard voltage range. The District operates the electrical system within the standard voltage limits.

However, there is no National Standard regarding momentary voltage fluctuations. A momentary fluctuation may result from a number of causes. Some causes may include switching, operation of protective equipment, faults, lightning, foreign objects coming into contact with electrical lines, starting or stopping of electrical equipment, etc. These momentary voltage fluctuations may be either a voltage surge (spike) or voltage sag (dip). The magnitude of the voltage fluctuation and the duration determine how severe its effect on the electrical devices will be.

Automated or microprocessor-driven appliances, computers and other electronic equipment may not have surge suppression filters or other devices allowing them to tolerate voltage fluctuations. This type of equipment may fail under normal system operating conditions due mainly to a lack of effective surge suppression.

It is the District's recommendation that Customers install their own protective equipment to filter or suppress voltage abnormalities to prevent damage to electronic equipment and other voltage sensitive devices. The District shall not be responsible for any damages to equipment from voltage fluctuations.

34. METER LOCATION AND INSTALLATION

The Customer shall provide an approved meter base, installed on the exterior surface of the building or structure at a height of five to seven feet above the ground or a readily accessible platform. The meter base shall meet District construction standards with all conduits exposed and accessible for normal maintenance and operation. Recessed meter bases are not permitted. The District shall pre-approve any and all decorative enclosures. Meters shall not be installed in carports, breezeways or in places difficult or dangerous for access, such as over open pits, moving machinery, hatchways, or in the path of water eaves or rain spouts or subject to live steam or corrosive vapors. The Customer shall maintain a working space of at least thirty-six (36) inches in front of the meter. All new Electric Service entrance locations require a working space that allows the safe installation and removal of the meter and are subject to inspection and approval by the governing state or municipal authority and shall also be inspected and approved by the District prior to connection and installation of meter.

For commercial and industrial installations, meters may be located inside a dedicated electrical room that is solely used for power and communication equipment. The electrical room shall be accessible for reading and testing during normal business hours as set forth in Section 18, Right of Access.

If after the original electrical connection, the Customer rebuilds or rearranges the Premises so as to make the meter inaccessible, in the opinion of the District, the Customer shall have the meter relocated at the Customer's expense or the District may disconnect Electric Service until the meter has been made accessible.

35. PREMISES GATEWAY DEVICE LOCATION

The Premises Gateway Device will be installed at a location to be determined by the District. In no case will the device be installed in carports, breezeways or in places difficult or dangerous for access, such as over open pits, moving machinery, hatchways, or in the path of water eaves or rain spouts or subject to live steam or corrosive vapors. The Customer shall maintain a clear space of at least thirty (30) inches in front of the device.

For commercial and industrial installations, Premises Gateway Devices may be installed in the building, provided they are readily accessible for reading and testing during normal business hours.

If after the original connection to the device, the Customer rebuilds or rearranges the Premises so as to make the Premises Gateway Device inaccessible, in the opinion of the District, the Customer shall have the device relocated at the Customer's expense or the District may exercise its right to disconnect Electric Service until the device has been made accessible.

36. POWER TO THE PREMISES GATEWAY DEVICE

The Customer must provide the Energy necessary to operate the Premises Gateway Device as illustrated in the District's Electrical Service Requirements. The Customer is responsible for the cost of the Energy used to power the Premises Gateway Device.

37. CUSTOMER'S WIRING AND EQUIPMENT

The Customer shall install, own and maintain all wiring and equipment beyond the point of delivery except meters and special facilities installed or furnished by the District. The Customer's wiring shall be applicable to municipal, county and state requirements, the District's Utility Service Regulations, and the District's Electrical Service Requirements and Standard Practices and to accepted modern standards as exemplified by the National Electric Code and the National Electric Safety Code.

The Customer shall furnish and install an underwriter's approved meter base or bases, as specified in the District's Electrical Service Requirements, for the installation of the District's metering equipment. If instrument transformers are required, the Customer shall furnish and install mounting brackets or a suitable enclosure with the necessary conduit as specified by the District, and shall install the District's instrument transformers on the brackets or in the enclosure. Drawings of enclosures shall be submitted to the District for approval prior to manufacture and installation. It shall be the Customer's responsibility to provide suitable protective equipment such as fuses, circuit breakers and relays to adequately protect the equipment. For the protection of three-phase motors, the installation of three (3) thermal over-current devices and, circuit breakers or fuses of suitable rating shall be necessary. It shall be the responsibility of the Customer to provide suitable protective apparatus on all motor installations including adequate protection against phasing (loss of one single phase with two still energized) on three phase motors.

The District reserves the right to refuse or discontinue Electric Service to Customer's equipment or wiring where such equipment or wiring is in hazardous condition or not in conformity with lawful codes and local regulations. The District will not energize a new or altered service without approval by the Washington State Department of Labor and Industries or other appropriate government authority. Delivery of Electric Service to the Customer's equipment or wiring shall not be deemed to be an acceptance or approval by the District of the installation or conditions of such equipment or wiring. The District shall not be held liable for any loss or damage to persons or property resulting from defects beyond the point of delivery or in the Customer's installation or equipment or the delivery of Energy thereto.

38. UNAUTHORIZED ATTACHMENTS

Equipment or material of any description shall not be attached to any utility pole, guy wire, electrical equipment, or other property of the District without first obtaining written permission from the District.

39. INSPECTION

The District shall have the right, but shall not be obligated, to inspect the Customer's Electric Service equipment before or during the time Electric Service is supplied. However, such inspection, or lack of inspection, shall not be construed as placing upon the District any responsibility for the condition or maintenance of the Customer's wiring, Energy consuming devices or other equipment.

40. CUSTOMER-CAUSED SYSTEM DISTURBANCES

Electric Service shall not be utilized by a Customer in such a manner as to cause disturbances or voltage fluctuations to other Customers of the District. If any Customer uses equipment that is detrimental to the Electric Service of other Customers of the District, the District may require the Customer to install, at the Customer's expense, regulatory equipment to control such fluctuations. The Customer may also be liable for any damage to the District's equipment and/or any equipment of other Customers of the District. If the steps to correct the disturbance are not taken by the Customer within five (5) days after notification of such disturbance is given to the Customer by the District, the District may disconnect the Customer's Electric Service.

41. CHANGES IN ELECTRIC LOAD

Customers must apply for changes in load to ensure equipment is adequately sized for safe operation and for appropriate billing. If the Customer does not obtain prior approval for changes in load per the limits below, the District may disconnect the Electric Service as provided in Section 12 of these Utility Service Regulations. Further, if the Customer does not obtain prior approval, and as a result the District's equipment is damaged, the Customer shall be liable for the cost of such damage including the cost of repairing, replacing and restoring Electric Service.

The District makes no warranties or guarantees that the District's Electric Service Facilities will accommodate or will be available for changes in load, including the resumption/ramp-up of a previous Electric Service load.

If a Customer desires to (1) increase load to an existing Electric Service connection by 300KW or more or (2) resume or ramp-up a load that has been curtailed by more than 300KW for a period of twelve (12) months or more, the Customer shall complete a new service application. If a Rate Schedule 35 High Density Load Customer desires to (1) increase load to an existing Electric Service connection by any amount or (2) resume or ramp-up a load that has been curtailed by any amount for a period of twelve (12) months or more, the Customer shall complete a new service application. The District will evaluate the impact of that changed load to the existing Electrical Service Facilities; the Customer may not increase load until approved by the District. At the District's discretion, a written agreement, including a load ramping plan and progress schedule, may be required by the District.

Any costs for upgrades or modifications to the District's Electric Service Facilities as a result of the added load will be the responsibility of the Customer and subject to the District's [Line Extensions Policy](#).

42. CUSTOMER POWER OUTAGE

If the Customer's Electric Service fails, the Customer shall endeavor to determine the cause by checking for blown fuses, tripped breakers, or other equipment failure. If a serviceman is sent to the Customer's Premises at the Customer's request after regular business hours, and it is determined that the power outage is caused by the Customer's equipment, a charge may be made.

43. TEMPORARY ELECTRIC SERVICE

Temporary Electric Service is defined as single phase power required for construction use or other operations that are not considered permanent and shall not be construed as seasonal or recurring. This temporary service is limited to 12 months unless work is actively and continuously in progress. Temporary construction service equipment may only be used for construction purposes and must be disconnected when the permanent service is connected unless Labor & Industries grants an extension of time as per [WAC 296-46B-590 Special occupancies — Temporary installations](#).

- A. The following will apply for Customers requiring a single phase temporary Electric Service for construction purposes using an overhead temporary Electric Service involving 150 feet or less of service wire or an underground temporary Electric Service located adjacent to the handhole, transformer vault or pad:
 1. The Temporary Electric Service equipment is provided and installed by the Customer.
 2. The Temporary Electric Service equipment will consist of a single phase 120/240 volt meter base and post.
 3. Temporary Electric Service is to be used only for lights, tools and equipment necessary for the construction of residential and commercial structures.
 4. The Customer will be required to obtain an electrical permit and inspection.
 5. In the event this Temporary Electric Service is used for purposes other than those intended, it will be disconnected by the District.
 6. The Temporary Service is not to be used for RV sites, pump services or other non-construction uses.

Customers requiring Temporary Electric Service involving other than the minimum work mentioned above shall be required to pay all costs incurred by the District for installation and removal of all materials not useful as part of the permanent Electric Service. Such costs are to be in accordance with provisions of [Electric Rate Schedule 22, Temporary Service](#).

All Temporary Electric Services will be billed under [Electric Rate Schedule 1, Residential Service or Electric Rate Schedule 2, General Service](#). As soon as the permanent Electric Service is energized, the new meter for such permanent Electric Service will be billed under the Rate Schedule applicable to the particular class of Electric Service.

44. NONSTANDARD SERVICE

The cost of any special installation necessary to meet a Customer's particular requirements for Electric Service at other than standard voltages, or for the supply of closer voltage regulation than required by the District Standard Practices shall be paid by the Customer.

45. SEPARATE METER FOR EACH CLASS OF SERVICE

Where there is more than one end-user on a single electric service/meter (for example, commercial landlord/tenant or other arrangement between more than one end-user at a Premises) or where the Customer desires to use Energy for purposes typically classified under different Rate Schedules, separate meters must be installed to measure the Energy supplied under each Rate Schedule. If the Customer cannot physically separate end-users or does not desire to do so, then the District shall apply the Rate Schedule with the highest rate to the entire metered Energy at the Premises. When separately metered, the District will designate the Rate Schedule applicable to each meter and bill each meter at the appropriate Rate Schedule. In all cases, Section 29, Resale of Energy/Ownership of Environmental Attributes, Section 41, Additional Load, and other provisions of the District's Utility Service Regulations and applicable Rate Schedules, as determined by the District, shall apply.

If the Customer desires additional meters other than those necessary to adequately measure the Electric Service used by the Customer as determined by the District, such additional meters or sub-meters shall be provided, installed and maintained by the Customer at the Customer's own expense.

46. COMBINED RESIDENTIAL AND COMMERCIAL SERVICE

Where a single non-farm business is operated in conjunction with a family residence, and the Electric Service for each purpose cannot be readily separated from the other, the Rate Schedule shall be determined as follows: If less than 25% of the connected load is utilized for business purposes, the residential rate shall apply; and conversely if over 25% of the connected load is utilized for business purposes, the appropriate Electric Rate Schedule shall apply.

47. DISCONTINUANCE OF SERVICE BY THE CUSTOMER

The Customer may terminate Electric Service by appropriate notification to the District, with proper positive Customer identification, unless as may be otherwise provided by a special Contract or line extension agreement. At the time of termination all monies owed the District for services rendered shall be due and payable upon presentation of a final bill. The District reserves the right to read a meter for a final bill within a one-week period from the disconnect date requested by the Customer and such readings may be adjusted for consumption, if any, used by subsequent Customers. The final reading may be estimated if access or conditions do not allow a final meter reading.

48. OWNERSHIP OF FACILITIES

All Electrical Service Facilities installed by the District shall be owned by the District. Any advance payment made by a Customer on a line extension in conformity with the applicable line extension schedule shall not be deemed to represent ownership by such Customer of any portion of the facilities furnished by the District. Electric Service Facilities installed by the Customer as part of a line extension or relocation or for which the Customer has made a

“contribution in aid of construction” shall be or remain the sole and exclusive property of the District.

49. LINE EXTENSIONS - OVERHEAD AND UNDERGROUND

The District’s policy concerning extension of overhead and underground distribution system to provide Electric Service shall be as established under the [Line Extensions Policy](#).

50. NEW LARGE SINGLE LOADS

New Large Single Load shall mean any electric power load of the Customer served by the District and which load:

- A. is associated with a new facility, an existing facility, or an expansion of an existing facility.
- B. was not contracted for, or committed to, by the District prior to September 1, 1979.
- C. will result in an increase in power requirements of the Customer of five (5) average megawatts or more in any consecutive twelve (12)-month period.

Customers having New Large Single Loads shall constitute a separate class of Customers, which will be served by the provisions of [Electric Rate Schedule 4, Large Loads](#).

51. CO-GENERATOR AND SMALL POWER PRODUCERS

The District has developed standards and procedures, which are incorporated herein by this reference as now exist or as may be hereafter amended, and shall be applicable and govern purchases and sales of electric power with co-generators and small power producers.

52. CUSTOMER-OWNED STAND-BY GENERATORS

- A. Customer-owned stand-by generators are defined by the District as those units which are installed on wiring that is not owned by the District and is intended for occasional use to supply emergency or back-up power when District-supplied power is unavailable.
- B. Customer-owned stand-by generators will be allowed on the Customer’s side of the meter. All facilities on the Customer side of the meter, including generators and transfer switches, must meet or exceed the requirements of the current National Electric Code, Washington Administrative Code and the Washington State Department of Labor and Industries. It shall be the Customer’s responsibility to obtain the necessary size and type of equipment and to obtain the necessary approvals from the appropriate agencies.
- C. A Customer-owned and installed generator must be electrically isolated from the District’s lines to prevent backfeeding into the District’s system. To accomplish this, a transfer or double throw switch MUST be installed so that the Customer’s load will be transferred from the District’s Electric Service to the Customer’s generator upon operation of the switch. The switch must be equipped with interlocks so that simultaneous feed from both the District’s Electric Service and the Customer’s generator is prevented.

- D. The Customer should consult an electrician and the Washington State Department of Labor and Industries prior to initiating any plan for stand-by generators.

WATER AND WASTEWATER SERVICE REGULATIONS

The following service regulations apply to the District's Water and Wastewater Systems and are in addition to the general Utility Service Regulations.

53. INSPECTION

The District shall have the right but shall not be obligated to inspect the Customer's plumbing before, during, or after the time service is supplied. However, such inspection, or lack of inspection, shall not be construed as placing upon the District any responsibility for the condition or maintenance of the Customer's plumbing; nor does it guarantee the absence of improper connections, Cross-Connections, and piping in the Customer's service. If the District upon connecting any Premises with the District's Mains, furnishing water from, or connecting to the District's Wastewater System, finds evidence of improper plumbing, the District may decline to connect the service line with the District's system until the service line has been carefully inspected and until such service line is located and put in proper condition satisfactory to the District. The Customer will be required to pay an inspection fee as set forth in [Fees and Charges](#).

54. ADDITIONAL SERVICE CAPACITY

If a Customer desires to change the capacity of their Water Service connection and meter to supply increased quantities of water and/or change their Wastewater connection to dispose of increased quantities of Wastewater, the Customer shall notify the District sufficiently in advance so that the District may provide the facilities required to supply increased quantities of water, and/or determine if there is adequate capacity in the system and attempt to, if required, provide facilities to dispose of the increased quantity of Wastewater. The Customer will be required to pay in advance the incremental difference in the System Development Charge as set forth in [Fees and Charges](#).

55. ADDITIONAL METERS

If the Customer desires additional meters on the Customer side of the District's meter, other than those necessary to adequately measure the service used by the Customer, such additional meters shall be provided, installed and maintained by the Customer at the Customer's own expense.

56. DISCONTINUANCE OF SERVICE BY THE CUSTOMER

The Customer may terminate Water Service by appropriate notification to the District, with proper positive Customer identification, unless as may be otherwise provided by Contract or by line extension agreement. At the time of termination all monies owed the District for services rendered shall be due and payable upon presentation of a final bill. The District reserves the right to read a meter for a final bill within a one-week period from the disconnect date requested by the Customer and such readings may be adjusted for consumption, if any, used by subsequent Customers. The final reading may be estimated if access or conditions do not allow a final meter reading.

No discontinuance of Water Service will be allowed at the Chelan Ridge Water System due to circumstances, past practices, or Contract. All metered services must remain active and must

pay the current metered service rate. All privately owned lots with no meter must pay the current surcharge rate.

Once a property is connected to a Wastewater System, a Customer cannot discontinue service to that property. If property is sold, the new customer must notify the District and sign up for the service.

57. LINE EXTENSIONS - WATER AND WASTEWATER

The District's policy concerning extension of the Water and Wastewater System to provide Water and Wastewater Service shall be as established under the [Water Line Extension Policy](#).

58. OWNERSHIP OF FACILITIES

All Water System and/or Wastewater system facilities installed by the District or by the Customer to serve a Customer shall be and remain the sole and exclusive property of the District. Any advance payment made by a Customer on a line extension in conformity with the applicable line extension schedule shall not be deemed to represent ownership by such Customer of any portion of the facilities.

59. SYSTEM DEVELOPMENT CHARGE AND METER FEES

A System Development Charge (SDC) will be required for each connection to a District-owned Water System. Applicable SDCs and meter installation fees will be charged as referenced in [Fees and Charges](#).

WATER SERVICE REGULATIONS

The following service regulations are specific to Water Service and apply in addition to the general Utility Service Regulations and the Water and Wastewater Service Regulations.

60. AVAILABILITY OF SERVICE

In order to obtain Water Service, the Customer's property must be within the District's defined service boundary and the Customer's property or legal access (i.e. private driveway) must be directly adjacent to a District water Main. The District will allow Water Service to maximum of four (4) properties where the Customer Water Service lines are installed in a common private driveway upon execution of proper legal documents. Service to additional properties will require a line extension in accordance with the [Water Line Extension Policy](#).

61. POINT OF DELIVERY

The point of delivery is that point on the Customer's side of the meter where the Customer's water pipe is connected to the District's supply and is located at the Customer's property line or other agreed location. All facilities located from point of delivery and beyond shall be owned and maintained by the Customer.

Fire service point of delivery shall be the Main line isolation valve. The District shall be responsible for the Main line isolation valve. The Customer shall be responsible for the fire service Main between the Main line isolation valve and the Customer's Premises. Any maintenance on the fire service Main between the District water Main and the Customer's approved backflow prevention device shall be performed by the District. Maintenance performed by the District on the Customer's fire service Main shall be paid by the Customer.

62. METER SIZES, TYPE AND INSTALLATION

The District shall determine the size and type of meter to be installed for each specific location. The size and type of meter will depend on the rate of flow of water through the meter and the total Water Consumption.

If the District determines the Customer's rate of water usage exceeds the capacity of the water meter, the Customer shall upgrade to the meter size required to supply the Customer's Demand, as determined by the District. The Customer shall pay the Actual Costs to the District to upgrade the Customer's Water Service connection, plus the incremental difference between the size of the upgraded meter and existing meter System Development Charge as set forth in [Fees and Charges](#).

Where multiple buildings on a single property require service, a separate Water Service Installation shall be installed for each building unless determined otherwise by the District.

63. WATER SERVICE

Piping between the water meter and Customer's Premises shall be furnished by the Customer and installed in accordance with District Standard Practices. Maintenance inside the meter vault shall be the District's responsibility. Maintenance of the Customer's piping outside the meter vault shall be the Customer's responsibility.

The costs to obtain Water Service are summarized in the District's [Water Rate Schedules](#) and [Fees and Charges](#). Additional charges may apply if the Water Service will be connected to a Main previously constructed as part of a local utility district, or under the District's [Water Line Extension Policy](#).

The District will endeavor to maintain minimum water pressure at the meter in accordance with Washington State Department of Health requirements (WAC 246-290), but does not guarantee this pressure. The Customer, at the Customer's expense, is responsible for facilities to provide the Customer's desired pressure to the Customer's Premises in accordance with District Standard Practices.

The District may require the presence of the Customer or an authorized representative of the Customer in the building at the time the District turns on the Water Service.

64. PRESSURE-REDUCING VALVES

Customers are encouraged to install pressure-reducing valves in accordance with the latest edition of the Uniform Plumbing Code when water Main pressure exceeds 80 pounds per square inch (psi). This shall also apply where the District has installed pressure-reducing valves inside the vault to protect the District's metering equipment. The pressure-reducing valve, when required, must be installed and maintained by the Customer, on the Customer's service line outside the vault and at the Customer's sole expense. The District shall not be liable for any loss or claim resulting from the failure of the District's or Customer's pressure-reducing valve to protect the Customer's plumbing and associated equipment.

65. CROSS-CONNECTION CONTROL

A. Customer's Responsibility to Prevent Backflow

1. The installation or maintenance of any Cross-Connection with the District's water supply is prohibited, except as authorized herein. Any such Cross-Connection now existing or hereafter installed must be terminated by the Customer at the Customer's sole expense. The District may discontinue Water Service in the event a Cross-Connection is not terminated upon notice from the District.
2. The control or elimination of Cross-Connections shall be in accordance with the provisions of the Washington Administrative Code (WAC 246-290-490) as now exists or as may be hereafter amended. The policies, procedures, and criteria for determining appropriate levels of protection shall be in accordance with the Federal Safe Drinking Water Act, "Manual of Cross-Connection Control", Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California ("USC Manual"), Uniform Plumbing Code, as adopted in the State Building Code pursuant to RCW 19.27.031, and the Pacific Northwest Section-A.W.W.A. "Cross-Connection Control Manual", latest edition, all as now exist or as may be amended hereafter.
3. The District shall deny or discontinue Water Service to any Customer failing to cooperate in the installation, maintenance, testing, or inspection of backflow prevention assemblies required and as stated in this section and Section 12, Connection and Disconnection of Service.
4. As a condition of new or continued Water Service, approved backflow prevention assemblies shall be installed and maintained by all Customers who:

- a. are industrial or commercial Customers not entitled to an exemption under subsection 6 of this section
 - b. Operate commercial or residential fire sprinkler systems connected to their plumbing.
 - c. Operate irrigation systems connected to their plumbing and the District's system.
 - d. Maintain Cross-Connections of their Water System with air conditioning systems, medical or dental equipment, beverage machines, or other devices or processes where chemicals or other substances with the potential to threaten public health have the potential to be introduced into the Water System.
 - e. Have plumbing arrangements that make it impractical for the District to verify potential Cross-Connections.
 - f. Are judged by the District to be in a situation where it is necessary to protect the District's Water System or to protect the public's health and safety.
5. Any backflow prevention assembly installed to protect the District's Water System shall be approved by the Washington State Department of Health and the District. Unless an exemption is granted by the District, the minimum backflow prevention assembly installed shall be a double check valve assembly. A reduced pressure backflow assembly is required whenever toxic materials are present, whenever the District finds the Cross-Connection poses a health hazard or whenever the District finds intricate plumbing arrangements which make it impractical to determine whether Cross-Connections exist. The double check valve assembly and reduced pressure backflow assembly shall be installed at the service connection downstream from the water meter and prior to any branch connections or taps from the Customer's service piping.
 6. Vacuum breakers may be substituted for other backflow prevention assemblies required under this regulation where the District determines that the circumstances and accepted engineering practices allow such substitution without compromising protection of water quality and public health. Where an industrial or commercial Customer can demonstrate to the satisfaction of the District that there are no Cross-Connections with the water supply on the Customer's Premises, and that no health hazard is posed by the presence of toxic materials in the environment, the District may grant the Customer an exemption from the Cross-Connection requirements herein. Decisions made under this section shall be made at the sole discretion of the District to carry out the Cross-Connection control programs of the District. Exemptions are subject to periodic review and may be revoked whenever a Cross-Connection is made or a risk to public health or water quality is present, at the discretion of the District.
 7. The District employees designated by the Manager are delegated the authority to inspect, approve, and deny backflow prevention assemblies; to require corrections, modifications, repairs, or maintenance on backflow prevention assemblies and to inspect all Premises of Customers where backflow prevention assemblies may be required. The District's judgment regarding backflow assemblies shall not place any responsibility on the District for the condition or

maintenance of the Customer's backflow assembly or plumbing. A minimum standard for the maintenance and installation of backflow prevention assemblies shall be those set forth in the latest edition of the Cross-Connection Control Manual published by Pacific Northwest Section of the American Waterworks Association. The District will establish higher standards for installation and maintenance of backflow prevention assemblies where the District finds that good engineering practice, industry standards or the protection of public health requires such higher standards. The District shall not be liable for any loss or claim resulting from Cross-Connection.

8. As a condition for continued Water Service, Customers shall make their Premises, including buildings and structures, to which water is supplied accessible to District personnel. District personnel will determine whether backflow prevention assemblies are required or if they are properly installed and maintained. Failure of a Customer to allow access shall result in the installation of a proper backflow assembly at a location readily accessible to District personnel. Testing and inspections will be made annually or more frequently as determined by the District. The Customer shall pay the Actual Costs to the District for installation and ongoing testing and inspections of the backflow assembly.
9. Prior to the installation of any irrigation systems or backflow prevention assemblies, the Customer shall obtain and complete a permit from the District for such installation.
10. The requirements herein for backflow prevention assembly installation shall apply even though building codes may not require backflow prevention assemblies.
11. The District prohibits interconnection of private water supplies with the District's distribution system. Auxiliary water sources (private wells, piped irrigation sources, etc.) are a Cross-Connection and must be effectively isolated from the District's Water System using an approved backflow prevention assembly. The Customer shall allow the District to visually inspect piping on Premises retaining auxiliary water sources.

The Cross-Connection control requirements for Customers with an auxiliary water source are as follows:

- a. No backflow protection is required if the source is verified to be permanently inactive and abandoned in accordance with the requirements of the Departments of Health and Ecology.
 - b. If the source remains active, an approved reduced pressure backflow prevention assembly shall be installed at the service connection to the District's Water System downstream from the water meter and prior to any branch connections or taps from the Customer's service piping. Installation of the assembly is at the sole expense of the Customer.
12. All backflow prevention assemblies are subject to annual inspection and testing. The cost of installation, annual performance testing, and any required maintenance of the backflow prevention assemblies is the responsibility of the Customer. The District will provide advance notice to the Customers including testing and inspection due dates, as well as a list of Certified Backflow

Prevention Assembly Testers. If the Customer fails to have their backflow assembly test and inspection completed within 30 days from the final notice, certified District resources will perform the required test and the Customer will be assessed the Backflow Inspection Fee as prescribed in the District's Fees and Charges Schedule.

B. Code of Conduct and Program Orientation for Certified Backflow Prevention Assembly Testers

1. Purpose

The purpose of this Backflow Prevention Program Orientation and Code of Conduct is to provide each Washington State certified Tester with information in policies established by the District related to the backflow and Cross-Connection Prevention Program and to provide that maximum backflow protection for all testing and repairing of backflow prevention assemblies, within the jurisdictional boundaries of the District, is conducted in accordance with established standard policies and procedures recognized by the American Water Works Association (AWWA) as set forth in the Pacific Northwest Section AWWA Cross-Connection Control Manual, latest edition, the USC Manual, state and local health agency regulations, the Uniform Plumbing Code (UPC) as adopted in the State Building Code pursuant to RCW 19.27 031, and the District's backflow and Cross-Connection Prevention Program, all as now exist or as may be hereafter amended.

2. Standards and Procedures

It is the Customer's responsibility to only use qualified backflow assembly Testers certified in the State of Washington and approved by the District. Testers shall obtain District approval by providing the District with a copy of their current State of Washington certification card, backflow test kit evaluation, and test gauge calibration report prior to performing any work. Testers' equipment shall be calibrated once per year at a minimum. Calibration shall be conducted by using the procedures adopted by the American Society of Mechanical Engineers (ASME) as now exist or as may be hereafter amended. The District's approval or lack of approval of the Customer's Tester shall not place any responsibility or liability on the District for the condition or maintenance of the Customer's backflow assembly or plumbing.

The following standards shall apply to all testing, repair, and certification of backflow prevention assemblies within the District's service area. District backflow testing procedures as well as the associated reporting forms are an integral part of the District's Backflow and Cross-Connection Control Program. The District may withdraw approval of any Tester found deviating from the following procedures.

- a. No person other than an employee of the District is authorized to operate the street-side meter shutoff valve (angle meter, curb stop or gate valve). The Tester must call the District if it becomes necessary to operate this valve to make a replacement or repair. A Tester shall not remove or replace a backflow prevention assembly without prior approval by the District. The Tester may call the District's service department during normal business

hours at (509) 663-8121 for assistance. For after hour's assistance, call (877) 783-8123.

- b. Backflow prevention assemblies installations shall be in conformance with District Standard Practices as now exist or as may be hereafter amended.
- c. All newly installed backflow assemblies shall be pressure regulated, if the inlet pressure exceeds the manufacturer's rated working pressure.
- d. When testing an existing backflow assembly, the proper installation/application for that type of assembly shall be verified and reported only on District backflow assembly test report forms.
- e. When testing a new backflow assembly, Testers may use the District's blank test report forms or District approved backflow assembly test report forms. The forms must contain all information pertaining to the test and must be legible.
- f. The original copy of all completed backflow assembly test reports must be submitted to the District within ten (10) days of the initial test, but in no case received by the District after the listed due date. If repairs are needed that require more time than allowed by the test notice deadline date, the Tester, or Customer shall contact the District for an extension to the original deadline.
- g. Testers shall complete the District's backflow assembly tags, hole-punch the designated year that indicates the assembly has been tested for that year, and securely attach the tag to the backflow assembly.
- h. The District may randomly re-test backflow assemblies that have recently tested satisfactory by a District-approved Tester. These re-tests will be conducted within a reasonable time, as determined by the District, but not to exceed three (3) weeks from the date of the original test. In the event the results of the District's test differ from those of the Tester, the District may reject the Tester's satisfactory results and require retesting of the backflow assembly. Any re-test will be performed with representatives of both the Tester and the District present. In the event the re-test results are unsatisfactory, the District may require the Tester to reimburse the Actual Costs to the District for performing the initial re-test and witnessing the second re-test.
- i. It is the responsibility of the Tester to report to the District any tampering, improper installations or plumbing that could result in backflow. Enforcement of the District's Cross-Connection program lies solely with the District.
- j. A Tester shall not knowingly falsify the results of the backflow assembly test. Examples of this include, but are not limited to:
 - Signing backflow test reports for tests he/she did not perform
 - Making unneeded repairs
 - Not having proper backflow certification to perform tests in Chelan County
 - Not using proper test procedures as established by District regulations
 - Using unauthorized backflow test equipment

Code of Conduct and Program Orientation for Certified Backflow Prevention Assembly Testers

I hereby certify that I am an approved State of Washington Backflow Prevention Assembly Tester for Chelan County PUD and have thoroughly read and understand Chelan County PUD's Backflow and Cross-Connection Control regulations and procedures with which I agree to comply.

Attached hereto are copies of the following:

1. State of Washington Certification Card
2. Backflow Test Kit Evaluation
3. Test Gauge Calibration Report

Printed Name

Signature

Certificate No./Expiration Date

Date

66. CUSTOMER-CAUSED SYSTEM DISTURBANCES

Any use of water is prohibited that causes disturbances or pressure fluctuations to other District Customers or which will adversely affect the performance of the District's Water System. Upon notice from the District, if provisions to correct the disturbances or pressure fluctuations are not implemented by the Customer within five (5) business days, the District may disconnect the Customer's service.

67. CUSTOMER WATER SUPPLY FAILURE

If the Customer's Water Service fails, the Customer shall endeavor to determine if a broken Water Service line or a broken pipe exists inside or under the house. If a water serviceman is sent to the Customer's Premises at the Customer's request after regular working hours, and it is determined that the problem is caused by failure of the Customer's line or equipment, a charge may be made. [Fees and Charges](#)

68. FIRE PROTECTION

The fire protection service connection is provided exclusively for fire protection only. Consumptive use of any water provided for fire protection is prohibited. The District may disconnect Water Service to any customer who, in the District's discretion, uses fire protection water for uses other than fire protection. The charge listed in the District's [Water Rate Schedules](#) includes the cost of water for fire protection use only.

A. Commercial

1. The following items are required to obtain a fire protection service connection:
 - a. Customer shall complete and sign the District's standard application form.
 - b. The Customer shall furnish and install piping from the Customer's Premises to a District water Main designated by the District. Piping shall be constructed in accordance with District Standard Practices. Final connection to District Main shall be performed by the District. [Fees and Charges](#)
 - c. The Customer shall furnish and install a backflow prevention assembly approved by the Washington State Department of Health and the District. The Backflow assembly shall include a District-approved 5/8" water meter to measure low flows.
 - d. Notwithstanding the provisions as contained in these schedules for commercial fire protection service, or for other metered service, including water furnished to any fire hydrant or other equipment used, or which may be used for fire protection service connection, it is understood that the District does not guarantee any minimum quantities of water or pressure of the water to be furnished to any such hydrants or outlets. The District shall not be liable in any manner for any loss or claim by reason of the quantity of water or pressure of the same furnished to such hydrant or outlet.

B. Residential

1. The District will install hydrants at the request and expense of one or more Customers on Mains large enough to provide adequate fire protection. The type of hydrant and location shall be as agreed to by the District and local fire authorities. Fire Hydrants Rates are listed in the [Water Rate Schedules](#).

Upon request, the District will prepare an estimate for the total cost of the installation of a hydrant. On completion of the work, the Customer will be billed actual cost. At the District's option, this work can be done at a Contract price to be paid in advance. The District will own the hydrant.

2. It is understood that the District does not guarantee any minimum quantities of water or pressure of the water to be furnished to any such hydrants or outlets. The District shall not be liable in any manner for any loss or claim by reason of the quantity of water, or pressure of the same furnished to such hydrant or outlet.

C. Hydrant Operation

Only authorized District personnel or firefighters in the performance of their duties shall operate fire hydrants connected to the District's Water Service.

69. ADDITIONAL UNIT SURCHARGE

The monthly minimum charge for Multi-Family Units or Water Services with multiple dwelling units served by a single residential meter shall include the basic monthly charge for the first dwelling unit and a surcharge as shown in the [Water Rate Schedules](#) for each additional dwelling unit served. Each commercial unit in addition to a dwelling unit served through a residential meter shall have a surcharge as noted in the [Water Rate Schedules](#).

Each residential dwelling unit served through a commercial Water Service will be billed an additional unit surcharge as noted in the [Water Rate Schedules](#). Each additional commercial unit served through a commercial Water Service will not be billed an additional unit surcharge.

For residential Water Services where additional dwellings or units are served from one meter and an additional unit surcharge is applied, the volume of water per tier (see [Water Rate Schedules](#)) shall be multiplied by the total number of dwelling units served by the water meter.

70. REMOTE METER READING

The District shall, at its option, install and utilize remote meter reading systems. These systems will provide meter readings at a location that is remote from the meter.

71. RESALE

Water is not to be re-sold by the Customer, except by special Contract or written permission of the District. In no case, unless approved in writing by the District, may the rates charged exceed the rates charged by the District for similar service.

RESOLUTION NO. _____

A RESOLUTION AMENDING AND RESTATING THE ELECTRIC LINE EXTENSION POLICY AND WATER AND WASTEWATER LINE EXTENSION POLICY PORTIONS OF THE UTILITY SERVICE POLICIES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County (District) has established policies for Electric, Water and Wastewater services entitled "Utility Service Policies" as adopted by Resolution No. 08-13360, and later modified by Resolution No. 09-13498.

District staff identified the need to revise the eligibility for latecomer fees in Section 12 of the Electric Line Extension Policy portion of the Utility Service Policies. Currently, subdivision developers, mobile home court developers, and recreational campsite developers are not eligible for latecomer fees. Staff recommends that Section 12 be revised to add boundary line adjustments and other multi-site developments as types ineligible for latecomer fees. The revision would clarify that similar multi-site developments are treated in the same manner for purposes of latecomer fees.

Staff also proposes changes to sections of the Water and Wastewater Line Extension Policy portion of the Utility Service Policies that address the introduction of the application fee and cost estimating for projects. Changes to section 3 "Line Extension Requirements" include a revised approach to how costs are determined for line extensions. This change further aligns the water and wastewater policy with the Electric Line Extension Policy. In addition to the introduction of an Application Fee to be included within the Fees and Charges schedule, customer project costs will be estimated on a case-by-case basis rather than selected from a preset list of costs. Adding flexibility for the development of line extension costs will result in more efficient and accurate cost recovery. Staff will make appropriate changes to Fees and Charges to reflect the changes in the Water and Wastewater Line Extension Policy.

District staff recommends that it is in the best interest of the District to amend the Electric Line Extension Policy, and the Water and Wastewater Line Extension Policy as described herein. The revised Policies are set forth in Attachment A. Staff recommends that these changes be effective on January 1, 2017.

The General Manager 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. Effective January 1, 2017, the District’s Electric Line Extension Policy and Water and Wastewater Line Extension Policy shall be as provided in Attachment A.

Section 2. All prior resolutions inconsistent with this resolution are hereby rescinded and superseded.

DATED this 5th day of December 2016.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

EXHIBIT A

ELECTRIC LINE EXTENSION POLICY

1. LINE EXTENSION POLICY AND GENERAL PROVISIONS

A Line Extension is defined as an increase in the size and/or length of the District's existing electric transmission, distribution, and substation facilities required to serve a customer's new load within the District's service area. Line Extensions are necessary to provide electric service to new or existing homes, farms, businesses and industries within the District's established service area.

All Line Extensions are subject to engineering and financial feasibility analysis by the District. The District will evaluate requests for Line Extensions consistent with business-like practices to provide efficient service to the customer. The amount to be paid by a customer is subject to change as determined by the District's financial requirements and approved revisions to this Line Extension Policy and the District's Fees and Charges schedule. Upon completion of construction, the District will be sole owner of all Line Extension facilities. A new Line Extension may require payment of a portion of the costs associated with a previous Line Extension Latecomer Fees, as outlined in Section 12 of this Schedule. A new Line Extension may also require participation in annual permit fees as outlined in Section 10.

A Line Extension shall generally commence at the terminating point or a tap point on the District's present Electric Service Facilities. Extensions may also include improvements or relocation of existing transmission, distribution and substation facilities to meet a customer's new load requirement or request. The District will perform a study to determine the required improvements necessary to meet the needs of new line extension. The customer shall pay all estimated costs associated with the construction of any new Electric Service Facilities or existing modifications to Electric Service Facilities.

Where the city, county or state requires improvements within the right-of-way as a result of a proposed development and said right-of-way improvements require relocation of the District's Electric Service Facilities, the Applicant shall pay the estimated cost of relocating or converting these facilities. The District shall estimate the costs of the modifications as part of the estimated costs for the Line Extension.

All provisions of this Line Extension policy apply to all requests of Line Extensions.

2. DEFINITIONS

The following terms wherever used in this Line Extension Policy and in any Application for Electric Service Facilities shall have the following meanings and will be supplemented by the definitions in the District's Utility Service Regulations and the District's Design and Construction Standards:

Applicant

The person, partnership, firm, or corporation having filed an Application with the District for a Line Extension to cause the installation of Electric Service Facilities to become part of the District's electric system. The term shall also include the Applicant's agents, employees, contractors, and subcontractors. Applicant may also be referenced as "customer" in this policy. For purposes of notice, the Applicant's address shall be the one shown in the Application.

Application

The Application for permission to construct a Line Extension executed by the Applicant to this Line Extension Policy and the District's Utility Service Regulations. The Application must be completed to the District's satisfaction prior to review or other action by the District.

Contract Plans or Plans

All drawings or Plans and reproductions of drawings prepared by a Washington State Registered Professional Engineer made pertaining to the Work provided for in the Application for a Line Extension.

Construction Standards

District construction requirements which shall be followed during construction of the Line Extension. Construction Standards are available at the offices of the District

Customer Service Staff

The District staff acting as the District's authorized contact for the Applicant in the Line Extension process.

Design Standards

District design requirements which shall be followed during the preparation of the Plans and Specifications for the Line Extension. Design Standards are available at the offices of the District.

District

Public Utility District No. 1 of Chelan County, Washington.

District Contractor

Any person, firm, or corporation hired by the District to perform Work on behalf of the District such as, excavation, asphalt and concrete repair, electrical installations, landscaping, or other related Work.

Electric Service

The availability of electric Energy at a point of delivery for use by the Customer, irrespective of whether electric Energy is actually used as defined in the District's Utility Service Regulations.

Electric Service Facilities

The lines, conduits, ducts, poles, wires, cables, fiber optic cable, premises gateway devices, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by the District to facilitate the provision of electric services.

Equipment

The machinery, accessories, appurtenances, and manufactured articles to be furnished and/or installed for the Line Extension.

Estimate

The statement, performed by the District, of the approximate costs of a Line Extension, including labor, Materials, tools, transportation, services, administration, engineering, inspections, permitting, easements and other related costs.

Fees and Charges

Fees and Charges based on recovering costs by the District as set forth in the [District's Fees and Charges](#) schedule and revised as needed.

Final Acceptance

District's acceptance of the ownership of the Electric Service Facilities installed pursuant to this Line Extension Policy following the Applicant's completion of all requirements of this Electric Line Extension Policy to the District's satisfaction as determined by the District in its sole discretion.

Latecomer Fees

Fees paid by the current Applicant to reimburse the original Applicant for a portion of the costs associated with the original Line Extension construction.

Line Extension

An extension of the District's Electric Service Facilities required to serve an Applicant's property. A Line Extension may include new facilities or improvements to existing facilities including, but not limited to: substations, transmission lines, feeder lines, switches, vaults, cabinets, conduits, poles, and other Electric Service Facilities.

Line Extension Checklist

A document listing all obligations that must be fulfilled by the Applicant or Contractor prior to Final Acceptance of the Line Extension by the District.

Materials

The machinery, manufactured articles, materials of construction (fabricated or otherwise), and any other classes of material to be furnished and permanently incorporated into the Work.

Or Equal

Any manufactured article, method, or Work which, in the sole discretion of the District, is equally desirable or suitable for the purposes intended in these specifications and the Contract Plans as compared with similar articles specifically mentioned herein.

Professional Engineer

The consulting Washington State Registered Professional Engineer acting as agent for the Applicant in the design of the Contract Plans.

Service Area

The land area which the District is authorized to provide Electric Service.

Specifications

The prescribed directions, requirements, explanations, terms, and provisions pertaining to the various features of Work to be done or manner or method of performance for execution and completion of the Line Extension.

Warranty Period

One year following date of Final Acceptance.

Work

The Work necessary to complete the Line Extension including all Materials, labor, tools, equipment, construction equipment, where required and other necessities for the construction shown and called for in the Contract Plans, Design Standards and Construction Standards.

3. APPLICATION**A. Application Form**

Application for a Line Extension shall be made by the Applicant or their authorized agent on the District's Line Extension or Service Application form as deemed appropriate by the District. Each Application shall be submitted to the District for approval with the payment for the Engineering Fee. The Application must be completed to the District's satisfaction prior to review or other action by the District. Upon approval, the Applicant may proceed with the Line Extension construction in accordance with the District's requirements.

B. Site Plan for Application

Each Application shall be accompanied by a site plan, drawn to scale, illustrating the properties to be served and the approximate location of the proposed Work. The District will review the proposal and the layout of the location of all electrical infrastructures needed to serve the area. The District will provide guidance which shall be used during preparation of Contract Plans and Specifications for the Line Extension. A site plan deemed incomplete by the District will not be accepted.

C. Ownership of Land

Applicant must also provide satisfactory proof of ownership or right to use land impacted by any Electric Service Facilities required for the requested Line Extension.

4. ENGINEERING FEES

- A. Applicants requesting a Line Extension will be required to pay in advance a non-refundable Engineering Fee upon submittal of the Application. This Engineering Fee is specified in the [District's Fees and Charges](#) schedule.
- B. The Applicant's Engineering Fee will be applied to the overall cost of the job.
- C. Applicants who seek a material change in the design after the initial engineering Estimate and design is complete will be required to pay an additional Engineering Fee.
- D. The Customer will be required to retain and pay for professional services where the project design requires additional or specialized services including, but not limited to, advanced civil engineering, surveying, geotechnical, environmental or other professional services.

5. LINE EXTENSION CONSTRUCTION OPTIONS

The following options and conditions apply to the construction of the following types of Line Extensions:

A. Single lot Line Extension and Short plats (4 lots or less)

For a single lot Residential Service, General Service, Frost Protection, Irrigation, Temporary Service, Miscellaneous Service, Primary Industrial ([as defined in the District's Electric Rate Schedules](#)) Line Extension or a Line Extension for plat/subdivision of four (4) lots or less, the following requirements apply:

1. Except as provided herein, the customer has the option to provide the:
 - trench only
 - trench, install warning tape, conduit (electrical and fiber), vaults, bases, handholes, grounding and backfilling of trench on their own property.

All Work must comply with District Construction and Design Standards. A licensed electrical contractor must install the grounding for the vaults. If a customer chooses to perform the above Work, they must do all the Work

as outlined above. All Work must be inspected by a District inspector prior to backfilling the trench.

2. The customer may request the District do all the Work outlined in (A.1) above. After receipt of the full payment of the Estimate, the District will schedule the Work to be performed by the District based on availability of construction resources and the priorities of the District.
3. All Work on public right-of-way or Work to be completed which is not on the customer's property must be completed by the District. All costs of such Work must be paid for by the customer as part of the Line Extension. All permitting and easements must be secured prior to the start of construction.
4. Vaults, bases and handholes shall be purchased from the District and paid for prior to receipt and shall be installed per District Design Standards to ensure compatibility and uniformity with the District's electric system.
5. The District will provide and install all transformers, primary wire, connectors, cabinets and other electric apparatus as needed. These items will be included in the Estimate to be paid by the customer.
6. The customer will pay for all estimated Line Extension costs pursuant to Section 6 prior to the scheduling of District construction crews.

B. Other Line Extensions

Applicants requesting Residential Line Extensions with 5 lots or more, Mobile Home Courts, Recreational Campsite Developments, Commercial or Industrial properties [\(as defined in the District's Electric Rate Schedules\)](#) must construct Line Extensions in accordance with the following:

1. The customer will provide the trench, backfill, install the warning tape, conduit (electrical and fiber), vaults, bases, grounding and handholes. All Work must comply with District Construction and Design Standards. A licensed electrical contractor must install the grounding as required. The customer shall do all Work or hire a qualified contractor to perform Work within the customer's property. All Work must be inspected by a District on-site inspector prior to backfilling.
2. Vaults, bases and handholes shall be purchased from the District and paid for prior to receipt and installed per District Construction and Design Standards to ensure compatibility and uniformity with the District's electric system.
3. All Work performed on property not owned by the customer, including on public right-of-way or private easements, will be completed by the District, unless the customer or developer has the specific permitting and authority to perform Work within the right or way or private property. Applicant must provide proof of appropriate rights or permits satisfactory to the District before commencing any Work.
4. The District will install all transformers, cabinets, connectors, primary wire

and other electric apparatus as needed. These items will be included in the Estimate to be paid by the customer.

5. The customer will pay for all estimated Line Extension costs pursuant to Section 6 prior to the scheduling of District construction crews.

6. PAYMENT FOR LINE EXTENSION

The Applicant will be provided an Estimate by the District. This Estimate will be based on the Line Extension Construction Options listed in Section 5. The Estimate will include all usual charges associated with a Line Extension Estimate. This Estimate will also include estimated costs for a District inspector should the customer desire or be required to install their own trenching, vaults and conduit and grounding.

All Line Extension costs must be paid by the Applicant prior to the District scheduling construction crews and proceeding with any Work. Estimates provided to the customer are void after 60 days from the date of issue if full payment has not been received.

If Work is not completed within 180 days of the issue of the Estimate to the customer, the District will issue a revised Estimate. The customer will pay the difference between the original Estimate and the revised Estimate. If this amount is not paid, the District may consider the Line Extension to be abandoned and may refund the original payment less any engineering fees, Materials used and any costs incurred by the District.

The Applicant may either:

- A. Pay the entire estimated amount as provided in the Estimate in advance.
- B. Pay one-half of the estimated amount in advance of Materials being issued. The balance of the Estimate shall be paid prior to the District scheduling construction crews and beginning construction.

Payment of transformer and meter fees must be paid in full prior to the District energizing a new service.

The Applicant will be required to make payment arrangements for any ongoing permit fees or reoccurring fees prior to construction by the District.

7. TYPE OF CONSTRUCTION

Overhead or underground construction will be installed as determined appropriate by the District. The District shall determine the most suitable type of construction in its sole discretion. Generally, all Line Extensions in subdivisions or platted areas shall be underground as may be required by city and county ordinances.

The construction phase of a Line Extension includes, but is not necessarily limited to, the following items:

- A. Preconstruction conference
- B. Construction of the Line Extension
- C. Inspection
- D. Final Acceptance and testing

E. One Year Warranty for customer installed Electric Service Facilities

8. CONSTRUCTION REQUIREMENTS

- A. Prior to the commencement of any Work or construction, all easements and/or permits for the Electric Service Facilities must be executed and on file with the District. The easements and/or permits must be complete and satisfactory as determined by the District.
- B. As the District will be the sole owner of all Line Extension facilities and desires to provide for the future reliability, operation and maintenance of said facilities, the following conditions will apply should the customer desire to install the underground primary conduit, vaults and grounding for the Line Extension.
1. The construction will be completely on private property or on an established right-of-way with the permanent right to locate and maintain the facilities. The District will not accept any Line Extension located on government agency lands with revocable permits.
 2. Where the city, county or state requires improvements within the right-of-way as a result of a proposed development and said right-of-way improvements require relocation of the District's Electric Service Facilities, the Applicant shall pay the estimated cost of relocating or converting these facilities. The District shall estimate the costs as part of the line extension.
 3. All conduits (electrical and fiber), sweeps, and the installation thereof must meet District Specifications as outlined in the District's Construction and Design Standards and must follow the design prepared by the District's Customer Service Staff or a Professional Engineer if approved by the District. The design review by the District shall not constitute assurance that the District will accept the Line Extension or Work. Any costs to repair or modify the Electric Service Facilities will be the responsibility of the Customer.
 4. The District will provide an on-site inspector at times during construction and before the trench is backfilled to determine if the conduits, sweeps, vaults and bases, and grounding installed by a licensed electrical contractor are installed according to the District's Specifications. The Applicant must provide advance notice to the District prior to when an inspector will be required. The District will schedule an inspector as District resources become available.
 5. The presence of the on-site inspector or other District representative does not constitute assurance that the District will accept the Line Extension or the Work as satisfactory. Any costs for repair or modification of the conduit installed by the customer will be borne by the customer or customer's authorized agent.
 6. All other matters connected with providing Electric Service shall be in compliance with the District's Utility Service Regulations, District Design and Construction Standards.

7. The customer or contractor shall notify the District in advance to request an inspection for Final Acceptance. The District will schedule an inspector as District resources become available.
8. If the Line Extension has been installed according to the approved Plans and Specifications, inspected, backfilled, compacted, and after all of the Electric Line Extension Policy conditions are fully satisfied, the District will install the remaining electric equipment such as cables, terminations and transformers and other equipment required to energize the Line Extension. District crews will energize the Line Extension only after all Estimates and Fees and Charges have been paid and a Line Extension Checklist has been completed to the District's satisfaction.
9. A one-year Warranty Period will begin after the Line Extension has been energized by District crews. The Final Acceptance of the contract Work shall not prevent the District from making claim against the Applicant for any defective Work if same is discovered within the Warranty Period.

9. CUSTOMER RESPONSIBILITIES

- A. All Fees and the Estimate will be paid as outlined in Section 6.
- B. Work completed by the customer and not inspected by the District is subject to being exposed and repaired, if necessary, to meet District Design and Construction Standards at the customer's expense.
- C. The customer shall pay all ongoing permit or easement fees. The payment of ongoing permit fees may require a recorded agreement, such as a participation contract, affecting all properties connected to the extension as set forth in Section 10.
- D. The customer will be responsible for all costs incurred to obtain easements or permits satisfactory to the District.
- E. The customer shall grant and execute all necessary easements across land owned by the customer at no cost to the District.
- F. The customer shall supply to the District all pertinent ownership, utility dedication and signing party information relevant to the necessary easements and permits to the District as deemed satisfactory by the District in its sole discretion.
- G. Street lighting installed by the customer shall be inspected by and approved by the city or Washington State Department of Labor and Industries electrical inspector prior to hookup. All street lighting installed by a customer and not being paid for by the city, county or state must be metered.
- H. If the customer provides the trenching, vault installation and backfilling, the customer will be responsible for maintenance and repair of the trench and vault settling for one (1) year after completion of the project.
- I. The customer may supply the District with information regarding any costs

that were incurred by the customer for trenching, conduit (electrical and fiber), vault installation or other costs that a customer paid to someone other than the District for the installation of the Electric Service Facilities. The District will have the right to determine whether these supplied costs are fair and reasonable. If the customer requests, these costs may be included in calculating Latecomer Fees per Section 12.

10. EASEMENTS AND PERMITS

When an extension of the District's Electric Service Facilities is to be installed on state, county or city right-of-way, federal Lands or by permits from a governmental agency, the District shall physically construct such facilities.

The District will attempt to secure the appropriate easements and/or permits from governmental entities. When an extension of District Electric Service Facilities is to be constructed on property or right-of-way not under the jurisdiction of a governmental agency with which the District has an existing franchise or permit, the District will attempt to secure necessary easements and will initially process the easements. The customer shall be responsible to pay all costs to obtain right-of-way easements prior to construction. All easements and permits shall name the District as grantee or permittee and shall include all Electric Service Facilities (electric and fiber). In the event the District personnel are unable to secure right-of-way easements and/or permits, the customer may assist with negotiating said easements or permits. All non-standard or non-typical costs (as determined by the District) associated with the District's obtaining easements or permits in excess of these included in the Estimate will be paid by the customer.

The District is under no obligation to commence any legal action to secure easements or rights-of-way.

Any and all costs associated with obtaining easements and/or permits or ongoing permit fees will be paid by the customer. The payment of ongoing easement or permit fees may require a recorded agreement, such as a participation contract, on all properties connected to the Line Extension. As an example, if a Line Extension crosses Forest Service land, Department of Natural Resources land or railroad property, all properties connected to the Line Extension will share in the annual cost of the easement or permit.

11. DISTRICT OWNERSHIP

The District will be the sole owner of all the Electric Service Facilities upon completion and Final Acceptance by the District.

12. LATECOMER FEE

Customers who request to connect to an existing Line Extension may be required to share the costs associated with the original construction as set forth herein.

- A. The District will establish the cost per foot of the original Line Extension construction upon completion of the original construction project.
- B. If an additional new service connects to this extension, the new service customer shall pay to the District the Latecomer Fee for the original Line Extension based on the footage of original construction utilized by the new

customer's Line Extension.

- C. The Latecomer Fee will be refunded to the customer who paid for the original construction. This Latecomer Fee repayment program will be in force for ten (10) years after Final Acceptance of original construction.
- D. No Latecomer Fee refund will be made to a customer who has paid for or shared in the cost of the installation of the Line Extension if they have sold their property whether by deed, contract or by any other method of sale. If the customer has sold a portion of the original property, the Latecomer Fee will be proportional to property still owned by the original customer. The purchaser of property from the original customer is not eligible for Latecomer Fees.
- E. When the customer installs, or has installed by someone other than the District, the trench, conduit (electrical and fiber), vaults, bases and any other electric facilities that were not paid to the District, the customer will need to supply the District with receipts showing actual costs if the customer requests the District to collect Latecomer Fees for these costs. The District will have the right to determine that these supplied costs are fair and reasonable.
- F. Primary industrial customers and developers or owners of multi-site developments such as subdivisions, boundary line adjustment developments, mobile home courts, and recreational campsites are not eligible for Latecomer Fees

13. SECONDARY SERVICE

Secondary service begins at the supply transformer and terminates at the customer's service entrance equipment or meter base.

A. Customer Responsibilities

- 1. The customer shall provide the District with accurate plot and building Plans, including load data.
- 2. The customer shall provide all trenching and backfilling on the customer's private property for secondary underground service and supply and install conduit (electrical and fiber) and wire as directed by the District.
- 3. The customer shall provide access, legal and physical, as required by the District for installation of service and its future maintenance for overhead or underground service and trim trees as required by the District on the customer's private property. In the event the District is required to trim trees for installation, access or maintenance, the District will charge the customer for the cost of that Work.
- 4. If underground service facilities are installed, the customer shall, per District Design and Construction Standards, provide the service trench, conduit (3 inch for power and 1 inch, orange, for fiber), warning tape and backfill. A Residential Service customer has the option to:
 - (1) provide District approved service wire and have it installed by a licensed electrical contractor or,

(2) have the District supply and install the service wire, up to 150 feet. For overhead and underground service, the measurement shall be from the transformer location.

Note: All other customer classes will supply and install the secondary service wire per Design and Construction Standards. The District will set the meter and connect the service once the customer's Electric Service Facilities are approved by an authorized electrical inspector pursuant to state and local laws.

5. If overhead facilities are installed, the customer will have the service inspected by the Washington State Department of Labor and Industries electrical inspector as may be required before the District will set the meter and run wire to the customer's overhead mast.

B. District Responsibilities

1. The District shall determine the methods of service, i.e. availability, route and/or location, overhead or underground voltage and phase.
2. The District shall be responsible for all construction on public rights-of-way, District property and common easements serving more than one property.

14. REVISION

This policy cancels and supersedes any previous policy related to Line Extensions. This policy may be revised, supplemented or otherwise modified by action of the District's Board of Commissioners.

EFFECTIVE: **January 1, 2017**

WATER / WASTEWATER LINE EXTENSION POLICY

1. GENERAL PROVISIONS

The District will provide facilities for the distribution of water and the collection of wastewater within its systems in accordance with approved land use documents, applicable water and wastewater comprehensive plans and policies. However, it will not extend, at District expense, water and/or wastewater facilities to service Line Extensions to an Applicant's property. The financial responsibility for constructing (including but not limited to all costs of design, permitting, property acquisition, and construction) Water and Wastewater System Line Extensions shall be incurred by the Applicant in accordance with this Water/Wastewater Line Extension Policy.

Where the Applicant's property is not adjacent to the District's Water or Wastewater Systems or if the line to the Applicant's property is not adequately sized, as determined by the District, in order to provide the required service to the Applicant, the Applicant shall upgrade Facilities remote from the Applicant's property and/or extend the line to its point(s) of service and pay all costs associated with the Line Extension. Water and/or wastewater Facilities that front the Applicant's property that do not meet current District standards, as determined by the District, shall be upgraded at Applicant's cost to current standards as part of the Applicant's Line Extension.

All Line Extension Applications are subject to engineering and financial feasibility analysis by the District and will be evaluated by District consistent with District business practices to determine if services can be provided technically, efficiently and economically.

2. DEFINITIONS

The following terms wherever used in this Line Extension Policy, Rate Schedules and in any Application or Line Extension Agreement shall have the following meanings and will be supplemented by the definitions in the District's Utility Service Regulations and the District's Design and Construction Standards (In the event of conflict, these definitions will control Water and Wastewater Line Extensions) :

Applicant

The person, partnership, firm, corporation, municipal corporation or entity, which is qualified by reason of property ownership, having filed an Application with the District to cause the installation of water or wastewater Line Extension improvements to become part of the District Water System and/or Wastewater System. The term shall also include the Applicant's agents, employees, contractors, and subcontractors. For purposes of notice, the Applicant address shall be the one shown in the Application.

Application

The Application for permission, in a current form approved by the District, to construct a Line Extension to a District Water System or Wastewater System, executed by the Applicant.

Contractor

Applicant's qualified Contractor, hired to complete the Work for the Line Extension

Contract Plans or Plans

All drawings or Plans and reproductions of drawings and specifications prepared by a Washington State Registered Professional Engineer and made or to be made pertaining to the Work provided for in the Application or to any structure connected therewith.

Construction Standards

District requirements as now exist or as hereafter may be amended which shall be followed during construction of the Line Extension.

Design Standards

District requirements, as now exist or as hereafter may be amended, which shall be followed during the preparation of Plans and Specifications for the Line Extension.

Details or Additional Plans

All Details or Plans prepared and issued by the Engineer subsequent to the signing of the Line Extension Agreement for further explanation or amplification of the Contract documents or for revision of same, all as herein provided.

District

Public Utility District No. 1 of Chelan County, Washington.

Engineer

The consulting Washington State Registered Professional Engineer acting as agent for the Applicant in the design of the Contract Plans.

Estimate

The statement, prepared by the District, of the approximate costs of a Line Extension, including labor, Materials, tools, transportation, services, administration, engineering, inspections, permitting, easements and other related costs.

Equipment

The machinery, accessories, appurtenances, and manufactured articles to be furnished and/or installed under the Contract.

Facilities

The pipelines, pump stations, reservoirs, structures, control Equipment, pressure reducing stations, related appurtenances and all other related and necessary facilities for the proper function of the District's Water Systems and/or Wastewater Systems.

Fees and Charges

Fees and Charges based on recovering costs by the District as set forth in the [District's Fees and Charges](#) schedule and revised as needed.

Final Acceptance

Written Notice of District's acceptance of the ownership of the Water System or Wastewater System Facilities installed pursuant to the Line Extension Policy following

completion of all requirements of this Water/Wastewater Line Extension Policy to the District's satisfaction as determined by the District in its sole discretion.

Latecomer Fees

Fees paid by the current Applicant to reimburse the original Applicant for a portion of the costs associated with the original Line Extension construction.

Line Extension

A Line Extension is an increase in the size and/or length of the District's existing water mains and/or wastewater lines, the addition of new Facilities and/or improvements to existing Facilities required to serve an Applicant's property.

Line Extension Agreement

A contract between the Applicant and the District, in a form approved by the District, setting forth the roles and responsibilities of the District, Applicant and Contractor, and the terms and conditions including all costs of the Line Extension process.

Line Extension Checklist

A document listing all obligations that must be fulfilled by the Applicant or Applicant's Contractor prior to Final Acceptance of the Line Extension by the District.

Maintenance Bond

A bond in a form approved by the District guaranteeing the replacement of all defective Material and Work discovered within two (2) years. The bond shall further protect the District from any damages or claims, including but not limited to consequential damages or claims, along with attorneys fees and costs necessary for the prosecution of the bond, caused by or arising from a defect in the Material and/or Work discovered during the term of said Warranty Period.

Material(s)

The machinery, manufactured articles, Materials of construction (fabricated or otherwise), and any other classes of Material to be furnished and permanently incorporated into the Work.

Or Equal

Any manufactured article, method, or Work which in the sole discretion of the District, is equally desirable or suitable for the purposes intended in District Standard Details as compared with similar articles specifically mentioned herein.

Performance Bond

The District approved surety bond form furnished by the Applicant and its surety as a guarantee that the Applicant will execute, furnish, and guarantee the Work and perform all the requirements of the Line Extension Agreement.

Regional Water System

The regional water system created by Contract dated November 13, 1998 as subsequently amended, among the City of Wenatchee, the District, and East Wenatchee Water District.

Service Area

The land area to which the District is authorized by the Washington State Departments of Health and/or Ecology to furnish water or wastewater service.

Specifications

The prescribed directions, requirements, explanations, terms, and provisions pertaining to the various features of Work to be done or manner or method of.

Standard Details

Drawings illustrating and clarifying the District's Design and Construction Standards.

Submittals

Catalog cut sheets of all Materials proposed for use in construction of the Line Extension. District must approve submittals prior to construction commencement.

Warranty Period

Two years following date of Final Acceptance.

Wastewater System

All wastewater service connections, collection lines, manholes, pump stations, force mains and appurtenances, and treatment equipment used, operated, owned, or controlled by the District to facilitate the provision of wastewater services. In some systems, it may also include a septic tank effluent pumping system.

Water System

All water source and supply facilities, transmission, pipelines, booster pump stations, distribution mains and appurtenances, vehicles and materials storage facilities, all service connections, pump stations, force mains and appurtenances, and treatment equipment used, operated, owned, or controlled by the District to facilitate the provision of water and wastewater services

Work

The Work necessary to manufacture and deliver the machinery, Equipment, and Material and/or furnish all labor, tools, Material, Equipment, construction Equipment, Working Plans, where required and other necessities for the construction or erection of the structures shown and called for in the Plans, Specifications, and Application and the act of constructing or erecting such structures.

3. LINE EXTENSION REQUIREMENTS

All Applications for Line Extensions shall comply with the procedures within sections 3.A. through 3.E.

A. Application

1. Application Form and Fees

Application for Line Extension of the District Water or Wastewater System to serve newly developed and/or existing properties shall be made by the Applicant or its agent on the District's approved forms accompanied by the appropriate Application Fee as defined within the District's Fees and Charges schedule for District review and approval. The Application must include the Site Plan and

satisfactory evidence and proof of ownership as set forth in Sections 3.A.2 and 3.A.3 below. The Application Fee will be credited to the overall project cost. Application Fees are non-refundable.

Once the Application review has been performed by the District, the Applicant may proceed with the development of the Line Extension design (Plans and Specifications) in accordance with the District's requirements. Upon approval of the Applicant's Plans and Specifications, the District will furnish the Applicant an Estimate for the District's costs associated with the Line Extension.

The Estimate shall expire one year from the approval of the Plans and Specifications unless the Applicant has entered into a Line Extension Agreement and is complying with the construction schedule set forth in such agreement.

2. Site Plan for Application

Each Application shall be accompanied by a site plan, drawn to scale, illustrating the properties to be served and the approximate location of the proposed Work. The District will review the proposal and the layout of the location of all water and wastewater infrastructure needed to serve the area. The District will provide guidance which shall be used during preparation of Plans and Specifications for the Line Extension.

3. Ownership of Land

Applicant shall provide satisfactory proof of ownership or right to use land impacted by any Line Extension.

4. Permits, Easements and Approvals

All necessary permits, easements, and approvals shall be obtained by the Applicant prior to any construction, at the Applicant's expense. These may include, but are not limited to, permits, easements, and approvals from private property owners or entities (such as railroads), federal or Washington state agencies, counties or, cities. Construction in any public right-of-way shall comply with applicable federal, state, or local construction requirements of the agency (ies) with authority over the right-of-way.

All water and/or wastewater Facilities shall be located on public rights-of-way or dedicated easements in a form approved in advance in writing by the District, providing for but not limited to, perpetual operation, maintenance and service responsibilities. All easement grants shall either be to the District or assignable to the District.

Any and all costs associated with obtaining easements, permits and/or other approvals and/or ongoing easement/permit/approval fees shall be borne by the Applicant. The payment of any ongoing fees may require a recorded agreement, such as a participation contract, on all properties connected to the Line Extension. For example, and not by way of limitation, if a Line Extension crosses U.S. Forest Service land, U.S. Department of Natural Resources, or railroad property, all properties connected to the Line Extension typically share in the annual cost of the easements or permits from these agencies or entity.

B. Administration

1. Latecomer Fees

Future Applicants seeking to connect to a Line Extension subject to Latecomer Fees, shall share the cost of the original construction as set forth herein.

The District will establish the cost per foot of the original Line Extension construction upon Final Acceptance of the original Line Extension. The Applicant shall pay Latecomer Fees to the District based on the footage of original construction utilized by the Applicant's Line Extension.

If a future new service connects to a Latecomer Line Extension, the new service Applicant shall pay to the District the Latecomers Fee for the original Line Extension. The Latecomer fee will be refunded to the Applicant who installed and paid for the original construction. This "Latecomer Fee" repayment program will be in force for ten (10) years after Final Acceptance of original construction.

No Latecomer fee refund will be made to an Applicant who has paid for or shared in the cost of the installation of the Line Extension if they have sold their property whether by deed, Contract or by any other method of sale. If the Applicant has sold a portion of the original property, any Latecomer Fees will be pro-rated based on the property still owned by the original Applicant. The purchaser of property from an original Applicant is not eligible for Latecomer Fees.

2. Facility Modifications

All costs for modifications to existing Water System or Wastewater System deemed necessary by the District or other agency (State, County, City, easement holder, permit holder, etc.) as a result of the Applicant's proposed development shall be borne by the Applicant in accordance with the District's Facility Modification Policy.

3. System Development Charge, Meter Fee & Additional Charges

Each service connection requested in the Line Extension will be assessed a system development charge, meter fee and other applicable fees and charges, due in full prior to connection of service. Refer to Fees and Charges, Water Rate Schedules and Wastewater Rate Schedules for a list of charges.

4. Temporary Water Service

Where an Applicant's Line Extension construction project would disrupt service to existing District customers for more than four hours, as determined by the District, the Applicant's Line Extension shall include provisions for temporary water service to the affected customers. Design of the temporary water service shall be included in the Applicant's Contract Plans and approved by the District. Applicant shall also be responsible for installation of the required temporary water service. The temporary water service shall be disinfected, flushed, and pass a bacteriological test prior to being placed into use. Final connection to the existing customers shall be performed by the District and paid by the Applicant. Temporary water service maintenance and repairs shall be performed by the District. The Applicant shall reimburse the District actual costs expended for maintenance and repairs, as compiled in writing by the District and delivered to the Applicant, prior to Final Acceptance of the Line Extension.

5. Facility Oversizing

The District may require an Applicant to install Facilities larger than would be required by the District's Design Standards to serve the Applicant's Line Extension. The District will reimburse the Applicant for the incremental cost difference due to oversizing, provided the Applicant complies with the prevailing wage requirements set forth in RCW 39.12, and furnishes the District a copy of the U.S. Department of Labor and Industries Affidavit of Wages Paid for the Line Extension.

The District will estimate the incremental cost difference for Materials based on the District's actual procurement costs for the year the Line Extension is constructed.

No incremental cost difference for installation will be allowed where the increase in nominal pipeline diameter is 4-inches or less. Where the incremental pipe diameter increase exceeds 4-inches, the District will calculate incremental costs based on the percentage increase in trench width required to install the larger pipe. The percentage increase in trench width will be based on the limits established in the District's Standard Details.

The District will estimate the incremental cost difference for increased reservoir volume based on the installed cost per gallon for the reservoir structure.

Other incremental costs not identified, herein, will be determined by the District on a case by case basis.

A fixed lump sum of 15% of the incremental Material and labor costs will be included as complete compensation for overhead and profit. The District will pay Washington State sales tax on the total incremental costs as determined by the District at the local rate in effect at the time of construction.

6. Other Costs.

The Applicant shall be responsible for all other costs incurred by the District arising out of the Line Extension.

7. Water Rights

Applicants shall furnish Water Rights in accordance with the District's Water Rights Acquisition Policy.

C. Design

1. General

The design phase of the Line Extension process includes, but is not limited to, preparation of Plans and Specifications, District approval of Plans and Specifications, and, if applicable, approval by the Washington State Departments of Health and/or Ecology.

2. Engineer

Line Extension Plans and Specifications shall be prepared and stamped by a professional Engineer licensed in the State of Washington. The Engineer hired by Applicant shall be competent in water and wastewater system design and

construction and shall have successfully designed and overseen construction of a minimum of three projects of similar size and scope of the proposed Line Extension. Engineer shall furnish qualifications to District upon request prior to commencing design.

3. Location of Line Extension

The Line Extension shall connect to a point designated by the District. The Line Extension shall be extended to the boundaries of the property being served, providing access to all adjacent properties that may require future service. Water lines shall be looped and dead-end mains avoided whenever possible and deemed necessary by the District.

At the District's discretion, the requirement to extend to the boundaries of the property may be waived for extensions to serve a single connection, whereby the front footage results in financial hardship or unreasonable costs as determined by the District. In this situation, the Line Extension shall extend a minimum of 10-feet beyond the service connection point. Easements to the boundaries of the property being served, providing access to all adjacent properties that may require future service, shall be provided by the Applicant prior to Final Acceptance of the Line Extension. Easements shall be prepared for District review and approval using District approved forms. Costs to prepare and execute easements shall be borne by the Applicant.

4. Standards and Specifications

All Line Extensions shall be designed and installed in accordance with the following District requirements, as now exist or as may be hereafter amended:

- a. Standard Details
- b. Design Standards
- c. Construction Standards

5. Approval

Two (2) sets of Plans and Specifications shall be submitted for the District's review and approval prior to commencing construction. Plans and Specifications shall be prepared in accordance with Section 3.C.4.

The District will review and return any comments for correction to the Engineer. Corrected Plans and Specifications shall be returned to the District for additional review. Upon receiving satisfactory Plans and Specifications, the District will approve the Line Extension for construction by signing the Plans. Only Plans signed by the District are allowed for construction and materials submittals. Signed Plans must be used on the construction site at all times.

District approval of Plans and Specifications shall expire one year after the approval date if the Applicant has not entered into a Line Extension Agreement and is not complying with the construction schedule set forth therein.

6. Submission to Department of Ecology

District approved Plans for Wastewater Line Extensions shall be submitted to the Washington State Department of Ecology for review and approval. Ecology approval shall be obtained prior to construction. If the Line Extension is part of an Ecology-approved General Sewer Plan, submittal and approval is not required.

Refer to WAC 173-240-030(5), as now exists or as may be hereafter amended, for additional details. All Department of Ecology review fees, and any costs necessary to comply with Department of Ecology requirements shall be paid by the Applicant.

7. Submission to Department of Health

District approved Plans for Water Line Extensions requiring a new pressure zone, or a revision to an existing booster pump station or reservoir shall be submitted to the Washington State Department of Health for review and approval. Health approval of District approved Plans shall be obtained prior to construction. All Department of Health review fees, and any costs necessary to comply with Department of Health requirements shall be paid by the Applicant.

8. Regional Water System Approval

Applicants with property located outside the District's Service Area shall obtain approval for service from the Regional Water System. Applicant shall pay all costs for the Regional Water System to update its comprehensive water plan and obtain approval from the Washington State Department of Health in order to serve the Applicant's property.

9. Fire District Approval

Water Line Extensions shall be designed to ensure the placement of fire hydrants in accordance with the requirements of the respective Fire District. The Fire District shall provide written confirmation that the Plans are approved for construction prior to the District approving the Plans for construction.

10. Other Approvals

Any other Federal, state or local approvals applicable to the Line Extension shall be obtained by the Applicant and all costs associated with such approvals shall be borne by the Applicant.

D. Construction

1. Procedures

Construction procedures shall be in full accordance with the latest edition of the following documents, in the order of precedence listed:

- a. District Water and Wastewater Standard Details
- b. District Construction Standards

2. Contractor

All Line Extensions shall be installed by a Washington State licensed and bonded contractor. Contractor shall have successfully completed a minimum of three (3) projects of similar size and scope of the proposed Line Extension. The District reserves the right to review and approve the Applicant's Contractor.

3. Pre-Construction Conference

The Applicant shall schedule a pre-construction conference with the District after the construction Plans and Specifications have been approved. At the pre-construction conference, the District will present and cover in detail the Line Extension Agreement and Line Extension Checklist. Additionally, major

elements of the Line Extension construction will be discussed. The Applicant and Applicant's Contractor shall sign the Line Extension Agreement and Checklist prior to beginning construction.

The Applicant shall present the District with four hard copy sets of final signed Plans for the District's use during construction.

4. Material and Equipment Submittals

In accordance with the District's Standards Details, the Applicant or Contractor shall submit a list of all Materials and Equipment to be used on the Line Extension project. The list shall include manufacturer names, part numbers, sizes, types and grades of all items to be permanently incorporated into the Work. The District may reject certain items and will provide approval, disapproval, and/or comment in writing. Construction shall not begin prior to approval of all Material and Equipment Submittals.

5. Changes to Construction Plans and Specifications

The Work shall be constructed in accordance with the District approved Contract Plans. No deviations will be allowed without request for change and approval from the District. The District reserves the right to order changes in accordance with the District's Standard Details and Design and Construction Standards in the event of changed conditions or circumstances discovered during construction.

6. Inspection

No Work will be accepted without an onsite District inspection. The Applicant shall provide access to the District and its representatives at all times for the purpose of inspection and testing. The District may refuse acceptance of any Work installed without inspection.

The Contractor shall schedule inspection at least two full working days before construction activities begin. If there are breaks in construction, there must be two working days notice before Work commences again. The District will reject all defective Material, Equipment and Work that is not conducted in accordance with procedures set forth in Section 3.D.1.

If any Work should be backfilled without approval by the District, it shall be uncovered for inspection at the Applicant's expense.

Where Work is performed other than during the District's established 40-hour work week, the Applicant shall pay all additional costs incurred by the District for the inspection. Additional costs shall be paid in full prior to Final Acceptance of the Line Extension.

Applicable local municipal, state, or federal requirements may require inspection and testing in addition to District inspection and testing. The Applicant shall provide the District a minimum of two working days notice of scheduled inspections and tests. Any required certificates of inspection shall be secured by the Applicant at the Applicant's cost, with one hard copy furnished to the District.

7. Line Extension Fees

The Applicant shall pay all applicable Line Extension Fees, as stated herein and within the [Fees and Charges](#) Schedule, prior to beginning construction. The Line

Extension Checklist provided to the Applicant at the Pre-Construction Conference will have all fees and project costs listed in detail. Additionally, these fees will be incorporated into the Line Extension Agreement between the Applicant and the District.

8. Indemnification and Liability

The Applicant shall indemnify, defend, pay on behalf of, and save the District harmless from any and all claims or liability for damages arising from acts done or omissions in performance of the Work by Applicant and/or Applicant's contractor to the extent that such claim or liability does not arise from the negligence of the District. Applicant shall require its Contractor to provide evidence of insurance for the protection of Applicant and District in connection with the Work to be performed.

Nothing in this policy shall be construed as imposing any liability on the District for acts of the Applicant or Contractor. Nor does this policy or any other statement obligate the District to complete a Line Extension or attendant facilities.

E. Acceptance

1. Pressure Testing

All water and wastewater piping and appurtenances shall be pressure tested in accordance with the District's Standard Details and Construction Standards. Water for initial flushing, line filling, pressure testing, and disinfection shall be provided from a District water source when available. The Line Extension shall be separated from the District's Water System by cross connection control methods approved by the District.

2. Disinfection and Flushing of Water Mains

Disinfection shall be provided in accordance with the District's Standard Details and Construction Standards. Disinfected lines shall be flushed with water from the District's Water System. The Line Extension shall be separated from the District's water system by cross connection control methods approved by the District. Following flushing, the District will collect water samples and submit for bacteriological testing to a Washington State certified laboratory. If test results are not satisfactory, lines shall again be disinfected and flushed by the Contractor and tested by the District until satisfactory results are obtained. All flushed water shall be disposed of in accordance with applicable Washington Department of Ecology rules and regulations.

3. Final Connection to District Systems

Following pressure testing and receipt of satisfactory bacteriological testing results (water extensions only), final connections to the District's existing Water and Wastewater systems shall be performed in accordance with the District's Construction Standards.

4. Maintenance Bond

The Applicant, or its Contractor, shall obtain a Maintenance Bond based on the value of the Work. The bond shall be effective for a two year period, beginning after written Final Acceptance of the Work by the District. The maintenance bond

shall utilize the District's approved form and be furnished to the District prior to Final Acceptance of the Line Extension.

5. As-Built Drawings and O&M Manuals

The original Line Extension Contract Plans shall be revised to illustrate all changes and modifications required during construction. Any deviations from originally approved Contract Plans shall be recorded with one (1) set of reproducible As-Built mylars, sheet size as identified in District Design Standards, and electronic file in AutoCAD release version as identified by the District. As-built Plans shall include, the locations of all District facilities, including but not limited to lines, valves, hydrants, manholes, wyes, clean-outs, and fittings giving sizes and types of each and 5-foot or less contour line at county datum. The drawings shall show survey accurate dimensions of lines from property boundaries and established surveyed control points. The Applicant shall make every effort in acquiring all necessary information for accurate As-Built conditions.

Two (2) hard copies of Operations & Maintenance Manuals (where applicable) shall be provided, upon request, to the District.

6. Easements and Bill of Sale

The Applicant shall acquire and complete all necessary Easements and a Bill of Sale transferring the ownership of all installed Line Extension facilities to the District. In the case of a new plat, the easements shall be shown and recorded as part of the plat. Special facilities such as pump stations and reservoirs shall be constructed on a separate legal tract or parcel of land and dedicated to the District.

7. Final Acceptance

The Applicant shall notify the District requesting a final inspection for approval of the Line Extension project. If the Line Extension has been installed according to the approved Plans and Specifications, pressure and bacteriological tests are passed (in the case of water system extensions), and after all of the Line Extension Policy conditions are fully satisfied, as shown by District completion of a Line Extension Checklist, the District will prepare and date a letter of Final Acceptance of the Line Extension. The Warranty Period will begin after Final Acceptance. The acceptance of the Contract Work shall not prevent the District from making claim against the Applicant for any defective Work if same is discovered within the period of the Maintenance Bond.

8. Performance Bonding for Uncompleted Work

Service will be provided prior to completion of Line Extension requirements only for constructed items that cannot be completed as a result of inclement weather, provided the Applicant enters into an agreement with the District and furnishes the District a Performance Bond for the uncompleted Work. The following constructed items must be completed, at a minimum, prior to the District accepting a Performance Bond for uncompleted Work:

- a. All water and wastewater structures, piping, and appurtenances shall be installed and all testing and inspection requirements shall be completed. The District shall be provided unrestricted access to the Work at all times.

- b. All surface items (manholes, valve cans, etc.) installed in areas subject to vehicle traffic shall be fully operational, installed to final grade, and sealed in place with asphalt paving or concrete and inspected in accordance with District standards.

The value of the Performance Bond shall be 150 percent of the Applicant's estimated costs to complete the Work, or the actual cost for the District to perform the uncompleted Work, as estimated by the District, whichever is greater. The form used for the Performance Bond and Surety must be approved by the District. Costs to obtain the Performance Bond shall be borne by the Applicant. The District must receive the Performance Bond prior to executing Applications for service from uncompleted Line Extensions.

The Applicant shall enter into an agreement with the District to complete the uncompleted Work, within a time period determined by the District. In no circumstances shall the time period exceed six months. The Applicant shall pay the District's actual costs to prepare and administer the agreement. These costs must be paid prior to the District accepting a Performance Bond for uncompleted Line Extensions

9. Water Availability

No services connections will be allowed until all above listed items have been received by the District and, if applicable, Applicant has complied with the Water Rights Acquisition Policy. When all these conditions, in the opinion of the District as herein set forth, are met, the District will then issue water availability for service from the new Line Extension.

EFFECTIVE: **January 1, 2017**