



CHELAN COUNTY

# Proposed District Service Center

## Project Update and Outreach Plan

### Board of Commissioners Meeting

Feb. 19, 2019



*“Shaping our utility to do the best, for the most, for the longest”*

# ■ Presentation Goals

## **Information Only No Board Action Requested**

### **Provide Update of Ongoing Work**

Financial Modeling

Predesign Efforts

Conceptual Plans and Renderings

### **Initiate Formal Public Outreach**

Engagement Schedule

In-Person Opportunities

Online Opportunities

Gathering Feedback

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■ Why

## Strategic Plan Core Goals

*Provide the best, for the most for the longest*

- **Provide Best Financial Value to Customer-Owners**
  - Provide best life-cycle cost
  - Maximize productivity
  - Maximize cost predictability
- **Provide Best Service to Customer-Owners**
  - Create one-stop customer service location
  - Provide optimum location for countywide service
- **Enhance Safety**
  - Provide the highest level of safety for employees, customer-owners and visitors at PUD facilities

### 2015 District Strategic Plan

*“Our first priority is reinvesting in our core, value-creating assets: the hydropower projects, distribution systems, **facilities** and people”*

### Asset Management

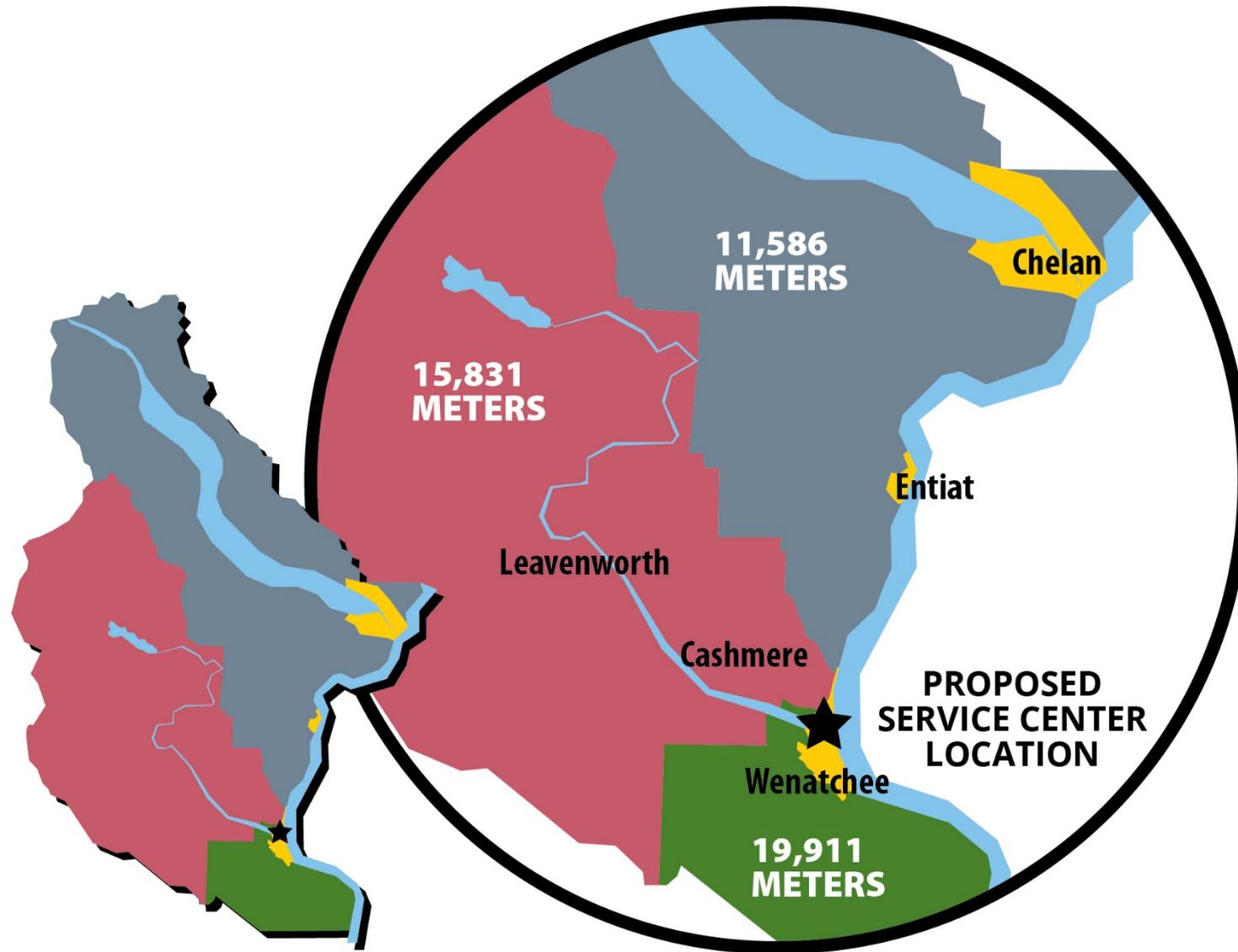
Buildings account for 16% of Chelan PUD’s asset base. We cannot ignore or continue to treat our facilities as a low priority in providing superior customer service, as well as clean and reliable public power

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## Customer Service Response

## Why

### Customer Service Benefit



### Proposed Olds Station Site

- Located at the “hub” of the three major transportation arteries that serve Chelan County
  - Highway 2/97 – Cashmere & Leavenworth
  - Highway 97A – Entiat & Chelan
  - Highway 285 – Wenatchee
- Located closest to the center point of the PUD’s customer base
- Only site of adequate size to accommodate fully consolidated Service Center Operations

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# Customer Service Response

# Why

## Customer Service Benefit



Current Condition

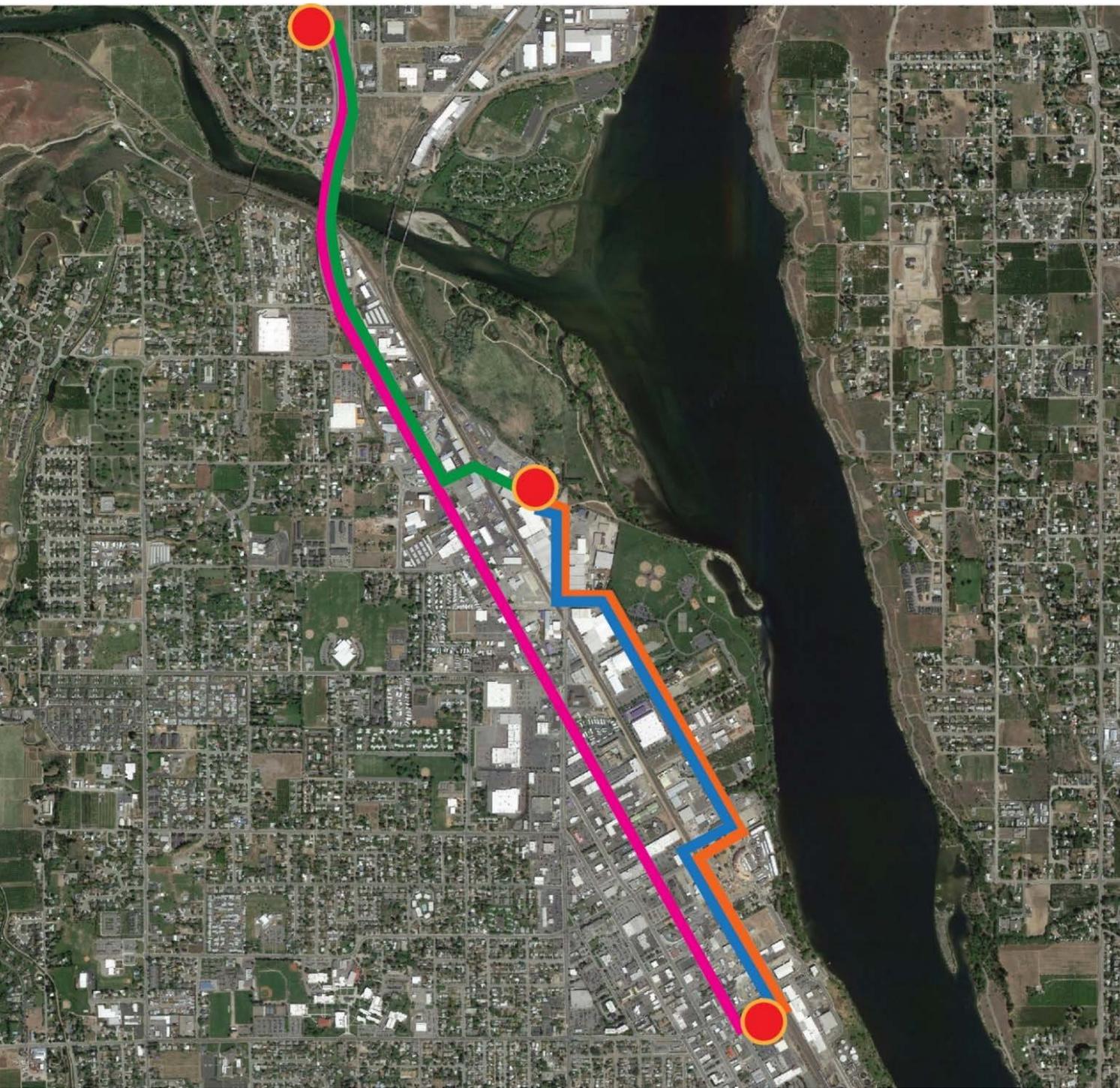


Industry Standard



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# Why



## Travel Costs Analysis

- More than 70% of service trips are north of the current headquarters
- District Staff are spread among three locations (HQ, Hawley & CTC)
- Total trips and cost per trip were annualized to determine total cost including all labor and vehicle costs
- Annual savings for locating operations and administration in the Olds Stations area are estimated at more than \$750,000 per year.

### Staff Trips

- Distance 1 - HQ to Hawley Street (AM)
- Distance 2 - HQ to CTC
- Distance 3 - Hawley St to CTC
- Distance 4 - HQ to Hawley St (PM)

# HQ Scenario Evaluation



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Option Finalists	Financial Summary and District Goals for Long Term Strategic Facilities Plan							
	50 year Present Cost	Initial Capital (1-5 years)	10 Year Total Spending	Maximize Productivity	Optimize Service Levels	Increase Cost Predictability	Enhance Safety	Qualitative Evaluation
Status Quo	≥ \$138 M	≥ \$81 M	≥ \$90 M	Poor	Poor	Fair	Fair	Poor
Redevelop In Place	≥ \$148 M	≥ \$120 M	≥ \$156 M	Poor	Poor	Fair	Good	Poor
Permanent Split	≥ \$141 M	≥ \$129 M	≥ \$131 M	Good	Good	Good	Good	Fair
10-year Split	≥ \$128 M	≥ \$118 M	≥ \$141 M	Fair	Good	Good	Good	Poor
<b>Consolidated</b>	<b>\$124 M</b>	<b>\$143 M</b>	<b>\$133 M</b>	<b>Best</b>	<b>Best</b>	<b>Best</b>	<b>Best</b>	<b>Best</b>

Note: ≥ Is used where full cost estimates were not developed for new scope items but would be equal to or greater than the consolidated option

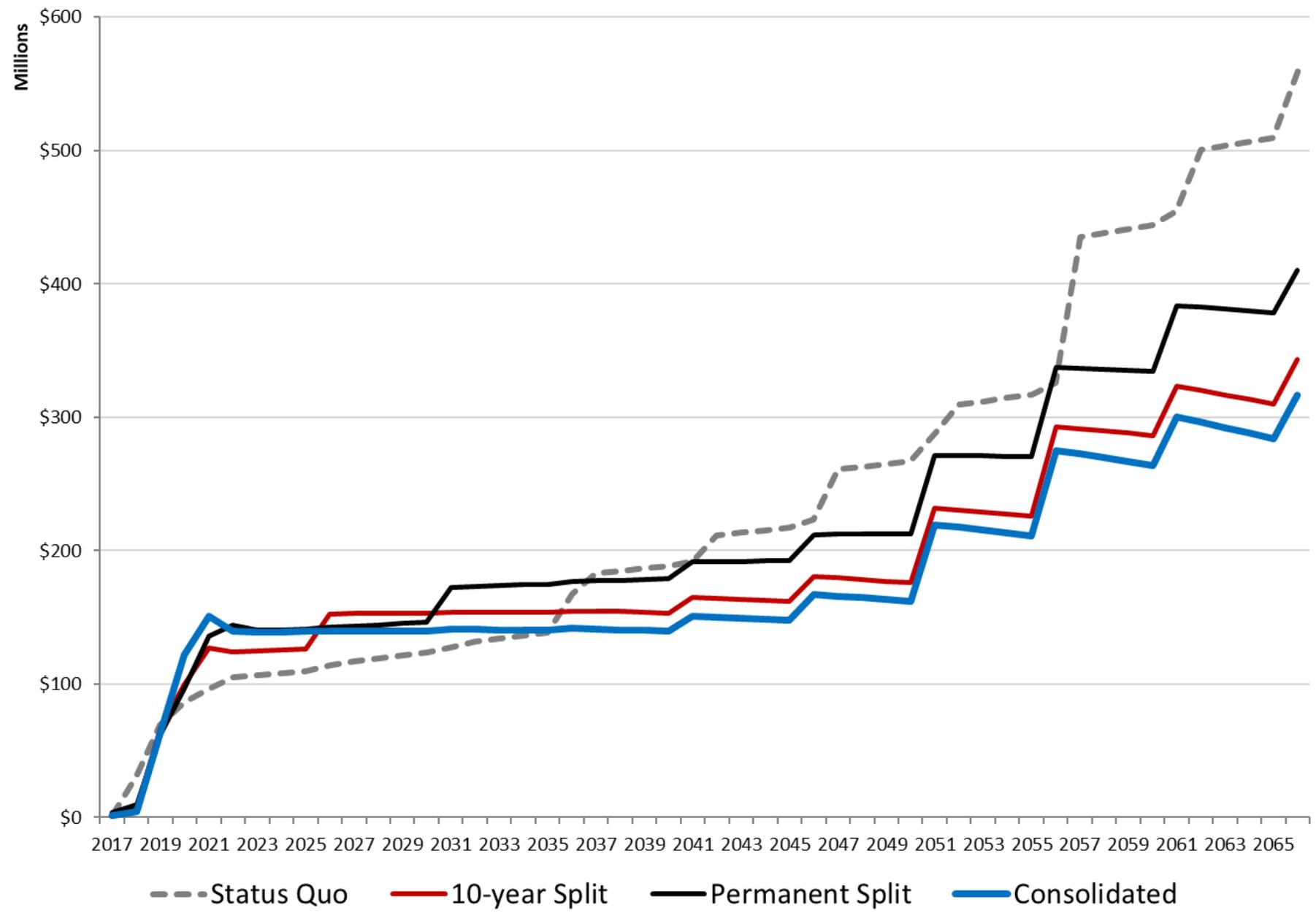
# HQ Scenario Evaluation

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**Why**

### Headquarters Facilities - Cumulative Cash Flow

Capital Investment, Maintenance and Energy, Productivity



**Funding**

In 2017 and 2018, a total of \$50 Million was placed in a Board-directed fund designated for facilities improvements

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■ Why

## Strategic Facilities Plan

### Stress Testing

Staff tested the sensitivity of the financial model to key assumptions.

**The rankings were consistent** and Consolidation’s superiority is robust.

- **Discount rate must approach 10%** before Consolidation loses
- **Productivity and travel savings** must both be reduced by **75%** before Consolidation begins to falter
- **Cost of construction** would have to increase almost **15%** beyond forecasted escalation to dislodge Consolidation as the cost-effective recommendation

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## Why

### Strategic Facilities Plan

#### Takeaways

Consolidation is superior to the other options because:

#### Quantitatively: Dollars and Cents

- **Travel Savings and Productivity:** optimized in one location; split facilities can't achieve the same value in travel and productivity
- **System Replacements and Maintenance:** less expensive and more predictable in new facilities
- **Economies of Scale:** One larger project on one undeveloped site in Olds Station

#### Qualitatively:

- **Resilience and Adaptability:** Olds Station property offers the most flexibility for responding to variation and unknowns
- **Residual Value:** new facilities will still have value in 2066
- **Co-location:** inherent benefit of having field crews, supervisors and management/administration working together at one location

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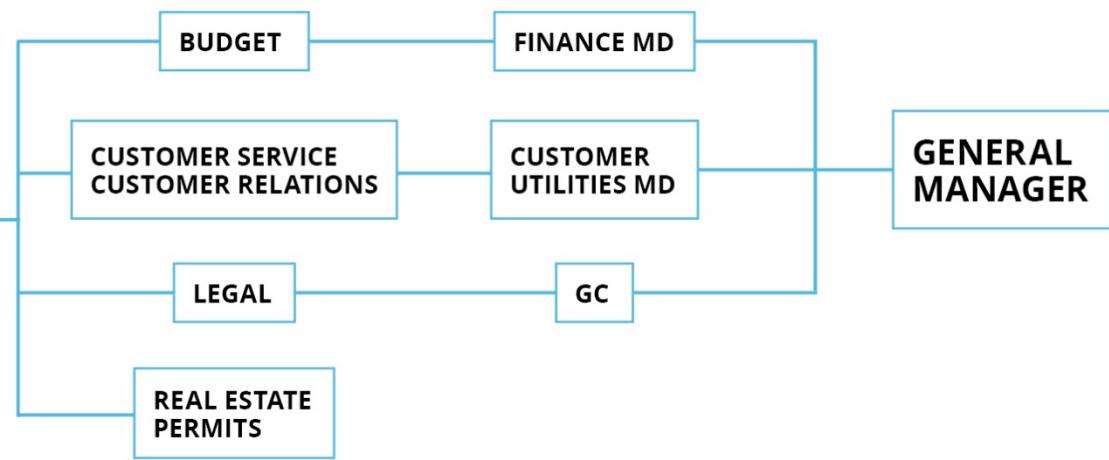
# Why

## Strategic Facilities Plan

### Tail vs. Dog

#### CUSTOMER OPERATION:

- LINEMAN
- FOREMAN
- SERVICEMAN
- EQUIPMENT OPERATORS
- FLAGGING
- SYSTEM OPS/CREW DISPATCH
- TOOL ROOM
- FLEET
- WATER/WASTEWATER
- SAFETY
- SYSTEM ENGINEERING
- SUBSTATION WIREMAN
- FIBER
- CSE
- WAREHOUSE



**Service Center location** is based on best location for employees providing customer service.

**Management location** is based on proximity to employees.

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■ Why

## Strategic Facilities Plan

### Updates Influencing Scenario Selection

#### Existing Hawley Street Property

- Proposed Confluence Parkway
- Proposed McKittrick underpass
- Expanded substation capacity

#### Increased Physical Security Requirements

- Critical operations cannot remain in current location long-term

#### Updated Financial Analysis

- Validates conclusion that consolidation provides best 50-year net cost

#### Fifth St. Campus Redevelopment Planning

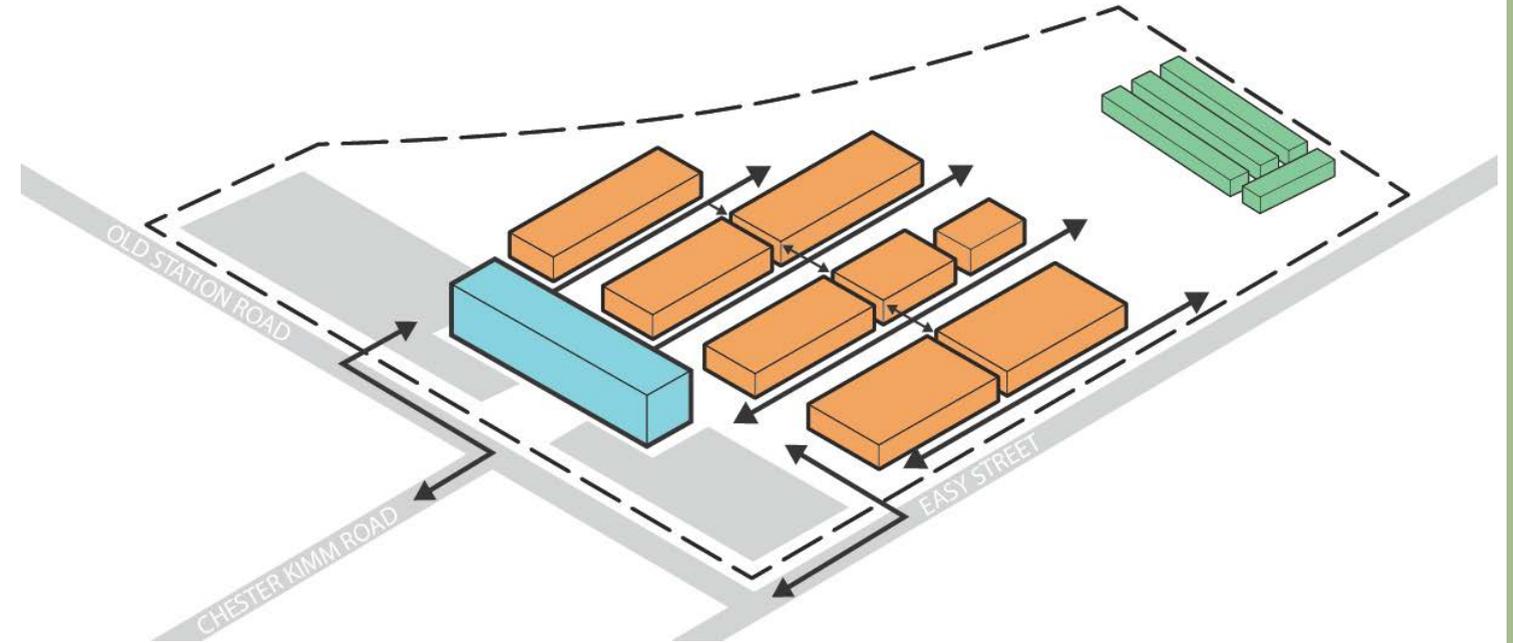
- Initiated process to provide redevelopment options

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**How**

**Site Plan**

**Operational Excellence**



**Site Flow**

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## How

# Design Inspiration

Interpreting the  
Chelan County Region  
in the Architecture

- The river
- The dams
- The orchards
- The geology
- The climate
- The people
- Our stewardship



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**How**



**Chelan County PUD #1**  
Service Center



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■ How



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**How**



**Chelan County PUD #1**  
Service Center



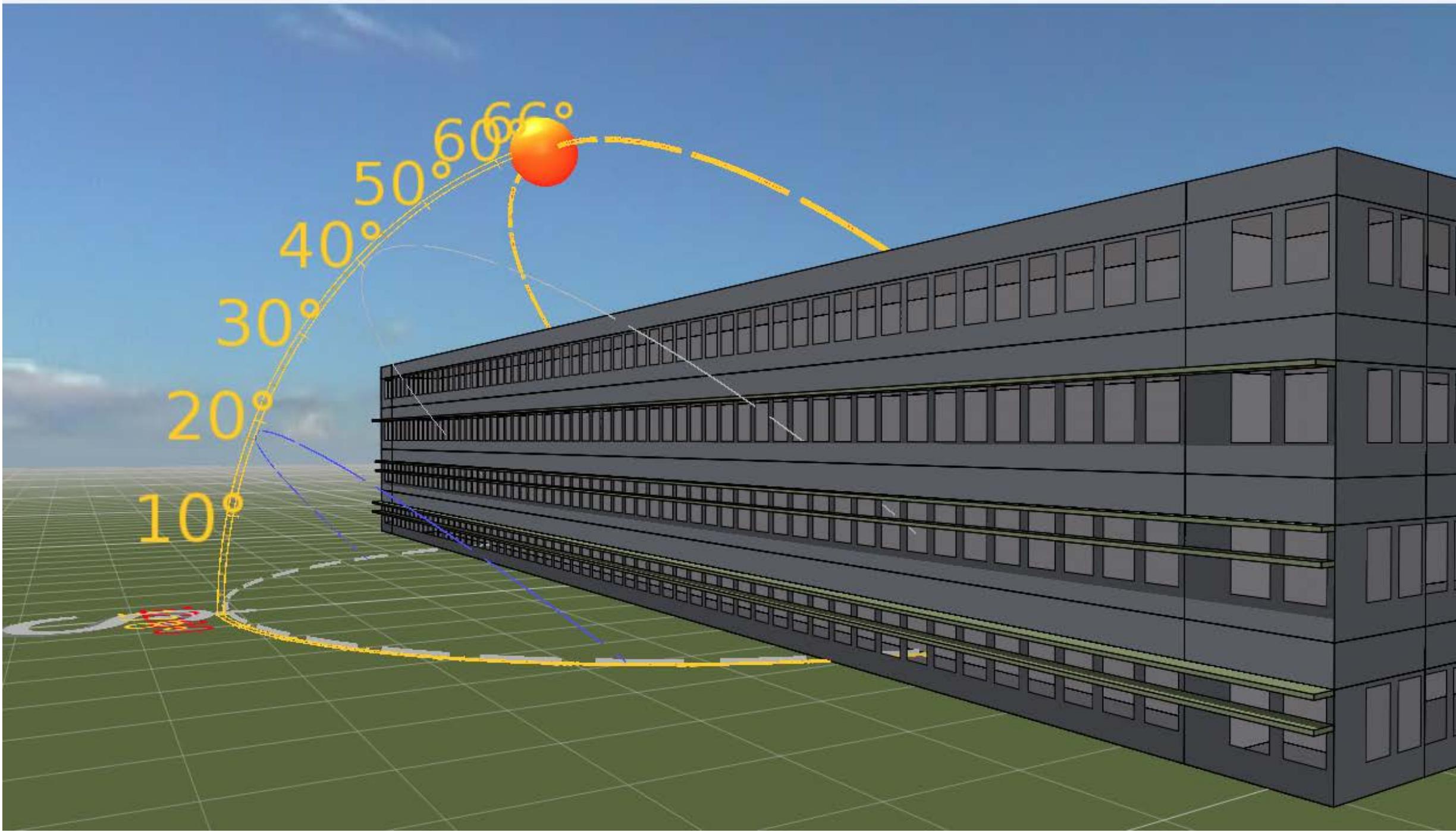
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**How**



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# How

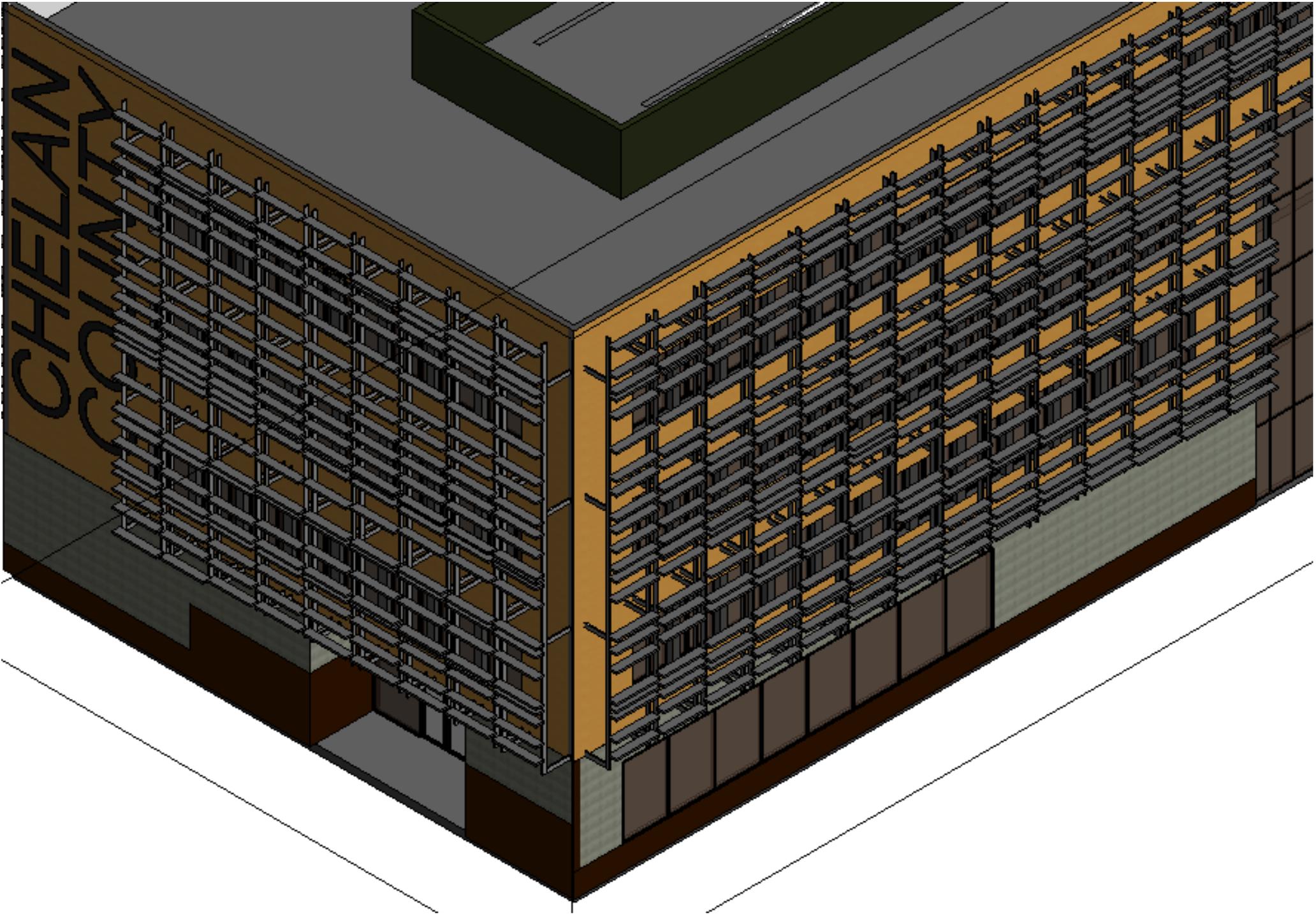


Achieving energy efficiency  
Results of solar heating study guides design.

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# How

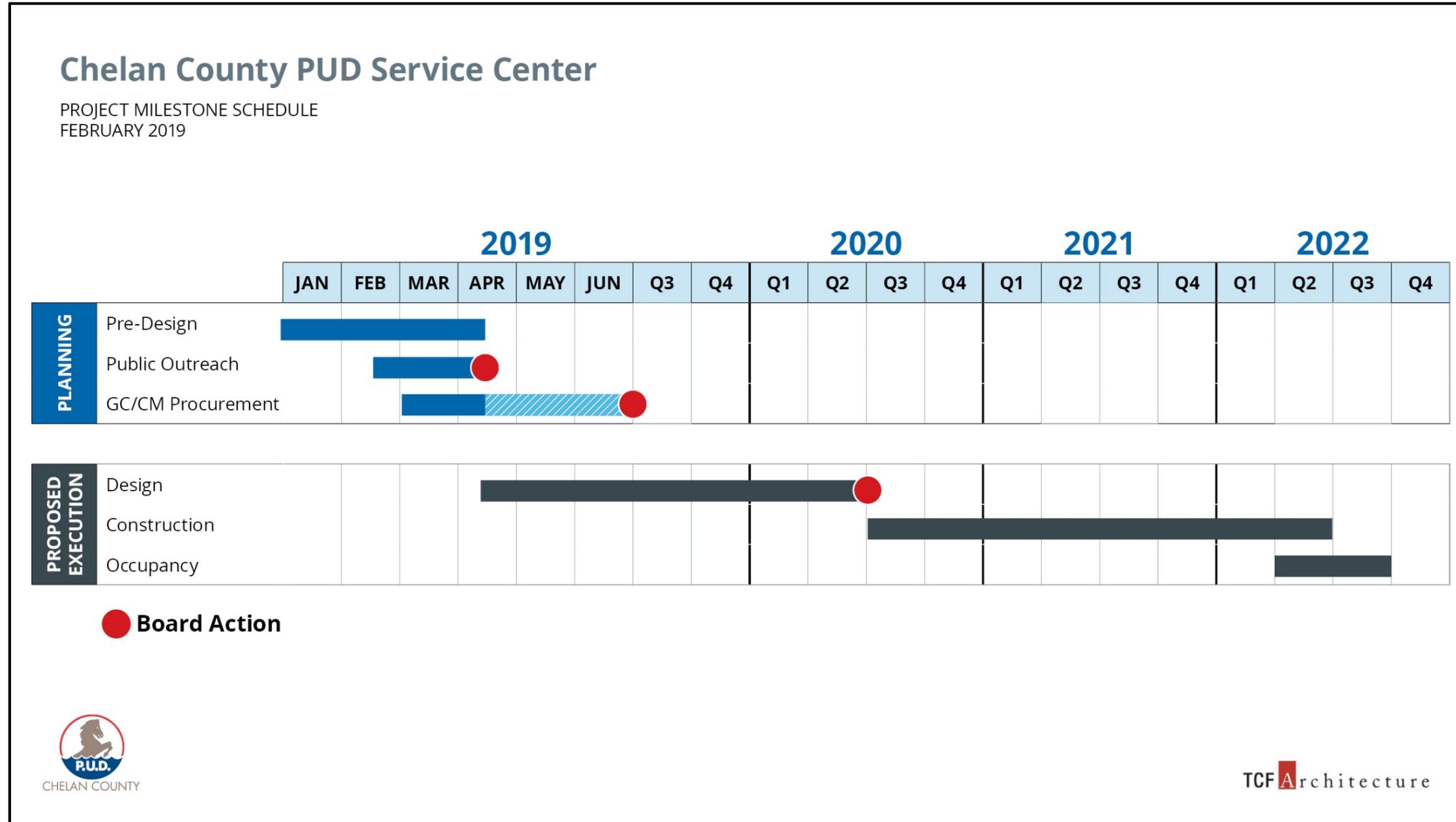
Horizontal Sun  
Shade Study  
On South and E/W



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■ When

# Milestone Schedule



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■ **When**

**Community Engagement**

## Public Outreach Plan and Schedule

- Jan. 17 – Citizen Advisory Committee
- Feb. 19 – Board Presentation – Launch public outreach
- Feb. 19 - Radio, newspaper, social media and website (including links to previous information/videos/studies)
- Feb. 19 – March 15 – Presentations at Service Clubs, Civic Groups, City/Port/Community Council meetings
- March 18-25 – Open House events
  - Cashmere, Chelan, Entiat, Leavenworth, Wenatchee
  - Opportunity for Board Members to engage
- April 1 – Board Presentation – present public feedback on Service Center options

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■ **When**

**Community Engagement**

## Feedback from Customer Advisory Committee

### Design Development

- Remember this is the entry to the City of Wenatchee
- Balance aesthetics and costs
- Opportunity for all Chelan County communities to participate

### Decision Making

- CAC members sought more information on consolidation vs split campus options
- Focus on timing and effects of decision

### Redevelopment Planning

- Continue to work on plan outcomes throughout the process
- Look for “early victory” potential in site redevelopment

## Recent and Upcoming Activities

### General Contractor Construction Manager (GC/CM)

- Jan 24 - Unanimous approval from State Project Review Committee
  - Received praise from Committee Chair for Chelan PUD’s commitment to new delivery methods
- Procuring GC/CM Partner - 4-5 month process
- **March 4 Board Meeting** – Approval of request for qualifications (RFQ)
- Present GC/CM Agreement to Board in **June** for approval

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# Summary

## Results of Ongoing Work

Financial Modeling – Refreshed and consistent with previous information

Conceptual Design Work – Continuing to inform outreach efforts

## Formal Public Outreach

Initiating today

Presentation to civic and governmental groups starting immediately

Open house meetings scheduled

Online resources in place

Radio/Newspaper dates scheduled

Will be gathering feedback throughout process

## QUESTIONS?

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# Appendix



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# How



*“Shaping our utility to do the best, for the most, for the longest”*

# How



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**How**



**Chelan County PUD #1**  
Service Center



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# How



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# How

