

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

REGULAR COMMISSION MEETING

NOVEMBER 16, 2020

Public participation will be by phone only

Dial: 855-929-3239 (toll free)

Meeting Number: 177-832-2999

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

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

STUDY SESSION

10:00 AM

1. Pledge of Allegiance and Safety/HPI Minute – Scott Hopkins
2. Approval of the Agenda
Any item on the Consent Agenda shall be subject to transfer to the Regular Agenda upon request of any Commission member
3. CPO Winner Recognition
4. Quarterly Energy Resources Update
5. Low Income Program Update
6. Fees and Charges Update

BUSINESS SESSION

1:00 PM

7. Public Hearing: 2021 Budget Update

Consent Agenda

8. Minutes of the November 2, 2020 Regular Meeting
9. Vouchers: Accounts Payable Summary Report dated November 12, 2020:

- a. Vouchers totaling \$8,918,401.17;
- b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period October 28, 2020 through November 11, 2020 in the amount of \$25,071.37;
- c. Approval of the net Payroll, Warrant Nos. 237270 through 237285 and Advice Nos. 703496 through 704275 for the pay period ending 10/25/2020 in the amount of \$2,163,406.20;
- d. Approval of Warrant Nos. 27008 through 27031 totaling \$15,741.12 for claim payments from the workers' compensation self-insurance fund for the period ending November 9, 2020.

Regular Agenda

10. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A ROAD DECOMMISSIONING AGREEMENT WITH CHELAN COUNTY NATURAL RESOURCES DEPARTMENT
11. A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SPECIAL USE PERMIT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, THAT PROVIDES FOR CONTINUED SAFE OPERATION AND MAINTENANCE OF THE MCKENZIE - BEVERLY 115KV TRANSMISSION LINE WHILE MAINTAINING THE ENVIRONMENTAL INTEGRITY OF THE NATION FOREST SYSTEM LANDS
12. A RESOLUTION APPROVING BIDDING DOCUMENTS FOR DISTRICT TREE PRUNING 2021-2023 AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT
13. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-10977) WITH EXPRESS SERVICES, INC. DBA EXPRESS EMPLOYMENT PROFESSIONALS TO PROVIDE TEMPORARY EMPLOYMENT SERVICES
14. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-10980) WITH STAFFMARK INVESTMENT LLC DBA STAFFMARK TO PROVIDE TEMPORARY EMPLOYMENT SERVICES
15. A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH CHARLES D. AND JOYCE K. FOLLIS FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

REGULAR COMMISSION MEETING AGENDA

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16. Manager Items

17. Commission Items

18. Follow-up on Delegation of Action Items from Previous Board Meeting

19. Delegation of Action Items

20. Additional Public Comment

Members of the public are encouraged to ask specific questions after each item presented. This agenda item is for additional comments/questions related to matters not on the agenda.

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

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

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL
MANAGER TO ENTER INTO A ROAD
DECOMMISSIONING AGREEMENT WITH
CHELAN COUNTY NATURAL RESOURCES
DEPARTMENT

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District owns and operates the McKenzie – Beverly 115kV transmission line, which was constructed in the late 1920s in conjunction with the Rock Island Hydro Project. Approximately 20 miles of the transmission line is located within the Okanogan Wenatchee National Forest, where it traverses a rugged section of the Cascade Range.

The United States Department of Agriculture Forest Service (USFS) has renewed the District's Special Use Permit (SUP) for the McKenzie Beverly Transmission Line. Re-issuance of the permit required completion of an Environmental Assessment consistent with the National Environmental Policy Act along with formal consultation and Biological Opinions from the National Oceanic and Atmospheric Administration Marine Fisheries Service and United States Fish and Wildlife Service who consulted on the effects of the USFS's issuance of the new SUP for continued maintenance under the proposed operating plan on listed species under the Endangered Species Act. The District will undertake several compensatory mitigation projects that offset unavoidable impacts from implementing the operating plan for the transmission line. These projects include decommissioning 8.0 miles of non-system roads on National Forest Lands in the Nason Creek drainage and 1.2 miles of roads on land owned by the Western Rivers Conservancy. In addition, a dispersed campsite will be decommissioned, and the District has authorized riparian restoration in an unused transmission corridor. These mitigation actions address the unavoidable impairment of ecological function caused by continued maintenance of the transmission line and should improve ecological function within the Nason Creek and Wenatchee watersheds consistent with Forest Service's Aquatic Conservation Strategy.

District staff have worked closely with the Chelan County Natural Resources Department (CCNRD) on several recent projects including the Upper White Pine restoration. As a result, staff were able to collaborate with CCNRD who have expert knowledge of the Nason Creek drainage and partner with them to identify roads to be decommissioned within the watershed to provide the compensatory mitigation required by the SUP. CCNRD has the unique expertise to design, bid and construct the road decommissioning work required by the SUP.

District and CCNRD staffs have negotiated an agreement to complete the necessary road decommissioning work for a not to exceed cost of \$490,000.

Staff recommends the Board of Commissioners authorize the General Manager to execute the agreement with CCNRD, a copy of which is on file in the offices of the District.

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. The General Manager is authorized to execute the road decommission agreement with Chelan County Natural Resources Department for a cost not to exceed \$490,000 under the terms and conditions set forth in the agreement which is on file in the offices of the District.

DATED this 16th day of November 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A SPECIAL USE PERMIT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, THAT PROVIDES FOR CONTINUED SAFE OPERATION AND MAINTENANCE OF THE MCKENZIE - BEVERLY 115KV TRANSMISSION LINE WHILE MAINTAINING THE ENVIRONMENTAL INTEGRITY OF THE NATION FOREST SYSTEM LANDS

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District owns and operates the McKenzie – Beverly 115kV transmission line, which was constructed in the late 1920s in conjunction with the Rock Island Hydro Project. Approximately 20 miles of the transmission line is located within the Okanogan Wenatchee National Forest, where it traverses a rugged section of the Cascade Range.

The District has a continuing obligation to perform line maintenance and replace poles, conductors, and other necessary equipment to maintain reliable operation and service of the line. Re-issuance of the Special Use Permit (SUP) by the United States Department of Agriculture, Forest Service, provides the District with long-term, 30-year, predictable and standard methods of access, operation and maintenance to avoid potential conflicts with other resources or users in the Okanogan Wenatchee National Forest.

Re-issuance of the permit required completion of an Environmental Assessment consistent with the National Environmental Policy Act along with formal consultation and Biological Opinions from the National Oceanic and Atmospheric Administration Marine Fisheries Service and United States Fish and Wildlife Service who consulted on the effects of the Forest Service’s issuance of the new SUP for continued maintenance under the proposed operating plan on listed species under the Endangered Species Act. The District will undertake several compensatory mitigation projects that offset the impacts of the transmission line. These projects include decommissioning 8.0 miles of non-system roads on National Forest Lands in the Nason Creek drainage and 1.2 miles of roads on land owned by the Western Rivers Conservancy. In addition, a dispersed campsite will be decommissioned, and the District has authorized riparian restoration in an unused transmission corridor. These mitigation actions address the unavoidable impairment of ecological function caused by continued maintenance of the transmission line and should improve ecological function within the Nason Creek and Wenatchee watersheds consistent with Forest Service’s Aquatic Conservation Strategy.

On August 12, 2020 the Forest Service issued a Finding of No Significant Impact based on the site-specific environmental analysis. Subsequently, the Forest Service has offered a Special Use Permit with a 30-year term that incorporates the programmatic operation and maintenance activities that includes standard methods of access. The permit requires the District complete the mitigation actions within 3-5 years of permit issuance and comply with Reasonable and Prudent Measures identified during consultation with the regulatory agencies.

District and Forest Service staff have completed the necessary environmental assessments and reviews and negotiated Special Use Permit, a copy of which is on file in the offices of the District.

Staff recommends the Board of Commissioners authorize the General Manager to execute the permit with the Forest Service.

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. The General Manager is authorized to execute a special use permit with the United States Department of Agriculture, Forest Service, for ongoing maintenance and operation of the McKenzie-Beverly, 115kV transmission line under the terms and conditions set forth in the permit which is on file in the offices of the District.

DATED this 16th day of November 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING BIDDING
DOCUMENTS FOR DISTRICT TREE PRUNING
2021-2023 AND AUTHORIZING THE GENERAL
MANAGER OF THE DISTRICT TO PUBLISH
NOTICE INVITING SEALED PROPOSALS FOR
SAID PROJECT

FACTUAL BACKGROUND AND REASONS FOR ACTION

This is proposed as a three-year contract, with two optional one-year renewals, to provide tree trimming along the District's overhead power lines and fiber optical infrastructure. The proposed contract is made up of unit pricing and hourly rate pricing. The tree trimming services help increase service reliability & public safety, along with reducing the risk of fire.

Resolution No. 17-14215 requires Commission approval of bids and authorization to invite bids that are estimated to exceed \$3,000,000. Bidding documents for Bid No. 20-39, including specifications have been prepared by the District and are on file in the offices of the District.

District staff recommends that Bid No. 20-39 is in the best interests of the District and that said documents be approved and that the invitation for bids be published.

The General Manager of the District 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, as follows:

Section 1. The bidding documents (Bid No. 20-39) for the District Tree Pruning 2021-2023 are hereby approved and the General Manager of the District is hereby authorized to invite sealed proposals for furnishing said material.

DATED this 16th day of November 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
 NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-
 10977) WITH EXPRESS SERVICES, INC.
 DBA EXPRESS EMPLOYMENT PROFESSIONALS TO
 PROVIDE TEMPORARY EMPLOYMENT
 SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into an Enabling Agreement (PSA No. 20-10977) on October 30, 2020, with Express Services, Inc. dba Express Employment Professionals to provide temporary employment services in an amount not to exceed \$500,000. This Agreement is perpetual and will only end upon termination by either party. The District has a current Agreement with Express Employment Professional (PSA No. 15-226) which will be closed after the current Project Confirmation Agreements (PCA's) expire. The new PSA No. 20-10977 with Express Employment Professionals was created to address current Federal and State requirements and District procurement standards. All new PCA's with Express Employment Professionals will be issued under the new Agreement.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Enabling Agreement PSA No. 20-10977 with Express Employment Professionals to increase the not to exceed amount by \$1,000,000 to assist with temporary employment services, for a total revised contract price not to exceed \$1,500,000.

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 Amendment No. 1 to Enabling Agreement (PSA No. 20-10977) with Express Employment Professionals to provide temporary employment services. The revised contract price will not exceed \$1,500,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of November 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT
NO. 1 TO ENABLING AGREEMENT (PSA NO. 20-
10980) WITH STAFFMARK INVESTMENT LLC
DBA STAFFMARK TO PROVIDE TEMPORARY
EMPLOYMENT SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

The District entered into an Enabling Agreement (PSA No. 20-10980) on September 28, 2020, with Staffmark Investment LLC dba Staffmark to provide temporary employment services in an amount not to exceed \$500,000. This Agreement is perpetual and will only end upon termination by either party.

Resolution No. 17-14215 requires that the Commission, by resolution, authorize Amendments to Service Agreements when the Amendment increases the total contract price to over \$500,000.

District staff recommends that it is in the best interest of the District to amend Enabling Agreement PSA No. 20-10980 with Staffmark to increase the not to exceed amount by \$1,000,000 to assist with temporary employment services, for a total revised contract price not to exceed \$1,500,000.

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 Amendment No. 1 to Enabling Agreement (PSA No. 20-10980) with Staffmark to provide temporary employment services. The revised contract price will not exceed \$1,500,000 without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 16th day of November 2020.

President

ATTEST:

Vice President

Secretary

Commissioner

Commissioner

Seal

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PURCHASE AND SALE AGREEMENT WITH CHARLES D. AND JOYCE K. FOLLIS FOR THE SALE OF REAL PROPERTY IN SETTLEMENT OF A PROPERTY DISPUTE AND AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO COMPLETE THE TRANSACTION

FACTUAL BACKGROUND AND REASONS FOR ACTION

District entered into an Relocation Agreement dated May 13, 1958, with Washington State Highway Commission for relocation of old Primary Highway 10 as part of District's plan to build Rocky Reach Hydroelectric Project, subject to certain terms and conditions including District's filing of a condemnation suit and a decree of public use entered by a court.

District filed a condemnation suit in Chelan County Superior Court, Cause No. 20334 and the court entered an order authorizing the District to inundate those described lands including streets and alleys in the town of Entiat, which included portions of old Primary Highway 10.

District received title to District Property from Washington State by Quit Claim Deed dated February 2nd, 1965, recorded under Chelan County Auditor No. 631729 after Washington State Highway Commission passed Resolution 1084 abandoning Primary Highway 10 and relocated and reestablished pursuant to contract with District.

Pursuant to Ordinance No. 101 on January 27, 1961 City of Entiat approved vacation of Cairns Street, formerly known as a portion of old Primary Highway 10.

However, Entiat did not have the right to vacate old Primary Highway 10 because title was vested in the State of Washington, subject to the 1958 Relocation Agreement and Chelan County Superior Court Order under Cause No. 20334 authorizing District condemnation and inundation of such lands.

Charles D. and Joyce K. Follis ("Purchaser") believed they owned that portion of the old Primary Highway 10 that was vacated by Entiat and which was attached to their property by the Chelan County Assessor's Office by an apparent erroneous application of operation of law ("Disputed Area").

The District and Purchaser, in settlement of any disagreement regarding the Disputed Area have entered in to a Purchase and Sale Agreement dated November 6, 2020, contingent on approval of the Chelan County PUD Board of Commissioners.

The District and Purchaser have entered into a Purchase and Sale Agreement for the Disputed Area in the amount of \$17,330.00, contingent on approval of the Chelan County PUD Board of Commissioners.

Staff recommends approval of the Purchase and Sale Agreement with the Purchaser be approved, and the General Manager directed to take the necessary steps to close the transaction. 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, as follows:

Section 1. The Purchase and Sale Agreement with Charles D. and Joyce K. Follis for the described real property in this Resolution in the amount of \$17,330.00, is hereby approved and the General Manager or his designee is hereby authorized to take such further steps as may be required to complete the transaction.

Section 2. The Purchase and Sale Agreement will be on file in the offices of the PUD.

DATED this 16th day of November, 2020.

	President
ATTEST:	
_____	_____
Vice President	Secretary
_____	_____
Commissioner	Commissioner

Seal