

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
OCTOBER 9, 2017 – 1:30 P.M.

1. Flag Salute
2. Minutes
3. Vouchers
4. Public Comment
5. Bid Opening – Bid Document 17-16-W, Directional Drilling of HDPE Pipe Through a Railroad/Roadway Embankment at the Wells Hydroelectric Project
6. 25-Year Service Award – Jeff Odegard-Harris
7. Hearing on the 2018 Electric Distribution System Budget and the 2017-2018 Wells Hydroelectric Project Budget
8. Resolution Adopting the Distribution System Official Budget of Expenditures for Year 2018 as Finally Approved
9. Resolution Adopting the Wells Hydroelectric Project Official Budget for 2017-2018 as Finally Approved
10. Resolution Approving Environmental Reviews for the 2018 Distribution System Capital Budget and the 2017-2018 Fiscal Year Wells Project Operating Capital and Extraordinary Expense Budget
11. Resolution Authorizing a Call for Bids Under Bid Document 17-21-D, Supply and Deliver Compact 1100 kcmil EPR Primary Underground Cable
12. Resolution Authorizing NWPP Agreement to Amend and Restate the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group
13. Resolution Authorizing Negotiation of Professional Service Agreement, Request for Qualifications No. 17-15-W, Model Testing and Verification at the Wells Hydroelectric Project for NERC Standards MOD-026-1 and MOD-027-1
14. Resolution Affirming Addenda Nos. 1 and 2 to Bid Document 17-16-W, Directional Drilling of HDPE Pipe Through a Railroad/Roadway Embankment at the Wells Hydroelectric Project
15. Resolution Authorizing Letters To, and Continuation of Agreement with, The U.S. Geological Survey, United States Department of the Interior Relative to 2017-2018 River-Gaging Station Maintenance and Operation Cost
16. NERC Compliance Quarterly Report – 3rd Quarter
17. FERC Compliance Quarterly Report – 3rd Quarter
18. Financial and Statistical Report – Distribution System – July 2017
19. Budget Report – Distribution System – July 2017

20. Preliminary Disturbance Report
21. Other
22. Trips
23. Minutes
24. Executive Session: RCW 42.30.110(1)(i)

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION ADOPTING THE DISTRIBUTION SYSTEM
OFFICIAL BUDGET OF EXPENDITURES FOR YEAR 2018 AS
FINALLY APPROVED**

RECITALS:

1) A proposed budget of expenditures prepared for the District's Distribution System has been filed with the records of the District.

2) The Commission of the District met at the time and place as designated in a properly advertised Notice of Hearing to consider said budget.

3) The budget outlines projected revenues, operating expenses, and capital spending spanning many categories of expenditure including payroll, acquisition of goods and services, and capital projects. Total salaries, wages and overtime amounts to \$8.1 million in the 2018 Distribution budget and includes a 3% adjustment to salaries and wages. The total expense for salaries, wages and overtime as a percentage to the total Distribution budget is 17%. After adoption by the Commission, the General Manager is responsible to administer District operations using the approved budget as the guideline.

4) The Commission resolved that for the best interest of the District the budget should be determined and adopted the same as now filed.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, does hereby adopt the Distribution System Official Budget of Expenditures for the year 2018 as finally determined, and fix the final amount of the expenditures as set forth in said Budget.

ADOPTED this 9th day of October 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION ADOPTING THE WELLS HYDROELECTRIC PROJECT
OFFICIAL BUDGET FOR 2017-2018 AS FINALLY APPROVED**

RECITALS:

1) A proposed budget of expenditures prepared for the District's Wells Hydroelectric Project has been filed with the records of the District.

2) The Commission of this District met at the time and place as designated in a properly advertised Notice of Hearing to consider said budget.

3) The budget outlines projected revenues, operating expenses, and capital spending spanning many categories of expenditure including payroll, acquisition of goods and services, and capital projects. Total salaries, wages and overtime amounts to \$10.8 million in the 2017-2018 Wells budget and includes a 3% adjustment to salaries and wages. The total expense for salaries, wages and overtime as a percentage of the total Wells budget is 13%. After adoption by the Commission, the General Manager is responsible to administer District operations using the approved budget as the guideline.

4) The Commission resolved that for the best interests of the District the budget should be determined and adopted the same as now filed.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of Public Utility District No. 1 of Douglas County, Washington, do hereby adopt the Wells Hydroelectric Project Official Budget of Expenditures for the fiscal year ending August 31, 2018, as finally determined, and fix the final amount of the expenditures as set forth in said Budget.

ADOPTED this 9th day of October 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION APPROVING ENVIRONMENTAL REVIEWS FOR THE
2018 DISTRIBUTION SYSTEM CAPITAL BUDGET AND THE
2017-2018 FISCAL YEAR WELLS PROJECT OPERATING
CAPITAL AND EXTRAORDINARY EXPENSE BUDGET**

RECITALS:

1) Public Utility District No. 1 of Douglas County (hereinafter called the "District"), is a public utility district organized and existing under and by provision of Title 54 of the Revised Code of Washington.

2) The Washington State Environmental Policy Act requires all state and local government agencies to consider environmental values for their actions.

3) Environmental reviews of the Distribution System and Wells Project budgets were reviewed and placed on file at the Commission meeting of August 28, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington that the Environmental Reviews of the 2018 Distribution System Capital Budget and the 2017-2018 Fiscal Year Wells Project Operating Capital and Extraordinary Expense Budget are hereby approved and adopted.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER BID
DOCUMENT 17-21-D, SUPPLY AND DELIVER COMPACT 1100
KCMIL EPR PRIMARY UNDERGROUND CABLE**

RECITALS:

1) Compact 1100 kcmil underground cable has been selected to serve several large loads that are coming into Douglas County.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to provide compact 1100 kcmil EPR underground cable in accord with the specifications, terms and conditions of Bid Document 17-21-D. Sealed bids will be accepted until November 6, 2017 at 1:30 p.m. Pacific Time in the District's East Wenatchee headquarters office.

3) It is in the best interests of the District to issue a call for bids under Bid Document 17-21-D, Supply and Deliver Compact 1100 kcmil EPR Primary Underground Cable.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 17-21-D is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to supply and deliver compact 1100 kcmil EPR primary underground cable.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

**A RESOLUTION AUTHORIZING NWPP AGREEMENT TO AMEND AND
RESTATE THE AGREEMENT TO FORM AND APPOINT DESIGNATED
REPRESENTATIVE FOR FREQUENCY RESPONSE SHARING GROUP**

RECITALS:

1. The District is a signatory to the Northwest Power Pool (NWPP) General Services Agreement as authorized by Resolution No. 09-277. Resolution 16-140 authorized the District to execute the Northwest Power Pool (NWPP) Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group (FRSG).

2. A new agreement has been completed to amend the existing agreement and to extend the term of the Agreement to April 1, 2019. Under the terms of the amended Agreement the name of the FRSG will change to “Western Frequency Response Sharing Group.”

3. It is in the best interests of the District to enter the Agreement to Amend and Restate the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District’s General Manager is hereby authorized and directed to sign the NWPP Agreement to Amend and Restate the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group on behalf of the District.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING NEGOTIATION OF
PROFESSIONAL SERVICE AGREEMENT, REQUEST FOR
QUALIFICATIONS NO. 17-15-W, MODEL TESTING AND
VERIFICATION AT THE WELLS HYDROELECTRIC PROJECT
FOR NERC STANDARDS MOD-026-1 AND MOD-027-1**

RECITALS:

1) By Resolution No. 17-102 dated July 10, 2017, the District issued a Request for Qualifications No. 17-15-W, Model Testing and Verification at the Wells Hydroelectric Project for NERC Standards MOD-026-1 and MOD-027-1.

2) From July 10, 2017 to August 7, 2017, the District advertised its need for professional services for field verification model testing for generating equipment at the Wells Hydroelectric Project per NERC Standards MOD-026-1 and MOD-027-1. In response to that publication, the District received proposals from three companies: Brown and Kysar, Inc., Electric Power Systems, Inc., and Kestrel Power Engineering.

3) District staff has evaluated the proposals in response to RFQ No. 17-15-W and has selected Kestrel Power Engineering as best qualified to perform the specified scope of work. Staff recommends that the District be authorized to negotiate an agreement with Kestrel Power Engineering.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District negotiate a Professional Service Agreement with Kestrel Power Engineering in response to RFQ No. 17-15-W, Model Testing and Verification at the Wells Hydroelectric Project for NERC Standards MOD-026-1 and MOD-027-1.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

A RESOLUTION AFFIRMING ADDENDA NOS. 1 AND 2 TO BID DOCUMENT 17-16-W, DIRECTIONAL DRILLING OF HDPE PIPE THROUGH A RAILROAD/ROADWAY EMBANKMENT AT THE WELLS HYDROELECTRIC PROJECT

RECITALS:

1) Resolution No. 17-141 authorized the District to issue a call for bids under Bid Document 17-16-W, Directional Drilling Through a Railroad/Roadway Embankment at the Wells Hydroelectric Project.

2) Addenda Nos. 1 and 2 were prepared to provide clarification to the contract documents.

3) District staff recommends it is in the best interest of the District to affirm Addenda Nos. 1 and 2 under Bid Document 17-16-W, Directional Drilling Through a Railroad/Roadway Embankment at the Wells Hydroelectric Project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Addenda Nos. 1 and 2 to Bid Document 17-16-W, Directional Drilling Through a Railroad/Roadway Embankment at the Wells Hydroelectric Project, are hereby affirmed.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING LETTERS TO, AND CONTINUATION OF AGREEMENT WITH, THE U. S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR RELATIVE TO 2017-2018 RIVER-GAGING STATION MAINTENANCE AND OPERATION COSTS

RECITALS:

1) The District has participated in an ongoing river-gaging program on the Columbia and Methow rivers under an agreement with the U. S. Geological Survey, United States Department of Interior (USGS).

2) The District has received two letters from the USGS, dated September 18, 2017 and September 19, 2017, regarding their estimated operation and maintenance costs from October 1, 2017 through September 30, 2018.

3) A review found the proposed annual charges to be reasonable and staff recommends that funds be allocated for operating and maintaining the gages as requested, at a total cost to the District of \$26,625.

4) It is in the best interests of the District to participate in a river-gaging program on the Columbia and Methow rivers as requested by the USGS.

NOW, THEREFORE, BE IT RESOLVED that the Commission of Public Utility District No. 1 of Douglas County, Washington, does hereby approve the continuation of the agreement with the U. S. Geological Survey, United States Department of the Interior, relative to 2017-2018 river-gaging station maintenance costs, and that the General Manager is authorized to sign and return the two letters from the U. S. Geological Survey, United States Department of the Interior, agreeing to payment of the District's share of costs associated with maintaining gaging stations on the Columbia and Methow rivers.

ADOPTED this 9th day of October, 2017.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document