

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
December 10, 2018 – 1:30 P.M.

1. Flag Salute
2. Minutes
3. Vouchers
4. Public Comment
5. 20-Year Service Award – Brent Darnell
6. Prequalification of Contractors
7. Resolution Pertaining to Use of the Voluntary Employees' Beneficiary Association Health Reimbursement Arrangement (VEBA-HRA) for Employees Retiring in 2019
8. Resolution Authorizing Acceptance of and Engagement Letter with Cordell, Neher & Company for Deferred Compensation Plan Administration
9. Resolution Authorizing Renewal of Contract 16-25-W, 2017 Hatchery Well and Pump Maintenance for an Additional One-Year Period with Irrigation Technology and Control, Inc.
10. Resolution Authorizing Change Order No. 2 to Contract 16-32-W, 2017-2018 Heavy Equipment Services for the Wells Hydroelectric Project
11. Resolution Authorizing Change Order No. 2 to Contract 16-33-W, 2017-2018 Forebay Debris Removal Services for the Wells Hydroelectric Project
12. Resolution Authorizing Change Order No. 1 to Contract 17-01-W, Upgrade the 300T Gantry Crane at the Wells Hydroelectric Project
13. Resolution Authorizing Acceptance of Work and Final Payment to Rains Contracting, Inc. Under Contract 18-01-W, Columbia Cove Park Shoreline Stabilization
14. Resolution Authorizing Award of Small Works Bid to Knight Construction and Supply, Inc. to Repair Spillgate 9 at the Wells Hydroelectric Project
15. Resolution Authorizing a Professional Service Agreement with Donnor Inc. DBA Badger Mountain Productions
16. Resolution Approving an Agreement with The North Central Educational Service District
17. Resolution Authorizing Approval of Land Use Permit 630A-02, Ed Tradup Small Block LLC
18. Resolution Authorizing the Sale of Real Property to Douglas County Fire District No. 2
19. Financial and Statistical Report – Distribution System – October 2018
20. Budget Report – Distribution System – October 2018
21. Financial and Statistical Reports – Wells Project – September and October 2018

22. Budget Reports – Wells Project – September and October 2018
23. Treasurer’s Report – Distribution System – November 2018
24. Treasurer’s Report – Wells Project – November 2018
25. Preliminary Disturbance Report
26. DCCN Report – November 2018
27. Other
28. Trips
29. Minutes
30. Executive Session: RCW 42.30.110(1)(g) and RCW 42.30.110(1)(i)

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION PERTAINING TO USE OF THE VOLUNTARY
EMPLOYEES' BENEFICIARY ASSOCIATION HEALTH
REIMBURSEMENT ARRANGEMENT (VEBA-HRA) FOR
EMPLOYEES RETIRING IN 2019**

RECITALS:

1) Eligible employees have voted their preference regarding the contribution of accrued personal leave into a VEBA-HRA account at retirement for 2019.

2) The results of the vote are nonbinding to the District; however, the results are taken into consideration in determining the District's policy. Staff recommends approval of VEBA contributions in accordance with the results of the employee vote.

Group	Ballots Sent	Yes Votes	No Votes	Recommended percentage of PL to VEBA retirement – 2019
Union Distribution	5	2	1	100%
Union Wells	22	10	0	100%
Management Distribution	9	4	1	100%
Management Wells	12	4	0	100%

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that for all employees retiring during 2019, the District will deposit a percentage of the employee's accrued personal leave, as specified above, upon retirement into a VEBA-HRA account in the employee's name.

ADOPTED this 10th day of December 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF AN
ENGAGEMENT LETTER WITH CORDELL, NEHER &
COMPANY FOR DEFERRED COMPENSATION PLAN
ADMINISTRATION**

RECITALS:

1) By Resolutions 07-30, 07-31 and 08-325 Cordell, Neher & Company was selected to provide third party administration services for the District's Section 457 and Section 401(a) deferred compensation and deferred compensation matching plans, respectively.

2) Cordell, Neher & Company has satisfactorily provided these services. The attached engagement letter provides for the continuation of these services with no change in annual fee.

3) Staff recommends continuing to engage Cordell, Neher & Company to provide these services.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District's Human Resource Administrator is hereby authorized and directed to sign the engagement letter.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING RENEWAL OF CONTRACT 16-25-W,
2017 HATCHERY WELL AND PUMP MAINTENANCE FOR
AN ADDITIONAL ONE-YEAR PERIOD WITH IRRIGATION TECHNOLOGY
AND CONTROL, INC.**

RECITALS:

1) By Resolution 16-198 dated November 28, 2016, the District awarded Contract 16-25-W, 2017 Hatchery Well and Pump Maintenance to Irrigation Technology and Control, Inc.

2) By Resolution 17-196 dated November 24, 2017, the District renewed Contract 16-25-W, 2017 Hatchery Well and Pump Maintenance to Irrigation Technology and Control, Inc. for one additional year.

3) District staff recommends that the District exercise its option to renew the Contract for a third and final year. The total dollar amount shall not exceed \$250,000 (Two Hundred Fifty Thousand Dollars) per year as stated in the original bid document and will expire on December 31, 2019.

4) It is in the best interests of the District to renew Contract 16-25-W, 2017 Hatchery Well and Pump Maintenance for the third and final year.

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 authorized and directed to renew Contract 16-25-W, 2017 Hatchery Well and Pump Maintenance.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO
CONTRACT 16-32-W, 2017-2018 HEAVY EQUIPMENT
SERVICES FOR THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 17-020 dated February 13, 2017, the District awarded Contract 16-32-W, 2017-2018 Heavy Equipment Services for the Wells Hydroelectric Project to KRCI, LLC.

2) The District uses the heavy equipment to accompany the Debris Removal Contract. The debris in the forebay is an unusually high volume. The additional work is estimated to be \$27,000.00.

3) District staff recommends approval of Change Order No. 2 in the amount of \$27,000.00. Previous change orders, in addition to this change order, bring the total cost of the contract to \$532,000.00.

4) It is in the best interests of the District to approve Change Order No. 2 to Contract 16-32-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 2 to Contract 16-32-W, 2017-2018 Heavy Equipment Services for the Wells Hydroelectric Project.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO
CONTRACT 16-33-W, 2017-2018 FOREBAY DEBRIS REMOVAL
SERVICES FOR THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 17-013 dated January 23, 2017, the District awarded Contract 16-33-W, 2017-2018 Forebay Debris Removal Services for the Wells Hydroelectric Project to KRCI, LLC.

2) Due to an unusually high volume of debris in the forebay, the District has a need to perform additional unexpected debris removal services. The additional work is estimated to be \$66,000.00.

3) District staff recommends approval of Change Order No. 2 in the amount of \$66,000.00. Previous change orders, in addition to this change order, bring the total cost of the contract to \$416,000.00.

4) It is in the best interests of the District to approve Change Order No. 2 to Contract 16-33-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 2 to Contract 16-33-W, 2017-2018 Forebay Debris Removal Services for the Wells Hydroelectric Project.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO
CONTRACT 17-01-W, UPGRADE THE 300T GANTRY CRANE AT
THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 17-101 dated July 10, 2017, the District awarded Contract 17-01-W, Upgrade the 300T Gantry Crane at the Wells Hydroelectric Project to REEL COH.

2) Change Order No. 1 was prepared for changes necessary to improve the operation and life safety of the gantry crane and extend the life of the crane for another 40 years.

3) District staff recommends approval of Change Order No. 1, in the amount of \$433,475.00, which brings the total amount of the contract to \$7,849,859.65.

4) It is in the best interests of the District to approve Change Order No. 1 to Contract 17-01-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 1 to Contract 17-01-W, Upgrade the 300T Gantry Crane at the Wells Hydroelectric Project.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK
AND FINAL PAYMENT TO RAINS CONTRACTING, INC.
UNDER CONTRACT 18-01-W, COLUMBIA COVE PARK
SHORELINE STABILIZATION**

RECITALS:

1) By Resolution No. 18-086 dated May 14, 2018 the District awarded Contract 18-01-W, Columbia Cove Park Shoreline Stabilization to Rains Contracting, Inc.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 18-01-W and has submitted a Request for Final Payment, Certificate and Release. Therefore, staff recommends that the District accept the completed work and authorize final payment in the amount of \$13,530.99 upon receiving the required notifications from the State of Washington. The total cost of work under this contract is \$270,619.41 plus tax.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 18-01-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the work under Contract 18-01-W, Columbia Cove Park Shoreline Stabilization is hereby accepted as complete, and that final payment is authorized, contingent on receipt by the District of all necessary releases by the State of Washington. This acceptance in no manner waives any claim the District may have against the Contractor for failure to comply with the terms of the contract.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF SMALL
WORKS BID TO KNIGHT CONSTRUCTION AND SUPPLY, INC. TO
REPAIR SPILLGATE 9 AT THE
WELLS HYDROELECTRIC PROJECT**

RECITALS:

- 1) The District called for bids to repair Spillgate 9 at the Wells Hydroelectric Project.
- 2) The project was authorized through the District's Small Works Bid process. Bids were due on October 3, 2018. The District received no bids.
- 3) RCW 54.04.080 states, "The commission may procure materials in the open market, have its own personnel perform the work or negotiate a contract for such work to be performed by others, in lieu of readvertising, if it receives no bid."
- 4) A contract was negotiated with Knight Construction and Supply, Inc. to perform the Work. A review of the bidder's experience, qualifications, and references confirm that Knight Construction meets the specified qualifications required to perform the work.
- 5) It is in the best interest of the District to award Small Works Bid No. 23624 to Knight Construction and Supply, Inc., with an authorized expenditure of \$74,453.00.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Small Works Bid No. 23624 is awarded to Knight Construction and Supply, Inc. The General Manager is authorized to issue a Contract with Knight Construction and Supply Inc.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICE AGREEMENT WITH DONNOR INC. DBA BADGER MOUNTAIN PRODUCTIONS

RECITALS

1) The District has need for video photography documentation of District facilities and activities on an ongoing basis.

2) Donnor Inc. DBA Badger Mountain Productions has provided these services for the District for several years and has developed considerable knowledge of the District's operations. The current Agreement expires December 31, 2018.

3) Staff recommends approval of a Professional Service Agreement with Donnor Inc. DBA Badger Mountain Productions through December 31, 2019 with a maximum of 50 hours billed per month.

4) It is in the best interest of the District to enter into a new Professional Service Agreement with Donnor Inc. DBA Badger Mountain Productions.

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 to enter into a Professional Service Agreement with Donnor Inc. DBA Badger Mountain Productions, the total cost of which shall not exceed \$100,000.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN AGREEMENT WITH THE NORTH
CENTRAL EDUCATIONAL SERVICE DISTRICT**

RECITALS:

1) The North Central Educational Service District (NCESD) has presented Public Utility District No.1 of Douglas County (District) an agreement for the 2018-2019 school year wherein the District would continue participation in a program to educate students in Douglas County on energy safety, sources and conservation. Additionally, all fourth grade students in Eastmont, Waterville, Bridgeport, Orondo, Mansfield and Palisades schools will go through the River of Power program.

2) Based on the accomplishments of prior contracts, staff recommends approval of an agreement with the NCESD and participation in said program for the 2018-2019 school year.

3) It is in the best interests of the District to enter into said agreement with the NCESD regarding electricity and water education for the 2018-2019 school year at a cost not to exceed \$32,427. This agreement expires on August 31, 2019.

NOW, THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that its General Manager is hereby authorized and directed to sign, on behalf of the District, said agreement with the North Central Educational Service District for the 2018-2019 school year.

ADOPTED this 10th day of December 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 630A-02, ED TRADUP SMALL BLOCK LLC**

RECITALS:

1) The District has implemented a Land Use Policy which requires adjacent land owners wishing to use properties associated with the Wells Hydroelectric Project to obtain approval through a District issued permit.

2) District personnel recommend approval of the following permit:

Ed Tradup Small Block LLC Wells Permit 630A-02

The permit is for use of Project lands for removal of an existing single use dock and pilings, construction of a joint use dock, lawn/landscaping, and use of existing irrigation pump, pipe and underground electrical. The permittee has provided proof of insurance coverage as required by the District's Land Use Policy. The application was reviewed by the Habitat Conservation Plan Parties.

3) It is in the best interests of the District to approve Wells Permit 630A-02.

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 execute, in accordance with the District's Land Use Policy, Land Use Permit No. 630A-02.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY TO
DOUGLAS COUNTY FIRE DISTRICT NO. 2**

RECITALS:

1. The District has been supportive of Douglas County Fire District No. 2 to site and develop a fire station in Rock Island. The District has 2.07 acres of property by the Rapids Switchyard in Rock Island that has been found suitable for development of a fire station.

2. Douglas County Fire District No. 2 undertook an appraisal of the subject 2.07 acres by a third party appraisal firm and determined value of the 2.07 acres at One Hundred Thirty One Thousand Dollars (\$131,000.00). District staff recommends execution of the Real Estate Purchase and Sale Agreement between Douglas County Fire District No. 2 and the District.

3. It is in the best interests of the District to sell property to Douglas County Fire District No. 2 for the construction of a fire station at this time.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Real Estate Purchase and Sale Agreement between Douglas County Fire District No. 2 and the District is hereby approved, and the District's General Manager is authorized to execute the necessary documents on behalf of the District.

ADOPTED this 10th day of December, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary