

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
June 11, 2018 – 1:30 P.M.

1. Flag Salute
2. Minutes
3. Vouchers
4. Public Comment
5. New Employees: Student Trainees Mikayla Sites and Sarah Kneadler; Electrical Engineer Brian Lenz
6. Results of Bid Opening – May 29, 2018 – Bid Document 18-03-W, Supply Two 14.4 kV to 480 V, 2 MVA, Dry Type Transformers for the Wells Hydroelectric Project
7. Resolution Authorizing Award of Contract 18-24-D to ERMCO to Supply and Deliver 3-Phase Padmount Transformers
8. Resolution Authorizing the Disposal of Obsolete Video Equipment
9. Resolution Authorizing Change Order No. 2 to Contract 16-29-W, 2017 Grounds Maintenance
10. Resolution Authorizing Change Order No. 4 to Contract 17-12-W, Pateros Dock Replacements and Boat Launch Improvements
11. Resolution Authorizing Change Orders No. 81 and 82 to Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project
12. Resolution Authorizing Award of Contract 18-03-W to Virginia Transformer Corporation to Supply Two 14.4 kV to 480V, 2MVA, Dry Type Transformers for the Wells Hydroelectric Project
13. Resolution Rejecting Bids Under Bid Document 18-05-W, Replacement of Cooling Water Strainer for the Wells Hydroelectric Project
14. Resolution Authorizing a Call for Bids Under Bid Document 18-25-W, Columbia Cove Park Restroom and Site Improvements
15. Resolution Authorizing a Call for Bids Under Bid Document 18-27-W, Construct Conklin Landing RV Park
16. Resolution Authorizing Eighth Amendment of Power Sales Service Agreement with the Confederated Tribes of the Colville Reservation
17. Resolution Authorizing Confirmation Agreement with Puget Sound Energy, Inc. for The Colville Tribe's Power Allocation
18. Resolution Authorizing Approval of Land Use Permit Nos. 87B-02 and 636B-02
19. Work Order Inventories No. 1047: (\$44,360) and No. 1048: \$123,279.

20. Financial and Statistical Report – Distribution System – April 2018
21. Budget Report – Distribution System – April 2018
22. Treasurer’s Report – Distribution System – May 2018
23. Treasurer’s Report – Wells Project – May 2018
24. DCCN Report – May 2018
25. Other
26. Trips
27. Minutes

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
18-24-D TO ERMCO TO SUPPLY AND DELIVER 3-PHASE
PADMOUNT TRANSFORMERS**

RECITALS:

1) By Resolution No. 18-075 dated April 23, 2018, the District called for bids under Bid Document 18-24-D, Supply and Deliver 3-Phase Padmount Transformers.

2) On May 21, 2018 the District opened seven bids as follows:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
WESCO Distribution, Inc. Portland, OR	\$731,433.00
Central Maloney, Inc. Pine Bluff, AZ	\$692,992.00
WEG Transformers USA LLC Washington, MO	\$606,861.00
ERMCO Dyersburg, TN	\$504,262.00
General Pacific, Inc. (Howard, silicon core) Fairview, OR	\$730,967.00
General Pacific, Inc. (Howard, amorphous core) Fairview, OR	\$712,773.00
Anixter Inc. Portland, OR	\$769,057.00
Engineer's Estimate	\$870,000.00

3) District staff have reviewed the bids and found that the bid from ERMCO meets all terms and conditions of Bid Document 18-24-D. A review of the bidder's experience, qualifications, financial and work references verified that this company fulfills all necessary requirements and staff recommends award of Contract 18-24-D to ERMCO.

4) It is in the best interests of the District to award Contract 18-24-D to the lowest responsive bidder, ERMCO, with an authorized expenditure of \$504,262.00 (five hundred and four thousand, two hundred sixty two dollars).

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 18-24-D is awarded to ERMCO. The General Manager is authorized to issue a Contract with ERMCO subject to the filing of the Contract and a Performance and Payment Bond in accordance with the District's specifications and which contract and bond are to be in a form that is satisfactory to the District.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISPOSAL OF
OBSOLETE VIDEO EQUIPMENT**

RECITALS:

- 1) The District is replacing the obsolete video equipment in the Dispatch Center.
- 2) These items are obsolete and no longer of any use to the District and would be of no value at a surplus sale.
- 3) It is in the best interests of the District to declare these items surplus and authorize their disposal.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the items are hereby declared surplus and authorize their disposal.

ADOPTED this 11th day of June, 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 16-29-W, 2017 GROUNDS MAINTENANCE**

RECITALS:

1) By Resolution No. 16-221 dated December 27th, 2016 the District awarded Contract 16-29-W, 2017 Grounds Maintenance to Reeves Lawn & Spray Service, LLC.

2) Change Order No. 1 was prepared to add Bidding Schedule 'C' to include the Wells and Methow Hatcheries and associated facilities for improved accounting and tracking purposes.

3) Change Order No. 2 has been prepared to address the locations in Bidding Schedule 'C' and identify those locations as "Remote" locations.

4) District staff recommends authorization of Change Order No. 2 which has no effect on the total expenditure dollar amount of \$300,000.00.

5) It is in the best interests of the District to authorize Change Order No. 2 to Contract 16-29-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 2 to Contract 16-29-W, 2017 Grounds Maintenance is authorized by the Commission.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 4 TO
CONTRACT 17-12-W, PATEROS DOCK REPLACEMENTS AND
BOAT LAUNCH IMPROVEMENTS**

RECITALS:

1) By Resolution No. 17-128 dated August 28, 2017, the District awarded Contract 17-12-W, Pateros Dock Replacements and Boat Launch Improvements to KRCI, LLC.

2) Change Orders No. 1 through 3 were previously authorized to extend the project completion date and authorized an additional expenditure of \$42,599.71, making the revised total amount of the contract \$748,469.71.

3) Change Order No. 4 has been prepared to revise the contract completion date from June 8, 2018 to July 24, 2018.

4) District staff recommends authorizing Change Order No. 4 which extends the completion date to July 24, 2018.

5) It is in the best interests of the District to authorize Change Order No. 4 to Contract 17-12-W.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 4 to Contract 17-12-W, Pateros Boat Dock Replacements and Boat Launch Improvements is authorized by the Commission.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDERS NO. 81 AND 82 TO
CONTRACT 06-41-W, GENERATOR REBUILD AND UNIT REFURBISHMENT
FOR THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1. Resolution 07-158 authorized award of Contract 06-41-W to Toshiba International Corporation with a total Contract amount of \$151,100,000 and authorized the District to issue a Notice to Proceed for the first Unit at a cost of \$21,121,000.

2. Change Orders No. 1 through 80 were previously authorized. Resolution No. 18-047 authorized Change Order No. 80 in the amount of \$914,443 making the revised total for the Contract \$192,252,163, with \$89,334,957 authorized to date.

3. Change Orders No. 81 and 82 have been prepared to address the following changes to the Contract:

- Change Order No. 81 has been prepared to adjust the Contract Price for the Fifth through Tenth Units to account for escalation. Change Order 79 added lump sum contract amounts for the 4th through 10th Units in November 2017 dollars with the understanding that the amounts would be adjusted to provide backward escalation to March 2007 dollars on the units for which Notices to Proceed have not been given. Change Order 81 would adjust the contract total downward by \$3,556,794.
- Change Order No. 82 has been prepared for rotor refurbishment, spare parts and other miscellaneous extra work on the third Unit (Unit No. 2). Change Order No. 82 would increase the contract amount for Unit 2 by \$1,865,045 to \$22,139,339.

4. It is in the best interest of the District to execute Change Orders No. 81 and 82 with a combined contract decrease of \$1,691,749.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District is hereby authorized and directed to issue Change Orders No. 81 and 82 to Contract 06-41-W with

a combined contract decrease of \$1,691,749, making the revised total for the Contract \$190,560,414, with \$91,200,002 authorized to date.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
18-03-W TO VIRGINIA TRANSFORMER CORPORATION
TO SUPPLY TWO 14.4 KV TO 480V, 2MVA, DRY TYPE
TRANSFORMERS FOR THE WELLS
HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 18-077 dated April 23, 2018, the District called for bids under Bid Document 18-03-W, Supply Two 14.4 KV to 480V, 2MVA, Dry Type Transformers for the Wells Hydroelectric Project.

2) On May 29, 2018, after due and proper notice, the District opened the following bid:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Virginia Transformer Corporation Arlington, WA	\$104,944.00
Engineer's Estimate	\$117,000.00

3) District staff has reviewed the bid and found that the bid from Virginia Transformer Corporation meets all terms and conditions of Bid Document 18-03-W. A review of the bidder's experience, qualifications, financial and work references verified that this company fulfills all necessary requirements and staff recommends award of Contract 18-03-W to Virginia Transformer Corporation.

4) It is in the best interests of the District to award Contract 18-03-W to the lowest responsive bidder, Virginia Transformer Corporation, with an authorized expenditure of \$104,944.00 (One Hundred Four Thousand Nine Hundred Forty Four Dollars) plus sales tax.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 18-03-W is awarded to Virginia Transformer Corporation. The General Manager is authorized to issue a Contract with Virginia Transformer Corporation subject to the filing of the Contract and

a Performance and Payment Bond in accordance with the District's specifications and which contract and bond are to be in a form that is satisfactory to the District.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION REJECTING BIDS UNDER BID DOCUMENT
18-05-W, REPLACEMENT OF COOLING WATER STRAINER
FOR THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 18-078 dated April 23, 2018, the District called for bids under Bid Document 18-05-W, Replacement of Cooling Water Strainer for the Wells Hydroelectric Project.

2) On May 21, 2018, after due and proper notice, the District opened the following bid:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Tate Andale, Inc. Baltimore, MD	Non-Responsive
Engineer's Estimate	N/A

3) The bid did not include a bid bond and took several exceptions to the contract requirements. The bid is considered non-responsive and must be rejected.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the bid be rejected under Bid Document 18-05-W, Replacement of Cooling Water Strainer for the Wells Hydroelectric Project.

ADOPTED this 11th day of June, 2018.

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 18-25-W, COLUMBIA COVE PARK RESTROOM
AND SITE IMPROVEMENTS**

RECITALS:

1) Visitor use at Columbia Cove Park has increased significantly since its original construction. The existing restroom does not meet capacity during times of peak demand. Due to the age and condition of the restroom facility, the options are limited for adding onto the existing structure. Additionally, the playground equipment is over 30 years old and also needs to be replaced. This project would replace the restroom with a larger capacity facility and would replace the playground equipment and fall protection surface.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to construct new restroom and playground facilities in accord with the specifications, terms and conditions of Bid Document 18-25-W. Sealed bids will be accepted until July 16, 2018 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 18-25-W, Columbia Cove Park Restroom and Site Improvements.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 18-25-W is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to complete the Columbia Cove Park Restroom and Site Improvements.

ADOPTED this 11th day of June, 2018.

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 18-27-W, CONSTRUCT CONKLIN LANDING RV
PARK**

RECITALS:

1) As part of the Wells Hydroelectric Project FERC license, the District is required to construct a 10 space RV park in Bridgeport, WA. The City of Bridgeport (City) has agreed to contribute up to \$275,000 for an additional 7 RV spaces and associated facilities. The 17 space RV Park will be constructed on City-owned land adjacent to Conklin Landing Boat Launch and will include full RV hookups, a restroom, shower facility and a picnic shelter. The City will grant an easement authorizing the District to maintain the RV Park on City property for the term of the FERC license and subsequent licenses.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to construct the RV park in accord with the specifications, terms and conditions of Bid Document 18-27-W. Sealed bids will be accepted until July 9, 2018 at 9:00 a.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 18-27-W, Construct Conklin Landing RV Park.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 18-27-W is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to construct Conklin Landing RV Park.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EIGHTH AMENDMENT OF
POWER SALES SERVICE AGREEMENT WITH THE
CONFEDERATED TRIBES OF THE COLVILLE RESERVATION**

RECITALS:

1) Under the Power Sales Service Agreement (Agreement) between the Confederated Tribes of the Colville Reservation (Tribe) and Public Utility District No. 1 of Douglas County (PUD) and dated November 1, 2004, the PUD is designated as agent for the Tribe for the purpose of selling the Tribe's Power Allocation as defined in the Agreement.

2) The Tribe desires to optimize power revenues from the sale of the Tribe's Power Allocation while minimizing risks, and further desires to sell its Power Allocation on a forward basis.

3) A letter agreement has been developed to supplement the Agreement and document the decision by the Tribe regarding its choice to have the PUD sell the Tribe's Power Allocation on a forward basis. A copy of the letter and the Tribe's resolution authorizing the alternative sale is attached to and made a part of this resolution.

4) It is in the best interest of the District to act as the Tribe's agent in selling the Tribe's Power Allocation for the period September 1, 2018 through September 30, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the letter agreement for the eighth amendment of the Power Sales Service Agreement between the Confederated Tribes of the Colville Reservation and the District as described above is hereby affirmed.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CONFIRMATION
AGREEMENT WITH PUGET SOUND ENERGY, INC. FOR THE
COLVILLE TRIBE'S POWER ALLOCATION**

RECITALS:

1) Under the Power Sales Service Agreement between the Confederated Tribes of the Colville Reservation (Tribe) and Public Utility District No. 1 of Douglas County (PUD) and dated November 1, 2004, the PUD is designated as agent for the Tribe for the purpose of selling the Tribe's Power Allocation.

2) The Tribe desires to optimize power revenues from the sale of the Tribe's Power Allocation while minimizing risks, and further desires to sell its Power Allocation on a forward basis.

3) The PUD, on behalf of the Tribe, submitted a request for proposals for the purchase of the Tribe's Power Allocation for the period September 1, 2018 through September 30, 2021.

4) Puget Sound Energy, Inc. (PSE) had the high bid, and it is the Tribe's desire to have the PUD enter into a Confirmation Agreement with PSE for the purchase and sale of its Power Allocation.

5) It is in the best interest of the District to sell the Tribe's Power Allocation for the period September 1, 2018 through September 30, 2021 to PSE through the Confirmation Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Confirmation Agreement between Puget Sound Energy, Inc. and the District as described above is hereby affirmed.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT NOS. 87B-02 AND 636B-02**

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 recommends approval of the following permits:

Mac and Becky Gebbers
Mac and Becky Gebbers

Wells Permit 87B-02
Wells Permit 636B-02

Wells Permit 87B-02 is for continued use of Project lands for a single use dock with ramp and access pathway. Wells Permit 636B-02 is for continued use of Project Lands for residential landscaping. These uses were previously permitted to the former property owners under the original Wells Project license. The permittees have provided proof of insurance coverage as required by the District's Land Use Policy. The permits were previously submitted to all required Habitat Conservation Plan Parties for review, from which no comments were received.

3) It is in the best interests of the District to approve Land Use Permit Nos. 87B-02 and 636B-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 Nos. 87B-02 and 636B-02 to the permittees.

ADOPTED this 11th day of June, 2018.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary