

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
JANUARY 25, 2021 – 1:30 P.M.

The District Office is closed to the public. A conference phone line is provided to comply with the Open Public Meetings act. To listen to the Commission Meeting, please call 1-206-207-1700 and enter meeting access code 146 026 1083. To join via video conference, please go to www.webex.com, click join, enter meeting number 146 026 1083 and PUDONE as the password. These conference call options are in response to the COVID-19 guidance from Governor Inslee and will not be a regular occurrence.

1. Flag Salute
2. Minutes
3. Vouchers
4. Public Comment
5. Bid Opening Results – January 4, 2021 – Bid Document 20-29-D, Supply and Deliver 230-115 kV, 225 MVA, Autotransformer to Lincoln Rock Switchyard
6. Prequalification of Contractors
7. Resolution Establishing Hearings for a Power Delivery Rate
8. Resolution Authorizing a Professional Service Agreement with RH2 Engineering for General Civil Engineering Services
9. Resolution Authorizing a Call for Bids Under Bid Document 21-04-D, Hydrogen and Switchyard Site Grading
10. Resolution Authorizing a Call for Bids Under Bid Document 21-07-D, Install Communications Microducting in Douglas County
11. Resolution Rejecting Bids Under Bid Document 20-12-W, Rebuild the Litorque Fish Ladder Collection Chamber Entrance Gate Operators at the Wells Hydroelectric Project
12. Resolution Appointing Compressed Air Medical Directors for the Wells Hydroelectric Project and Authorizing the Execution of a Compressed Air Medical Directors Agreement with Dr. Charles J. Waszkewitz
13. Resolution Authorizing a Loan from the District's Electric Distribution System Capital Project Revolving Loan Fund to the District's Wells Hydroelectric Project
14. Resolution Authorizing the Purchase of Real Property from McDougall & Sons, Inc.
15. Resolution Authorizing a Facilities Cost Contribution Agreement
16. Write-off to the Reserve for Uncollectible Accounts – January: \$338
17. Memberships: Washington PUD Association, Wenatchee Valley Chamber of Commerce

18. Financial and Statistical Report – Wells Project – November 2020
19. Budget Report – Wells Project – November 2020
20. Treasurer’s Report – Distribution System – December 2020
21. Treasurer’s Report – Wells Project – December 2020
22. Internal Audit Report – November 2020
23. Preliminary Disturbance Reports
24. DCCN Report – December 2020
25. Other
26. Trips
27. Minutes

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION ESTABLISHING HEARINGS FOR A POWER
DELIVERY RATE**

RECITALS:

1) The District has determined that power from the Wells Project is inadequate for future load growth. Certain future loads will need to procure power from alternative sources.

2) To allow for future load growth within Douglas County, the District is working on a process to procure, schedule, and deliver power resources through the District's transmission system and electric distribution system.

3) In accordance with RCW 54.16.040, Douglas PUD is authorized to regulate and control the use, distribution, rates, services, charges and prices of electric energy.

4) It is in the best interest of the District to establish and advertise hearings for the purpose of accepting public comment on the proposed transmission power delivery rate.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that rate hearings be scheduled and advertised for 1:30 P.M. on February 22, 2021 and March 8, 2021 at the District's East Wenatchee Office.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICE AGREEMENT WITH RH2 ENGINEERING FOR GENERAL CIVIL ENGINEERING SERVICES

RECITALS:

1) Resolution 20-221 authorized the District to issue a Request for Qualifications for Professional Engineering Services for General Civil Engineering.

2) District staff states that RH2 Engineering has accepted the terms and conditions identified in the District's standard Professional Service Agreement and submitted proof of insurance as required. RH2 Engineering provided a rate schedule that is competitive with other firms providing like services. Staff recommends execution of a Professional Service Agreement with RH2 Engineering.

3) It is in the best interests of the District to enter into a Professional Service Agreement with RH2 Engineering for Professional Engineering Services for General Civil Engineering.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Professional Service Agreement with RH2 Engineering with regard to Professional Engineering Services for General Civil Engineering is hereby approved, and the District's General Manager is hereby authorized and directed to issue said Agreement on behalf of the District. This Agreement will have a not to exceed price of \$ 250,000.00 and will expire on December 31, 2023.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 21-04-D, HYDROGEN AND SWITCHYARD
SITE GRADING**

RECITALS:

1) Douglas County PUD has decided to build a Hydrogen Generation Facility and Lincoln Rock Switchyard next to each other on the same property. This property requires significant grading and moving dirt in preparation for these two projects.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to grade the site, cut in and establish roads, build a berm and construct a retaining wall in accord with the specifications, terms and conditions of Bid Document 21-04-D. Sealed bids will be accepted until February 17, 2021 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 21-04-D, Hydrogen and Switchyard Site Grading.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 21-04-D is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to provide Hydrogen and Switchyard Site Grading.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 21-07-D, INSTALL COMMUNICATIONS
MICRODUCTING IN DOUGLAS COUNTY**

RECITALS:

1) The District needs a conduit route to allow more residents of Douglas County access to communication services.

2) Staff recommends that the District solicit bids to install microduct in accord with the specifications, terms and conditions of Bid Document 21-07-D. Sealed bids will be accepted until March 8, 2020 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 21-07-D, Install Communications Microducting in Douglas County.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 21-07-D is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to install communications microducting in Douglas County.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION REJECTING BIDS UNDER BID DOCUMENT
20-12-W, REBUILD THE LIMTORQUE FISH LADDER
COLLECTION CHAMBER ENTRANCE GATE OPERATORS AT
THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) Resolution 20-203, dated November 9, 2020, authorized a Call for Bids under Bid Document 20-12-W, Rebuild the Limtorque Fish Ladder Collection Chamber Entrance Gate Operators at the Wells Hydroelectric Project.

2) On December 7, 2020, after due and proper notice, the District opened the following bid:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Georgia Western, Inc.	Non-Responsive
Engineer's Estimate	N/A

3) Georgia Western is not registered/licensed with the Department of Labor & Industries as required by RCW 39.06. Their 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 20-12-W, Rebuild the Limtorque Fish Ladder Collection Chamber Entrance Gate Operators at the Wells Hydroelectric Project.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

A RESOLUTION APPOINTING COMPRESSED AIR MEDICAL DIRECTORS FOR THE WELLS HYDROELECTRIC PROJECT AND AUTHORIZING THE EXECUTION OF A COMPRESSED AIR MEDICAL DIRECTORS AGREEMENT WITH DR. CHARLES J. WASZKEWITZ

RECITALS:

1) Certain job duties at the Wells Hydroelectric Project require assigned District personnel to be certified for and work under compressed air conditions. The Wells Hydroelectric Project possesses two medical decompression chambers for the treatment of decompression illness.

2) Pursuant to Washington Administrative Code Chapter 296-36, Safety Standards for Compressed Air Work, the District is required to appoint one or more licensed physicians trained in the physical requirements and the medical aspects of compressed air work and the treatment of decompression illness. As the appointed Compressed Air Medical Directors, the physicians are required to, among other duties, examine workmen in accordance with the regulations, be immediately available in case of emergency or accident, be physically qualified to enter and work in a compressed air environment, and to make and sign all required reports.

3) Resolution 18-159 appointed Dr. L. Keith Hanson, Dr. Eric E. Haeger, Dr. Charles J. Waszkewitz, and Dr. Tobe H. Harberd as the Compressed Air Medical Directors for the Wells Hydroelectric Project. Dr. Hanson notified the District of his retirement at the end of 2020 and requested termination of his Agreement. After a leave of absence, Dr. Waszkewitz is available and willing to support the needs of the District under the terms of the Agreement revised October 12, 2018.

4) It is my recommendation and in the best interest of the District to terminate the Appointment of and the Agreement with Dr. Hanson; appoint Dr. Haeger, Dr. Waszkewitz, and Dr. Harberd as the Compressed Air Medical Directors for the Wells

Hydroelectric Project; and execute the revised Compressed Air Medical Directors Agreement with Dr. Waszkewitz.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Dr. Eric E. Haeger, Dr. Charles J. Waszkewitz, and Dr. Tobe H. Harberd are hereby appointed as the Compressed Air Medical Directors for the Wells Hydroelectric Project.

BE IT FURTHER RESOLVED that the District's General Manager is hereby authorized and directed to execute the Compressed Air Medical Directors Agreement, revised October 12, 2018, with Dr. Charles J. Waszkewitz, for the performance of the duties associated with his appointment at this time.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LOAN FROM THE
DISTRICT'S ELECTRIC DISTRIBUTION SYSTEM CAPITAL
PROJECT REVOLVING LOAN FUND TO THE DISTRICT'S
WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) Public Utility District No. 1 of Douglas County, Washington (District) owns, operates, and maintains the Wells Hydroelectric Project (Wells Project) and the Electric Distribution System (Electric Distribution System or Electric System), each as further defined in Resolution No. 03-184 adopted by the Board of Commissioners of the District (Commission) on November 6, 2003 (Master Resolution), as it may be amended from time to time. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Resolution.

2) Resolution 17-068 adopted by the Commission on May 22, 2017 established a Capital Project Revolving Loan Fund in the accounts of the Electric Distribution System for the purpose of loaning, from time to time, certain amounts on hand in the Capital Project Revolving Loan Fund to other District accounts for payment of costs related to specific Commission-designated capital projects for the District's Electric Distribution System or the Wells Project.

3) To meet the continuing need for construction capital, the Wells project will require another \$10 million loan.

4) The Capital Project Revolving Loan Fund currently has a balance of over \$13 million.

5) The District has issued and has reserved the right in the future to issue bonds and other obligations (Bonds) payable from and secured by Revenues of the Wells Project after the payment of Operating Expenses (as further defined in the Master Resolution, Net Revenues).

6) Section 7.11 of the Master Resolution authorizes the District, at any time, to incur obligations which are junior and subordinate to the payment of the principal and

Accreted Value, premium, interest and reserve fund requirements for the Bonds so long as the District is not in default under the terms of the Master Resolution and on the date of incurring such junior or subordinate obligation, there is no deficiency in any reserve account for any Bonds previously established.

7) It is in the best interest of the District to authorize the District's Treasurer to execute and deliver Note No. 8 in the amount of \$10 million to evidence a loan from the Capital Project Revolving Loan Fund to the Wells Project pursuant to Resolution 17-068 as provided herein. Note No. 8 shall be a subordinate lien obligation payable from and secured by Net Revenues of the Wells Project payable after the prior payment of all amounts required to be paid or set aside with respect to Bonds of the Wells Project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District's Treasurer is directed to execute and deliver Note No. 8 in the amount of \$10 million dollars to evidence a loan from the Capital Project Revolving Loan Fund to the Wells Project in accordance with District policy, the Master Resolution, and Resolution No. 17-068. Note No. 8 will bear interest as provided in Resolution 17-068 and shall be payable and shall mature (not more than 30 years from its date of issuance) on the dates and as provided in the Note. The District hereby pledges Net Revenues of the Wells Project to the payment of principal of and interest on Note No. 8, which pledge shall be junior and subordinate to the payment of the principal and Accreted Value, premium, interest and reserve fund requirements for the Bonds of the Wells Project as permitted in the Master Resolution.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY
FROM MCDOUGALL & SONS, INC.**

RECITALS:

1) Resolutions 15-065 and 19-093 authorized the acquisition of Chelan PUD's Rocky Reach-Chelan Falls No.1 115kV line and a call for bids to furnish the District equipment to produce and store hydrogen.

2) The District had been looking to obtain a piece of property that would accommodate a substation/switchyard for the Rocky Reach-Chelan Falls No.1 115kV line and to site the District's hydrogen production and storage facility. The District acquired the Hamon property in Baker Flats in 2020 for these activities.

3) McDougall & Sons, Inc. owns property to the south of the acquired Hamon property and has been working with the District to sell 2.25 acres of their holding to the District.

4) The owner's, McDougall & Sons, Inc., have agreed to the sale of the subject 2.25 acre boundary line adjusted parcel for the appraised amount of \$135,000.00. District staff recommends execution of the Real Estate Purchase and Sale Agreement between McDougall & Sons and the District.

5) It is in the best interests of the District to acquire the subject property for the construction of a substation/switchyard and siting of the District's hydrogen production, storage facility and future expansions of these uses.

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 McDougall & Sons, Inc. and the District for 2.25 acres is hereby approved and the District's General Manager is authorized to execute the necessary documents on behalf of the District.

ADOPTED this 25th day of January, 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A FACILITIES COST
CONTRIBUTION AGREEMENT**

RECITALS:

- 1) Microsoft Corporation has made a request for electrical facilities that will serve a new load in Douglas County.
- 2) The District and Microsoft have negotiated a contract for the District to design, construct, own and operate facilities to serve the new load.
- 3) It is in the best interest of the District to enter into the Facilities Cost Contribution Agreement with Microsoft.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District is authorized to enter into a Facilities Cost Contribution Agreement with Microsoft Corporation and the District's manager is authorized and directed to sign said Agreement.

ADOPTED this 25th day of January 2021.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary