

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
OCTOBER 24, 2022

10:30 AM Workshop

Reports by Staff

12:00 PM Lunch

1:30 PM Regular Meeting

1. Flag Salute

2. Consent Agenda

- a. Meeting Minutes of October 10, 2022
- b. Vouchers
- c. 22-183 – Resolution Authorizing Change Order No. 4 to Contract 21-09-D, Construct Lincoln Rock Switchyard
- d. 22-184 – Resolution Authorizing Award of Contract 22-58-W-BID, Milling Machine Addition for the Wells Hydroelectric Project to North Western Machinery
- e. 22-185 – Resolution Authorizing a Call for Bids Under Bid Document 22-61-D-BID, Supply and Deliver Compact 1100 kcmil EPR Primary Underground Cable
- f. 22-186 – Resolution Authorizing the District to Renew Property Insurance with ACE American Insurance Company and AEGIS Insurance Services, Inc.
- g. 22-187 – Resolution Accepting Bids Received for Surplus District Property Sold by Chuck Yarbro Auctioneers

3. Public Comment

4. Bid Opening – Bid Document 22-54-W-BID, Fire Protection System Upgrades and Miscellaneous Piping at the Wells Hydroelectric Project

5. Hearing on the Electric Distribution System and Wells Hydroelectric Project Calendar Year 2023 Budget

6. Regular Agenda

22-188 – Resolution Approving Amendment No. 3 to Interagency Agreement with Washington Department of Fish and Wildlife for Increased Chinook Production at the Wells Hatchery

22-189 – Resolution Affirming Change Order No. 8 to Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations

22-190 – Resolution Authorizing a Call for Bids Under Bid Document 22-42-W-BID, Motor Control Center (MCC) Replacement at the Wells Hydroelectric Project

22-191 – Resolution Authorizing Request for Qualifications 22-63-W-PS, Quality Control Inspection Support for the Generator Rebuild and Unit Refurbishment at the Wells Hydroelectric Project

7. Write-off to the Reserve for Uncollectible Accounts – October 2022: \$792
8. Preliminary Disturbance Reports
9. Other
10. Trips
11. Minutes
12. Executive Session: To Discuss with Legal Counsel Agency Enforcement Actions, Current or Potential Litigation and/or Legal Risks as Authorized by RCW 42.30.110(1)(i)

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 4 TO
CONTRACT 21-09-D, CONSTRUCT LINCOLN ROCK
SWITCHYARD**

RECITALS:

1) By Resolution No. 21-119 dated July 26, 2021, the District awarded Contract 21-09-D, Construct Lincoln Rock Switchyard to Magnum Power, LLC.

2) Change Order No. 4 has been prepared to address the following changes to the work:

- Additional wiring and replacement of undersized power cables.
- Installation of additional substation rock along the north fence to meet security standards.
- Installation of additional switch operating platforms.
- Welding transformer anchor plates on T-LR-1.
- Extend the final completion date from October 28, 2022 to December 16, 2022.

3) District staff recommends approval of Change Order No. 4 in the amount of \$15,011.11. Previous change orders, in addition to this change order, bring the total cost of the contract to \$7,112,881.21.

4) It is in the best interests of the District to approve Change Order No. 4 to Contract 21-09-D.

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 21-09-D, Construct Lincoln Rock Switchyard is authorized by the Commission.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
22-58-W-BID, MILLING MACHINE ADDITION
FOR THE WELLS HYDROELECTRIC PROJECT
TO NORTH WESTERN MACHINERY**

RECITALS:

1) By Resolution No. 22-160 dated September 10, 2022, the District called for bids under Bid Document 22-58-W-BID, Milling Machine Addition for the Wells Hydroelectric Project.

2) On October 10, 2022, the District opened the following bid:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Lugo Inc. DBA North Western Machinery	\$167,257.59
Engineer's Estimate	\$176,000.00

3) District staff has reviewed the bid received and found that the bid from North Western Machinery meets all terms and conditions of Bid Document 22-58-W-BID. 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 22-58-W-BID to North Western Machinery.

4) It is in the best interests of the District to award Contract 22-58-W-BID to the lowest responsive bidder, North Western Machinery, with an authorized expenditure of \$167,257.59 (One Hundred Sixty-Seven Thousand Two Hundred Fifty-Seven Dollars and Fifty-Nine Cents).

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 22-58-W-BID is awarded to North Western Machinery. The General Manager is authorized to enter into a Contract with North Western Machinery 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 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 22-61-D-BID, SUPPLY AND DELIVER
COMPACT 1100 KCMIL EPR PRIMARY
UNDERGROUND CABLE**

RECITALS:

1) The District has a need to order additional inventory for upcoming projects and resupplying District stock.

2) Staff recommends that the District solicit bids in compliance with RCW 54.040.070 to provide transmission wire in accordance with the specification terms and conditions of Bid Document 22-61-D-BID. Sealed bids will be accepted until November 21, 2022 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 22-61-D-BID, Supply and Deliver Compact 1100 kmil 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 22-61-D-BID 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 kmil EPR primary underground cable.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
PROPERTY INSURANCE WITH ACE AMERICAN INSURANCE
COMPANY AND AEGIS INSURANCE SERVICES, INC.**

RECITALS:

1) The District's current Property Insurance Policy with ACE American Insurance Company (ACE) and AEGIS Insurance Services, Inc. (AEGIS) expires on November 1, 2022.

2) ACE and AEGIS Insurance Services, Inc. (AEGIS) provided a quote for renewal with similar terms and conditions for a 50/50 quota share program. The quoted premium is \$925,467, plus \$5,500 for engineering fees with a \$200,000,000 limit that includes coverage for acts of terrorism. The AEGIS quote does not provide coverage for physical damage of the District's mobile equipment or heavy trucks.

3) Everest National Insurance Company provided a quote to cover physical damage to the District's heavy trucks for a premium of \$16,638.

4) District staff has reviewed the quotes and recommends renewal of Property Insurance with ACE and AEGIS.

5) It is in the best interests of the District to renew coverage through ACE and AEGIS for the quoted premium of \$930,967 for the period of November 1, 2022 to November 1, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District's Deputy Treasurer will secure Property insurance coverage with ACE and AEGIS.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION ACCEPTING BIDS RECEIVED
FOR SURPLUS DISTRICT PROPERTY SOLD BY
CHUCK YARBRO AUCTIONEERS**

RECITALS:

- 1) The District authorized the disposal of surplus personal property by Public Auction by Board Resolution No. 22-163 dated September 12, 2022.
- 2) District staff states that a virtual public auction was held by Chuck “Yarbro” Auctioneers on September 22-24, 2022 in Moses Lake, WA.
- 3) Yarbro successfully sold the items listed on Schedule “A” for a total of \$10,615.00 with a net return to the District of \$10,084.25 after deducting the sales commission of \$530.75. Staff recommends acceptance of these proceeds.
- 4) It is in the best interest of the District to accept the bids received for the items listed on Schedule “A” and to remove the items from the District’s book of accounts.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the bids received for the surplus items listed on Schedule “A” are hereby accepted and authorize removal of these items from the District’ book of accounts.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION APPROVING AMENDMENT NO. 3 TO
INTERAGENCY AGREEMENT WITH WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE FOR INCREASED
CHINOOK PRODUCTION AT THE WELLS HATCHERY**

RECITALS:

1) By Resolution No. 19-119, the District approved an Interagency Agreement with Washington Department of Fish and Wildlife (WDFW) to use state general funds to increase the number of Chinook smolts reared at the Wells Hatchery to aid in the recovery of Southern Resident Orca (SRO).

2) By Resolution No. 20-179 and with the addition of a second funding package tied to Pacific Salmon Treaty (PST), the District approved Amendment No. 1 to the Interagency Agreement increasing the annual number of Chinook authorized to be reared from 500,000 to 1,000,000 and increasing level of total annual compensation paid by WDFW to Douglas PUD.

3) Resolution 21-107 approved Amendment No. 2 to the Interagency Agreement extending the contract by a new two-year term for SRO Chinook production and a one-year term for PST production between July 2021 and June 2023.

4) In September 2022, WDFW received additional funding of \$175,000 from the National Marine Fisheries Service (NMFS) to continue producing 500,000 PST Chinook at the Wells Hatchery between July 2022 and September 2023. Amendment No. 3 to the Interagency Agreement would once again increase the annual number of fish covered by this Agreement from 500,000 to 1,000,000 Chinook smolts during the 2022 and 2023 rearing periods.

5) WDFW has proposed Amendment No. 3 to the Interagency Agreement thereby extending the term of the contract through September 30, 2023, and increasing the total not to exceed amount from \$997,000 to \$1,172,000.

6) District staff recommends Commission approval of the proposed Amendment No. 3 to the Interagency Agreement No. 19-136464 with WDFW.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Amendment No. 3 to the Interagency Agreement 19-136464 between Douglas PUD and WDFW is hereby approved and the District's General Manager is hereby authorized and directed to execute said Amendment No. 3 to the Interagency Agreement on behalf of the District.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 8 TO
CONTRACT 21-33-D-BID, HYDROGEN AND LINCOLN ROCK
SWITCHYARD UTILITY INSTALLATIONS**

RECITALS:

1) By Resolution No. 21-120 dated July 26, 2021, the District awarded Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations to KRCI, LLC. Previous change orders have been approved to increase the total cost of the contract to \$3,512,015.65.

2) Since the project was originally awarded to KRCI, LLC, the District's consulting civil engineer has completed the design and specifications of the water supply systems for the hydrogen project and the proper permits have been obtained. This work falls within the Scope of Work of the original contract.

3) District staff recommends affirmation of Change Order No. 8 in the amount of \$817,400.00, which brings the total amount of the contract to \$4,329,415.65 and extends the contract completion date to July 31, 2023.

4) It is in the best interests of the District to affirm Change Order No. 8 to Contract 21-33-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 8 to Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations is affirmed by the Commission.

ADOPTED this 24th day of October, 2022.

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 22-42-W-BID, MOTOR CONTROL CENTER (MCC) REPLACEMENT AT THE WELLS HYDROELECTRIC PROJECT

RECITALS:

1) The District has a need to replace the Motor Control Centers (MCCs) at the Wells Hydroelectric Project. Bid Document 22-42-W-BID has been prepared for contractor supply of twenty MCCs and installation of 10 of the MCCs.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to replace the MCCs in accord with the specifications, terms and conditions of Bid Document 22-42-W-BID, Motor Control Center (MCC) Replacement at the Wells Hydroelectric Project. Sealed bids will be accepted until December 5, 2022 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 22-42-W-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 22-42-W-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to replace the MCCs.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING REQUEST FOR QUALIFICATIONS
22-63-W-PS, QUALITY CONTROL INSPECTION SUPPORT FOR THE
GENERATOR REBUILD AND UNIT REFURBISHMENT AT
THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

- 1) Request for Qualifications (RFQ) 22-63-W-PS has been prepared to solicit qualifications of a Quality Control Inspector (QCI) with specific experience in the disassembly/reassembly of hydro generators, turbines and auxiliary systems; Hydropower OEM component design and/or hydropower owner engineering.
- 2) District staff recommends publication of the RFQ. Qualifications will be accepted until 5:00 PM (PST) on November 30, 2022.
- 3) It is in the best interests of the District to issue a RFQ and advertise in pertinent publications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Request for Qualifications 22-63-W-PS, is approved and the District's General Manager is hereby authorized and directed to issue Request for Qualifications 22-63-W-PS.

ADOPTED this 24th day of October, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary