

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
DECEMBER 12, 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 November 28, 2022
- b. Vouchers
- c. 22-216 – Resolution Recommending the Signing of a Pole Attachment License Agreement with Public Utility District No. 1 of Chelan County
- d. 22-217 – Resolution Authorizing Acceptance of Work and Final Payment to Transamerican Power Products, Inc. Under Contract 22-16-D-BID, Steel Poles for the Rapids to Valhalla Transmission Line
- e. 22-218 – Resolution Authorizing Acceptance of Work and Final Payment to KRCl, LLC Under Contract 22-17-W-BID, Methow Hatchery Groundwater Valve Replacement
- f. 22-219 – Resolution Authorizing a Call for Bids Under Bid Document 22-70-D-BID, ADSS Tracking Resistant Fiber Cable for the 230 kV Line
- g. 22-220 – Resolution Authorizing the District to Renew General Liability and Automobile Insurance with Everest National Insurance Company and Markel American Insurance Company
- h. 22-221 – Resolution Authorizing the District to Purchase Pollution Legal Liability Insurance with Markel
- i. 22-222 – Resolution Authorizing Amendment No. 2 to the Interlocal Agreement with the Town of Mansfield

3. Public Comment

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

5. New Employee – Timothy Whitley, Journeyman Lineman (11/14/2022)

6. Regular Agenda

22-223 – Resolution Adopting the Electric Distribution System Official Budget of Expenditures for Year 2023 as Finally Approved

22-224 – Resolution Adopting the Wells Hydroelectric Project Official Budget for Calendar Year 2023 as Finally Approved

22-225 – Resolution Approving Environmental Reviews for the 2023 Distribution System Capital Budget and the 2023 Fiscal Year Wells Project Operating Capital and Extraordinary Expense Budget

22-226 – Resolution Affirming Change Order No. 2 to Contract 20-27-W, 2021-2022 Forebay Debris Removal Services for the Wells Hydroelectric Project

22-227 – Resolution Authorizing Change Order No. 4 to Contract 21-49-D-BID, Construct Urban Industrial Substation

22-228 – Resolution Authorizing Professional Service Agreement 22-68-W-PS, Engineering Support Services for the Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project, with Doble Engineering Company

22-229 – Resolution Authorizing an Interconnection and Service Agreement with Microsoft Corp.

22-230 – Resolution Waiving the Formal Competitive Bidding Requirements to Purchase Distribution Transformers Due to Market Conditions

22-231 – Resolution Waiving the Formal Competitive Bidding Requirements and Authorizing the Purchase of Methow Pond Covers from Alaska Structures

22-232 – Resolution Authorizing Amendment No. 6 to Professional Service Agreement with Electrical Consultants, Inc.

22-233 – Resolution Authorizing a Legal Services Agreement with the Law Firm of Jeffers, Danielson, Sonn and Aylward, P.S.

22-234 – Resolution Authorizing a Legal Services Agreement with the Law Firm of Lee Lewis Law, PLLC

22-235 – Resolution Authorizing a Legal Services Agreement with the Law Firm of Van Ness Feldman, LLP

22-236 – Resolution Authorizing the District to Renew Excess Liability Insurance with AEGIS Insurance Services and Energy Insurance Mutual

7. Write-off to the Reserve for Uncollectible Accounts – December 2022: \$99.00
8. Financial and Statistical Report – Distribution System – September and October 2022
9. Budget Report – Distribution System – September and October 2022
10. Financial and Statistical Report – Wells Project – October 2022
11. Budget Report – Wells Project – October 2022
12. Treasurer's Report – Distribution System – November 2022

13. Treasurer's Report – Wells Project – November 2022
14. DCCN Report – November 2022
15. Preliminary Disturbance Reports
16. Other
17. Trips
18. Minutes
19. 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 RECOMMENDING THE SIGNING OF A POLE
ATTACHMENT LICENSE AGREEMENT WITH
PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

RECITALS:

- 1) The District contacts various Chelan PUD poles located in Chelan and Douglas County.
- 2) Chelan PUD terminated the previous Pole Attachment Agreement and has requested the District execute a new Pole Attachment License Agreement.
- 3) It is in the best interest of the District to execute the Pole Attachment License Agreement with Public Utility District No. 1 of Chelan County in order to establish the responsibilities and requirements of new and existing pole attachments on power poles owned by Public Utility District No. 1 of Chelan County.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Pole Attachment License Agreement between the District and Public Utility District No. 1 of Chelan County is hereby approved and the District's General Manager is hereby authorized and directed to sign on behalf of the District.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK
AND FINAL PAYMENT TO TRANSAMERICAN POWER
PRODUCTS, INC. UNDER CONTRACT 22-16-D-BID, STEEL
POLES FOR THE RAPIDS TO VALHALLA
TRANSMISSION LINE**

RECITALS:

1) By Resolution No. 22-069 dated April 11, 2022, the District awarded Contract 22-16-D-BID, Steel Poles for the Rapids to Valhalla Transmission Line to Transamerican Power Products, Inc.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 22-16-D-BID 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 \$556,951.00 (Five Hundred Fifty Six Thousand Nine Hundred Fifty One Dollars) upon receiving the required notifications from the State of Washington. The total cost of work under this contract is \$556,951.00 plus sales tax.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 22-16-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the work under Contract 22-16-D-BID, Steel Poles for the Rapids to Valhalla Transmission Line 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 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK
AND FINAL PAYMENT TO KRCI, LLC UNDER CONTRACT
22-17-W-BID, METHOW HATCHERY GROUNDWATER VALVE
REPLACEMENT**

RECITALS:

1) By Resolution No. 22-055 dated March 28, 2022, the District awarded Contract 22-17-W-BID, Methow Hatchery Groundwater Valve Replacement to KRCI, LLC.

2) Resolution No. 22-133 affirmed Change Order No. 1 to increase the Contract amount by \$67,081.26 for a not-to-exceed total of \$315,360.26.

3) Resolution No. 22-170 authorized Change Order No. 2 for an extension of time extending the project completion to a new completion date of November 1, 2022.

4) District staff reports the Contractor has satisfactorily completed all requirements associated with Contract 22-17-W-BID and has recently submitted a Request for Final Payment, Certificate and Release. Therefore, staff recommends that the District accept the work of KRCI, LLC upon receiving the required notifications from the State of Washington. The total cost of work performed, under Contract 22-17-W-BID, was \$341,850.52 including sales tax.

5) It is in the best interests of the District to accept the work performed by KRCI, LLC as complete and authorize final payment under Contract 22-17-W-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the work under Contract 22-17-W-BID, Methow Hatchery Groundwater Valve Replacement is hereby accepted as complete, and that final payment is hereby authorized. 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 12th day of December, 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 22-70-D-BID, ADSS TRACKING RESISTANT
FIBER CABLE FOR THE 230 KV LINE**

RECITALS:

1) Extending the 230 kV Transmission Line to Urban Industrial Substation requires the District to extend the fiber optical cable for the control system. The District will also replenish the fiber cable reserves for outages.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to provide fiber optic cable in accord with the specifications, terms and conditions of Bid Document 22-70-D-BID. Sealed bids will be accepted until January 16, 2023 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 22-70-D-BID, ADSS Tracking Resistant Fiber Cable for the 230 kV Line.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 22-70-D-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to provide ADSS tracking resistant fiber cable for the 230 kV line.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
GENERAL LIABILITY AND AUTOMOBILE INSURANCE WITH
EVEREST NATIONAL INSURANCE COMPANY AND MARKEL
AMERICAN INSURANCE COMPANY**

RECITALS:

- 1) The District's current General Liability and Automobile Insurance policies provided by Everest National Insurance Company expire on December 15, 2022.
- 2) Everest has provided a quote for renewal with the same coverage limits of \$1,000,000. The quoted premium is \$153,393.
- 3) Markel American Insurance Company has provided a quote to cover vehicles valued over \$125,000 for \$18,484.
- 4) District staff has reviewed the quotes and recommends renewal of General Liability and Automobile Insurance with Everest and Markel.
- 5) It is in the best interests of the District to obtain coverage through Everest and Markel for a combined quoted premium of \$171,877 for General Liability and Automobile Insurance. Coverage will be from December 15, 2022 to December 15, 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 General Liability and Automobile Insurance with Everest.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO
PURCHASE POLLUTION LEGAL LIABILITY INSURANCE
WITH MARKEL**

RECITALS:

1) The District's Pollution Legal Liability Policy with Markel expires on December 15, 2022. The District has exposure to pollution related events and desires to maintain coverage.

2) The District's broker of record Marsh USA, Inc. has secured a renewal quote from Markel with a \$1,000,000 limit and \$25,000 deductible. The quoted premium is \$19,349 plus surplus taxes and fees.

3) District staff has reviewed the quote and recommends the purchase of Pollution Legal Liability Insurance with Markel.

4) It is in the best interest of the District to purchase Pollution Legal Liability Insurance with Markel for the quoted premium of \$19,349 plus surplus taxes and fees for the policy year December 15, 2022 to December 15, 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 Pollution Legal Liability Insurance coverage with Markel.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE
INTERLOCAL COOPERATIVE AGREEMENT WITH THE
TOWN OF MANSFIELD**

RECITALS:

- 1) By Resolution No. 14-054, the District entered into an Interlocal Cooperative Agreement with the Town of Mansfield to operate the Withrow Water System.
- 2) By Resolution No. 19-174, the District approved Amendment No. 1 to the Interlocal Cooperative Agreement to revise the Agreement to include both the operation of the Wells Hydroelectric Project water system and to authorize the change in the compensation rate from \$200.00 per month to \$400.00 per month for operation of both water systems.
- 3) Amendment No. 2 has been prepared to increase the rate from \$200.00 per month per water system to \$300.00 per month per water system in order to account for increases in costs since the Agreement was signed in 2014.
- 4) District staff recommends approval of Amendment No. 2 to the Interlocal Cooperative Agreement for operating the Withrow Water System.

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 sign Amendment No. 2 to the Interlocal Cooperative Agreement with the Town of Mansfield.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION ADOPTING THE ELECTRIC DISTRIBUTION
SYSTEM OFFICIAL BUDGET OF EXPENDITURES FOR YEAR
2023 AS FINALLY APPROVED**

RECITALS:

- 1) A proposed budget of expenditures prepared for the District's Electric 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 \$11.8 million in the 2023 Distribution System. The total expense for salaries, wages and overtime as a percentage to the total Distribution 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 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 Electric Distribution System Official Budget of Expenditures for the year 2023 as finally determined, and fix the final amount of the expenditures as set forth in said Budget.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION ADOPTING THE WELLS HYDROELECTRIC
PROJECT OFFICIAL BUDGET FOR CALENDAR YEAR 2023 AS
FINALLY APPROVED**

RECITALS:

1) The proposed budget of expenditures prepared for the District's Wells Hydroelectric Project have 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 outline 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 \$12 million in the 2023 Wells budget. The total expense for salaries, wages and overtime as a percentage of the total Wells budget is 19%. After adoption by the Commission, the General Manager is responsible to administer District operations using the approved budget as the guideline.

4) The Commission having 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 Commission 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 December 31, 2023, as finally determined, and fix the final amount of the expenditures as set forth in said Budget. Copies of the Budget are attached hereto and by reference made a part hereof.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION APPROVING ENVIRONMENTAL REVIEWS FOR THE 2023
DISTRIBUTION SYSTEM CAPITAL BUDGET AND THE 2023 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 22, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington that the Environmental Reviews of the 2023 Distribution System Capital Budget and the 2023 Fiscal Year Wells Project Operating Capital and Extraordinary Expense Budget are hereby approved and adopted.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 2 TO
CONTRACT 20-27-W, 2021-2022 FOREBAY DEBRIS REMOVAL
SERVICES FOR THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) Resolution No. 21-036 dated February 22, 2021, authorized the award of Contract 20-27-W, 2021-2022 Forebay Debris Removal Services for the Wells Hydroelectric Project to KRCI for an authorized total expenditure of \$500,000.00 and a completion date of December 31, 2022. Contract 20-27-W was inadvertently executed for \$563,935.16, KRCI's 'Total for Bid Comparison' amount. Change Order No. 1 added a D8 Dozer to the Equipment Schedule but maintained the not-to-exceed amount and the completion date.

2) Change Order No. 2 has been executed by District staff to increase the contract not-to-exceed amount by \$12,000.00 to \$575,935.16, to cover increased work for deck clamming in front of the Trashracks on U1, U7, & U8 but maintains the current contract completion date of December 31, 2022.

3) It is in the best interest of the District to affirm Change Order No. 2 to Contract 20-27-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 20-27-W is affirmed by the Commission.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 4 TO
CONTRACT 21-49-D-BID, CONSTRUCT URBAN INDUSTRIAL
SUBSTATION**

RECITALS:

- 1) By Resolution No. 21-200 dated November 22, 2021, the District awarded Contract 21-49-D-BID, Construct Urban Industrial Substation to Michels Pacific Energy, Inc.
- 2) Change Order No. 4 has been prepared to address the following issues:
 - Additional ground well drilling, beyond 150 feet called out for in the contract.
 - Installation of additional hardware to achieve required clearances.
 - Change phase orientation of Urban Industrial to match DCPUD's system.
 - Installation of additional yard lights, not included in the contract.
 - Provide additional hardware and modify material that was incorrectly specified in the contract.
 - Curbing installed in rocky soil as well as additional fence and curb required.
 - Remove large buildup of snow.
 - Purchase and installation of cables and conductor that were not specified in the contract.
 - Extend the final completion date from September 15, 2022 to April 28, 2023.
- 3) District staff recommends approval of Change Order No. 4 in the amount of \$611,564.44. Previous change orders, in addition to this change order, bring the total cost of the contract to \$8,176,329.13.
- 4) It is in the best interests of the District to approve Change Order No. 4 to Contract 21-49-D-BID.

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 21-49-D-BID, Construct Urban Industrial Substation is authorized by the Commission.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING PROFESSIONAL SERVICE AGREEMENT 22-68-W-PS, ENGINEERING SUPPORT SERVICES FOR THE GENERATOR STEP-UP (GSU) TRANSFORMER REPLACEMENT AT THE WELLS HYDROELECTRIC PROJECT, WITH DOBLE ENGINEERING COMPANY

RECITALS:

- 1) The Wells Hydroelectric Project has a need for engineering support services related to the Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project.
- 2) Resolution No. 16-055, executed on March 28, 2016, authorized Professional Services Agreement (PSA) 15-25-W, with Doble Engineering Company for the required engineering services. PSA 15-25-W expired on July 31, 2021.
- 3) PSA 22-68-W-PS has been negotiated with Doble to continue the engineering services they started under PSA 15-25-W, as required and when requested.
- 4) It is in the best interest of the District to enter into PSA 22-68-W-PS with Doble Engineering Company for the required engineering support services related to GSU Transformer Replacement at the Wells Hydroelectric Project.

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 enter into Professional Service Agreement 22-68-W-PS, the cost of which is not to exceed three hundred thousand dollars (\$300,000.00) and a period of performance ending January 31, 2027.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN INTERCONNECTION AND SERVICE AGREEMENT WITH MICROSOFT CORP.

RECITALS:

1) Microsoft and the District executed a Facilities Cost Contribution Agreement on January 26, 2021 for the purpose of upgrading District assets to serve Microsoft's prospective load at 875 Urban Industrial Way in East Wenatchee. The maximum connected load is 180 MVA.

2) Microsoft and the District previously executed a Temporary Power Supply Agreement, along with two amendments thereto, for the provision of temporary power to service Microsoft's construction and commissioning load, which terminates at midnight on January 5, 2023.

3) Microsoft and District staff negotiated an Interconnection and Service Agreement with a term of January 6, 2023 through December 31, 2029 for interconnection to the District.

4) This Interconnection and Service Agreement provides the terms under which Microsoft will receive power from a third-party and receive service under the District's Rate Schedule 4, along with ancillary services and charges, described further in Exhibit A of the aforementioned agreement.

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 the Interconnection and Service Agreement with Microsoft Corp.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION WAIVING THE FORMAL COMPETITIVE
BIDDING REQUIREMENTS TO PURCHASE DISTRIBUTION
TRANSFORMERS DUE TO MARKET CONDITIONS**

RECITALS:

1) The District is in need of purchasing distribution transformers to replace inventory for District projects.

2) Due to COVID related shutdowns, natural disasters and various supply chain disruptions, the procurement of distribution transformers has been significantly impacted resulting in limited supplies, extended lead times and large price increases.

3) RCW 39.04.280 authorizes the District to waive the formal competitive bidding requirements due to market conditions.

4) It is in the best interest of the District to waive the formal competitive bidding requirements for the procurement of distribution transformers through June 30, 2023 due to current market conditions as allowed in RCW 39.04.280.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District waive the formal competitive bidding requirements for the procurement of distribution transformers through June 30, 2023.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION WAIVING THE FORMAL COMPETITIVE
BIDDING REQUIREMENTS AND AUTHORIZING THE
PURCHASE OF METHOW POND COVERS FROM ALASKA
STRUCTURES**

RECITALS:

1) The Federal Energy Regulatory Commission (FERC) license for the Wells Hydroelectric Project (Wells Project) requires the District to raise and release endangered spring Chinook salmon to mitigate for ongoing operational impacts associated with the Wells Project and through several cost sharing agreements, the hatchery also rears hundreds of thousands of spring Chinook annually for Grant PUD and Chelan PUD.

2) In association with the implementation of these license requirements and cost sharing agreements, the District's Methow Hatchery needs to ensure both weather and predator protection for the fish. The hatchery currently has nine outdoor rearing ponds that are enclosed by all-weather shelters. The pond shelters are made up of two components, the aluminum frame structure and the exterior fabric shell. These two components work together to withstand the snow load, wind ratings and high UV intensity typical for the high desert conditions found in Winthrop.

3) Currently, the existing aluminum pond frames are in excellent condition whereas the fabric shells have deteriorated beyond repair and need to be replaced during summer 2023. The proprietary shell and anchoring system can only be acquired either from the manufacturer - Alaska Structures (AKS) or one of their licensed subcontractors.

4) In an effort to reduce costs, maintain continuity with the District's existing pond cover frames and improve warranty coverage for the new covers, District staff recommends procurement of the fabric shell material directly from AKS. These specialized pond covers represents an example where this product purchase involves special facilities and therefore the procurement of the fabric shells directly from AKS qualifies for an exemption to competitive bidding requirement pursuant to RCW 39.04.280.

5) The District has received a quote for the purchase of the pond covers for the total cost of \$174,718.04, plus associated taxes and fees.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District hereby waives the competitive bidding process pursuant to RCW 39.04.280, and the District is hereby authorized to issue a purchase order to Alaska Structures for the purchase of AKS Pond Covers for Methow Hatchery.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO
PROFESSIONAL SERVICE AGREEMENT WITH ELECTRICAL
CONSULTANTS, INC.**

RECITALS:

1) Resolution No. 21-019 authorized the District to enter into a Professional Service Agreement with Electrical Consultants, Inc. (ECI) for Electrical Substation Design.

2) This Professional Service Agreement was put in place with an expiration date of December 31, 2023 for new substation design work. The District recently received a quote from ECI for additional work related to the Rocky Reach to Chelan Falls 115 kV Transmission Line, Hydrogen Project and proposed work at the Orondo Substation.

3) Staff recommends approval of Amendment No. 6 with Electrical Consultants, Inc. Amendment No. 6 will increase the not-to-exceed amount of the project by \$820,000.00, bringing the total amount of the Agreement to \$3,395,000.00.

4) It is in the best interests of the District to issue Amendment No. 6 to amend the Professional Service Agreement with Electrical Consultants, Inc.

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 issue Amendment No. 6 to the Professional Service Agreement with Electrical Consultants, Inc.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LEGAL SERVICES
AGREEMENT WITH THE LAW FIRM OF JEFFERS,
DANIELSON, SONN AND AYLWARD, P.S.**

RECITALS:

1) It is in the best interests of the District to authorize a Legal Services Agreement with the Law Firm of Jeffers, Danielson, Sonn and Aylward, P.S., to be effective January 1, 2023 through January 1, 2024, at the agreed upon rates.

2) This agreement supersedes all previous agreements between the parties and resolutions of the District pertaining to legal services provided by this Law Firm.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Legal Services Agreement with the Law Firm of Jeffers, Danielson, Sonn and Aylward, P.S., be authorized for the period of January 1, 2023 through January 1, 2024 at the agreed upon rates.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LEGAL SERVICES
AGREEMENT WITH THE LAW FIRM OF
LEE LEWIS LAW, PLLC**

RECITALS:

1) It is in the best interests of the District to authorize a Legal Services Agreement with the Law Firm of Lee Lewis Law, PLLC to be effective January 1, 2023 through December 31, 2023, at the agreed upon rates.

2) This agreement supersedes all previous agreements between the parties and resolutions of the District pertaining to legal services provided by this Law Firm.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Legal Services Agreement with the Law Firm of Lee Lewis Law, PLLC be authorized for the period of January 1, 2023 through December 31, 2023 at the agreed upon rates.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LEGAL SERVICES
AGREEMENT WITH THE LAW FIRM OF
VAN NESS FELDMAN, LLP**

RECITALS:

1) It is in the best interests of the District to authorize a Legal Services Agreement with the Law Firm of Van Ness Feldman, LLP to be effective January 1, 2023 through December 31, 2023, at the agreed upon rates.

2) This agreement supersedes all previous agreements between the parties and resolutions of the District pertaining to legal services provided by this Law Firm.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Legal Services Agreement with the Law Firm of Van Ness Feldman, LLP be authorized for the period of January 1, 2023 through December 31, 2023 at the agreed upon rates.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
EXCESS LIABILITY INSURANCE WITH AEGIS INSURANCE
SERVICES AND ENERGY INSURANCE MUTUAL**

RECITALS:

1) The District's current Excess Liability Insurance policies with AEGIS Insurance Services (AEGIS) and Energy Insurance Mutual (EIM) expire on December 15, 2022.

2) AEGIS provided a quote for renewal of the \$35,000,000 primary insurance layer, for a premium of \$724,283 plus surplus line fees and taxes.

3) EIM provided a quote for renewal of the \$25,000,000 secondary insurance layer for a premium of \$175,000 plus surplus line fees and taxes.

4) It is in the best interest of the District to retain Excess Liability insurance through AEGIS for the quoted premium of \$724,283 for the policy year December 15, 2022 to December 15, 2023. It is also in the District's best interest to retain EIM for the quoted premium of \$175,000 for the policy year December 15, 2022 to December 15, 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 Excess Liability insurance with AEGIS and EIM.

ADOPTED this 12th day of December, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary