

COMMISSION MEETING AGENDA  
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY  
EAST WENATCHEE, WASHINGTON  
January 9, 2023

10:30 AM Workshop

Reports by Staff

12:00 PM Lunch

1:30 PM Regular Meeting

1. Flag Salute
2. Reorganization of Board of Commissioners
3. Consent Agenda
  - a. Meeting Minutes December 12, 2022 and December 20, 2022
  - b. Vouchers
  - c. Bid Opening Results – December 19, 2022 – Bid Doc. 22-42-W-BID, Motor Control Center (MCC) Replacement at the Wells Hydroelectric Project
  - d. Prequalification of Contractors
  - e. 23-001 – Resolution Authorizing Acceptance of Work and Final Payment to PRALAR S.A. Under Contract 20-14-D, Supply and Deliver 115 – 13.2 kV. 42 MVA, Substation Transformer to Lincoln Rock Switchyard
  - f. 23-002 – Resolution Authorizing Acceptance of Work and Final Payment to MVA Power Inc. Under Contract 21-30-D-BID, Supply and Deliver Tubular Steel Poles for the Rapids to Columbia 230 kV Transmission Line
  - g. 23-003 – Resolution Rejecting Award of Bid Document 22-43-D-BID, Rapids to Valhalla Rebuild
  - h. 23-004 – Resolution Authorizing Approval of Land Use Permit 27F-04, Carlos and Giovana Lubiana Tavares
  - i. 23-005 – Resolution Authorizing Approval of Land Use Permit 88D-03, Deborah O’Connell
  - j. 23-006 – Resolution Authorizing Approval of Land Use Permit 89-02, Shawn O’Connell
  - k. 23-007 – Resolution Authorizing Approval of Land Use Permit 677-03 (661), Juan and Anali Hernandez
4. Public Comment
5. Regular Agenda
  - 23-008 – Resolution Authorizing Amendment No. 2 to Professional Service Agreement with Perteet

23-009 – Resolution Authorizing Acceptance of the Fourth Unit (U3) Work by Toshiba America Energy Systems (TAES) Under Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project

23-010 – Resolution Authorizing Award of Contract 22-42-W-BID to Olsson Industrial Electric for Motor Control Center (MCC) Replacement at the Wells Hydroelectric Project

6. Consider Commissioner Representation
  - American Public Power Association
  - Northwest Public Power Association
  - Washington PUD Association
7. Memberships
  - Foundation of Water and Energy Education
  - Northwest Public Power Association
  - Renewable Hydrogen Alliance
  - Wenatchee Valley Chamber of Commerce
8. Financial and Statistical Report – Wells Project – November 2022
9. Budget Report – Wells Project – November 2022
10. Treasurer’s Report – Distribution System – December 2022
11. Treasurer’s Report – Wells Project – December 2022
12. Preliminary Disturbance Reports
13. Other
14. Trips
15. Minutes
16. 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)

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK  
AND FINAL PAYMENT TO PRALAR S.A. UNDER CONTRACT  
20-14-D, SUPPLY AND DELIVER 115 – 13.2 KV, 42 MVA,  
SUBSTATION TRANSFORMER TO LINCOLN ROCK  
SWITCHYARD**

**RECITALS:**

1) By Resolution No. 20-198 dated November 9, 2020, the District awarded Contract 20-14-D, Supply and Deliver 115 – 13.2 kV, 42 MVA, Substation Transformer to Lincoln Rock Switchyard to PRALAR S.A.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 20-14-D 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 \$1,210,830.00 less liquidated damages of \$32,700.00 to PRALAR S.A. upon receiving the required notifications from the State of Washington when applicable. The total cost of work under this contract is \$1,178,130.00 plus tax.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 20-14-D.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the work under Contract 20-14-D, Supply and Deliver 115 – 13.2 kV, 42 MVA, Substation Transformer to Lincoln Rock Switchyard. 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 when applicable. 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 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

\_\_\_\_\_  
Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK  
AND FINAL PAYMENT TO MVA POWER INC. UNDER  
CONTRACT 21-30-D-BID, SUPPLY AND DELIVER TUBULAR  
STEEL POLES FOR THE RAPIDS TO COLUMBIA 230 KV  
TRANSMISSION LINE**

**RECITALS:**

1) By Resolution No. 21-127 dated August 9, 2021, the District awarded Contract 21-30-D-BID, Supply and Deliver Tubular Steel Poles for the Rapids to Columbia 230 KV Transmission Line to MVA Power Inc.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 21-30-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 without liquidated damages in the amount of \$1,407,320.19 to MVA Power Inc. upon receiving the required notifications from the State of Washington when applicable. The total cost of work under this contract is \$4,072,263.89 plus tax.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 21-30-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 21-30-D-BID, Supply and Deliver Tubular Steel Poles for the Rapids to Columbia 230 KV 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 when applicable. 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 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION REJECTING AWARD OF  
BID DOCUMENT 22-43-D-BID, RAPIDS TO  
VALHALLA REBUILD**

**RECITALS:**

1) By Resolution No. 22-206 dated November 28, 2022, the District Awarded Bid Document 22-43-D-BID, Rapids to Valhalla Rebuild to International Line Builders.

2) International Line Builders has requested to withdraw their bid due to an error in their summation of bid pricing.

3) District staff have reviewed the error and believe the mistake was unintentional. It is in the best interests of the District to reject the bid received from International Line Builders for Bid Document 22-43-D-BID. All other bids for this project have expired.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the award for Bid Document 22-43-D-BID, Rapids to Valhalla Rebuild be rejected.

**ADOPTED** this 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE  
PERMIT 27F-04, CARLOS AND GIOVANA LUBIANA TAVARES**

**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:

Carlos and Giovana Lubiana Tavares                      Wells Permit 27F-04

The permit is for use of Project lands for an existing single use dock, existing pedestrian water access, existing residential lawn and landscape. The permittee has provided proof of insurance coverage as required by the District's Land Use Policy.

3) It is in the best interests of the District to approve Wells Permit 27F-04.

**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. 27F-04.

**ADOPTED** this 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE  
PERMIT 88D-03, DEBORAH O'CONNELL**

**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:

Deborah O'Connell                      Wells Permit 88D-03

The permit is for uses of Project lands for existing residential landscaping, existing fence, existing retaining wall and existing garden. The permittee has provided proof of insurance coverage as required by the District's Land Use Policy.

3) It is in the best interests of the District to approve Wells Permit 88D-03.

**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. 88D-03.

**ADOPTED** this 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

\_\_\_\_\_  
Molly Simpson, Secretary

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE  
PERMIT 89-02, SHAWN O'CONNELL**

**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:

Shawn O'Connell                      Wells Permit 89-02

The permit is for use of Project lands for use of an existing agriculture irrigated field, existing fencing at top of river bank, an existing irrigation spigot and an existing access road. These uses have been updated on previous Land Use Permit 89-01. The permittee has provided proof of insurance coverage as required by the District's Land Use Policy.

3) It is in the best interests of the District to approve Wells Permit 89-02.

**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 Number 89-02.

**ADOPTED** this 9th day of January, 2023.

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Ronald Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE  
PERMIT 677-03 (661), JUAN AND ANALI HERNANDEZ**

**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:

Juan and Anali Hernandez Wells Permit 677-03 (661)

The permit is for use of Project lands for existing staircase and an existing irrigation pump and inlet. The permittee has provided proof of insurance coverage as required by the District's Land Use Policy.

3) It is in the best interests of the District to approve Wells Permit 677-03 (661).

**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. 677-03 (661).

**ADOPTED** this 9th day of January, 2023.

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Ronald Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO  
PROFESSIONAL SERVICE AGREEMENT WITH PERTEET**

**RECITALS:**

- 1) Resolution No. 21-018 authorized the District to enter into a Professional Service Agreement with Perteet regarding transmission line design work.
- 2) This contract allows for annual adjustments to the rate schedule. Perteet has requested an increase in their schedule of charges to accommodate for the increase in overhead costs. This reflects an average increase of 10% from 2022 to the new 2023 rates.
- 3) Staff recommends approval of Amendment No. 2 with Perteet to accommodate the rate schedule increase for 2023.
- 4) It is in the best interests of the District to issue Amendment No. 2 to amend the Professional Service Agreement with Perteet.

**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. 2 to the Professional Service Agreement with Perteet.

**ADOPTED** this 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING ACCEPTANCE OF THE FOURTH UNIT (U3)  
WORK BY TOSHIBA AMERICA ENERGY SYSTEMS (TAES) UNDER  
CONTRACT 06-41-W, GENERATOR REBUILD AND UNIT REFURBISHMENT  
FOR THE WELLS HYDROELECTRIC PROJECT**

**RECITALS:**

1) Resolution 07-158 awarded Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project to Toshiba International Corporation (TIC) for \$151,100,000.00. Resolution 15-056 approved assignment of Contract 06-41-W to Toshiba America Energy Systems Corporation (TAES).

2) Resolution 09-65 authorized Notice to Proceed on the Fourth Unit (U3) for an authorized expenditure of \$16,820,000.00. Change Orders 3, 35, 39, 79, 83, 84, 85, 86, 87, 88, 91, 92, 94, & 96, authorized by various resolutions, increased the unit amount to \$24,747,772.00.

3) District staff reports the Contractor reached the Unit Acceptance Milestone for U2 on October 10, 2020, has since satisfactorily completed all requirements of Contract 06-41-W, and has submitted a Request for Final Payment, Certificate and Release and an approved Affidavit of Wages Paid.

4) It is in the best interest of the District to accept U3 work as complete and authorize final payment to the Contractor.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of Public Utility District No. 1 of Douglas County, Washington, that U3 work under Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project, 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 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

Draft Pre-decisional Document

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT  
22-42-W-BID TO OLSSON INDUSTRIAL ELECTRIC FOR  
MOTOR CONTROL CENTER (MCC) REPLACEMENT AT  
THE WELLS HYDROELECTRIC PROJECT**

**RECITALS:**

1) Resolution No. 22-190, dated October 24, 2022, authorized a Call for Bids for Bid Document 22-42-W-BID, Motor Control Center (MCC) Replacement at the Wells Hydroelectric Project.

2) Bids were accepted until December 19, 2022 at 1:30 pm PST. The following bids were received:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Olsson Industrial Electric	\$2,646,050.00
EC Company	\$3,242,944.00
Engineer's Estimate	\$3,450,000.00

3) District staff has reviewed the bids and found that the bid from Olsson meets all terms and conditions of Bid Document 22-42-W-BID and all addendums. A review of Olsson's experience, qualifications, financial and work references verified that this company fulfills all necessary requirements and staff recommends award of Contract 22-42-W-BID to Olsson Industrial Electric.

4) It is in the best interests of the District to award Contract 22-42-W-BID to the lowest responsive bidder, Olsson Industrial Electric, with an authorized expenditure of two million, six hundred forty-six thousand, fifty dollars (\$2,646,050.00), plus sales tax.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 22-42-W-BID is awarded to Olsson Industrial Electric. The General Manager is authorized to enter into a Contract with Olsson, 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 9th day of January, 2023.

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Ronald E. Skagen, President

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Aaron J. Viebrock, Vice President

**ATTEST:**

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Molly Simpson, Secretary

Draft Pre-decisional Document