

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

APRIL 10, 2023

Public participation for the hearing may be done in person, by phone, or video.

Phone: 408-418-9388

Video: www.webex.com

Meeting Access Code: 2485 817 9173

Password: PUDONE

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 March 27, 2023
- b. Vouchers
- c. 23-071 – Resolution Affirming Change Order No. 5 to Contract 21-09-D, Construct Lincoln Rock Switchyard
- d. 23-072 – Resolution Affirming Change Order No. 1 to Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire
- e. 23-073 – Resolution Authorizing Approval of Land Use Permit 4S-01 and Railroad Right-of-Way Permit RR4S-01, Robert and Mikaela Walker
- f. 23-074 – Resolution Authorizing Approval of Land Use Permit 724-01, Custom Orchard Inc.

3. Public Comment

4. 45-Year Service Award – Sharon Liebert, Power Resource Coordinator

5. Hearing – Line Extension and Connected Load Fees

6. Regular Agenda

23-075 – Resolution Affirming Change Order No. 2 to Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire

23-076 – Resolution Authorizing the First Amendment to the Electric Utility System and Transmission Line Purchase and Sale Agreement Between Chelan PUD and Douglas PUD

23-077 – Resolution Authorizing a Legal Services Agreement with the Law Firm of Morgan, Lewis and Bockius LLP

7. Financial and Statistical Report – Wells Project – December 2022
8. Budget Report – Wells Project – December 2022
9. Treasurer’s Report – Distribution System – March 2023
10. Treasurer’s Report – Wells Project – March 2023
11. DCCN Report – March 2023
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) and to Review the Performance of a Public Employee, as Authorized by RCW 42.30.110(1)(g)

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 5 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. 5 has been prepared to address the following changes to the work:
 - Magnum's crew mobilized to the site to perform work but material provided by the District was delayed and Magnum had to pull crews offsite and wait a week before the material required to perform the work arrived.
 - The District rented Magnum's extra high bucket truck to complete a portion of the 115 kV line coming into Lincoln Rock.
 - Extend the final completion date from December 16, 2022 to April 28, 2023.
- 3) District staff recommends affirmation of Change Order No. 5 in the amount of \$5,687.20. Previous change orders, in addition to this change order, bring the total cost of the contract to \$7,118,568.41.
- 4) It is in the best interests of the District to affirm Change Order No. 5 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. 5 to Contract 21-09-D, Construct Lincoln Rock Switchyard is affirmed by the Commission.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 1 TO
CONTRACT 22-60-D-BID, DOUGLAS TO URBAN INDUSTRIAL
TRANSMISSION WIRE**

RECITALS:

1) By Resolution No. 22-195 dated November 14, 2022, the District awarded Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire to Border State Industries, Inc.

2) A change to the contract increased the amount of wire provided from 48,000 ft. to 96,000 ft. for a second transmission line from Urban Industrial substation to the existing 230 kV line.

3) District staff recommends that the District affirm Change Order No. 1 in the amount of \$456,480.00 bringing the new not to exceed amount to \$912,960.00.

4) It is in the best interests of the District to affirm Change Order No. 1 to Contract 22-60-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 1 to Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire is affirmed by the Commission.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 4S-01 AND RAILROAD RIGHT-OF-WAY PERMIT
RR4S-01, ROBERT AND MIKAELA WALKER**

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 permits:

Robert and Mikaela Walker Wells Permits 4S-01 and RR4S-01

These permits are for use of Wells Project lands for an existing 10' wide mowed access path to the Wells Reservoir and non-exclusive pedestrian ingress and egress across the Wells Hydroelectric Project railroad right-of-way. The permittees have 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 Permits 4S-01 and RR4S-01.

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. 4S-01 and Wells Hydroelectric Project Railroad Right-of-Way Permit No. RR4S-01.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 724-01, CUSTOM ORCHARD INC.**

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:

Custom Orchard Inc.

Wells Permit 724-01

Custom Orchard Inc. has a current Land Use Permit for the continued operation of existing commercial orchard, an existing driveway for access related to orchard operations, and an irrigation intake. Their Land Use Permit has been updated to include other observed uses occurring on District land including; existing residential lawn and landscaping and an existing fence. The permittees have 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 724-01.

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. 724-01.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 2 TO
CONTRACT 22-60-D-BID, DOUGLAS TO URBAN INDUSTRIAL
TRANSMISSION WIRE**

RECITALS:

1) By Resolution No. 22-195 dated November 14, 2022, the District awarded Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire to Border State Industries, Inc.

2) RCW 39.04.280 authorizes the District to waive the formal competitive bidding requirements for purchases due to market conditions. Bare overhead conductor is a product which is affected greatly with market conditions in both price and lead time.

3) The District has several ongoing projects that utilize the wire purchased under contract 22-60-D-BID. In order to avoid potential delays and cost overruns, District staff recommends that the District affirm Change Order No. 2 in the amount of \$342,360.00 bringing the new not to exceed amount to \$1,255,320.00.

4) Change Order No. 2 increases the amount of wire from 96,000 ft. to 132,000 ft. and extends the completion date of the contract to November 15, 2023.

5) It is in the best interests of the District to affirm Change Order No. 2 to Contract 22-60-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 1 to Contract 22-60-D-BID, Douglas to Urban Industrial Transmission Wire is affirmed by the Commission.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE
ELECTRIC UTILITY SYSTEM AND TRANSMISSION LINE PURCHASE AND
SALE AGREEMENT BETWEEN CHELAN PUD AND DOUGLAS PUD**

RECITALS:

1) The District passed Resolution No. 15-065 entering into a Purchase and Sale Agreement (Agreement) with Chelan PUD to acquire electric facilities in the Greater McNeil Canyon area and acquiring the 115kV Rocky Reach Chelan Falls No. 1 (RR-CF-1) Transmission Line. Chelan PUD and the District completed the closing of the transfer of the Greater McNeil Canyon area facilities and easements in 2015 pursuant to Paragraph 4 of the Agreement. On or around March 17, 2023, the District re-terminated the RR-CF-1 Transmission Line in accordance with Paragraphs 5(C)(2) of the Agreement.

2) The District is still completing its obligations under Paragraph 5(C)(3) of the Agreement to complete the reconstruction and reconductoring of the RR-CF-1 Transmission Line. The District needs to complete the fourth section of the line from Brays Landing to Lone Pine Substation and intends to complete such work before December 31, 2024.

3) By letter dated August 1, 2019, Chelan PUD agreed to extend the substantial completion deadline (originally December 31, 2022) and cost-sharing provisions of the Agreement until December 31, 2023. By letter dated December 14, 2020, Chelan PUD agreed to extend the revised substantial completion deadline (December 31, 2023) and cost-sharing provision of the Agreement until December 31, 2024.

4) Chelan PUD and the District have prepared closing documents to complete the transfer documents as defined in Paragraph 5(B)(2) of the Agreement. In connection therewith, Chelan PUD and the District desire to; clarify the closing process, amend the forms used to convey the easements and property rights, extend the closing date to allow Chelan PUD additional time to procure certain written easements and

modify the title insurance provisions as originally stated in the Agreement. To this end, District staff recommends execution of the stated First Amendment to the Agreement and allow the District's General Manager to execute all necessary documents to complete the subject transaction.

5) It is in the best interests of the District to adopt the First Amendment to the Agreement and allow the District's General Manager to execute all necessary documents to complete the subject transaction.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the First Amendment to the Agreement is hereby approved and the District's General Manager is authorized to execute all necessary closing documents on behalf of the District.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LEGAL SERVICES
AGREEMENT WITH THE LAW FIRM OF MORGAN, LEWIS
AND BOCKIUS LLP**

RECITALS:

1) It is in the best interests of the District to authorize a Legal Services Agreement with the Law Firm of Morgan, Lewis and Bockius 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 Morgan, Lewis and Bockius be authorized for the period of January 1, 2023 through December 31, 2023, at the agreed upon rates.

ADOPTED this 10th day of April, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary