

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
SEPTEMBER 12, 2023

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 August 22, 2023
- b. Vouchers
- c. 23-155 – Resolution Authorizing Change Order No. 2 to Contract 22-54-W-BID, Fire Protection System Upgrades and Miscellaneous Piping at the Wells Hydroelectric Project
- d. 23-156 – Resolution Affirming Change Order No. 2 to Contract 22-06-D-BID, Rebuild and Reconductor Rocky Reach to Chelan Falls No. 1 Phase 2
- e. 23-157 – Resolution Authorizing Change Order No. 1 to Contract 23-11-D-BID, Urban Industrial to Rapids Steel Transmission Structures
- f. 23-158 – Resolution Authorizing Approval of Land Use Permit 4A-01, Godbey Red-E-Mix Concrete Inc.
- g. 23-159 – Resolution Authorizing the District to Renew Crime Insurance with Zurich
- h. 23-160 – Resolution Authorizing the District to Renew Directors and Officers and Employment Practices Liability Insurance with AEGIS
- i. 23-161 – Resolution Authorizing the District to Renew Fiduciary Liability Insurance with American Insurance Group
- j. 23-162 – Resolution Authorizing a Land Use Agreement with the Bonneville Power Administration

3. Public Comment

4. 25-Year Service Award – Susan Martin, Software Analyst

5. 30-Year Service Award – Ray Phelps, Foreman Wireman II

6. New Employees

7. Regular Agenda

- 23-163 – Resolution Authorizing Change Order No. 1 to Contract 23-08-D-BID, Rapids to Valhalla Rebuild and Reconductor

23-164 – Resolution Authorizing Change Order No. 1 to Contract 23-12-D-BID, Transmission and Distribution Dock Crew

23-165 – Resolution Affirming Request for Qualifications 23-37-W-RFQ, Engineering Consulting Services for Repairs, Maintenance and Alteration of Infrastructure at the District's Hatchery Facilities

23-166 – Resolution Authorizing Professional Service Agreement 23-38-W-PS with the Confederated Tribes of the Colville Reservation for Wells Hydroelectric Project Archaeological Monitoring

23-167 – Resolution Declaring Miscellaneous Items of Personal Property to be Surplus or Scrap and Authorizing Their Disposal

8. Financial and Statistical Reports – Distribution System – June and July 2023
9. Budget Reports – Distribution System – June and July 2023
10. Financial and Statistical Report – Wells Project – July 2023
11. Budget Report – Wells Project – July 2023
12. Treasurer's Report – Distribution System – August 2023
13. Treasurer's Report – Wells Project – August 2023
14. DCCN Report – August 2023
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)

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO
CONTRACT 22-54-W-BID, FIRE PROTECTION SYSTEM
UPGRADES AND MISCELLANEOUS PIPING AT THE WELLS
HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 22-210 dated November 28, 2022 the District awarded Contract 22-54-W-BID, Fire Protection System Upgrades and Miscellaneous Piping at the Wells Hydroelectric Project to Syblon Reid for an authorized total expenditure of \$4,821,090.00. Resolution No. 23-093 authorized Change Order No. 1 in the amount of \$199,797.00 bringing the total to \$5,020,887.00.

2) Change Order No. 2 has been prepared to add drain valves to the Turbine Pit Pump (TPP) discharges during installation of the new piping systems, as well as, extend the completion date to October 31, 2023.

3) District staff recommends that the District authorize Change Order No. 2 in the amount of \$7,913.42. Previous change orders, in addition to this change order, bring the total cost of the contract to \$5,028,800.42.

4) It is in the best interests of the District to approve Change Order No. 2 to Contract 22-54-W-BID.

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 22-54-W-BID , Fire Protection System Upgrades and Miscellaneous Piping at the Wells Hydroelectric Project, is authorized by the Commission.

ADOPTED this 12th day of September, 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 22-06-D-BID, REBUILD AND RECONDUCTOR
ROCKY REACH TO CHELAN FALLS NO. 1 PHASE 2**

RECITALS:

1) By Resolution No. 22-123 dated July 11, 2022, the District awarded Contract 22-06-D-BID, Rebuild and Reconductor Rocky Reach to Chelan Falls No. 1 Phase 2 to Magnum Power.

2) A change regarding the installation of additional fiber connections was necessary to complete the project.

3) District staff recommends that the District affirm Change Order No. 2 in the amount of \$1,055.63 bringing the new not to exceed amount to \$3,794,532.63 (three million, seven hundred ninety-four thousand, five hundred thirty-two dollars and sixty three cents).

4) It is in the best interests of the District to affirm Change Order No. 2 to Contract 22-06-D-BID.

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 22-06-D-BID, Rebuild and Reconductor Rocky Reach to Chelan Falls No. 1 Phase 2 is affirmed by the Commission.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO
CONTRACT 23-11-D-BID, URBAN INDUSTRIAL TO RAPIDS
STEEL TRANSMISSION STRUCTURES**

RECITALS:

- 1) By Resolution No. 23-089 dated May 8, 2023 the District awarded Contract 23-11-D-BID to Western Utility Telecom, Inc.
- 2) Change order No. 1 has been prepared to change the payment method outlined in SC-3 from lump sum to progress payments to allow Western Utility Telecom, Inc. to bill for materials which are delivered and received by the District.
- 3) District staff recommends approval of Change Order No. 1.
- 4) It is in the best interests of the District to approve Change Order No. 1 to Contract 23-11-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 1 to Contract 23-11-D-BID, Urban Industrial to Rapids Steel Transmission Structures.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 4A-01, GODBEY RED-E-MIX CONCRETE 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:

Godbey Red-E-Mix Concrete Inc. Wells Permit 4A-01

Godbey Red-E-Mix Concrete Inc. has applied for a Land Use Permit for the use of an existing irrigation pump, inlet and access road to the pump. The irrigation pump, inlet and access road are on sub-tract 4A on District property off of Starr Rd. in Pateros. The irrigation water is piped up to Godbey property located at 24981 Highway 97, Pateros. 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 4A-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 Number 4A-01.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
CRIME INSURANCE WITH ZURICH**

RECITALS:

- 1) The District's current Crime Insurance policy with Zurich expires on October 15, 2023.
- 2) Zurich has provided a quote to renew this three-year coverage with the same \$2,000,000 limit of liability and \$20,000 deductible. The quoted premium is \$10,802.
- 3) District staff has reviewed the quote and recommends renewal of Crime Insurance with Zurich.
- 4) It is in the best interests of the District to renew coverage through Zurich at the \$2,000,000 limit of liability for a quoted premium of \$10,802, plus applicable fees for the policy years October 15, 2023 to October 15, 2026.

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 Crime Insurance with Zurich.

ADOPTED this 12th day of September, 2023.

Ron E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
DIRECTORS AND OFFICERS AND EMPLOYMENT PRACTICES
LIABILITY INSURANCE WITH AEGIS**

RECITALS:

1) The District's Directors and Officers and Employment Practices Liability insurance coverage has been with American Insurance Group (AIG) since October 15, 2009.

2) AEGIS has provided a quote for renewal with the same coverage limits of \$10,000,000 with a deductible of \$100,000 for each policy. The combined quoted premium is \$117,600.

3) District staff has reviewed the quote and recommends renewal of Directors and Officers and Employment Practices Liability insurance with AEGIS.

4) It is in the best interests of the District to obtain coverage through AEGIS for a combined premium of \$117,600 plus taxes and fees for the policy year October 15, 2023 to October 15, 2024.

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 Directors and Officers and Employment Practices Liability insurance coverage with AEGIS.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
FIDUCIARY LIABILITY INSURANCE WITH AMERICAN
INSURANCE GROUP**

RECITALS:

1) The District has had Fiduciary and Employee Benefit Liability insurance coverage with American Insurance Group (AIG) since March 29, 2002.

2) AIG has provided a quote for renewal. Limit of liability will be \$4,000,000 with no deductible and a continuity date of January 1, 1974. The quoted premium is \$10,700, which is no increase from the prior year.

3) District staff has reviewed the quote and recommends renewal of Fiduciary and Employee Benefit Liability Insurance with AIG.

4) It is in the best interest of the District to obtain coverage through AIG for a premium of \$10,700 plus taxes and fees for October 15, 2023 to October 15, 2024.

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 Fiduciary and Employee Benefit Liability Insurance with AIG.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A LAND USE AGREEMENT
WITH THE BONNEVILLE POWER ADMINISTRATION**

RECITALS:

1) The Bonneville Power Administration (BPA) holds easement rights on Parcel No. 22210310000.

2) The District has been working with BPA on a new land use agreement that will allow the District to construct a new 230 kV transmission line which will be the first of three lines serving the Urban Industrial Substation.

3) It is in the best interests of the District to enter into the attached Land Use Agreement with the Bonneville Power Administration.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Land Use Agreement No. 20230085 between the District and the Bonneville Power Administration 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 September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO
CONTRACT 23-08-D-BID, RAPIDS TO VALHALLA REBUILD
AND RECONDUCTOR**

RECITALS:

1) By Resolution No. 23-059 dated March 13, 2023, the District awarded Contract 23-08-D-BID to Palouse Power, LLC.

2) Due to current material shortages and long lead times for materials, the project cannot be completed prior to the end of 2023. Load forecasts show this project can be completed in the spring of 2024 with no adverse impacts to the District or customers.

3) Change Order No. 1 has been prepared to change the date by which rebuild work shall be completed from December 29, 2023 to June 15, 2024 and the date by which all work shall be finally complete from April 15, 2023 to July 31, 2024.

4) District staff recommends approval of Change Order No. 1.

5) It is in the best interests of the District to approve Change Order No. 1 to Contract 23-08-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 1 to Contract 23-08-D-BID, Rapids to Valhalla Rebuild and Reconductor.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO
CONTRACT 23-12-D-BID, TRANSMISSION AND DISTRIBUTION
DOCK CREW**

RECITALS:

1) By Resolution No. 23-068 dated March 27, 2023, the District awarded Contract 23-12-D-BID to Olympic Electric Company, Inc.

2) Change Order No. 1 has been prepared to increase the contract amount for additional dock crew work as part of the District's transmission, distribution and fiber build-out projects. The current contract is expected to run out prior to the District completing all of its necessary work in 2023.

3) District staff recommends approval of Change Order No. 1 in the amount of \$200,000.00 which brings the total amount of the contract to \$800,000.00 (eight hundred thousand dollars).

4) It is in the best interests of the District to approve Change Order No. 1 to Contract 23-12-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 23-12-D-BID, Transmission and Distribution Dock Crew is authorized by the Commission.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING REQUEST FOR
QUALIFICATIONS 23-37-W-RFQ, ENGINEERING CONSULTING
SERVICES FOR REPAIRS, MAINTENANCE AND ALTERATION
OF INFRASTRUCTURE AT THE DISTRICT'S HATCHERY
FACILITIES**

RECITALS:

1) The District's hatcheries are required to comply with the FERC license for the Wells Project, the Anadromous Fish Agreement and Habitat Conservation Plan (HCP) in addition to complying with Endangered Species Act Incidental Take permits and Clean Water Act – Section 402 NPDES permits.

2) To comply with these requirements and regulations and to achieve the biological program targets for optimal fish rearing, Wells and Methow fish hatcheries require specialized hatchery engineering support services. These specialized services provide engineering support for ongoing repairs, maintenance, and potential alteration of existing facilities and infrastructure.

3) District staff recommends affirmation of the Request for Qualifications (RFQ) for engineering consulting services for the District's hatchery facilities. Statements of Qualifications will be accepted until 1:30 p.m. Pacific time on September 26, 2023 in the District's East Wenatchee headquarters office.

4) It is in the best interests of the District to affirm Request for Qualifications 23-37-W-RFQ, Engineering Consulting Services for Repairs, Maintenance and Alteration of Infrastructure at the District's Hatchery Facilities.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Request for Qualifications for the engineering services at the District's hatchery facilities is hereby affirmed by the Commission.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING PROFESSIONAL SERVICE AGREEMENT
23-38-W-PS WITH THE CONFEDERATED TRIBES OF THE COLVILLE
RESERVATION FOR WELLS HYDROELECTRIC PROJECT
ARCHAEOLOGICAL MONITORING**

RECITALS:

1) As part of the implementation of the Wells Hydroelectric Project Historic Properties Management Plan, the District conducts annual monitoring of archaeological sites on the Wells Reservoir. In 2023, a total of 35 sites are scheduled to be monitored by the Confederated Tribes of the Colville Reservation (CCT) History/Archaeology Program.

2) Staff recommends approval of a Professional Service Agreement with the CCT History/Archaeology Program to conduct monitoring of 35 archaeological sites in 2023. The CCT History Archaeology Program will also complete National Register of Historic Places eligibility evaluations for five of these archaeological sites.

3) It is in the best interests of the District to enter into a Professional Service Agreement with the CCT History/Archaeology Program for archaeological monitoring services for 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 a Professional Service Agreement with CCT History/Archaeology Program, the cost of which is not to exceed \$100,083.95 (One hundred thousand, eighty-three and ninety-five cents) with an expiration date of May 31, 2024.

ADOPTED this 12th day of September 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION DECLARING MISCELLANEOUS ITEMS OF
PERSONAL PROPERTY TO BE SURPLUS OR SCRAP AND
AUTHORIZING THEIR DISPOSAL**

RECITALS:

1) The District owns vehicles, miscellaneous equipment and supplies which by reason of the District's replacement policy or obsolescence are surplus or scrap and no longer useful to District operations.

2) District staff has reviewed the property listed in Schedule "A" and recommends these items be sold at public auction or scrapped if the items have no value.

3) It is in the best interest of the District that said property itemized in Schedule "A" be disposed at public auction or scrapped if the items have no value.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the property listed in Schedule "A" be declared surplus or scrap and authorize the District to sell these items at public auction or scrapped if the items have no value.

ADOPTED this 12th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary