

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
SEPTEMBER 26, 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 September 12, 2023
- b. Vouchers
- c. Prequalification of Contractor: Cannon Construction LLC
- d. Bid Opening Results
 - September 18, 2023 – Bid Doc. 23-36-D-BID, 230 kV Switches for Clovis Substation
 - September 19, 2023 – Bid Doc. 23-25-D-BID, Fiber Optic Cable and Conduit Installation - Unit Price Contract
- e. 23-168 – Affirming Resolution Waiving the Formal Competitive Bidding Requirements to Purchase Distribution Transformers due to Market Conditions
- f. 23-169 – Resolution Authorizing Award of Contract 23-25-D-BID to North Sky Communications, LLC for Fiber Optic Conduit and Cable Installation – Unit Price Contract
- g. 23-170 – Resolution Authorizing Award of Contract 23-36-D-BID, 230 kV Switches for Clovis Substation, to Carlson Sales c/o Pascor
- h. 23-171 – Resolution Authorizing Approval of Land Use Permit 128B-01, Angela Skirko
- i. 23-172 – Resolution Authorizing a Fiber and Power Crossing Agreement with the Wenatchee Reclamation District

3. Public Comment

4. Regular Agenda

23-173 – Resolution Authorizing Change Order No. 100 to Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project

23-174 – Resolution Authorizing Change Order No. 101 to Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project

23-175 – Resolution Authorizing Approval of Amended Right-of-Way Railroad Permit RR427-01, City of Pateros

23-176 – Resolution Authorizing Amendment No. 1 to Professional Service Agreement 22-39-W-PS with Lettis Consultants International, Inc.

23-177 – Resolution Authorizing a Power Purchase and Sale Confirmation with Portland General Electric

23-178 – Resolution Recommending Restatement of the District's 401(a) and 457(b) Plans, Adopting the Charter and Operating Guidelines to Establish the District's Retirement Plan Fiduciary Committee, and Adopting a Policy Statement for the District's Retirement Plan

5. Write-off to the Reserve for Uncollectible Accounts – September 2023: \$884.00
6. Preliminary Disturbance Reports
7. Other
8. Trips
9. Minutes
10. 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. _____

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

RECITALS:

1) Resolution No. 22-230 previously authorized the waiving of the formal competitive bid requirements to purchase distribution transformers due to market conditions through June 30, 2023.

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 significant 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 extend the waiver of the formal competitive bid requirements for the procurement of distribution transformers through December 31, 2023.

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 December 31, 2023.

ADOPTED this 26th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
23-25-D-BID TO NORTH SKY COMMUNICATIONS, LLC FOR
FIBER OPTIC CONDUIT AND CABLE INSTALLATION - UNIT
PRICE CONTRACT**

RECITALS:

1) Resolution No. 23-144, dated August 22, 2023, authorized a Call for Bids for Bid Document 23-25-D-BID, Fiber Optic Conduit and Cable Installation – Unit Price Contract.

2) On September 19, 2023, after due and proper notice, the District received 3 bids as follows:

Cascade Cable Constructors, Inc.	\$6,513,285.95
North Sky Communications, LLC	\$5,720,786.63
Cannon Construction, LLC	\$8,699,949.00
Engineers Estimate	\$6,407,277.75

3) It is in the best interests of the District to award Contract 23-25-D-BID to North Sky Communications, LLC with an authorized expenditure of \$3,200,000.00 (three million, two hundred thousand) per year, with an option to renew for a second year.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 23-25-D-BID is awarded to North Sky Communications, LLC. The General Manager is authorized to issue a contract with North Sky Communications, LLC, subject to filing of the Contract and a Performance and Payment Bond in accordance with the District’s specifications and which contract and bond are in a form satisfactory to the District.

ADOPTED this 26th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF
CONTRACT 23-36-D-BID, 230 KV SWITCHES FOR CLOVIS
SUBSTATION, TO CARLSON SALES C/O PASCOR**

RECITALS:

1) By Resolution No. 23-146 dated August 22, 2023, the District called for bids under Bid Document 23-36-D-BID, 230 kV Switches for Clovis Substation.

2) On September 18, 2023, the District opened five bids as follows:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Southern States, LLC Hampton, GA	\$490,820.00
Cleveland/Price Inc. Trafford, PA	\$449,600.00
Royal Switchgear Manufacturing Co. Bessemer, AL	\$474,120.00
Carlson Sales c/o Pascor Battleground, WA	\$408,279.34
Carlson Sales c/o Pascor (Alt. Bid) Battleground, WA	\$428,051.50
Engineer's Estimate	\$676,000.00

3) District staff have reviewed the lowest bid received and found that the bid from Carlson Sale c/o Pascor does not meet all terms and conditions of Bid Document 23-36-D-BID.

4) District staff have reviewed the second lowest bid received and found that the bid from Carlson Sale c/o Pascor (Alt. Bid) meets all terms and conditions of Bid Document 23-36-D-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 23-36-D-BID to Carlson Sale c/o Pascor (Alt. Bid).

5) It is in the best interests of the District to award Contract 23-36-D-BID to the lowest responsive bidder, Carlson Sales c/o Pascor (Alt. Bid), with an authorized

expenditure of \$428,051.50 (four hundred twenty-eight thousand, fifty-one dollars and fifty cents).

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 23-36-D-BID is awarded to Carlson Sales c/o Pascor (Alt. Bid). The General Manager is authorized to issue a Contract with Carlson Sales 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 26th 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 APPROVAL OF LAND USE
PERMIT 128B-01, ANGELA SKIRKO**

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:

Angela Skirko Wells Permit 128B-01

Angela Skirko has applied for a Land Use Permit for the use of an existing access road and existing residential lawn and landscaping. 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 128B-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 128B-01.

ADOPTED this 26th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A FIBER AND POWER
CROSSING AGREEMENT WITH THE WENATCHEE
RECLAMATION DISTRICT**

RECITALS:

1) The Wenatchee Reclamation District holds existing easement rights along Center Street in Rock Island.

2) Earlier this spring, the District completed a project for the City of Rock Island to convert the overhead electric system to underground along Center Street. During this project, the District made multiple fiber and electrical conduit crossings through an existing Wenatchee Reclamation District easement.

3) The Wenatchee Reclamation District has put together the attached Fiber and Power Crossing Agreement to set forth the District's responsibilities for working within this existing easement.

4) It is in the best interests of the District to enter into the attached Fiber and Power Crossing Agreement with the Wenatchee Reclamation District.

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

ADOPTED this 26th 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. 100 TO CONTRACT 06-41-W, GENERATOR REBUILD AND UNIT REFURBISHMENT FOR THE WELLS HYDROELECTRIC PROJECT

RECITALS:

1) Resolution No. 07-158 awarded Contract 06-41-W to Toshiba International Corporation (TIC) for \$151,100,000.00. Resolution No. 15-056 approved assignment of Contract 06-41-W to Toshiba America Energy Systems Corporation (TAES).

2) As referenced in the attached resolution and contract summaries, the following changes have previously been authorized, bringing the authorized work total to \$244,156,268.00 and the contract not-to-exceed total to \$257,482,701.00:

- Notice to Proceed on the 1st through 9th Units;
- Change Order Nos. 1 through 99

3) Change Order No. 100 has been prepared to address the outage duration of the 6th Unit (U5) and apply Incentive Payment for reducing the unit outage duration. Change Order No. 100, in the amount of \$85,000.00, will increase the authorized work total to \$244,241,268.00 and the contract not-to-exceed total to \$257,567,701.00.

4) Wells Dam performed and documented a Critical Path Analysis as a measure against the Contractors claim and has determined that it is in the best interest of the District to execute Change Order No. 100.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District is hereby authorized and directed to issue Change Order No. 100 to Contract 06-41-W in the amount of \$85,000.00.

ADOPTED this 26th 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. 101
TO CONTRACT 06-41-W, GENERATOR REBUILD AND
UNIT REFURBISHMENT FOR THE WELLS
HYDROELECTRIC PROJECT**

RECITALS:

1) Resolution No. 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 No. 15-056 approved assignment of Contract 06-41-W to Toshiba America Energy Systems Corporation (TAES).

2) As referenced in the attached Contract Summary and Resolution Summary, the following changes have previously been authorized bringing the authorized work total to \$244,156,268.00 and the contract not-to-exceed total to \$257,482,701.00.

- Notice to Proceed (NTP) on the 1st through 9th Units;
- Change Order Nos. 1 through 99.

3) Change Order No. 101 has been prepared to finalize the payment adjustment and the time and material rates for changes in the work, using the final published index values. Change Order No. 101 will increase the 9th Unit total by \$26,082.00 to \$29,889.032.00 and increase the authorized work total and the not-to-exceed total of the contract to \$244,267,296.00 and \$257,593,729.00, respectively. The aforementioned contract totals include the assumption that Change Order No. 100 will be approved in conjunction with Change Order No. 101.

4) It is in the best interest of the District to execute Change Order No. 101.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that, in accordance with Administrative Bulletin 9.7, District staff is authorized and directed to issue Change Order No. 101 to Contract 06-41-W.

ADOPTED this 26th 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 APPROVAL OF AMENDED
RAILROAD RIGHT-OF-WAY PERMIT RR427-01,
CITY OF PATEROS**

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. Railroad permits are required for use of the District's Railroad Right-of-Way.

2) District personnel recommend approval of the following amended Railroad Right-of-Way Permit:

City of Pateros Railroad Permit RR427-01

The permit is for use of the District's Railroad Right-of-Way. The City of Pateros currently has the right to use said Right-of-Way for the use of a Pateros sign, a gravel parking area, landscape and electric vehicle (EV) charging station infrastructure and equipment. The District's Railroad Right-of-Way Permit to the City of Pateros has been amended to include: padmount transformer, underground conduit, pull box, CT cabinet, vault and pad, PCS cabinets, electrical switch gear, electrical transformer and electrical conductor, 2 future charging stations that will require 4 parking spots and curbs/bollards. 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 amended Railroad Permit RR427-01.

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, amended Railroad Permit RR427-01.

ADOPTED this 26th 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 AMENDMENT NO. 1 TO PROFESSIONAL SERVICE AGREEMENT 22-39-W-PS WITH LETTIS CONSULTANTS INTERNATIONAL, INC.

RECITALS:

1) By Resolution No. 22-100 dated May 16, 2022, the District entered into a Professional Service Agreement (22-39-W-PS) with Lettis Consultants International, Inc. (LCI) to more fully evaluate and then characterize the attributes associated with the Spencer Canyon fault.

2) LCI has identified and excavated the Spencer Canyon fault in Douglas County and has identified several unique aspects of the fault that will be beneficial in properly assigning the hazard classification of Wells Dam.

3) Amendment No. 1 would authorize adding one new task (Task 4) to LCI's contract. This new task is needed to establish the Seismic Hazard Assessment classification for the Wells Project prior to the completion of the project's Comprehensive Assessment. This amendment will also extend the term of the contract through June 30, 2024.

4) Based upon the District's need to revise the Seismic Hazard Assessment for the Wells Project and to ensure that the Spencer Canyon fault site identified within Douglas County is properly cataloged and characterized, staff believes it is in the best interest of the District to approve Amendment No. 1 to Professional Service Agreement 22-39-W-PS with Lettis Consultants International, Inc. Approval of Amendment No. 1 would increase the total cost of the Agreement by \$135,000 bringing the total not-to-exceed cost for the contract to \$735,000.

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 approve Amendment No. 1 to Professional Service Agreement 22-39-W-PS with Lettis Consultants International, Inc. for the Wells Hydroelectric Project.

ADOPTED this 26th 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 A POWER PURCHASE AND
SALE CONFIRMATION WITH PORTLAND GENERAL
ELECTRIC**

RECITALS:

- 1) The District has a contract for the sale of a 10% slice of Wells to Avista Corporation, which expires on December 31, 2023 (District Resolution 18-163).
- 2) The District desires to continue selling a 10% slice of Wells for a combination of return energy and monetary considerations for calendar years 2024 and 2025.
- 3) The District has elected to sell a 10% slice of Wells to Portland General Electric (PGE) for calendar years 2024 and 2025, under terms that will bring in twenty-five average megawatts to the District. Additionally, a payment will be made by PGE to the District for the capacity and energy delivered on both a prospective and actual basis. All terms are detailed within the Power Purchase and Sale Confirmation.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District hereby authorized the General Manager to sign this Power Purchase and Sales Confirmation.

ADOPTED this 26th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

A RESOLUTION RECOMMENDING RESTATEMENT OF THE DISTRICT'S 401A AND 457B PLANS, ADOPTING THE CHARTER AND OPERATING GUIDELINES TO ESTABLISH THE DISTRICT'S RETIREMENT PLAN FIDUCIARY COMMITTEE, AND ADOPTING A POLICY STATEMENT FOR THE DISTRICT'S RETIREMENT PLAN

RECITALS:

- 1) In early 2022, the District began a plan review of the District's 401(a) and 457(b) retirement plans. The purpose of the review was to determine whether the plans were compliant with current rules and competitive in regard to fees. Resolution No. 23-081 authorized the amendment and restatement of the District's Deferred Compensation Plan and Trust ("Plan").
- 2) The District initiated a Request for Proposal for a recordkeeper.
- 3) The successful proposal was the District's current recordkeeper, Nationwide Retirement Solutions with a new bundled governmental plan, requiring a restatement.
- 4) District staff recommends the adoption of the restated plans.
- 5) The District began establishing a Retirement Plan Fiduciary Committee in late 2022 to provide oversight of the District's retirement plans.
- 6) Staff wishes to formally adopt the Charter and Operating Guidelines and recommends establishing the Retirement Plan Fiduciary Committee.
- 7) The Retirement Plan Fiduciary Committee recommends the adoption of an investment policy statement for the District's retirement plans.
- 8) It is in the best interest of the District to adopt the investment policy statement.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Human Resource Administrator, as the Plan's designated administrator, is authorized and directed to execute the restated documents. The General Manager is authorized to approve the recommended Committee

Charter; the Committee shall adopt the recommended Operating Guidelines and the retirement plans investment policy statement.

ADOPTED this 26th day of September, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document