

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
OCTOBER 10, 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 26, 2023
- b. Vouchers
- c. Bid Opening Results – October 2, 2023 – Bid Doc. 23-32-D-BID, Install Veedol Power Conduits and Vaults
- d. 23-179 – Resolution Authorizing Acceptance of Work and Final Payment to Magnum Power, LLC under Contract 21-09-D, Construct Lincoln Rock Switchyard
- e. 23-180 – Resolution Authorizing a Call for Bids Under Bid Document 23-21-W-BID, Rehabilitate Intake Trashracks at the Wells Hydroelectric Project
- f. 23-181 – Resolution Authorizing Award of Contract 23-32-D-BID to Hurst Construction, LLC to Install Veedol Power Conduits and Vaults
- g. 23-182 – Resolution Authorizing Approval of Land Use Permit 3A-02 and Railroad Right-of-Way Permit RR3A-02, Antoine Creek Vineyard
- h. 23-183 – Resolution Authorizing Approval of Land Use Permit 115-02, Heaven's Gate Properties, LLC
- i. 23-184 – Resolution Authorizing an Easement Acquisition from Steven McGregor

3. Public Comment

4. Hearing on the Electric Distribution System and Wells Hydroelectric Project Calendar Year 2024 Budget

5. Regular Agenda

23-185 – Resolution Changing the Day of Regular Board Meetings

23-186 – Resolution Authorizing Amendment No. 1 to Professional Service Agreement 21-16-W-PS with Erlandsen and Associates, Inc.

23-187 – Resolution Affirming Change Order No. 2 to Contract 22-13-D-BID, Hydrogen Production and Fueling Facility

23-188 – Resolution Affirming Change Order No. 3 to Contract 22-13-D-BID, Hydrogen Production and Fueling Facility

23-189 – Resolution Authorizing Professional Service Agreement 23-43-W-PS with Facility-Screening-Passage Engineers, PLLC for Hatchery Consulting Engineering Support Services at District Hatchery Facilities

23-190 – Resolution Authorizing Change Order No. 2 to Contract 22-57-W-BID, Spillway and Spillway Gate Maintenance at the Wells Hydroelectric Project

23-191 – Resolution Authorizing a Contribution in Aid of Construction Master Service Agreement with LocalTel

6. Financial and Statistical Report – Wells Project – August 2023
7. Budget Report – Wells Project – August 2023
8. Treasurer’s Report – Distribution System – September 2023
9. Treasurer’s Report – Wells Project – September 2023
10. DCCN Report – September 2023
11. Preliminary Disturbance Reports
12. Other
13. Trips
14. Minutes
15. 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 MAGNUM POWER, LLC UNDER
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) District staff report the Contractor has satisfactorily completed all requirements of Contract 21-09-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 \$31,937.04 upon receiving the required notifications from the State of Washington when applicable. The total cost of work under this contract is \$7,124,867.43 plus tax.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 21-09-D.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the work under Contract 21-09-D, Construct 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 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 23-21-W-BID, REHABILITATE INTAKE
TRASHRACKS AT THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) The District has a need to rehabilitate turbine intake trashracks and slot covers at the Wells Hydroelectric Project. Bid Document 23-21-W-BID has been prepared for cleaning and coating one set of fifteen (15) trashrack sections and one set of three (3) slot covers for installation.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to rehabilitate trashracks in accord with the specifications, terms and conditions of Bid Document 23-21-W-BID. Sealed bids will be accepted until November 13, 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 23-21-W-BID, Rehabilitate Intake Trashracks at the Wells Hydroelectric Project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 23-21-W-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to rehabilitate intake trashracks at the Wells Hydroelectric Project.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
23-32-D-BID TO HURST CONSTRUCTION, LLC TO INSTALL
VEEDOL POWER CONDUITS AND VAULTS**

RECITALS:

1) By Resolution No. 23-145 dated August 22, 2023, the District called for bids under Bid Document 23-32-D-BID, Install Power Conduits and Vaults.

2) On October 2, 2023, the District opened nine bids as follows:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Colvico, Inc. Spokane, WA	\$2,476,838.00
Farmers Electric II, LLC Othello, WA	\$1,499,983.28
Cannon Constructors, Inc. Milton, WA	\$1,822,934.08
Midland Electric, Inc. Davenport, WA	\$968,906.00
J&K Earthworks, LLC Rock Island, WA	\$1,278,940.00
Palouse Power, LLC Quincy, WA	\$1,860,472.00
Hurst Construction, LLC Wenatchee, WA	\$1,238,242.00
KRCI, LLC Wenatchee, WA	\$1,532,880.00
Neppel Electrical & Controls, LLC Moses Lake, WA	\$1,372,573.00
Engineer's Estimate	\$1,610,000.00

3) The lowest responsive bidder formerly requested to withdraw their bid due to underestimating a major component of the bid. District staff have reviewed the remaining bids and found the bid from Hurst Construction, LLC meets all terms and conditions of Bid Document 23-32-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 23-32-D-BID to Hurst Construction, LLC.

4) It is in the best interests of the District to award Contract 23-32-D-BID to Hurst Construction, LLC with an authorized expenditure of \$ 1,238,242.00 (one million, two hundred thirty-eight thousand, two hundred forty-two dollars).

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 23-32-D-BID is awarded to Hurst Construction, LLC. The General Manager is authorized to issue a Contract with Hurst Construction, LLC 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 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 3A-02 AND RAILROAD RIGHT-OF-WAY PERMIT
RR3A-02, ANTOINE CREEK VINEYARD**

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:

Antoine Creek Vineyards LLC Wells Permits 3A-0

Antoine Creek Vineyards LLC Railroad Permit RR3A-02

These permits are for use of Project lands for an existing fence and non-exclusive vehicular ingress and egress across the right-of-way over the Cascade and Columbia River Railroad. 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 3A-02 and RR3A-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 3A-02 and Wells Hydroelectric Project Railroad Right-of-Way Permit Number RR3A-02.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING APPROVAL OF LAND USE
PERMIT 115-02, HEAVEN'S GATE PROPERTIES, LLC**

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:

Heaven's Gate Properties, LLC

Wells Permit 115-02

Heaven's Gate Properties, LLC has applied for a Land Use Permit to continue to mow and mechanically rake to maintain and enhance habitat for goose pasture and other wildlife benefits as the previous permittee did. 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 115-02.

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 115-02.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AN EASEMENT ACQUISITION FROM
STEVEN MCGREGOR**

RECITALS:

1) Steven McGregor owns property and operates an orchard adjacent to the Rapids Substation in Rock Island. The District has two transmission lines crossing his property.

2) The District has been on Mr. McGregor's property numerous times over the past few years for transmission line upgrades out of the Rapids Substation, requiring several of Mr. McGregor's fruit trees be removed, re-planted, removed again and re-planted once again.

3) The District is interested in obtaining an additional easement from Mr. McGregor at this time encompassing both transmission line corridors which would not allow him to re-plant fruit trees within the subject easement area when removed once again for transmission line upgrades. Based on past appraisals provided to the District by Pacific Appraisal Associates, such an easement is valued at \$25,000.00.

4) It is in the best interests of the District to obtain the subject easement from Steven McGregor and allow the District's General Manager to sign and execute the necessary forms, Intent to Grant Easement form, and subject easement from Steven McGregor. The cost of the subject easement is \$25,000.00.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the acquisition of the subject easement between Steven McGregor and the District is hereby approved and the District's General Manager is authorized to execute the necessary documents on behalf of the District.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

A RESOLUTION CHANGING THE DAY OF REGULAR BOARD MEETINGS

RECITALS:

WHEREAS, Meetings of the Board of Commissioners of Public Utility District No. 1 of Douglas County are now established as being on the first and third Tuesday of each month in East Wenatchee, including semi-annual meetings at Wells Dam and the Bridgeport office effective January 1, 2024.

BE IT HEREBY RESOLVED, That the day of holding regular meetings of the Board of Commissioners shall be the first and third Tuesday of each month in the East Wenatchee office, including semi-annual meetings at Wells Dam and the Bridgeport Office.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AMENDMENT NO. 1
TO PROFESSIONAL SERVICE AGREEMENT 21-16-W-PS WITH
ERLANDSEN AND ASSOCIATES, INC.**

RECITALS:

1) The District has a need for ongoing professional land surveying services for the Wells Hydroelectric Project related to the settlement and alignment sections found within the District's Dam Safety and Surveillance Monitoring Plan (DSSMP).

2) By Resolution No. 21-040 dated March 8, 2021, the District entered into a Professional Service Agreement (21-16-W-PS, Agreement) with Erlandsen and Associates, Inc. (Erlandsen) for a not to exceed amount of \$300,000 and a termination date of December 31, 2023.

3) Amendment No. 1 would authorize Erlandsen to continue to provide the settlement, alignment, and monitoring surveying for the District during calendar years 2024 and 2025 and to add an on-call support task to the contract. Amendment No. 1 would authorize an extension of the Agreement through March 31, 2026 and would increase the authorized amount of the Agreement by \$335,000, bringing the total not to exceed amount to \$635,000.

4) Based upon the District's need for ongoing professional surveying services associated with the Dam Safety Program, it is in the best interest of the District to amend Agreement 21-16-W-PS with Erlandsen.

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 21-16-W-PS with Erlandsen and Associates, Inc. to provide settlement, alignment, and monitoring surveying for the Wells Hydroelectric Project.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 2 TO
CONTRACT 22-13-D-BID, HYDROGEN PRODUCTION AND
FUELING FACILITY**

RECITALS:

1) By Resolution No. 22-237 dated December 20, 2022, the District awarded Contract 22-13-D-BID, Hydrogen Production and Fueling Facility to IMCO General Construction, Inc. Resolution No. 23-141 affirmed Change Order No. 1 to increase the Contract amount by \$49,770.05 for a not-to-exceed total of \$18,275,270.05.

2) The District has identified the need to make changes to the contract which include: electrical underground and electrical grounding revisions, addition of transformer no. 3 for emergency back-up power, improved safety features, lighting modifications, door and window revisions, and modifications to the production building stairway.

3) District staff recommend affirmation of Change Order No. 2 in the amount of \$350,059.00, which brings the total amount of the contract to \$18,625,329.05. There is no modification of time to the contract.

4) It is in the best interest of the District to affirm Change Order No. 2 to Contract 22-13-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 22-13-D-BID, Hydrogen Production and Fueling Facility is affirmed by the Commission.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 3 TO
CONTRACT 22-13-D-BID, HYDROGEN PRODUCTION AND
FUELING FACILITY**

RECITALS:

1) By Resolution No. 22-237 dated December 20, 2022, the District awarded Contract 22-13-D-BID, Hydrogen Production and Fueling Facility to IMCO General Construction, Inc. Previous change orders have been approved to increase the total cost of the contract to \$18,625,329.05.

2) IMCO General Construction has requested that the District participate in risk mitigation for the Project by purchasing builder's risk insurance. This insurance will help protect both the District and IMCO against property damage to the Project through substantial completion, including start-up and testing. IMCO is proposing to split the cost of such insurance. The policy covers \$32,225,500.00 of hard costs associated with the Project. The term premium for the builder's risk insurance policy is quoted at \$228,150.00. IMCO is requesting that the District contribute \$100,000.00 towards the policy premium amount.

3) District staff recommends affirmation of Change Order No. 3 in the amount of \$100,000.00, which brings the total amount of the contract to \$18,725,329.05. There is no modification of time to the contract.

4) It is in the best interest of the District to affirm Change Order No. 3 to Contract 22-13-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 3 to Contract 22-13-D-BID, Hydrogen Production and Fueling Facility is affirmed by the Commission.

ADOPTED this 10th day of October, 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
23-43-W-PS WITH FACILITY-SCREENING-PASSAGE ENGINEERS, PLLC
FOR HATCHERY CONSULTING ENGINEERING SUPPORT SERVICES AT
DISTRICT HATCHERY FACILITIES**

RECITALS:

1) To comply with the FERC license 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.

2) Resolution No. 23-156 authorized the District to issue a Request for Qualification 23-37-W-RFQ from professional engineering firms to assist its staff with the repairs, maintenance, and upcoming alteration of its hatchery facilities. In response to the publication, the District received three proposals including Sage Geotechnical, LLC, Jacobs Engineering, Inc., and Facility-Screening-Passage Engineering, PLLC (FSP).

3) The District team unanimously selected FSP as the most responsive, qualified, and experienced hatchery engineering consultant. For the past decade, the professional engineers of FSP have provided the District with hatchery-related engineering services and District staff recommends that FSP be selected as the most qualified hatchery engineering team identified through the RFQ process.

4) FSP would provide hatchery-related engineering support services for the District including ongoing construction support services and the identification of ongoing mechanical, electrical, structural, and civil solutions to various operational issues at the District's hatcheries.

5) Based upon the need to operate and maintain the District hatchery facilities consistent with the FERC license and HCP, District staff recommends entering into a professional service agreement for consulting engineering services with FSP with the cost not-to-exceed \$350,000 and a termination date of October 31, 2026.

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 23-43-W-PS with Facility-Screening-Passage Engineers, PLLC for hatchery consulting engineering support services.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO
CONTRACT 22-57-W-BID, SPILLWAY AND SPILLWAY GATE
MAINTENANCE AT THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 22-211 dated November 28, 2022, the District awarded Contract 22-57-W-BID, Spillway and Spillway Gate Maintenance at the Wells Hydroelectric Project to Garco Construction, for an authorized total expenditure of \$7,140,648.00 and a completion date of April 30, 2026.

2) Change Order No. 2 has been prepared to address several changes to the work as briefly described below:

- Provide payment for concrete materials used on Spillway 9.
- Offsite fabrication of 3 sets of lower blocking shoes for the next three gates to eliminate the gate rotational issue.
- Onsite labor for installation of lower blocking shoes on 8 remaining gates.
- Offsite fabrication corrections for bulkhead platforms and ladders that couldn't be installed due to unknown conditions during design.
- Supply new components that were found damaged on Spillgate 6.
- Onsite work to disassemble and inspect out-of-scope items on Spillgate 6 and Spillway 6 at request of DCPUD Dam Safety and the District's consulting engineers Black and Veatch.
- Onsite work to replace SG6's lower leaf seals.
- Onsite work to perform SG6 welded structure repairs.

3) District staff recommends that the District approve Change Order No. 2 in the amount of \$753,095.00. Previous change orders, in addition to this change order, bring the total cost of the contract to \$8,260,112.00.

4) It is in the best interests of the District to approve Change Order No. 2 to Contract 22-57-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 22-57-W-BID, Spillway Gate Maintenance at the Wells Hydroelectric Project is approved by the Commission.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CONTRIBUTION IN AID OF
CONSTRUCTION MASTER SERVICE AGREEMENT WITH
LOCALTEL**

RECITALS:

1) Computers 5 Inc., DBA LocalTel Communications (LocalTel) has been awarded Rural Digital Opportunity Fund (RDOF) funding.

2) LocalTel wishes to reimburse the District for rural broadband construction in Douglas County. To this end, LocalTel has prepared a Contribution in Aid of Construction Master Service Agreement (CIACMSA).

3) It is in the best interests of the District to enter into a CIACMSA with LocalTel.

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 a CIACMSA with LocalTel.

ADOPTED this 10th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary