

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
EAST WENATCHEE, WASHINGTON
OCTOBER 24, 2023

Public participation for the hearing may be done in person or remotely.

Video: [Microsoft Teams](#)

Meeting ID: 237 263 258 268

Password: o3RiiT

10:30 AM Workshop

Reports by Staff

12:00 PM Lunch Meeting with Douglas County Government Officials

1:30 PM Regular Meeting

1. Flag Salute

2. Consent Agenda

- a. Meeting Minutes of October 10, 2023
- b. Vouchers
- c. 23-192 – Resolution Authorizing Change Order No. 9 to Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations
- d. 23-193 – Resolution Authorizing Acceptance of Work and Final Payment to Michels Pacific Energy, Inc. Under Contract 21-49-D-BID, Construct Urban Industrial Substation
- e. 23-194 – Resolution Authorizing Change Order No. 1 to Contract 22-42-W-BID, Motor Control Center Replacement at the Wells Hydroelectric Project
- f. 23-195 – Resolution Authorizing Professional Service Agreement 23-42-W-PS with Buchanan Statistical Consulting, LLC to Provide On-Call Statistical Consulting Services
- g. 23-196 – Resolution Authorizing a Request for Qualifications 23-44-D-RFQ, Professional Engineering Services for General Civil Engineering
- h. 23-197 – Resolution Authorizing Approval of Land Use Permit 4E-01 and Railroad Right-of-Way Permit RR4E-01, Melodie White
- i. 23-198 – Resolution Authorizing Land Use Agreement No. 20230252 with the Bonneville Power Administration
- j. 23-199 – Resolution Authorizing the District to Renew Property Insurance with ACE American Insurance Company and AEGIS Insurance

3. Strategic Plan Presentation

4. Public Comment

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

6. Regular Agenda

23-200 – Resolution Authorizing Amendment No. 2 to Professional Service Agreement 21-15-W-PS with Stantec Consulting Services, Inc.

23-201 – Resolution Authorizing Change Order No. 2 to Contract 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project

23-202 – Resolution Authorizing Amendment No. 4 to Interagency Agreement with Washington Department of Fish and Wildlife for Increased Chinook Production at the Wells Hatchery

7. Financial and Statistical Reports – Distribution System – August 2023

8. Budget Reports – Distribution System – August 2023

9. Preliminary Disturbance Reports

10. Other

11. Trips

12. Minutes

13. 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. 9 TO
CONTRACT 21-33-D-BID, HYDROGEN AND LINCOLN ROCK
SWITCHYARD UTILITY INSTALLATIONS**

RECITALS:

1) By Resolution No. 21-120 dated July 26, 2021, the District awarded Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations to KRCI, LLC. Previous change orders have increased the contract amount to \$4,329,415.65.

2) KRCI, LLC has completed the construction of the water transmission work addressed in Change Order No. 8. However, due to the incomplete hydrogen production facility site infrastructure, the commissioning of the installed equipment will not take place until next year. Therefore, as a result, District staff recommends the contract completion date be extended from July 31, 2023 to June 30, 2024.

3) District staff recommends authorization of Change Order No. 9, which extends the contract completion date to June 30, 2024. The not-to-exceed total for the contract will not change.

4) It is in the best interest of the District to approve Change Order No. 9 to Contract 21-33-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Change Order No. 9 to Contract 21-33-D-BID, Hydrogen and Lincoln Rock Switchyard Utility Installations is approved by the Commission.

ADOPTED this 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK AND
FINAL PAYMENT TO MICHELS PACIFIC ENERGY, INC.
UNDER CONTRACT 21-49-D-BID, CONSTRUCT
URBAN INDUSTRIAL SUBSTATION**

RECITALS:

1) By Resolution No. 21-200 dated November 22, 2021, the District awarded Contract 21-49-D-BID, Construct Urban Industrial Substation to Michels Pacific Energy, Inc.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 21-49-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 in the amount of \$408,506.56 upon receiving the required notifications from the State of Washington when applicable. The total cost of work under this contract is \$8,170,131.15 plus tax.

3) It is in the best interest of the District to accept the work as complete and authorize final payment under Contract 21-49-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 21-49-D-BID, Construct Urban Industrial Substation 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 24th day of October, 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 22-42-W-BID, MOTOR CONTROL CENTER
REPLACEMENT AT THE WELLS HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 23-010 dated January 9, 2023, the District awarded Contract 22-42-W-BID, Motor Control Center Replacement at the Wells Hydroelectric Project to Olsson Industrial Electric.

2) Change Order No. 1 has been prepared to add a Short Circuit Coordination Study and address the need for all necessary spare parts to be on hand when issues arise to help minimize outage times.

3) District staff recommends approval of Change Order No. 1 in the amount of \$120,939.35, which brings the total amount of the contract to \$2,887,928.70. The completion date of May 9, 2025, remains in effect.

4) It is in the best interests of the District to approve Change Order No. 1 to Contract 22-42-W-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 22-42-W-BID, Motor Control Center Replacement at the Wells Hydroelectric Project is approved by the Commission.

ADOPTED this 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING PROFESSIONAL SERVICE AGREEMENT
23-42-W-PS WITH BUCHANAN STATISTICAL CONSULTING, LLC TO
PROVIDE ON-CALL STATISTICAL CONSULTING SERVICES**

RECITALS:

1) Towards fulfillment of the Federal Energy Regulatory Commission license-compliance obligations for the Wells Project, the District has relied on Dr. Buchanan and the staff of Buchanan Statistical Consulting, LLC to provide on-call statistical consulting services.

2) Dr. Buchanan's statistical team has assisted the District in the design, review, and analysis of environmental, license-implementation, and Habitat Conservation Plan (HCP) studies.

3) Staff recommends approval of a Professional Service Agreement with Buchanan Statistical Consulting, LLC for the 2024-2026 calendar years.

4) It is in the best interest of the District to enter into a Professional Service Agreement with Buchanan Statistical Consulting, LLC for on-call statistical consulting services, with a cost not-to-exceed \$79,500 (seventy-nine thousand five hundred dollars) and an expiration date of December 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 with Buchanan Statistical Consulting, LLC for on-call statistical consulting services for the 2024-2026 calendar years.

ADOPTED this 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING REQUEST FOR
QUALIFICATIONS 23-44-D-RFQ, PROFESSIONAL ENGINEERING
SERVICES FOR GENERAL CIVIL ENGINEERING**

RECITALS:

1) The District occasionally has project specific needs for general civil engineering work related to the transmission and distribution systems which include roadway and site design.

2) The District has a need to issue a Request for Qualifications 23-44-D-RFQ, for general civil engineering services. Qualifications will be accepted until 1:30 p.m. Pacific Standard Time on December 5, 2023, in the District's East Wenatchee headquarters office.

3) It is in the best interest of the District to issue a request for qualifications and advertise in pertinent publications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Request for Qualifications 23-44-D-RFQ, Professional Engineering Services for General Civil Engineering Services is hereby approved and the District's General Manager is hereby authorized and directed to issue Request for Qualifications 23-44-D-RFQ to provide these services.

ADOPTED this 24th 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 4E-01 AND RAILROAD RIGHT-OF-WAY
PERMIT RR4E-01, MELODIE WHITE**

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:

Melodie White	Wells Permit 4E-01
Melodie White	Railroad Right-of-Way Permit RR4E-01

Melodie White has a current Land Use Permit for the use of existing residential landscaping. Her Land Use Permit has been updated to include other observed uses occurring on District land including: existing residential lawn, an existing fence, existing orchard, and an existing 10' wide mowed access path to the Wells Reservoir. Her Railroad Right-of-Way Permit has also been updated with the sub-tract number RR4E-01 and includes the access road/private drive. 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 4E-01 and Railroad Right-of-Way Permit RR4E-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, Wells Permit 4E-01 and Railroad Right-of-Way Permit RR4E-01.

ADOPTED this 24th 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 LAND USE AGREEMENT
NO. 20230252 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 second of three lines serving the Urban Industrial Substation.

3) It is in the best interest of the District to enter into Land Use Agreement No. 20230252 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. 20230252 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 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO RENEW
PROPERTY INSURANCE WITH ACE AMERICAN INSURANCE
COMPANY AND AEGIS INSURANCE SERVICES, INC.**

RECITALS:

1) The District's current Property Insurance Policy with ACE American Insurance Company (ACE) and AEGIS Insurance Services, Inc. (AEGIS) expires on November 1, 2023.

2) ACE and AEGIS Insurance Services, Inc. (AEGIS) provided a quote for renewal with similar terms and conditions for a 50/50 quota share program. The quoted premium is \$1,063,733, plus \$19,400 for inspection/engineering fees with a \$200,000,000 limit that includes coverage for acts of terrorism. The AEGIS quote does not provide coverage for physical damage of the District's mobile equipment or heavy trucks.

3) Markel Insurance Company provided a quote to cover physical damage to the District's heavy trucks for a premium of \$18,484.

4) District staff has reviewed the quotes and recommends renewal of Property Insurance with ACE and AEGIS.

5) It is in the best interests of the District to renew coverage through ACE and AEGIS for the quoted premium of \$1,083,133 plus taxes for the period of November 1, 2023 to November 1, 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 Property insurance coverage with ACE and AEGIS.

ADOPTED this 24th 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 AMENDMENT NO. 2 TO PROFESSIONAL SERVICE AGREEMENT 21-15-W-PS WITH STANTEC CONSULTING SERVICES, INC.

RECITALS:

1) By Resolution No. 21-042 dated March 8, 2021, the District entered into a three-year Professional Service Agreement (21-15-W-PS) with Stantec Consulting Services, Inc. (Stantec) to provide both geotechnical, seismic and specialized dam safety related engineering services at the Wells Hydroelectric Project (Wells Project).

2) By Resolution No. 22-065 dated March 28, 2022, Amendment No. 1 increased the amount of the Contract by \$7,947,211 bringing the total not-to-exceed amount of the Agreement to \$8,647,211.

3) Amendment No. 2 would extend the Agreement, and provide additional funds and scope sufficient for Stantec to complete the final phases of the Phase III Drilling Program Plan (DPP) for the Wells Project. This amendment is necessary in order to respond to unexpected site conditions experienced during the first six months of drilling, to address new issues raised by the FERC and BOC and for field implementation and oversight through completion of the DPP.

4) Based upon the District's need to continue the execution of the Phase III Drilling Program Plan in a safe, quantitatively accurate and efficient manner, it is in the best interest of the District to approve Amendment No. 2 to Professional Service Agreement 21-15-W-PS with Stantec Consulting Services, Inc. If approved, Amendment No. 2 would increase the total cost of the Agreement by \$4,900,000 bringing the total cost not-to-exceed for the Agreement to \$13,547,211. The term of the Agreement would be extended through December 31, 2024.

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. 2 to Professional Service Agreement 21-15-W-PS with Stantec Consulting Services, Inc. for the Wells Hydroelectric Project.

ADOPTED this 24th 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 21-52-W-BID, GENERATOR STEP-UP (GSU)
TRANSFORMER REPLACEMENT AT THE WELLS
HYDROELECTRIC PROJECT**

RECITALS:

1) By Resolution No. 22-167 dated September 26, 2022, the District awarded Contract 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project to Olsson Industrial Electric.

2) Change Order 2 has been prepared to address the following changes: GSU-1 through GSU-5 Anchorage Design and Install and Iso-phase Bus Replacement for GSU-1 through GSU-5. The completion date of April 30, 2027, remains in effect.

3) District staff recommends that the District approve Change Order No. 2 in the amount of \$1,800,220.00. Previous change orders, in addition to this change order, bring the total cost of the contract to \$26,920,866.00.

4) It is in the best interest of the District to approve Change Order No. 2 to Contract 21-52-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 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project is approved by the Commission.

ADOPTED this 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO
INTERAGENCY AGREEMENT WITH WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE FOR INCREASED
CHINOOK PRODUCTION AT THE WELLS HATCHERY**

RECITALS:

1) By Resolution No. 19-119, the District approved an Interagency Agreement with Washington Department of Fish and Wildlife (WDFW) to use state general funds to raise 500,000 Chinook smolts at the Wells Hatchery to aid in the recovery of Southern Resident Orca (SRO) between July 2019 and June 2021.

2) By Resolution No. 20-179 and with the addition of a second funding package tied to Pacific Salmon Treaty (PST), the District approved Amendment No. 1 to the Interagency Agreement increasing the annual number of Chinook authorized to be reared from 500,000 to 1,000,000 and increasing level of total annual compensation paid by WDFW to Douglas PUD.

3) Resolution No. 21-107 approved Amendment No. 2 to the Interagency Agreement extending the contract by a new two-year term for SRO Chinook production and a one-year term for PST production between July 2021 and June 2023.

4) Resolution No. 22-188 approved Amendment No. 3 to the Interagency Agreement and extended the contract for PST production in FY22 thereby increasing the annual number of fish covered by this Agreement from 500,000 to 1,000,000 Chinook smolts and increasing level of total annual compensation paid by WDFW to Douglas PUD.

5) In May 2023, WDFW received legislative funding to extend the SRO rearing program at Wells Hatchery for two additional years (FY23 and FY24) to raise 500,000 SRO Chinook each fiscal year between July 2023 and June 2025 and would result in WDFW paying Douglas PUD \$350,000.00 for the two-year program.

6) WDFW has proposed, and staff recommends, Amendment No. 4 to the Interagency Agreement thereby extending the term of the contract through June 30, 2025, and increasing the total not-to-exceed amount from \$1,172,000.00 to \$1,522,000.00.

7) It is in the best interest of the District to approve the proposed Amendment No. 4 to the Interagency Agreement No. 19-136464 with WDFW.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Amendment No. 4 to the Interagency Agreement 19-136464 between Douglas PUD and WDFW is hereby approved, and the District's General Manager is hereby authorized and directed to execute Amendment No. 4 to the Interagency Agreement on behalf of the District.

ADOPTED this 24th day of October, 2023.

Ronald E. Skagen, President

Aaron J. Viebrock, Vice President

ATTEST:

Molly Simpson, Secretary

Draft Pre-decisional Document