

COMMISSION MEETING AGENDA
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
BRIDGEPORT, WASHINGTON
FEBRUARY 22, 2022

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 February 7, 2022
- b. Vouchers
- c. Bid Opening Results – February 16, 2022 – Bid Doc. 22-02-D-BID, Supply and Deliver 1272 ACSR and 1429 ACCC Overhead Conductor
- d. 22-027 – Resolution Affirming Change Order No. 2 to Contract 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No. 1 115 kV Line
- e. 22-028 – Resolution Authorizing Acceptance of Work and Final Payment to Sturgeon Electric Company Inc. Under Contract 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No. 1 115 kV Line
- f. 22-029 – Resolution Authorizing a Call for Bids Under Bid Document 22-25-D-BID, Provide Distribution Tree Trimming Services

3. Public Comment

4. Regular Agenda

22-030 – Resolution Authorizing the District to Seek Grant Funding Provided by the U.S. Economic Development Administration

22-031 – Resolution Authorizing Amendment No. 1 to Professional Service Agreement 21-17-W-PS with Schnabel Engineering, LLC

22-032 – Resolution Authorizing a Call for Bids Under Bid Document 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project

22-033 – Resolution Authorizing a Call for Bids Under Bid Document 22-16-D-BID, Steel Poles for the Rapids to Valhalla Transmission Line

22-034 – Resolution Authorizing the Purchase of Real Property from C & O Nursery Company, Enter Into a Lease Back Agreement and Execute a Boundary Line Adjustment Form

22-035 – Resolution Authorizing the Purchase of Real Property from Global AG Properties USA, LLC and Enter into a Lease Back Agreement with Zirkle Fruit

5. Claim for Damages – Floyd Butler: \$1,315 and C&C Investments: \$6,358.31
6. Write-off to the Reserve for Uncollectible Accounts – February 2022: \$281
7. DCCN Report – January 2022
8. Preliminary Disturbance Reports
9. Other
10. Trips
11. Minutes

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AFFIRMING CHANGE ORDER NO. 2 TO
CONTRACT 20-02-D-BID, REBUILD AND RECONDUCTOR THE
ROCKY REACH TO CHELAN FALLS NO. 1 115 KV LINE**

RECITALS:

1) By Resolution No. 20-053 dated March 23, 2020, the District awarded Contract 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No.1 115 kV Line to Sturgeon Electric Company, Inc.

2) Change Order No. 2 has been prepared to reimburse the District for a wood pole that was damaged during construction. The replacement cost of this pole was valued at \$4,369.45.

3) District staff recommends affirmation of Change Order No. 2 in the credit amount of (\$4,369.45). Previous change orders, in addition to this change order, bring the total cost of the contract to \$1,950,251.52.

4) It is in the best interests of the District to affirm Change Order No. 2 to Contract 20-02-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 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No. 1 115 kV Line is affirmed by the Commission.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ACCEPTANCE OF WORK
AND FINAL PAYMENT TO STURGEON ELECTRIC
COMPANY INC. UNDER CONTRACT 20-02-D-BID, REBUILD
AND RECONDUCTOR THE ROCKY REACH TO CHELAN
FALLS NO. 1 115 KV LINE**

RECITALS:

1) By Resolution No. 20-053 dated March 23, 2020, the District awarded Contract 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No.1 115 kV Line to Sturgeon Electric Company, Inc.

2) District staff report the Contractor has satisfactorily completed all requirements of Contract 20-02-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 \$92,998.94 (Ninety two thousand nine hundred ninety eight dollars and ninety four cents) upon receiving the required notifications from the State of Washington. The total cost of work under this contract is \$1,950,251.52.

3) It is in the best interests of the District to accept the work as complete and authorize final payment under Contract 20-02-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 20-02-D-BID, Rebuild and Reconductor the Rocky Reach to Chelan Falls No.1 115 kV Line 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. 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 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AWARD OF CONTRACT
22-02-D-BID TO BORDER STATES INDUSTRIES, INC. TO
SUPPLY AND DELIVER 1272 ACSR AND 1429 ACCC
OVERHEAD CONDUCTOR**

RECITALS:

1) By Resolution No. 22-009 dated January 24, 2022, the District called for bids under Bid Document 22-02-D-BID, Supply and Deliver 1272 ACSR and 1429 ACCC Overhead Conductor.

2) On February 16, 2022, the District opened three bids as follows:

<u>Bidder</u>	<u>Total for Bid Comparison</u>
Anixter, Inc. Portland, OR	\$1,413,674.00
American Wire Group, Inc. Miami, FL	\$860,920.00
Border States Industries, Inc. Lacey, WA	\$1,179,605.40
Engineer's Estimate	\$1,177,000.00

3) The bid from American Wire Group, Inc. was a partial bid and is therefore considered non-responsive. District staff have reviewed the remaining bids and a review of the bidder's experience, qualifications, financial and work references verified that Border States Industries, Inc. fulfills all necessary requirements and staff recommends award of Contract 22-02-D-BID to Border States Industries, Inc.

4) Contract 22-02-D-BID allows for the contractor to provide up to 5 percent over the requested cable length; this requires a not-to-exceed expenditure for the contract in place of a firm price.

5) It is in the best interests of the District to award Contract 22-02-D-BID to the lowest responsive bidder, Border States Industries, Inc. with an authorized expenditure not to exceed \$1,179,605.40 (One million, one hundred seventy nine thousand, six hundred five dollars and forty cents).

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Contract 22-02-D-BID is awarded to Border States Industries, Inc. The General Manager is authorized to issue a Contract with Border States Industries, Inc. 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 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 22-25-D-BID, PROVIDE DISTRIBUTION TREE
TRIMMING SERVICES**

RECITALS:

- 1) The District requires tree trimming for its distribution and transmission lines throughout the District on an as-needed basis.
- 2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to provide distribution tree trimming services in accord with the specifications, terms and conditions of Bid Document 22-25-D-BID. Sealed bids will be accepted until March 21, 2022 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 22-25-D-BID.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 22-25-D-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids to provide distribution tree trimming service.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE DISTRICT TO SEEK
GRANT FUNDING PROVIDED BY THE U.S. ECONOMIC
DEVELOPMENT ADMINISTRATION**

RECITALS:

1) Washington State led coalition, Maritime Blue, has been selected as the region's lead applicant for the U.S. Economic Development Administration's (EDA) \$1 billion dollar Build Back Better Regional Challenge grant. The Build Back Better Regional Challenge aims to boost economic recovery from the COVID-19 pandemic, especially focusing on strengthening regional industry clusters across the country.

2) The District supports Maritime Blue and recognizes their efforts in promoting economic growth in the Pacific Northwest involving the energy industry. The District has been asked to participate as an applicant for up to \$20 million dollars of the total grant. If awarded the grant, the District must contribute a 20% cash match.

3) District staff has proposed a package to construct phase II of the hydrogen production facility which consists of an additional 5 MW electrolyzer, compression and storage equipment totaling \$20 million dollars.

4) Staff finds it in the best interests of the District to submit an application to the EDA's Build Back Better Regional Challenge for a total of \$20 million dollars for the construction of phase II of the Hydrogen Production Facility and to authorize a commitment of local match funds in the amount of 20% of the total funds awarded by the EDA.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the District submit an application for the U.S. Economic Development Administration's Build Back Better Regional Challenge grant and authorizes a commitment of local match funds in the amount of 20% of the total amount awarded by the EDA.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AMENDMENT NO. 1
TO PROFESSIONAL SERVICE AGREEMENT 21-17-W-PS WITH
SCHNABEL ENGINEERING, LLC**

RECITALS:

1) By Resolution 21-071 dated April 26, 2021, the District entered into a three-year Professional Service Agreement (21-17-W-PS) with Schnabel Engineering, LLC (Schnabel) to provide both specialized dam safety, geotechnical and civil-related engineering services at the Wells Hydroelectric Project (Wells Project).

2) Schnabel has a special FERC designated role as the Independent Consultant (IC) for the Wells Project. In this role, Schnabel has been instrumental in assisting the District to develop and file with the FERC a large number of highly technical engineering plans, schedules, studies and reports related to the District's Dam Safety Program.

3) In response to recent requirements by the FERC, Amendment No. 1 would add two new tasks to the contract including adding a Hydrocombine Load Rating Structural Analysis and Inspection for calendar year 2022 (Task 7), and a task to complete the Phase II Emergency Action Plan Inundation Mapping and Breach Modeling (Task 8) to the contract. This amendment will allow the District to utilize the FERC approved IC to complete both of these important and consequential projects.

4) Based upon the District's need to continue implementation of the Dam Safety Program for the Wells Project, staff believes it is in the best interest of the District to approve Amendment No. 1 to Professional Service Agreement 21-17-W-PS with Schnabel Engineering, LLC. Approval of Amendment No. 1 would increase the total cost of the Agreement by \$192,466 bringing the total cost not to exceed for the contract to \$880,373.

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 21-17-W-PS with Schnabel Engineering, LLC for the Wells Hydroelectric Project.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER BID DOCUMENT 21-52-W-BID, GENERATOR STEP-UP (GSU) TRANSFORMER REPLACEMENT AT THE WELLS HYDROELECTRIC PROJECT

RECITALS:

1) The main power transformers at the Wells Hydroelectric Project were installed in 1967 and are reaching the end of their useful life. With a twelve-month manufacturing lead-time, District engineers have recommended replacement of the transformer as soon as possible to maintain system reliability.

2) Staff recommends that the District solicit bids in compliance with RCW 54.04.070 to replace the transformers in accordance with the specifications, terms and conditions of Bid Document 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement at the Wells Hydroelectric Project. Sealed bids will be accepted until April 18, 2022, 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 21-52-W-BID, Generator Step-Up (GSU) Transformer Replacement 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 21-52-W-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids for generator step-up transformer replacement at the Wells Hydroelectric Project.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A CALL FOR BIDS UNDER
BID DOCUMENT 22-16-D-BID, STEEL POLES FOR THE RAPIDS
TO VALHALLA TRANSMISSION LINE**

RECITALS:

1) The District has a need to rebuild the Rapids to Valhalla transmission line. For this rebuild, new steel transmission poles are necessary to support the new conductors.

2) Staff recommends that the District solicit bids in compliance with RCW 54.040.070 to provide steel poles for the Rapids to Valhalla transmission line in accordance with the specification terms and conditions of Bid Document 22-16-D-BID. Sealed bids will be accepted until April 4, 2022 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 22-16-D-BID, Steel Poles for the Rapids to Valhalla Transmission Line.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that Bid Document 22-16-D-BID is hereby approved, and the District's General Manager is hereby authorized and directed to issue a call for bids for steel poles for the Rapids to Valhalla transmission line.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY
FROM C & O NURSERY COMPANY, ENTER INTO A LEASE BACK
AGREEMENT AND EXECUTE A BOUNDARY LINE ADJUSTMENT FORM**

RECITALS:

1) Resolution 19-093 authorized a call for bids to furnish the District equipment to produce and store hydrogen.

2) The District had been looking to obtain a piece of property that would accommodate the District's hydrogen production and storage facility. The District acquired the Hamon property on Baker Flats in 2020 for these activities.

3) C & O Nursery Company owns property to the north of the acquired Hamon property and has been working with the District to sell 91.84 acres to the District.

4) C & O Nursery Company also prefers the District provide a Lease Back Agreement to C & O Nursery Company for removal of nursery stock and employee housing. Said Agreement shall terminate no later than June 30, 2022 on the subject property.

5) The owner's, C & O Nursery Company, have agreed to the sale of the subject 91.84 acres for the appraised amount of \$4,897,000.00. District staff recommends execution of the necessary Real Estate Purchase and Sale Agreements, Lease Back Agreement and Boundary Line Adjustment form between C & O Nursery Company and the District.

6) It is in the best interests of the District to acquire the subject property for District needs in the development of the District's hydrogen production, storage facility and future expansions of these uses.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Real Estate Purchase and Sale Agreements, Lease Back Agreement and Boundary Line Adjustment form between C & O Nursery Company and the District for 91.84 acres is hereby approved and the District's

General Manager is authorized to execute the necessary documents on behalf of the District.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY
FROM GLOBAL AG PROPERTIES USA, LLC AND LEASE BACK
AGREEMENT WITH ZIRKLE FRUIT**

RECITALS:

1) The District has been looking to acquire property that would accommodate the District's needs for storage of materials and equipment adjacent to the Wells Hydroelectric Project (Wells).

2) Global AG Properties USA, LLC (Global) placed the orchard land adjacent to Wells up for sale in 2021. The subject property is approximately 318.88 acres in size. The District's contract appraiser, appraised the property at \$7,000,000.00.

3) Zirkle Fruit holds a lease on the subject property from Global and conducts and manages all fruit production and orchard activities on the subject property.

4) The owner's Global, have agreed to the sale of the subject 318.88 acres for the appraised amount of \$7,000,000.00. Zirkle Fruit is requesting a Lease Back Agreement for tree removal, equipment removal and personnel housing through December of 2022.

5) District staff recommends execution of a Real Estate Purchase and Sale Agreement with Global and a Lease Back Agreement with Zirkle Fruit for acquisition of the subject property in the amount of \$7,000,000.00 from Global and executing a Lease Back Agreement with Zirkle Fruit to terminate no later than December 31, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Douglas County, Washington, that the Real Estate Purchase and Sale Agreement with Global and the Lease Back Agreement with Zirkle Fruit and the District for 318.88 acres is hereby approved and the District's General Manager is authorized to execute the necessary documents on behalf of the District.

ADOPTED this 22nd day of February, 2022.

Aaron J. Viebrock, President

Molly Simpson, Vice President

ATTEST:

Ronald E. Skagen, Secretary

Draft Pre-decisional Document