

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
203 OLDS STATION ROAD  
WENATCHEE WA 98801**

**REGULAR COMMISSION MEETING**

**AUGUST 5, 2024**

**STUDY SESSION**

**10:00 AM**

1. Pledge of Allegiance and Safety/H&OP Minute – Tim Scheumann
2. Approval of the Agenda
3. Quarterly District Performance Plan Status Update
4. Quarterly Financial Review and Investment Report
5. Quarterly Energy Resources Update
6. Large Load Framework Outreach Update
7. Design-Build Application for Project Approval
8. Strategic Vision, Business, and Budget Planning: Rate Planning Outreach Plan
9. Public Comment  
*Time reserved for public comments or questions related to matters not covered by the agenda*

**BUSINESS SESSION**

**1:00PM**

**Consent Agenda**

10. Minutes of the July 15, 2024 Regular Meeting
11. Vouchers: Accounts Payable Summary Report dated July 30, 2024:
  - a. Vouchers totaling \$33,019,705.03;
  - b. Approval of Customer Deposit Returns and Conservation Incentive payments for the period July 09, 2024 through July 29, 2024 in the amount of \$44,174.61.

- c. Approval of the net Payroll, Warrant Nos. 238521 through 238532 and Advice Nos. 781536 through 782395 for the pay period ending July 14, 2024 in the amount of \$2,732,850.30.
- d. Approval of Warrant Nos. 31717 through 31819 totaling \$70,882.32 for claim payments from the workers' compensation self-insurance fund for the period ending July 29, 2024.
- e. Approval of Parks Reservation System customer refunds for the period July 09, 2024 through July 29, 2024 in the amount of \$8,085.00.

**Regular Agenda**

- 12. A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 4 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE A GMP AND SCHEDULE FOR THE REHABILITATION OF THE SECOND UNIT UNDER CONTRACT NO. 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT
- 13. A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 21-11664) WITH DARKTRACE HOLDINGS LIMITED OF THE UNITED KINGDOM TO PROVIDE DARKTRACE CYBER DEFENSE PLATFORM AS A SERVICE
- 14. A RESOLUTION APPROVING A REQUEST FOR QUALIFICATIONS (NO. 24-13454) FOR POWER TRANSMISSION LINES AND SUBSTATIONS PHASE 1, PLAIN-LAKE WENATCHEE TRANSMISSION LINE AND SWITCHYARD PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT USING THE ALTERNATIVE PROGRESSIVE DESIGN-BUILD PROCEDURE AUTHORIZED BY RCW 39.10.300 ET SEQ
- 15. Capital Budget Revision: Network Transmission System  
Proposed motion: To increase the overall 2024 Network Transmission System capital budget in the amount of \$12,500,000 for a revised total amount of \$30,779,501
- 16. Manager Items
- 17. Commissioner Travel
- 18. Commission Items
- 19. Follow-up on Delegation of Action Items from Previous Board Meeting
- 20. Delegation of Action Items

REGULAR COMMISSION MEETING AGENDA

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21. Additional Public Comment
22. Matters of general business as may necessarily come before the Commission
23. Executive Session: To discuss with legal counsel agency enforcement actions, litigation, potential litigation to which the District or its board is, or is likely to become, a party, and/or legal risks, as authorized by RCW 42.30.110(1)(i) and to plan the strategy or position to be taken during the course of collective bargaining, as authorized by RCW 42.30.140(4)(b) for \_\_\_ minutes

This agenda and resolutions (if any) may be revised by the Commission as appropriate.

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE ISSUANCE OF GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT NO. 4 TO GE RENEWABLES US LLC OF GREENWOOD VILLAGE, CO TO PROVIDE A GMP AND SCHEDULE FOR THE REHABILITATION OF THE SECOND UNIT UNDER CONTRACT NO. 18-10 FOR THE ROCK ISLAND DAM POWERHOUSE NO. 2 – GENERATING UNIT REHABILITATION PROJECT

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

On October 1, 2018, by Resolution No. 18-14273, the Commission of the District authorized the General Manager to invite sealed proposals to provide Design-Build services to the District in support of planned rehabilitation to Rock Island Dam Powerhouse No. 2 – Generating Units. Rehabilitation includes refurbishment of most major components, replacement of some due to known poor condition and limited remaining life, and procurement of some new components to mitigate schedule impacts from finding unrepairable items during the construction outage. The rehabilitation work on the first unit began in 2023, and the rehabilitation on the last unit is scheduled to be complete in 2031.

**Previously Approved Guaranteed Maximum Price (GMP) Amendments and Field Work Orders**

On July 20, 2020, by Resolution No. 20-14473, the Commission of the District Authorized the General Manager to enter into a Design-Build contract No. 18-10 with GE Renewables US LLC (GE). In addition to the general terms and conditions, the Contract authorized \$4,500,000.00 for pre-construction services.

On March 1, 2021, by Resolution 21-14537, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 3 to extend the pre-construction completion date to May 31, 2021 and add \$1,000,000.00 to the current not to exceed amount. The new not to exceed amount is \$5,500,000.00.

On May 3, 2021, by Resolution 21-14562, the Commission of the District authorized the General Manager to enter into a Field Work Order/Change Order No. 2 to provide for an Extended Correction Period to be added to the Rock Island Dam Powerhouse No. 2 – Generating Unit Rehabilitation Project for a not to exceed amount of \$19,743,066.00. The new not to exceed amount is \$25,243,066.00.

On May 3, 2021, by Resolution 21-14563, the Commission of the District authorized the General Manager to enter into a GMP Amendment No. 1 to provide for

the long lead components to be ordered for the first unit for a not to exceed amount of \$12,162,792.14. The new not to exceed amount is \$37,405,858.14.

On July 6, 2021, by Resolution 21-14574, the Commission of the District ratified Field Work Order/Change Order Nos. 1, 4- Pre-Construction and 5- Pre-Construction, authorized the General Manager to enter into a GMP Amendment No. 2 for an amount of \$66,874,395.56 to provide for the First Unit (U5) rehabilitation, and approved the revised combined 2021 capital budget for all Rock Island Powerhouse No. 2 – Generating Rehabilitation projects. The new overall not to exceed contract amount is \$104,280,253.70, excluding sales tax.

On February 22, 2022, by Resolution 22-14632, the Commission of the District ratified Field Work Order/Change Order No. 1-ECP, 3, 1-GMPA1 and 6-Pre-Construction for a reduction of \$1,306,300.69 from the overall contract amount, authorized the General Manager to execute Field Work Order/Change Order No. 1-GMP2 for updating the work scope under GMP Amendment No. 2 - First Unit (U5) with GE for an amount of \$1,032,059.80 for a revised not to exceed amount of \$104,006,012.81, excluding sales tax.

On March 6, 2023, by Resolution 23-14741, the Commission of the District ratified Field Work Order/Change Order Nos. 2-GMP1, 2-GMP2, 3-GMP2, and 4-GMP2 and authorized the General Manager to execute Field Work Order/Change Order No. 5-GMP2 to update the work scope under the GMP Amendment No. 2 – First Unit (U5) in an amount of \$1,443,227.80 for a revised overall contract amount of \$105,449,240.61, excluding sales tax.

On March 20, 2023, by Resolution No. 23-14746, the Commission of the District authorized the General Manager to execute GMP Amendment No. 3 to procure and start manufacturing of long lead-time components for the Second and Third Units in an amount of \$9,038,126.93 for a revised overall contract amount of \$114,487,367.54, excluding sales tax. The Commission of the District also approved the budget revision for Unit U7 and established the initial total project budget and 2023 budget for Unit U3.

On November 6, 2023, by Resolution No. 23-14817, the Commission of the District ratified Field Work Order/Change Order Nos. 4, 6-GMP2, 1-GMP3, 3-GMP1, and 4-GMP1 for an increase of \$173,342.00 to the overall contract amount and authorized the General Manager to execute Field Work Order/Change Order No. 7-GMP2 covering engineering design changes under GMP Amendment No. 2 - First Unit (U5) with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 - Generating Unit Rehabilitation for an amount of \$3,329,652.66 for a revised overall contract amount of \$117,990,362.20, excluding sales tax.

On December 18, 2023, by Resolution No. 23-14839, the Commission of the District authorized the General Manager to execute Field Work Order/Change Order No. 2-GMP3 for the procurement of remaining runner hub bushing sets with GE to Contract No. 18-10 for Rock Island Dam Powerhouse No. 2 - Generating Unit Rehabilitation

First Unit for an amount of \$5,127,596.64 for a revised overall contract amount of \$123,117,958.84, excluding sales tax.

On June 17, 2024, by Resolution No. 24-14890, the Commission of the District authorized the General Manager to execute Field Work Order/Change Order No. 8-GMP2 covering engineering design changes, component refurbishment, and other mutually agreed upon changes under GMP Amendment No. 2 - First Unit (U5) for an amount of \$4,767,291.00, for a revised overall contract amount of \$127,885,249.84, excluding sales tax.

### **Proposed GMP Amendment No. 4 for Approval**

The District and GE have determined since work has progressed to a point where GE will provide a guaranteed maximum price and schedule for the rehabilitation of the second unit to move forward with a GMP Amendment No. 4. The Second Unit (U7) GMP Amendment No. 4 includes manufacturing of new components not already authorized in the other three (3) GMP Amendments, disassembly, refurbishment of some of the existing components, reassembly, and commissioning of the Second Unit.

District staff recommends execution of GMP Amendment No. 4 with GE for a not to exceed amount of \$75,985,737.13, for the rehabilitation of the Rock Island Dam Powerhouse No. 2 - Second Unit. The revised overall contract amount after execution of this GMP Amendment will be a not to exceed amount of \$203,870,986.97, excluding sales tax. The General Manager of the District concurs with District staff's recommendation.

To include the work from GMP Amendment No. 4, District staff recommends increasing the total project budget for the Second Unit (U7) from \$31,430,000.00 to \$105,700,000.00. This does not impact the 2024 budget. Changes to the 2025 and future year budgets will be made during the District's annual business planning and budget approval process.

### **ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The General Manager of the District is hereby authorized to execute GMP Amendment No. 4 with GE Renewables US LLC. for the rehabilitation of the second unit under Contract 18-10 for Rock Island Dam Powerhouse No. 2 - Generating Unit Rehabilitation Project. The contract amount for GMP Amendment No. 4 shall not exceed \$75,985,737.13 without prior Board approval, for a total revised contract amount of \$203,870,986.97. A copy of the contract will be on file in the offices of the District.

Section 2. The total project budget for the Second Unit (U7) is hereby revised to \$105,700,000.00.

DATED this 5th day of August 2024.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

Seal

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO SERVICES AGREEMENT (SA NO. 21-11664) WITH DARKTRACE HOLDINGS LIMITED OF THE UNITED KINGDOM TO PROVIDE DARKTRACE CYBER DEFENSE PLATFORM AS A SERVICE

## FACTUAL BACKGROUND AND REASONS FOR ACTION

Resolution No. 21-14614 dated December 20, 2021, authorized SA No. 21-11664 with Darktrace Holdings Limited to provide Darktrace Cyber Defense Platform as a Service, in an amount not to exceed \$504,000.

District staff has identified the need for additional licenses for additional devices acquired since the 2021 purchase. Resolution No. 17-14215 requires that the Commission, by resolution, authorize Service Agreements and Amendments when the total contract price exceeds \$500,000.

District staff recommends that it is in the best interest of the District to amend SA No. 21-11664 with Darktrace Holdings Limited in the amount of \$52,200, for a total revised contract price not to exceed \$556,200.

The General Manager has reviewed District staff's recommendation and concurs in the same.

## ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY as follows:

Section 1. The General Manager is hereby authorized to execute an Amendment to SA No. 21-11664 with Darktrace Holdings Limited to provide the additional licenses identified above. The revised contract price will not exceed \$556,200, without prior Commission approval. A copy of the Amendment is on file in the offices of the District.

DATED this 5th day of August 2024.

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President

ATTEST:

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Vice President

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Secretary

\_\_\_\_\_  
Commissioner

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Commissioner

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## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A REQUEST FOR QUALIFICATIONS (NO. 24-13454) FOR POWER TRANSMISSION LINES AND SUBSTATIONS PHASE 1, PLAIN-LAKE WENATCHEE TRANSMISSION LINE AND SWITCHYARD PROJECT AND AUTHORIZING THE GENERAL MANAGER OF THE DISTRICT TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR SAID PROJECT USING THE ALTERNATIVE PROGRESSIVE DESIGN-BUILD PROCEDURE AUTHORIZED BY RCW 39.10.300 ET SEQ

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

The District intends to undertake a series of power transmission lines and substations phase 1 projects to provide service for increased load demands and to meet current electrical standards. The initial focus is on the Plain-Lake Wenatchee Transmission Line and Switchyard project which includes the reconstruction of approximately 14 miles of transmission line from the Anderson Canyon Switchyard located in Leavenworth to Coles Corner near Lake Wenatchee, and approximately 3 miles of the Plain substation transmission tap. The District also intends to make major improvements to the switching equipment at Coles Corner by constructing a switchyard at Coles Corner for additional system resiliency. This work is scheduled to begin in 2025 and be completed in 2027. Other projects under power transmission lines and substations phase 1 may be considered at a later stage.

The District intends to procure the work using the Progressive Design-Build process in order to encourage innovation and efficiencies with the design-builder. This is expected to create significant savings in the project delivery time, allowing the work to be completed at the least cost and best schedule. The initial procurement phase will publish a Request for Qualifications (RFQ), which uses relevant technical expertise and experience from qualified firms to shortlist the most qualified firms. The second phase will provide a Request for Proposal (RFP) to the short-listed firms to evaluate project specific technical and design approach; management plan to meet time and budget requirements; summary of finalist's accident prevention plan and intended implementation; project-specific inclusion plan for small business enterprises and disadvantaged business enterprises; and a price factor. Services performed by the selected design-builder may lead to a negotiated contract for design-build work.

The District has received the approval from Washington State Capital Projects Advisory Review Board (CPARB) for a Public Body Project to use Progressive Design-Build alternative contracting procedures for the power transmission lines and substations phase 1 projects.

Resolution No. 17-14215 requires Commission approval of RFQs and authorization to invite proposals that will exceed \$3,000,000. Staff estimates that the contract(s) resulting from this RFQ to cost more than \$3,000,000. The RFQ is being prepared by the District and is on file in the offices of the District.

District staff recommends that RFQ No. 24-13454 is in the best interest of the District that said document be approved and published.

The General Manager of the District has reviewed District staff's recommendation and concurs in the same.

**ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, as follows:

Section 1. The RFQ No. 24-13454 for the Plain-Lake Wenatchee Transmission Line and Switchyard using the statutory alternative Progressive Design-Build procurement process is hereby approved, and the General Manager of the District is hereby authorized to invite sealed proposals for the work required.

DATED this 5th day of August 2024.

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President

ATTEST:

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Vice President

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Secretary

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Commissioner

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Commissioner

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