



CHELAN COUNTY

Power Transmission Lines Program – Phase 1 Bundle

Application to use the Progressive D/B Delivery Method
September 28, 2023 Presentation

“To provide sustainable, reliable utility services that enhance the quality
of life in Chelan County.”

Agenda

- Introductions
- Chelan County PUD
- The Project
- Project Budget & Funding
- Project Schedule
- Why Progressive Design-Build
- Public Benefit
- CCPUD Team Qualifications
- Organization Chart
- Equity and Inclusion
- Summary



CHELAN COUNTY

Introductions

The Project Team – Here Today

Chelan County Public Utility District No. 1

- Brett Bickford, Managing Director – Generation & Transmission
- Steve Wickle, Interim Director of Transmission and Compliance
- Casey Hall, Principal Project Manager
- Lance Beyer, Project/Construction Manager

Perkins Coie

- Graehm Wallace, D/B Legal Advisor

Parametrix

- Jim Dugan, PDB Advisor
- Dan Cody, PDB Procurement & PM/CM Support

The Project Team: Other Members

Chelan County Public Utilities District No. 1

- Kirk Hudson, General Manager
- Justin Erickson, Managing Director - District Services
- Katie Yount, Internal Legal Counsel

Transmission Design Advisory Consultant

- Jack Grauman, HDR Engineering
- Kevin Burke, HDR Engineering

Chelan County PUD



CCPUD - The District

- Chelan County PUD was **established in 1936**
- **Second largest, non-federal, publicly-owned hydro generation capacity in the U.S.**
- **800 Employees**
- **50,000 Customers**
- **3,000 sq. mile service territory**
- **Approximately 2,000 megawatts of generating capacity**
- **36 active substations**
- **335 mile of transmission lines**
- 35% of hydropower generated serves county residents, the remainder is sold through contracts and into the energy market.

CCPUD - The District (cnt'd)

- **Three Hydroelectric projects**
 - **Lake Chelan Dam** – Built in 1927
 - **Rock Island Dam** – First Powerhouse built in 1933, Second Powerhouse built in 1979
 - **Rocky Reach Dam** – Built in 1961
- **Other operations**
 - **Water/wastewater** – approx. 5,000 customers
 - **Fiber & telecom** – 13,000 customers
 - **Parks & recreation** – 14 parks along the Columbia River and Lake Chelan



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The Project

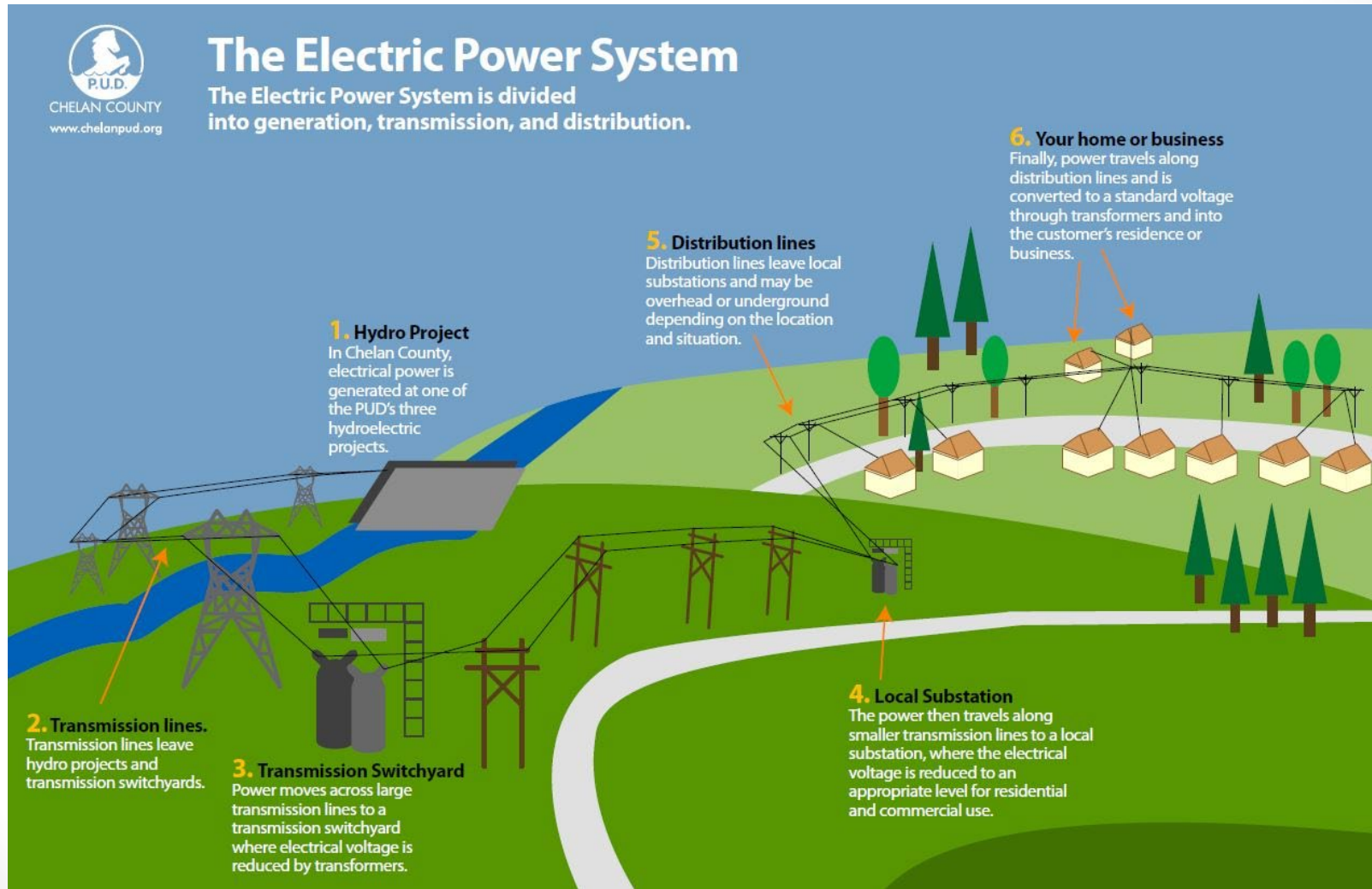
Power System Diagram



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www.chelanpud.org

The Electric Power System

The Electric Power System is divided into generation, transmission, and distribution.



1. Hydro Project

In Chelan County, electrical power is generated at one of the PUD's three hydroelectric projects.

2. Transmission lines.
Transmission lines leave hydro projects and transmission switchyards.

3. Transmission Switchyard
Power moves across large transmission lines to a transmission switchyard where electrical voltage is reduced by transformers.

5. Distribution lines

Distribution lines leave local substations and may be overhead or underground depending on the location and situation.

4. Local Substation

The power then travels along smaller transmission lines to a local substation, where the electrical voltage is reduced to an appropriate level for residential and commercial use.

6. Your home or business

Finally, power travels along distribution lines and is converted to a standard voltage through transformers and into the customer's residence or business.

Transmission Lines

- **15-year transmission line and substation program**
- Some **existing transmission lines are at/near capacity**
- **Require reconstruction** to meet increased load, reduced risk of wildfire damage, and meet current electrical standards
- **Some transmission lines need to be relocated for municipal projects**
- **New transmission lines required to support new substations** for customer growth and large-load interconnects



Projects in This Bundle

Project Name	Anticipated Design	Anticipated Const.
Transmission System Relocation and Reconstruction Projects that are included in this Application		
McKenzie Beverly – Anderson Canyon to Coles Corner Phase 1 of the Transmission Line Reconstruction	Q4 2023 – Q3 2024	Q2 2025 – Q2 2028
Confluence Parkway and Walking Bridge Transmission Line Relocation	Q1 2024 – Q3 2024	Q3 2024 – Q3 2027
Hwy 207 Transmission Line Relocation	Q3 2024 – Q1 2025	Q1 2025 – Q2 2026
Substation Transmission Lines In support of the Substation Program that are included in this Application		
Large Load Interconnect #1 Transmission Line	Q1 2025 - Q2 2026	Q3 2026 - Q2 2027
Wenatchee Substation Transmission Line	Q1 2025 – Q3 2025	Q2 2025 – Q3 2026
Entiat North Substation Transmission Line	Q2 2025 – Q2 2026	Q2 2026 – Q3 2027
Roses Substation Transmission Line	Q3 2025 – Q2 2026	Q2 2026 – Q2 2027

Transmission Lines Bundle - Phase 1 Project Budget

Category	Budget
Costs for Professional Services (A/E, Legal, etc.) (@12%)	\$ 5,352,000
Estimated project construction costs (including const. contingencies @7%)	\$ 27,473,600
Equipment and furnishing costs	\$ N/A
Off-site costs	\$ N/A
Contract administration costs (owner, cm etc.) (@13%)	\$ 5,798,000
Contingencies (design & owner) (@10%)	\$ 4,460,000
Other related project costs (briefly describe)	\$ N/A
Sales Tax (@8.34%)	\$ 1,516,400
Total	\$ 44,600,000

The above project budget is preliminary and is subject to change. CCPUD reserves the right, at its discretion, to increase or decrease the project budget, scope and schedule as required to best suit the interests of CCPUD and this first phase of bundled power transmission line projects.

Project Funding

- **Budget reflected in the Transmission Business Unit's 20-year financial forecast.**
- District currently plans to **fund project with a combination of cash reserves, debt funding and funds paid by interconnection customers.**
- District has most recently issued bonds for capital projects in 2020.
- Managed 5-year average capital expenditures of \$118M and an estimated total of \$173M for 2023.
- **District's current AA+ bond rating is among the highest rated public utilities in the nation.**
- **Capacity and capability to fund project is high with District's strong unrestricted cash reserves (over \$340M), low debt leverage (under 20%), and high debt coverage (4.85x).**

Transmission Lines Bundle - PDB Project Schedule

Project Schedule	Estimated Date
PRC Presentation/Approval	September 28, 2023
Publication of Ad and Release RFQ for Design/Build Services	December 4, 2023
Project Information Meeting (Date subject to change.)	January 10, 2024
RFQ Submittal Deadline	February 12, 2024 (2:00pm)
Open & Review/Score Submittals Received	February 13-20, 2024
Identify Finalists & Issue RFP & Proprietary Meeting Notifications	February 23, 2024
Proprietary Meetings	March 21-22, 2024
RFP Submittal Deadline (Proposals & Cost Factors)	April 17, 2024 (2:00pm)
Open & Review Proposals (Cost Factors not reviewed)	April 17-24, 2024
Interviews w/ DB Finalists	April 25-26, 2024
Open Cost Factors & Score Proposals	April 29, 2024

Transmission Lines Bundle - PDB Project Schedule (cnt'd)

Project Schedule	Estimated Date
Notify Design/Builders of Scoring and Most-Qualified Design/Builder	May 1, 2024
Statutory Protest Period	May 2-7, 2024
Design/Build Contract & Preconstruction Fee Negotiation	May 8-29, 2024
Board of Commissioners Approval of Design-Build Contract	June 2024
Execute Design-Build Contract with Preconstruction Services	June 2024
Issue Notice to Proceed	June 2024

The project schedule above is preliminary and is subject to change as the RFQ and RFP are being developed by the CCPUD team.



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Why PDB Delivery?

RCW 39.10 - D/B Compliance

(5.1) If the construction activities are highly specialized and a D/B approach is critical in developing the construction methodology

- **Power transmission line design and construction is a specialty**
- Significant amount of time spent:
 - Developing access routes
 - Acquiring permits from State and Federal Agencies
 - Securing public and private easements
- **Complicated logistics planning required**
- **Phased construction sequencing and outage coordination ensure continuity of delivery**

RCW 39.10 - D/B Compliance (cnt'd.)

(5.2) If the project provides opportunity for greater innovation and efficiencies between the designer and builder

- **Developing logistics plan during design** will allow the design to reflect the required logistics
- Specialty design and construction **allows “lessons learned” to be incorporated into design**

(5.3) If significant savings in project delivery time would be realized

- **Ability to procure long-lead items** so that they are available to meet schedule
- CCPUD, Contractor and Design Team **can collaborate and strategize** to develop construction phasing and ramping plans **to reduce construction timelines and deliver power in a timely manner**



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Public Benefit

Benefits of PDB Delivery

- **Cost Savings Benefits:**
 - **Only one contract to manage**
 - Contractor on the team during design:
 - Collaboration with the design team
 - **Designing to a budget**
 - **Ongoing value engineering and constructability**
 - **Provide market forecasts** on materials, equipment and labor
 - **Early procurement of materials** and equipment when market conditions dictate costs savings
 - **Reduced risk of change orders** from errors and omissions
 - Establish **cost certainty earlier** in the project
- **Schedule Benefits**
 - **Contractor involved in developing and updating schedule during design**
 - **Contractor “owns” the schedule**
 - Early procurement of materials and equipment for long-lead items



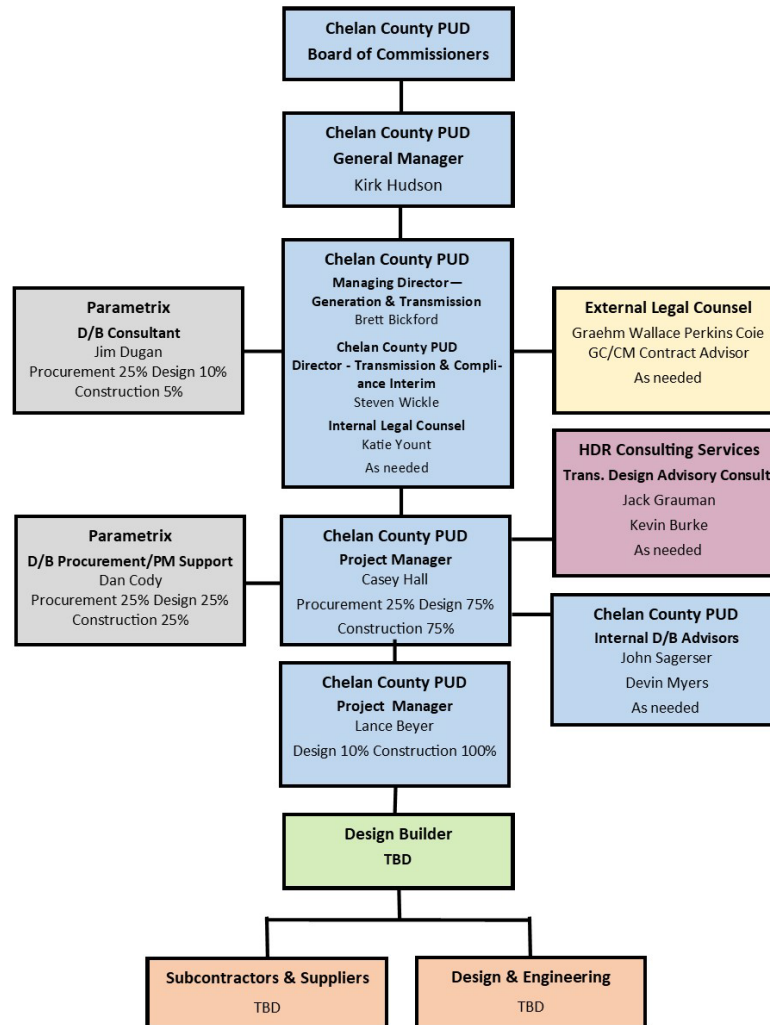
CCPUD Qualifications

CCPUD Leadership Team

- **CCPUD has extensive construction experience** including projects of similar scope and complexity
 - Most have been delivered using Design-Bid-Build or Negotiated Contract.
 - **Long track record of delivering projects on-time and within budget.**
- **CCPUD is currently using the Progressive Design Build** method of project delivery at Rock Island Dam Powerhouse #2 rehabilitation.
 - John Sagerser
 - Devin Meyers
 - Katie Yount
- **CCPUD team members (Casey Hall & Lance Beyer) are registered to attend the upcoming DBIA Certification Workshop on October 11th.**
- **Augmentation with Consultants who bring additional DB experience:**
 - **Parametrix:** Jim Dugan, PDB Advisor and Dan Cody, PDB PM Support
 - **HDR Engineering:** Jack Grauman, PE and Kevin Burke
 - **Perkins Coie:** Graehm Wallace, External D/B Legal Counsel

CCPUD satisfies the public body qualifications with internal staff and augmentation by consultants.

Transmission Lines Bundle - Project Organizational Chart



**CHELAN COUNTY PUD
PROJECT ORGANIZATION CHART**



Project Team Experience

Name	Experience
<p>Brett Bickford Managing Director – Generation & Transmission Chelan County PUD</p>	<p>35 yrs. Civil Engineering/Project Management Experience 30 yrs. Hydro Engineering/Project Management Experience Project Manager for Rocky Reach Fish Bypass System (\$110M 2001 to 2003) Project Manager for Rock Island Powerhouse 1 Rehab (\$225M 2003 to 2025) Director of Engineering and Project Management (2014 to 2022)</p>
<p>Steve Wickle Interim Director of Transmission and Compliance Chelan County PUD</p>	<p>27 yrs. Engineering and Operations Management Experience 12 yrs. CCPUD Transmission Systems Asset Owner / Project Sponsor Pinnacles York – Anderson Canyon 1&2 Relocation Chelan Falls – Manson Wildfire Mitigation Rebuild Jumpoff Ridge Substation Numerous substation upgrades</p>
<p>Casey Hall Principal Project Manager Chelan County PUD</p>	<p>15 yrs. Power Delivery Systems Project Management Experience Project Manager for Rocky Reach Dam Central Maintenance Facility Program Manager for Microsoft Interconnection Project – Jumpoff Ridge Switchyard Program Manager for Plain to Lake Wenatchee Transmission Line Resiliency Project</p>
<p>Katie Yount Internal Legal Counsel Chelan County PUD</p>	<p>25 yrs. Legal Counsel Experience 3 DB Projects: CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab</p>
<p>Lance Beyer Project/Construction Manager Chelan County PUD</p>	<p>5 yrs. Transmission System Project/Construction Management Experience Construction Manager for Goodwin Bridge Relocation Project Construction Manager for Pinnacles York – Anderson Canyon 1&2 Relocation Project Manager for Chelan Falls – Manson Wildfire Mitigation Rebuild Project Manager for Plain to Lake Wenatchee Transmission Line Resiliency Project</p>

Name	Experience
<p>Jim Dugan D/B Program Advisor Parametrix</p>	<p>45 yrs. Program/Project Management 30+ DB Projects including: CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS; Multiple large D/B projects worldwide with The Austin Company <u>Project Review Committee Member:</u> 2016-current, current term ends June 2026</p>
<p>Dan Cody D/B Procurement and PM Support Parametrix</p>	<p>35 yrs. of Design & Project Management/Construction Management 20+ DB Projects including: CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS; Willapa ES New Gym; SPSCC – Lacey Campus; Building #1</p>
<p>Graehm Wallace Outside Legal Counsel Perkins Coie</p>	<p>26 yrs. of Construction Law Experience 25+ DB Projects including: CCPUD – RI Dam Draft Tube Gates, RI Dam Generator Leads, RI Dam Powerhouse #2 Turbine Generator Rehab; TPS – Maritime Center, Bryant Montessori, Fawcett ES, Downing ES, Hunt MS</p>



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Equity and Inclusion

WBE/MBE/SBE & Local

- Because of the location and highly specialized nature of this type of work, equity/inclusion efforts can be challenging.
- Our goals for this program of projects are to foster inclusion with our selected contractor and utilize WBE/MBE/SBE & local businesses to the extent possible.

Summary

- ☑ **DB provides substantial fiscal benefit**
- ☑ **Project meets qualifying RCW criteria**
 - Highly specialized construction
 - Opportunity for greater innovation & efficiency
 - Savings in project delivery time
- ☑ **CCPUD team, and consultants, have the necessary experience**
 - DB delivery knowledge & experience
 - Sufficient PM/CM staff w/ construction experience
 - Clear and logical written management plan
 - Necessary funding and time for the project
 - Continuity of PM team w/ experience in project type/scope
 - Appropriate construction budget
- ☑ **CM personnel are knowledgeable in DB and capable to oversee and administer contract**
- ☑ **CCPUD has no unresolved audit findings on previous projects**

The CPUD project team is prepared and ready to proceed!



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Thank you!