

**AMENDED
A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
14353 Highway 243 South - Hydro Office Building
Beverly, Washington
COMMISSION MEETING
Tuesday, September 23, 2025**

An Executive Session may be called at any time for purposes authorized
by the Open Public Meetings Act

- 8:00 a.m.** Executive Session
- 9:00 a.m.** Commission Convenes
Review and Sign Vouchers
Calendar Review
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence – *(Does not include anonymous letters)*
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of September 9, 2025

2. Regular Agenda

Motion authorizing the General Manager/CEO to execute Change Order No. 42 to Contract 230-2583 with Voith Hydro, Inc., increasing the not-to-exceed contract amount by \$7,722,309.94 for a new contract total of \$108,536,494.19 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 42. (3529)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to approve an execution of a wholesale marketing agreement beginning September 30, 2025, resulting in a 16-month confirmation with **Morgan Stanley** Capital Group. (3530)

3. Review Items For Next Business Meeting

XXXX – Resolution Superseding Resolution No. 9080 and Establishing Change Order Approval Limits.

XXXX – Resolution Superseding Resolution No. 9079 and Establishing Delegated Purchasing Authority Limits.

XXXX – Resolution Adopting a Business Relation Event Expenses Policy.

Motion authorizing the General Manager/CEO to execute Change Order No. 2 to Contract 430-12474 with Open Access Technology International, Inc. (OATI) for addition of webAccounting systems or WestTrans and webOASIS increasing the contract total to \$855,437.60 for a new total of \$1,317,781.60 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2. (xxxx)

Motion authorizing the General Manager/CEO to execute Change Order No. 1 to Contract 370-12118 with Adams Schwiez AG, increasing the not-to-exceed contract amount by \$800,000.00 for a new contract total of \$2,835,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 1. (xxxx)

Motion authorizing the General Manager, on behalf of Grant PUD, to reset the delegated authority levels to the authority granted to the General Manager per Resolution 9080 for Contract 430-11920 with Douglas Public Utility District No. 1. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute and approve transfer of funds in the amount of \$15.0M from Electric System Revenue Fund and into the Rate Stabilization section of the Electric System Reserve and Contingency (R&C) Fund with an effective date of October 31, 2025 with a reflection of the updated minimum balance in the R&C Fund to \$165.0M. (xxxx)

Motion (approving/denying) Claim No: 24-007. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to sign Real Estate Purchase and Sale Agreement with Desert Diamond Investments LLC., for the acquisition of approximately 3.02 acres, more or less, and commonly known Grant County Assessor Parcel Number 13-1586-553 in Section 22, Township 21, Range 26 East, W.M. Grant County, Washington. The amount of \$789,307.00 was determined based on the appraisal value of \$6.00/square foot x 131,551 square feet. (xxxx)

4. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

REGULAR MEETING
OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

September 9, 2025

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 614 157 417# with the following Commissioners present: Terry Pyle, President; Larry Schaapman, Vice-President; Judy Wilson, Secretary; Nelson Cox, Commissioner and Tom Flint, Commissioner.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission convened to review vouchers.

The Commission calendar was reviewed.

A round table discussion was held regarding the following topics: customer claim update; Shrub Steppe follow up with WPUA; update on customer packing facility in Quincy; Volta Grid update; and 4B customer litigation on power pole.

Trade association and committee reports were reviewed.

Zach Ruby, Chief Dam Safety Engineer, provided the Dam Safety Business Report.

The Commission recessed at 10:17 a.m.

The Commission resumed at 10:30 a.m.

Molly Hill, Manager Engineering, and JT Wallace, Project Manager, gave the Voith Presentation.

Rich Flanigan, Vice President Energy, Supply and Markets, and Mike Bradshaw, Senior Manager Power Portfolio, gave the Power Service Contract- Morgan Stanley presentation.

Charles Meyer, Vice President of Technology, presented the Enterprise Technology Business Report.

An executive session was announced at 11:30 a.m. to last until 12:55 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 p.m. and the regular session resumed.

Kim McGuire, Crescent Bar, addressed the Commission in support of the Crescent Bar golf course. Mr. McGuire additionally presented the Commission with petition signatures on this topic.

A customer comment regarding newsletter article title, "Growth still means lowest rates possible for "core" customers" was reviewed by the Commission.

Consent agenda motion was made by Commissioner Wilson and seconded by Commissioner Cox to approve the following consent agenda items:

Payment Number	157566 157962	through	157948 157963	\$12,861,937.59
Payroll Direct Deposit	19377	through	20271	\$2,930,052.21
Payroll Tax and Garnishments	20250903A	through	20250903B	\$1,270,226.01

Meeting minutes of August 26, 2025.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Motion was made by Commissioner Cox and seconded by Commissioner Flint authorizing the General Manager/CEO to execute Change Order No. 2 to Contract 430-11445E with HDR Engineering, Inc. to support task authorization project and assessments increasing the not-to-exceed contract in the amount by \$400,000.00 for a new contract total of \$1,600,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2.

The Commissioners reviewed future agenda items.

Chris Roseburg, Senior Manager Operational Excellence, provided the Operational Excellence Business Report.

Aaron Kuntz, Senior Manager EPMO, gave the EPMO Business Report.

The Commission recessed at 2:10 p.m.

The Commission resumed at 3:00 p.m.

John Mertlich, General Manager/CEO, and Joanie Teofilio, The Energy Authority, introduced the TEA Solutions Partnership and meet and greet.

There being no further business to discuss, the Commission adjourned at 5:00 p.m. on September 9 and reconvened on Tuesday, September 16 at 8:30 a.m. at Grant PUD's Main Headquarters Building, Conference Room E, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 1:38 p.m. on September 16 and reconvened on Wednesday, September 17 at 8:50 a.m. at Best Western Plus Lake Front Hotel, 3000 W. Marina Dr., Moses Lake, Washington traveling to Schaapman Farms on Dodson

Road, Hydro Office Building 14352 WA-243, Beverly, Washington and Wanapum Heritage Center, 29086 WA-243, Mattawa, Washington for the purpose of attending the 2025 WPUDA Association Meetings and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 6:30 p.m. on September 17 and reconvened on Thursday, September 18 at 8:00 a.m. at Best Western Plus Lake Front Hotel, 3000 W. Marina Dr., Moses Lake, Washington for the purpose of attending the 2025 WPUDA Association Meetings and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 5:30 p.m. on Thursday, September 18 and reconvened on Thursday, September 18 at 6:00 p.m. at Pillar Rock Grill Moses Lake Golf Club, 1373 RD R.2 NE, Moses Lake, Washington for the purpose of attending the 2025 WPUDA Association Membership Dinner and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 8:30 p.m. on Thursday, September 18 and reconvened on Friday, September 19 at 8:00 a.m. at Best Western Plus Lake Front Hotel, 3000 W. Marina Dr., Moses Lake, Washington for the purpose of attending the 2025 WPUDA Association Meetings and any other business that may come before the Commission with the following Commissioners present: Judy Wilson and Nelson Cox.

There being no further business to discuss, the September 9, 2025 meeting officially adjourned at 11:30 a.m. on September 19, 2025.

Terry Pyle, President

ATTEST:

Judy Wilson, Secretary

Larry Schaapman, Vice President

Nelson Cox, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

Motion authorizing the General Manager/CEO to execute Change Order No. 42 to Contract 230-2583 with Voith Hydro, Inc., increasing the not-to-exceed contract amount by \$7,722,309.94 for a new contract total of \$108,536,494.19 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 42.

MEMORANDUM

Date 09/09/2025

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Senior Vice President of Power and Market Operations
Rey Pulido, Vice President of Power Production Operations
Molly Hill, Manager, Power Production Turbine Generator Engineering

FROM: Molly Hill, District Representative
JT Wallace, Project Manager

Initial

Initial

SUBJECT: Contract 230-2583, Change Order No. 42

Purpose: To request Commission approval of Change Order No. 42 to Contract 230-2583 with Voith Hydro, Inc. for the Priest Rapids Turbine Upgrades. This Change Order increases the not-to-exceed Contract Price by \$7,722,309.94 for a new total revised maximum Contract Price of \$108,536,494.19.

Discussion: Contract No. 230-2583 with Voith Hydro, Inc. (Voith) includes the manufacture and delivery of ten replacement turbine runners and associated parts, refurbishment of turbine parts intended to be reused, and analyses to confirm serviceability for an additional fifty (50) years. Voith was awarded the Contract on June 10, 2014 following developmental testing and a competitive bid process.

This Change Order addresses the following items and Contract revisions:

1. SR-2 Milestone Schedule Changes and associated Contract language revisions.
 - a. Update U10 Milestones and therefore extend the Project Completion date by 1094 days. Updated associated Contract language to reflect U10 changes including GC-13A Payment Schedule and SR-2B Liquidated Damages.
 - b. Added new SR-27 Services of Contractor's Office Personnel as well as Exhibit "P" Supplemental Bid Form to formally include Contractor office personnel roles, responsibilities and hourly rates in the Contract.
 - c. Added more detailed requirements for the Contractor in GC-24 Progress meetings, SR-2C Schedule and SR-22 Approval of Personnel Changes. Included up to a 99 day grace period as part of SR-2A Milestone Schedule to allow the District the option to extend the Project completion date through the end of 2029 at no cost.
2. Installation Advisor additional days. Due to previous outage delays and 14 month outages vs 12 month outages, the Installation Advisor has worked more days on site compared to

original bid assumptions. More days need to be added to the contract to allow full time coverage for the remainder of the U7 outage as well as future units U8-U10.

3. U6 & U7 as-found weld repairs for the following rehabilitated parts: intermediate head cover, outer head cover and operating ring. Contract 230-2583 identifies rehabilitation scope for parts to be reused for the turbine upgrades. It also identifies a detailed process for how the Contractor will inspect parts to be reused and report on the findings. For unique areas that require repairs, a report is generated, and a cost proposal is provided. These unique costs are reviewed and negotiated by the District and included as a Change Order for each unit.
4. Misc scope additions to the Contractor.
 - a. U5-U10 Wicket gate seal machining. During commissioning of P04/U4, the unit experienced loud noise in the turbine pit and vibration at low wicket gate opening. It was hypothesized this condition was due to out of tolerance dimensions on the new wicket gates. The District and Voith engineering agreed to change the design of the wicket gate seals for U5-U10. A settlement was reached between both parties to share this cost.
 - b. U7-U9 Wicket gate cartridge machining. During the U4/P04 outage, it was discovered the existing English Electric cartridges required additional machining. Starting with the U5 outage, the District transferred final cartridge machining work to the contractor. This item would add that scope for the remaining units.
 - c. U7 outer head cover mud removal. For units 1-3, the District removed mud from the existing head covers prior to shipping them to Voith for rehab work. This required rental of a mobile crane, hiring a lead abatement contractor and utilizing on-site labor crews for handling and contractor support. The District requested Voith provide a cost estimate to ship the outer head cover quarters with mud and perform the mud removal and proper disposal at their shop.

Table 1: Cross Reference for Memo sections & Change Order 42 items

Memo Section	Description	Change Order 42 items (for reference)
1	SR-2 Milestone Schedule changes and associated Contract language	A.1, A.2, A.3, A.4, A.5, A.6, A.7, A.8
2	Installation Advisor Additional days	A.18
3	U6 & U7 as-found weld repairs for rehab parts	A.10, A.11, A.12, A.15, A.16, A.17
4	Misc scope additions to the Contractor	A.9, A.13, A.14

Justification:

1. SR-2 Milestone Schedule Changes and associated Contract language revisions. Update U10 Milestones which extends the Project Completion date by 1094 days. Due to previous

outage delays and future outages expected to be 14 months vs 12 months, the Project completion date needs to be extended by nearly 3 years. This is a significant amount of time for the Contractor to support their work and is beyond the original scope of the contract. This Change Order item includes costs to compensate the Contractor for their office staff during this nearly three year extension. Given the significant cost for this support, additional language was added to the contract to clarify expectations and deliverables. SR-2A now also includes up to a 99 day grace period as part of SR-2A Milestone Schedule to allow the District the option to extend the Project completion date through the end of 2029 at no cost.

2. Installation Advisor additional days. The Installation Advisor role protects both the Contractor's interests in ensuring site work is being performed correctly and the District interests in reducing the risk of disputes later due to site issues. Maintaining on-site technical oversight avoids down time, rework, and quality issues during the outage. The original bid assumptions for the Installation advisor assumed about 10 months of coverage during a 12 month outage.
3. U6 & U7 as-found weld repairs for the intermediate head cover, outer head cover and operating ring. The District decided to reuse as many parts as feasible for the Priest Rapids upgrade project. Rehabilitating various turbine parts results in costs savings compared to buying new parts while still ensuring, long term reliable equipment.
4. Misc scope additions to the Contractor.
 - a. U5-U10 Wicket gate seal machining. The scope change to modify the wicket gate seal design is more in line with modern wicket gate seals and is much less at risk of causing wicket gate closure issues due to out of tolerance conditions.
 - b. U7-U9 Wicket gate cartridge machining. Reducing the outage schedule as a result of this scope increase to Voith provides large financial benefit to the District and is considered the best financial option for this scope. Other benefits include the contractor owning the quality control which means clearly defined ownership if there is an issue.
 - c. U7 outer head cover mud removal. The District does not need to facilitate the crane rental and lead abatement contractor for this work. On-site labor crews can focus on other critical path tasks and not this work.

Financial Considerations:

See summary table below for each Change Order 42 item and the associated cost, if applicable.

CHANGE ORDER 42 COST DETAILS

CO

Item	Description	subtotal
1	Exhibit "P": Supplemental Bid Form	\$0
2	GC-13A Payment Schedule	\$0
3	GC-24 Progress Meetings	\$0

4	SR-2A Milestone Schedule	\$5,540,879.47
5	SR-2B Liquidated Damages	\$0
6	SR-2C Schedule	\$0
7	SR-22 Approval of Personnel Changes	\$0
8	NEW SR-27 Services of Contractor's Office Personnel	\$0
9	U5-U10 wicket gate tail seal profile changes	\$168,892
10	U6 Intermediate Head Cover weld repairs	\$159,142
11	U6 Outer Head Cover weld repairs	\$90,197
12	U6 Operating Ring weld repairs	\$8,236
13	U7 outer head cover mud removal	\$25,000
14	U7-U9 Wicket gate cartridge machining	\$116,400
15	U7 Intermediate Head Cover weld repairs	\$151,409
16	U7 Outer Head Cover weld repairs	\$81,886
17	U7 Operating Ring weld repairs	\$20,438
18	Bid Item 28 Installation Advisor additional days	\$1,359,830
CO 42 TOTAL		\$7,722,309.94
CO41 Contract Price		\$100,814,184.25
CO42 Contract Price		\$108,536,494.19

- SR-2 Milestone Schedule Changes and associated Contract language revisions. See Change Order Item 4 above, for reference. The Contractor identified 8 office staff positions required to support this extension period. Those positions and associated hourly rates were added to the Contract SR-27 and Exhibit "P". These positions, percentage of time charged to our project and hourly rates were negotiated between the District and Contractor and are deemed reasonable and acceptable.

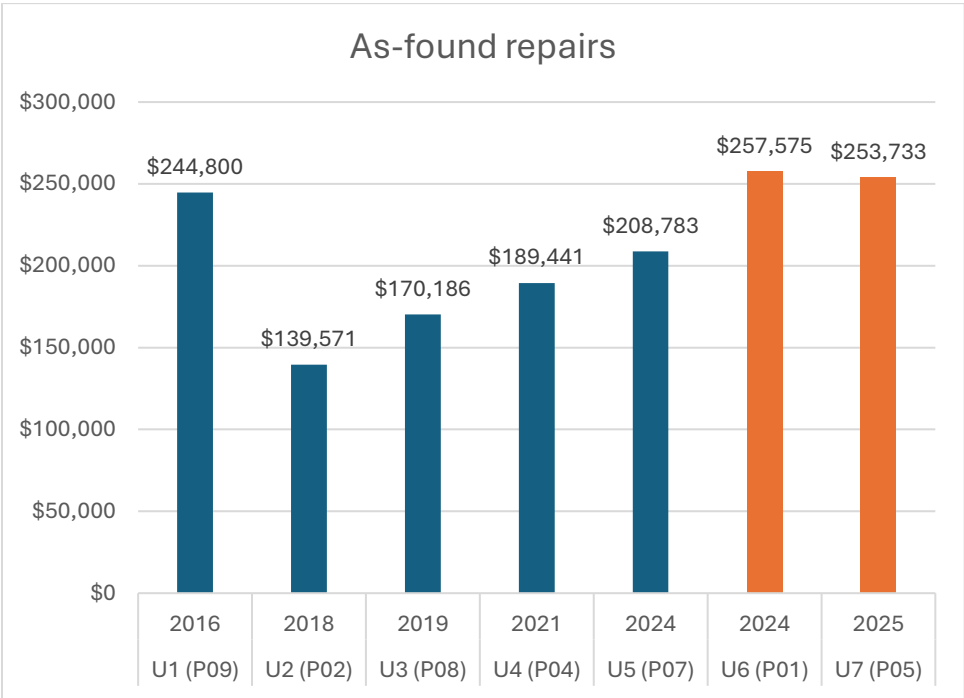
JOB TITLE	Exhibit "P" Group No.	JOB RATE (2025 values)	% CHARGED TO PROJECT	COST
Project Management	II	\$366.02	67.75%	\$1,544,927.23
Project Coordination	VI	\$183.01	25%	\$285,041.92
Master Scheduling	V	\$244.02	37.53%	\$570,539.91
Engineering	II	\$366.02	40.42%	\$921,711.56
Quality Assurance	V	\$244.02	40.42%	\$614,474.38
Sourcing	II	\$366.02	30%	\$684,100.62
Commercial	II	\$366.02	15%	\$342,050.31
Document Control	V	\$244.02	15%	\$228,033.54
			TOTAL	\$5,190,879.47

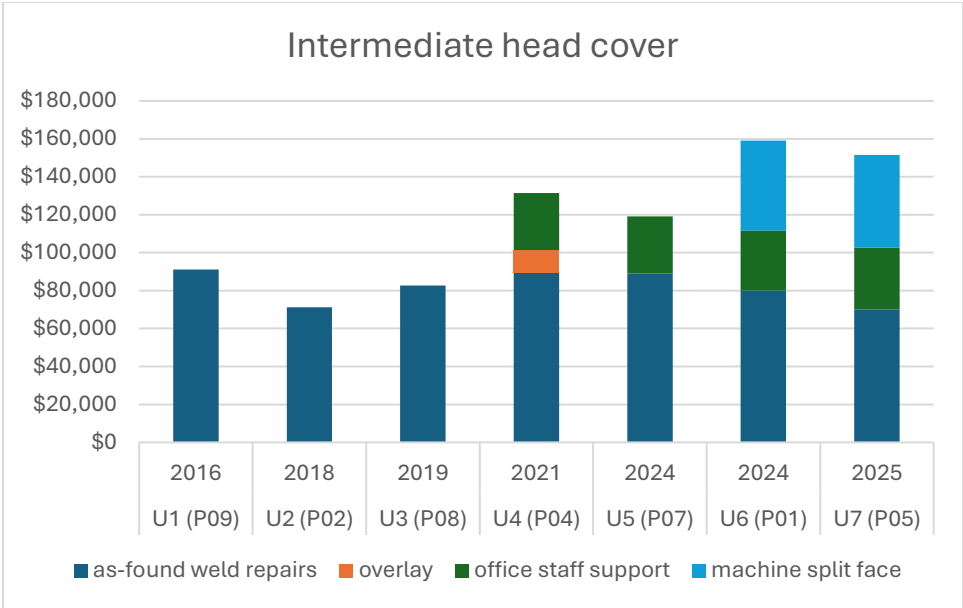
In addition, the District agreed to pay for Insurance costs for the project in the amount of \$350,000.00. This will be paid at issuance of NTP-10.

- 2. Installation Advisor additional days. See Change Order item 18 above, for reference. Adding days to Bid Item 28 ensures we can continue to use existing contract language and mechanisms to pay for this position. This position tracks shipments, monitors critical dimensions and design requirements and supports field testing. The quality control and schedule adherence the Installation Advisor delivers provides a large financial benefit to the District.

842 days x \$1,615 per day (Bid Item 28 bid cost) = \$1,359,830.00

- 3. U6 & U7 as-found weld repairs for the intermediate head cover, outer head cover and operating ring. See Change Order items 10, 11, 12, 15, 16 & 17 above, for reference. See graphs below for historical repair costs as well as the U6 and U7 cost proposals. Although the repair scope varies unit to unit, the overall prices go up every year to labor and material costs. The main jump in price for U6 and U7 has to do with the intermediate head cover scope. Starting with U6, we added machining of the split faces to ensure tight fit between the two halves. Staff have reviewed the cost proposals and have deemed them reasonable and fair for the scope defined.





4. Misc scope additions to the Contractor.
- a. U5-U10 Wicket gate seal machining. See Change Order item 9 above, for reference. These costs were part of a negotiated settlement with Voith as a result of the U4/P04 vibration issue. The District deemed this sharing of costs reasonable for the value added seal design change.
 - b. U7-U9 Wicket gate cartridge machining. See Change Order item 14 above, for reference. Although the Voith costs are higher than what the District anticipates paying to have this work done by a third party vendor, the saved outage costs are significant and therefore make it the least cost option for the District.
 - c. U7 outer head cover mud removal. See Change Order item 13 above, for reference. Contractor cost estimate to remove the mud from the outer head covers is less than the cost the District paid to perform this work on site. Therefore, having Voith perform this work is the least cost option.

Alternatives Considered:

- 1. SR-2 Milestone Schedule Changes and associated Contract language revisions. Update U10 Milestones which extends the Project Completion date by 1094 days. The District could elect to not push out the U10 Milestones. As a result, the District would not be able to meet it’s obligations of providing parts to Voith due to overly aggressive dates. Voith may lessen their current support of the project to save money which may lead to an increase in schedule and or quality issues.
- 2. Installation Advisor additional days. The District could elect to not provide additional days for Installation Advisor support for the remainder of U7 and for future units U8-U10. This would require increased support from District staff and or other contracted staff to fulfill this role. There are risks that items would be missed and this could lead to challenging disputes with Voith and the District if there is no on site representative.

3. U6 & U7 as-found weld repairs for the intermediate head cover, outer head cover and operating ring. Reusing existing parts is the best financial option for the District. Staff would not recommend reusing existing 60 year old parts without this repair work so this is considered minimum scope. The District could elect to buy all new parts instead of reusing existing parts. This would result in an additional ~\$3M per unit.
4. Misc scope additions to the Contractor.
 - a. U5-U10 Wicket gate seal machining. The District could have elected to maintain the existing seal design. The risks would be another unit like U4 with dimensional issues on the seal surfaces that can lead to vibration if out of tolerance.
 - b. U7-U9 Wicket gate cartridge machining. The District could elect to take measurements in the field and have final machining performed by a third party machine shop. This also adds approximately 10 days to the outage schedule which is a significant cost to the District. There are risks with this approach due to challenges with accurate measurements in the field. There are also challenges with liability and ownership due to multiple contractors performing work on these parts.
 - c. U7 outer head cover mud removal. The District could elect to perform this work on site. This would be at increased cost to the District and would risk pulling off field labor staff from other critical path work to support these tasks. This is also an increase to staff time to coordinate the different contractors/work groups to accomplish this work on site.

Change Order History: See attached change order table.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 42 to Contract 230-2583 with Voith Hydro, Inc. for the Priest Rapids Turbine Upgrades in the amount of \$7,722,309.94 for a new total revised maximum Contract Price of \$108,536,494.19.

CHANGE ORDER
NO. 42

Pursuant to Section GC-12, the following changes are hereby incorporated into this Contract:

A. Description of Change:

1. Incorporate attached Exhibit "P" Supplemental Bid Form into the Contract.
2. Section GC-13.A, Payment Schedule, Change Order No. 37, shall be replaced in its entirety with the following:

A. Payment Schedule

Milestone/Progress Payments

The following table outlines the limits to which the Contractor may invoice the District for partial payments based upon satisfactory progress, completion and delivery. Contractor may submit invoices and payment will become due only upon satisfactory progress or completion of the item specified.

The payment schedule for satisfactory completion of Milestones as specified in Section SR-2.A, Milestone Dates, is shown below. The District Representative shall make the determination if the Contractor is making satisfactory progress. This determination shall be based upon comparing the actual work completed to the Contractor's approved progress schedule as required by Section SR-2, Completion Schedule/Liquidated Damages.

Payment schedule for work satisfactorily completed under the Contract shall be as follows:

Unit 1 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Payment Amount (Bid Item 1)	Payment Amount (Unit 1 Subtotal)
MS-1	\$181,196.30	
MS-2	\$181,196.30	\$574,971.04
MS-3	\$271,794.45	
MS-4	\$271,794.45	
MS-5	\$90,598.15	\$574,971.04
MS-6	\$181,196.30	\$410,693.60
MS-7	\$181,196.30	\$410,693.60
MS-8	\$181,196.30	\$410,693.60
MS-9	\$181,196.30	\$410,693.60
MS-10	\$90,598.15	
MS-11		
MS-11a		\$821,387.20
MS-11b		\$410,693.60
MS-11c		
MS-11d		
MS-11e		\$821,387.20

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Payment Amount (Bid Item 1)	Payment Amount (Unit 1 Subtotal)
MS-11f		\$1,314,219.52
MS-11g		
MS-11h		\$410,693.60
MS-11i		\$410,693.60
MS-11j		
MS-11k		\$410,693.60
MS-11l		\$721,387.20
MS-11m		\$100,000.00

Units 2 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-XX		
Progress Payment 1	90 calendar days	\$267,816.90
Progress Payment 2	180 calendar days	\$267,816.90
Progress Payment 3	270 calendar days	\$267,816.90
Progress Payment 4	360 calendar days	\$267,816.90
Progress Payment 5	450 calendar days	\$267,816.90
Progress Payment 6	540 calendar days	\$214,253.52
Progress Payment 7	630 calendar days	\$160,690.14
Progress Payment 8	720 calendar days	\$160,690.14
Progress Payment 9	755 calendar days	\$535,633.80
MS-XXa		\$267,816.90
MS-XXb		\$535,633.80
MS-XXc		\$214,253.52
MS-XXd		\$160,690.14
MS-XXe		\$214,253.52
MS-XXf		\$214,253.52
MS-XXg		\$214,253.52
MS-XXh		\$196,399.06
MS-XXi		\$196,399.06
MS-XXj		\$196,399.06
MS-XXk		
MS-XXl		\$435,633.80
MS-XXm		\$100,000.00

Unit 3 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-XX		
Progress Payment 1	90 calendar days	\$267,816.90
Progress Payment 2	180 calendar days	\$267,816.90
Progress Payment 3	270 calendar days	\$267,816.90
Progress Payment 4	360 calendar days	\$267,816.90
Progress Payment 5	450 calendar days	\$267,816.90
Progress Payment 6	540 calendar days	\$214,253.52
Progress Payment 7	630 calendar days	\$160,690.14
Progress Payment 8	720 calendar days	\$160,690.14
Progress Payment 9	755 calendar days	\$535,633.80
MS-13a		\$267,816.90
MS-13b		\$535,633.80
MS-13c		\$214,253.52
MS-13d		\$160,690.14
MS-13e		\$214,253.52
MS-13f		\$214,253.52
MS-13g		\$214,253.52
MS-13n		\$196,399.06
MS-13h		\$98,199.53
MS-13i		\$196,399.06
MS-13j		\$98,199.53
MS-13k		
MS-13l		\$348,507.04
MS-13o		\$87,126.76
MS-13m		\$100,000.00

Units 4, 5, 8, 9 & 10 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-XX		
Progress Payment 1	90 calendar days	\$267,816.90
Progress Payment 2	180 calendar days	\$267,816.90
Progress Payment 3	270 calendar days	\$267,816.90
Progress Payment 4	360 calendar days	\$267,816.90
Progress Payment 5	450 calendar days	\$267,816.90
Progress Payment 6	540 calendar days	\$214,253.52
Progress Payment 7	630 calendar days	\$160,690.14
Progress Payment 8	720 calendar days	\$160,690.14

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
Progress Payment 9	755 calendar days	\$535,633.80
MS-XXa		\$267,816.90
MS-XXb		\$428,507.04
MS-XXc		\$214,253.52
MS-XXd		\$160,690.14
MS-XXe		\$214,253.52
MS-XXf		\$214,253.52
MS-XXg		\$214,253.52
MS-XXh		\$98,199.53
MS-XXi		\$196,399.06
MS-XXj		\$98,199.53
MS-XXk		
MS-XXl		\$348,507.04
MS-XXm		\$100,000.00
MS-XXn		\$196,399.06
MS-XXo		\$87,126.76
MS-XXp		\$107,126.76

Unit 6 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-XX		
Progress Payment 1	90 calendar days	\$267,816.90
Progress Payment 2	180 calendar days	\$267,816.90
Progress Payment 3	270 calendar days	\$267,816.90
Progress Payment 4	360 calendar days	\$267,816.90
Progress Payment 5	450 calendar days	\$267,816.90
Progress Payment 6	540 calendar days	\$214,253.52
Progress Payment 7	630 calendar days	\$160,690.14
Progress Payment 8	720 calendar days	\$160,690.14
Progress Payment 9	755 calendar days	\$535,633.80
MS-16a		\$267,816.90
MS-16b		\$428,507.04
MS-16c		\$214,253.52
MS-16d		\$160,690.14
MS-16e		\$214,253.52
MS-16f		\$214,253.52
MS-16g		\$214,253.52
MS-16h		\$98,199.53

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-16i		\$98,199.53
MS-16j		\$98,199.53
MS-16k		
MS-16l		\$348,507.04
MS-16m		\$100,000.00
MS-16n		\$196,399.06
MS-16o		\$87,126.76
MS-16p		\$107,126.76
MS-16q		\$19,639.91
MS-16r		\$19,639.91
MS-16s		\$19,639.91
MS-16t		\$19,639.91
MS-16u		\$19,639.91

Unit 7 Payment Schedule

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-XX		
Progress Payment 1	90 calendar days	\$267,816.90
Progress Payment 2	180 calendar days	\$267,816.90
Progress Payment 3	270 calendar days	\$267,816.90
Progress Payment 4	360 calendar days	\$267,816.90
Progress Payment 5	450 calendar days	\$267,816.90
Progress Payment 6	540 calendar days	\$214,253.52
Progress Payment 7	630 calendar days	\$160,690.14
Progress Payment 8	720 calendar days	\$160,690.14
Progress Payment 9	755 calendar days	\$535,633.80
MS-17a		\$267,816.90
MS-17b		\$428,507.04
MS-17c		\$214,253.52
MS-17d		\$160,690.14
MS-17e		\$214,253.52
MS-17f		\$214,253.52
MS-17g		\$214,253.52
MS-17h		\$98,199.53
MS-17i		\$98,199.53
MS-17j		\$98,199.53
MS-17k		
MS-17l		\$348,507.04

Satisfactory Completion of Items as Specified in Milestone Schedule (Section SR-2)	Unit NTP – XX plus Approximately	Payment Amount
MS-17m		\$100,000.00
MS-17n		\$196,399.06
MS-17o		\$87,126.76
MS-17p		\$107,126.76
MS-17q		\$32,733.18
MS-17r		\$32,733.18
MS-17s		\$32,733.18

Bid Item Nos. 28 and 29 may be invoiced monthly for services performed.

The District will update this schedule to include any Optional Bid Items accepted by the District.

3. GC-24 Progress Meetings shall be replaced in its entirety with the following:

The Contractor shall attend progress meetings on a weekly basis, or at such other frequency as determined necessary by the District Representative (DR). Progress meetings shall be utilized to review the work schedule and discuss any delays, unusual conditions, or critical items which have affected or could affect the progress of the work.

The weekly Progress meetings shall be scheduled in coordination with the DR and may be canceled at the sole discretion of the DR in the event of a holiday, District closure, or other reasonable cause. The Contractor shall not cancel or reschedule any progress meeting without the prior approval of the DR.

Meeting minutes shall be prepared, by the Contractor, for each progress meeting. The Contractor shall provide draft meeting minutes to the DR within two business days following the meeting to the District's SharePoint site. The DR will review, revise as necessary, and issue the final meeting minutes via the District's SharePoint site. These minutes will serve as the record of discussions and action items.

Time is of the essence of this Contract. If at any time during the progress of work, the Contractor's actual progress, in the opinion of the District Representative, is inadequate to meet the Contract completion dates, the District may issue a written notice of noncompliance to the Contractor who shall thereupon take such steps as may be necessary to improve its progress. If within a reasonable period as determined by the District Representative, the Contractor does not improve performance to meet the work schedule, the District may direct the Contractor to accelerate the work through an increase in the Contractor's labor force, the number of shifts, overtime operations, additional days of work per week and/or an increase in the amount of plant; all without additional cost to the District. Neither such notice by the District nor the District's failure to issue such notice shall relieve the Contractor of its obligation to achieve the quality of work and rate of progress required by the Contract.

Failure of the Contractor to comply with the instructions of the District may be grounds for determination by the District that the Contractor is not prosecuting its work with such diligence as shall assure completion within the times specified. Upon such determination, the District

may terminate the Contractor's right to proceed with the performance of the Contract, or any separable part thereof in accordance with GC-4.

4. Section SR-2.A, Milestone Dates, shall be replaced in its entirety with the following:

A. MILESTONE DATES

1. MILESTONE DATES FOR SUBMITTALS AND MISCELLANEOUS ACTIVITIES

Mile- stone	DESCRIPTION	Due Date
MS-1	List of all drawings to be submitted under this Contract TS1-13.2.6 NOTE: the above documents shall be updated and resubmitted every 30 days	9/7/2014
MS-2	QA Program Manual TS1-13.2.6 Manufacturing and inspection plan TS1-13.2.6 Preliminary packaging and shipping plan TS1-13.2.6 Welding procedures TS4-4.2.2, TS1-9.2.6 and TS1-14.2.14	10/7/2014
MS-3	General arrangement drawings TS1-14.2 1 Physical outline drawings TS1-14.2 2 Design criteria, calculations, stress analyses, CFD analyses, etc. for long lead time items such as runner blades and runner hubs TS1-14.2 15	11/6/2014
MS-4	Structural drawings TS1-14.2 3 Design criteria, calculations, stress analyses, CFD analyses, etc. for all components except those long lead time items required in MS-3 TS1-14.2 15	12/6/2014
MS-5	Loading diagrams and Assembly drawings TS1-14.2 4 and TS1-14.2 5 Piping drawings TS1-14.2 6 Electrical and controls layouts and schematics TS1-14.2 7	1/5/2015
MS-6	Contractor's onsite facilities TS1-14.2 12 Contractor's storage requirements and instructions TS1-12.5	4/5/2015
MS-7	Bill of Materials TS1-14.2 11 Material standards and specifications different from those specified TS1-14.2 13 Detailed drawings TS1-14.2 8 Runner blade profile drawings and database TS1-14.2 9 Complete spare parts list with descriptions, catalogue number and illustrations TS1-15.2 Installation drawings TS1-14.2 10 Final packaging and shipping plan TS1-13.2.6	7/4/2015
MS-8	All remaining drawings and submittals due by the Contractor but not mentioned elsewhere in this Section Resumes of proposed advisors SR-11 Draft O&M manuals TS1-14.6 Completion of pilot blade TS2-9.2	10/2/2015
MS-9	Final integrated Bill of Materials TS1-14.2 11 Final design criteria, calculations, stress analyses, CFD analyses, etc. TS1-14.2 15	12/31/2015

NOTE: Milestone Dates for furnishing the following submittals by the Contractor are defined by number of days prior or after a related activity (not Contract Award).

Mile-stone	DESCRIPTION	Days from/after related activity
MS-10	Shop and field test procedures TS1-13.2.6	90 days prior to the test

2. MILESTONE DATES FOR SITE WORK AND DELIVERY TO SITE OF PARTS AND MATERIAL BY THE CONTRACTOR

Contractor shall deliver all finished products on or before the Milestone Date for the respective Unit as specified in the following table. The District shall not be required to accept delivery of any parts or materials prior to 90 calendar days before the specified Milestone Date with the exception of MS-13h, MS-13j, MS-14h & MS-14j, MS-15h & MS-15j, MS-16h & MS-16j, MS-17h & MS-17j, MS-18h & MS-18j, MS-19h & MS-19j, MS-20h & MS-20j which the District shall not be required to accept delivery of any parts or materials prior to 30 calendar days before the specified Milestone Date.

Notwithstanding the foregoing, the District shall have the right to delay the Milestone Date MS-20k, as specified in the following table, for Commercial Operation of Unit 10 by up to ninety-nine (99) calendar days without payment of any additional compensation to the Contractor. The District shall give the Contractor notice of any Milestone Date changes at least sixty (60) calendar days prior to the date of the ~~revised~~ current Milestone Date. Incorporating the District's right to delay MS-20k by ninety-nine (99) calendar days in this Change Order 42 shall serve as Contractor's assessment of \$275,000.00 in liquidated damages as communicated to Voith Hydro Inc. in correspondence PRT/VH-0060, dated May 25, 2023 and \$15,000 in liquidated damages as communicated to Voith Hydro Inc. in correspondence PRT/VH-0073 dated May 6, 2025. The District shall not pursue recovery of those liquidated damages through any other means.

Mile-stone	DESCRIPTION	Due Date
	First Unit:	
MS-11	NTP-1	7/9/2014
MS-11a	Start of Unit outage.	8/1/2016
MS-11b	Delivery to the site of embedded components for the inspection platform.	9/6/2016
MS-11c	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	9/20/2016
MS-11d	Availability of intermediate head cover for pick-up at the site by the Contractor.	9/27/2016
MS-11e	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, bottom ring facing plates, and shaft packing box for pick-up at the site by the Contractor.	10/4/2016
MS-11f	Delivery to site of all parts and materials necessary for site assembly of the runner.	12/20/2016
MS-11g	Delivery to the site of the intermediate head cover.	3/14/2017

MS-11h	Delivery to the site of turbine shaft, wicket gate links & pins, bottom ring facing plates, and shaft packing box.	3/3/2017
MS-11i	Delivery to the site of the existing outer head cover, existing wicket gate cartridges, wicket gate arms, shear levers, new wicket gates and outer head cover facing plates.	4/17/2017
MS-11j	Commercial operation.	1/26/2018
MS-11k	Delivery to the site of the maintenance platform.	2/1/2018
MS-11l	O&M manuals, shop test reports, and quality records for Unit 1 components.	8/2/2017
MS-11m	Field test reports	90 days after completion of the test
MS-11n	Delivery to site of new Kaplan pipes, new inner head cover, new inner head cover deck plates, spare outer head cover, and spare wicket gate cartridges.	1/31/2017
MS-11o	Delivery to site of wicket gate operating ring.	3/24/2017
	Second Unit:	
MS-12	NTP-2	4/10/2015
MS-12a	Delivery to the site of embedded components for the inspection platform.	6/8/2017
MS-12b	Delivery to site of all parts and materials necessary for site assembly of the runner and new Kaplan pipes.	7/13/2017
MS-12c	Delivery to the site of the inner head cover deck plates.	9/21/2017
MS-12d	Start of Unit outage.	1/29/2018
MS-12e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	5/31/2018
MS-12f	Availability of intermediate head cover and bottom ring facing plates for pick-up at the site by the Contractor.	5/9/2018
MS-12g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, and shaft packing box for pick-up at the site by the Contractor.	5/2/2018
MS-12h	Delivery to the site of the spare intermediate head cover.	6/7/2018
MS-12i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, spare wicket gate operating ring, bottom ring facing plates, shaft packing box and new wicket gates.	8/29/2018
MS-12j	Delivery to the site of the inner head cover, spare outer head cover, spare wicket gate cartridges, and outer head cover facing plates.	5/29/2018
MS-12k	Commercial operation.	3/19/2019
MS-12l	O&M manuals, shop test reports, and quality records for Unit 2 components.	10/26/2018
MS-12m	Field test reports.	90 days after completion of the test
	Third Unit:	
MS-13	NTP-3	4/9/2016
MS-13a	Delivery to the site of embedded components for the inspection platform.	6/8/2018
MS-13b	Delivery to site of all parts and materials necessary for site assembly of the runner and new Kaplan pipes.	10/11/2018

MS-13c	Delivery to the site of the inner head cover deck plates.	9/21/2018
MS-13d	Start of Unit outage.	4/1/2019
MS-13e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	7/3/2019
MS-13f	Availability of intermediate head cover for pick-up at the site by the Contractor.	6/28/2019
MS-13g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	6/25/2019
MS-13h	Delivery to the site of the U2 intermediate head cover and U2 inner head cover.	7/31/2019
MS-13i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U2 wicket gate operating ring, bottom ring facing plates, new packing box and new wicket gates.	11/22/2019
MS-13j	Delivery to the site of the existing U2 outer head cover, existing U2 wicket gate cartridges, and outer head cover facing plates.	8/14/2019
MS-13k	Commercial operation.	11/5/2020
MS-13l	O&M manuals, shop test reports, and quality records for all Unit 3 components except those listed in MS-13i as well as the U2 parts listed in MS-13h & MS-13j.	9/29/2019
MS-13m	Field test reports.	90 days after completion of the test
MS-13n	Completion of U2 head cover shop assembly	3/19/2019
MS-13o	O&M manuals, shop test reports, and quality records for items listed in MS-13i.	4/21/2020
	Fourth Unit:	
MS-14	NTP-4	4/9/2017
MS-14a	Delivery to the site of embedded components for the inspection platform.	6/8/2019
MS-14b	Completion of all runner components, shop assembly and final testing.	8/9/2019
MS-14c	Delivery to the site of the inner head cover deck plates.	9/21/2019
MS-14d	Start of Unit outage	11/16/2020
MS-14e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	5/15/2021
MS-14f	Availability of intermediate head cover for pick-up at the site by the Contractor.	5/11/2021
MS-14g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	5/18/2021
MS-14h	Delivery to the site of the U3 intermediate head cover and U3 inner head cover.	6/24/2021
MS-14i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U3 wicket gate operating ring,	9/28/2021

	bottom ring facing plates, new packing box, new wicket gates and remaining new Kaplan pipes.	
MS-14j	Delivery to the site of the existing U3 outer head cover, existing U3 wicket gate cartridges, and outer head cover facing plates.	7/21/2021
MS-14k	Commercial operation.	9/19/2022
MS-14l	O&M manuals, shop test reports, and quality records for U3 parts listed in MS-14h & MS-14j and all Unit 4 components except those listed in MS-14i.	6/23/2021
MS-14m	Field test reports.	90 days after completion of the test
MS-14n	Completion of U3 head cover shop assembly	11/11/2020
MS-14o	O&M manuals, shop test reports, and quality records for items listed in MS-14i.	3/28/2022
MS-14p	Delivery to site of all parts and materials necessary for site assembly of the runner and new Kaplan pipes.	3/20/2020
	Fifth Unit:	
MS-15	NTP-5	4/9/2018
MS-15a	Delivery to the site of embedded components for the inspection platform.	6/7/2020
MS-15b	Completion of all runner components, shop assembly and final testing.	5/28/2021
MS-15c	Delivery to the site of the inner head cover deck plates.	9/20/2020
MS-15d	Start of Unit outage.	9/19/2022
MS-15e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	12/29/2022
MS-15f	Availability of intermediate head cover for pick-up at the site by the Contractor.	1/19/2023
MS-15g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	1/5/2023
MS-15h	Delivery to the site of the U4 intermediate head cover and U4 inner head cover.	1/28/2023
MS-15i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U4 wicket gate operating ring, bottom ring facing plates, new packing box and new wicket gates.	5/11/2023
MS-15j	Delivery to the site of the existing U4 outer head cover, existing U4 wicket gate cartridges, and outer head cover facing plates.	6/1/2023
MS-15k	Commercial operation.	11/18/2023
MS-15l	O&M manuals, shop test reports, and quality records for Unit 5 components except those listed in MS-15i as well as the U4 parts listed in MS-15h and MS-15j.	1/14/2023
MS-15m	Field test reports.	90 days after completion of the test
MS-15n	Completion of U4 head cover shop assembly	7/15/2022

MS-15o	O&M manuals, shop test reports, and quality records for remaining components for Unit 5.	10/19/2023
MS-15p	Delivery to site of all parts and materials necessary for site assembly of the runner and new Kaplan pipes.	3/14/2022
	Sixth Unit:	
MS-16	NTP-6	4/9/2019
MS-16a	Delivery to the site of embedded components for the inspection platform.	6/7/2021
MS-16b	Completion of all runner components, shop assembly and final testing.	1/9/2024
MS-16c	Delivery to the site of the inner head cover deck plates.	9/20/2021
MS-16d	Start of Unit outage.	11/13/2023
MS-16e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	2/21/2024
MS-16f	Availability of intermediate head cover for pick-up at the site by the Contractor.	2/16/2024
MS-16g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	2/13/2024
MS-16h	Delivery to the site of the U5 intermediate head cover and U5 inner head cover.	5/7/2024
MS-16i	Delivery to the site of turbine shaft	7/3/2024
MS-16j	Delivery to the site of the existing U5 outer head cover with facing plates.	5/3/2024
MS-16k	Commercial operation.	1/23/2025
MS-16l	O&M manuals, shop test reports, and quality records for Unit 6 components.	7/3/2024
MS-16m	Field test reports.	90 days after completion of the test
MS-16n	Completion of U5 head cover shop assembly	2/20/2024
MS-16o	O&M manuals, shop test reports, and quality records for all remaining components for Unit 6.	12/14/2024
MS-16p	Delivery to site of all parts and materials necessary for site assembly of the runner.	2/23/2024
MS-16q	Delivery to site of the U5 inner head cover, wicket gate caps, links & pins	4/17/2024
MS-16r	Delivery to site of the wicket gate arms, wicket gate shear levers & new wicket gates	6/11/2024
MS-16s	<u>Delivery to site of the U5 operating ring & new packing box</u>	<u>5/10/2024</u>
MS-16t	<u>Delivery to site of the new Kaplan pipes and U5 wicket gate cartridges</u>	<u>4/26/2024</u>
MS-16u	<u>Delivery to site of the bottom ring facing plates</u>	<u>5/25/2024</u>
	Seventh Unit:	
MS-17	NTP-7	7/8/2020
MS-17a	Delivery to the site of embedded components for the inspection platform.	6/7/2022
MS-17b	Completion of all runner components, shop assembly and final testing.	2/20/2025

MS-17c	Delivery to the site of the inner head cover deck plates.	9/20/2022
MS-17d	Start of Unit outage.	1/27/2025
MS-17e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	4/30/2025
MS-17f	Availability of intermediate head cover for pick-up at the site by the Contractor.	4/25/2025
MS-17g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	4/22/2025
MS-17h	Delivery to the site of the U6 intermediate head cover and U6 inner head cover	7/5/2025
MS-17i	Delivery to the site of turbine shaft.	9/8/2025
MS-17j	Delivery to the site of the existing U6 outer head cover with new facing plates and new bottom ring facing plates.	7/25/2025
MS-17k	Commercial operation.	3/26/2026
MS-17l	O&M manuals, shop test reports, and quality records for Unit 7 components except those listed in MS-17i as well as the U6 parts listed in MS-17h & MS-17j.	5/16/2025
MS-17m	Field test reports.	90 days after completion of the test
MS-17n	Completion of U6 head cover shop assembly	5/04/2025
MS-17o	O&M manuals, shop test reports, and quality records for all remaining components for Unit 7.	2/24/2026
MS-17p	Delivery to site of all parts and materials necessary for site assembly of the runner.	3/24/2025
MS-17q	Delivery to the site of wicket gate arms, new shear levers, new wicket gates, wicket gate thrust caps and U6 wicket gate cartridges.	9/9/2025
MS-17r	Delivery to the site of the new packing box.	8/22/2025
MS-17s	Delivery to the site of new Kaplan pipes	4/30/2025
MS-17t	Delivery to the site of wicket gate links & pins & U6 wicket gate operating ring.	7/22/2025
	Eighth Unit:	
MS-18	NTP-8	7/7/2022
MS-18a	Delivery to the site of embedded components for the inspection platform.	6/7/2023
MS-18b	Delivery to site of all parts and materials necessary for site assembly of the runner	1/25/2026
MS-18c	Delivery to the site of the inner head cover deck plates.	9/20/2023
MS-18d	Start of Unit outage.	3/30/2026
MS-18e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	7/1/2026

MS-18f	Availability of intermediate head cover for pick-up at the site by the Contractor.	6/26/2026
MS-18g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	6/23/2026
MS-18h	Delivery to the site of the U7 intermediate head cover and U7 inner head cover.	7/26/2026
MS-18i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U7 wicket gate operating ring, new packing box and new wicket gates.	10/31/2026
MS-18j	Delivery to the site of the existing U7 outer head cover, existing U7 wicket gate cartridges, bottom ring facing plates and outer head cover facing plates.	10/4/2026
MS-18k	Commercial operation.	5/27/2027
MS-18l	O&M manuals, shop test reports, and quality records for Unit 8 components.	7/12/2026
MS-18m	Field test reports.	90 days after completion of the test
MS-18n	Completion of U7 head cover shop assembly	4/12/2026
MS-18o	O&M manuals, shop test reports, and quality records for items listed in MS-18i.	4/27/2027
MS-18p	Completion of all runner components, shop assembly and final testing.	8/15/2025
MS-18q	Delivery to the site of new Kaplan pipes	6/30/2026
	Ninth Unit:	
MS-19	NTP-9	4/21/2025
MS-19a	Delivery to the site of embedded components for the inspection platform.	6/7/2026
MS-19b	Delivery to site of all parts and materials necessary for site assembly of the runner and new Kaplan pipes.	8/6/2027
MS-19c	Delivery to the site of the inner head deck plates.	9/20/2026
MS-19d	Start of Unit outage.	5/29/2027
MS-19e	Availability of existing outer head cover, outer head cover facing plates, and wicket gate cartridges for pick-up at the site by the Contractor.	8/30/2027
MS-19f	Availability of intermediate head cover for pick-up at the site by the Contractor.	8/25/2027
MS-19g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, wicket gate operating ring, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	8/22/2027
MS-19h	Delivery to the site of the U8 intermediate head cover and U8 inner head cover.	9/29/2027
MS-19i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U8 wicket gate operating ring, new packing box and new wicket gates	12/29/2027
MS-19j	Delivery to the site of the existing U8 outer head cover, existing U8 wicket gate cartridges, bottom ring facing plates, and outer head cover facing plates.	11/26/2027

MS-19k	Commercial operation.	7/25/2028
MS-19l	O&M manuals, shop test reports, and quality records for Unit 8 parts listed in MS-19h & MS-19j and all Unit 9 components except those listed in MS-19i.	9/15/2027
MS-19m	Field test reports.	90 days after completion of the test
MS-19n	Completion of U8 head cover shop assembly	6/16/2027
MS-19o	O&M manuals, shop test reports, and quality records for items listed in MS-19i.	6/25/2028
MS-19p	Completion of all runner components, shop assembly and final testing.	6/7/2027
	Tenth Unit:	
MS-20	NTP-10	9/30/2025
MS-20a	Delivery to the site of embedded components for the inspection platform.	11/8/2027
MS-20b	Delivery to site of all parts and materials necessary for site assembly of the runner	5/26/2028
MS-20c	Delivery to the site of the inner head cover deck plates.	2/21/2028
MS-20d	Start of Unit outage.	7/27/2028
MS-20e	Removal of existing U10 outer head cover, outer head cover facing plates, and U10 wicket gate cartridges from the Priest Rapids powerhouse.	10/28/2028
MS-20f	Removal of U10 intermediate head cover from the powerhouse.	10/23/2028
MS-20g	Availability of turbine shaft, wicket gate arms, wicket gate links & pins, packing box and bottom ring facing plates for pick-up at the site by the Contractor.	10/20/2028
MS-20h	Delivery to the site of the U9 intermediate head cover and U9 inner head cover.	11/27/2028
MS-20i	Delivery to the site of turbine shaft, wicket gate arms, wicket gate links & pins, U9 wicket gate operating ring, bottom ring facing plates, new packing box and new wicket gates.	2/26/2029
MS-20j	Delivery to the site of the existing U9 outer head cover, existing U9 wicket gate cartridges, and outer head cover facing plates.	1/24/2029
MS-20k	Commercial operation.	9/23/2029
MS-20l	O&M manuals, shop test reports, and quality records for Unit 10 components.	11/13/2028
MS-20m	Field test reports.	90 days after completion of the test
MS-20n	Completion of U9 head cover shop assembly	9/29/2028
MS-20o	O&M manuals, shop test reports, and quality records for items listed in MS-20i.	8/24/2029
MS-20p	Completion of all runner components, shop assembly and final testing.	3/8/2028
MS-20q	Delivery to the site of new Kaplan pipes	10/28/2028

The cost to extend the project beyond the completion date noted in Change Order 41 shall be calculated as follows:

CO41 MS-20k date: 9/25/2026
CO42 MS-20k date: 9/23/2029
Number of added days: 1094 days
Number of added years: 2.9952 years
Number of full time hours per year: 2080 hours/year

JOB TITLE	Exhibit "P" Group No.	JOB RATE (2025 values)	% CHARGED TO PROJECT	COST ¹
Project Management	II	\$366.02	67.75%	\$1,544,927.23
Project Coordination	VI	\$183.01	25%	\$285,041.92
Master Scheduling	V	\$244.02	37.53%	\$570,539.91
Engineering	II	\$366.02	40.42%	\$921,711.56
Quality Assurance	V	\$244.02	40.42%	\$614,474.38
Sourcing	II	\$366.02	30%	\$684,100.62
Commercial	II	\$366.02	15%	\$342,050.31
Document Control	V	\$244.02	15%	\$228,033.54
			TOTAL	\$5,190,879.47

¹ Cost is calculated as follows: Rate * % * added yrs * full time hrs/year

The price increase for the project management, project coordination, master scheduling, engineering, quality assurance, sourcing, commercial and document control costs associated with the overall Contract extension for all ten (10) units by 1094 days is \$5,190,879.47. This amount shall be increased \$350,000.00 for Insurance costs.

Payment for Insurance costs shall be paid upon issuance of NTP-10. Payment for the Contract extension costs shall be 50% payment on July 1st, 2026 and a 50% payment on July 1st, 2027.

This Change Order Item A.4 results in an increase to the Contract Price in the amount of \$5,540,879.47.

5. Section SR-2.B, Liquidated Damages, shall be replaced in its entirety with the following:

A. LIQUIDATED DAMAGES

If the said Contractor shall neglect, fail, or refuse to submit any deliverables identified on the Milestone Schedule for the specific Milestones identified below within the times specified as Milestone Dates or neglects, fails, or refuses to complete the work or its part thereof within the Milestone Dates, or any proper extension thereof granted by the District, then the Contractor does hereby agree, as a part consideration for the awarding of this Contract, to pay to the District the amount as set forth below, not as a penalty but as Liquidated Damages for each and

every calendar day between the day stipulated for completion of said work and the day upon which the work is satisfactorily completed.

<u>Delayed Deliverable for Submittals and Miscellaneous Activities</u>	<u>\$/calendar day</u>
Documents, such as drawings, reports, schedule, etc. necessary for meeting the Milestone schedule for MS-1, MS-2, MS-3, MS-4, MS-5, MS-6, MS-7, MS-8, MS-9, and MS-10.	1,000

<u>Delayed Deliverable for Unit 1 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-11f, MS-11g, MS-11h, and MS-11i.	25,000

<u>Delayed Deliverable for Units 2-5,8 & 10 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-XXh, MS-XXi, and MS-XXj which are not delivered to the site.	25,000

<u>Delayed Deliverable for Unit 6 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-16h & MS-16i which are not delivered to the site.	25,000

All parts and materials necessary for meeting the unit Milestone schedule for MS-16j, MS-16p, MS-16q, MS-16r, MS-16s, MS-16t & MS-16u which are not delivered to the site.	5,000
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<u>Delayed Deliverable for Unit 7 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-17h & MS-17i which are not delivered to the site.	25,000

All parts and materials necessary for meeting the unit Milestone schedule for MS-17j, MS-17q, MS-17r & MS-17s which are not delivered to the site.	5,000
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<u>Delayed Deliverable for Unit 9 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-19h, MS-19i and MS-19j which are not delivered to the site.	25,000

All parts and materials necessary for meeting the unit Milestone schedule for MS-19b which are not delivered to the site.	5,000
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<u>Delayed Deliverable for Units 8 and 10 only</u>	<u>\$/calendar day</u>
All parts and materials necessary for meeting the unit Milestone schedule for MS-XXh, MS-XXi and MS-XXj which are not delivered to the site.	25,000

All parts and materials necessary for meeting the unit Milestone schedule for MS-XXq which are not delivered to the site.	5,000
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The aggregate Liquidated Damages payable by the Contractor to the District for non-delivery of materials and parts to the site will not exceed \$25,000/calendar day/Unit.

The Liquidated Damages have been specifically negotiated by and between the Contractor and the District because of the impracticability and extreme difficulty of fixing and ascertaining the

actual damages, and said amount has been determined to be a reasonable estimate of the amount of damages which the District would sustain in the event of late completion of the work.

The provisions for Liquidated Damages contained in Section SR-2 are the District's sole and exclusive remedy against the Contractor for delays in completion, but shall not relieve or release the Contractor from liability for any other damages or any damages occasioned by other breaches or defaults under this Contract.

The District may retain from any monies or progress payments due the Contractor such amount(s) as may be necessary to pay said Liquidated Damages. Should such amounts due to the Contractor not be sufficient to pay such damages, the Contractor shall immediately pay the deficiency to the District.

The execution of the Contract for the work herein contemplated shall constitute acknowledgement by the Contractor that he understands, has estimated and ascertained and agrees that the District will actually suffer damages in the amount(s) described above.

The District shall not assess Liquidated Damages for non-delivery or late completion in an amount in excess of three percent (3%) of the total Contract Price on any individual Unit.

6. SR-2.C Schedule, shall be replaced in its entirety with the following:

Immediately following Contract Award, the Contractor shall prepare and submit to the District for its approval a detailed time-scaled CPM (Critical Path Method) progress schedule for the work. This schedule shall include the following:

1. Fabrication and Manufacturing Timeline: Including start and end dates for major production phases.
2. Ready-to-Ship Dates: Estimated dates each component will be ready for shipment, with consideration for final inspections and packaging requirements.
3. Transportation Timelines: Planned durations for transportation from the point of origin to the final delivery destination, including any transfer points or storage locations.
4. Dependencies and Milestone Dates included in the Milestone Schedule shown above: Identification of interdependencies between components or assemblies and inclusion of Milestone Dates.

The progress schedule is to be submitted within fourteen (14) calendar days after issuance of the NTP-1. The Contractor shall update the schedule monthly and re-submit it for the District's review and approval. The Contractor shall assign such forces and prosecute the work in such a manner as to assure compliance with the approved schedule.

In accordance with TS1-13 Quality Assurance Program, the Contractor shall provide timely notice of upcoming inspections. Inspection notifications shall be submitted to the District separate from the progress schedule. The Contractor shall provide more granular information in Inspection notifications than what is provided in the progress schedule. These shall include the following:

- Estimated inspection date if in advance of the Contract required notification timeline
- Confirmed inspection date if within the Contract required notification timeline
- References to appropriate drawings and manufacturing plans

In addition to inspection notifications, the Contractor will provide 4 week look ahead schedules for work occurring at major suppliers. Items included in this schedule will include:

- Manufacturing steps that occur before and after inspections. Include estimated or confirmed dates, as appropriate.
- Future inspections including estimated dates.
- References to appropriate drawings and manufacturing plans

7. SR-22 Approval of Personnel Changes shall be replaced in its entirety with the following:

The Contractor shall submit to the District's Representative for review and approval a proposed list of individuals who will have access to CEII or CIP Protected Information or to restricted areas of District facilities. Unless otherwise required or prohibited by law, the Contractor shall supply the following information for each individual: full legal name, project job title, physical work address, email address, contact number (mobile or office phone), date of birth, qualifications, years' of experience, lawful presence and eligibility to work in the United States of such individuals along with their experience and qualifications for the type of work they will perform. Subject to prior written authorization of District's Representative, Contractor may add or change personnel on the approved list provided that the same identifying information listed above is provided to the District for review and approval. The Contractor shall submit to the District's Representative all additions to the approved list of individuals along with the above listed information for review and approval. The District reserves the right to deny approval of any proposed individual if, as determined by the District; such individual is unsatisfactory to the District. The District will be the sole judge of such effect. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

The Contractor shall ensure the following project roles are identified in the above list:

- Project Manager
- Project Coordinator
- Master Scheduler
- Lead Engineer
- Site Quality Assurance Manager
- Quality Engineers (Manufacturing)
- Sourcing Manager
- Commercial Manager
- Document Control Specialist
- Installation Advisor
- Test Engineer

This contact list shall be submitted to the District upon initial staffing and updated no less than once annually or immediately following any personnel change. The Contractor shall ensure the accuracy of this information throughout the duration of the Work.

8. Add new SR-27: Services of the Contractor's Office Personnel

The Contractor shall furnish qualified personnel necessary to manage and execute in accordance with the Contract Documents. These individuals shall be subject to review by the

District and must have relevant qualifications and experience commensurate with their responsibilities. The following are required by the District for each role:

1. Project Manager: Shall be present or readily available during critical phases of the project, participate, when able, in progress meetings, and coordinate across disciplines—engineering, scheduling, quality, logistics, and procurement—to ensure cohesive and timely project delivery.
 2. Project Coordinator: Shall support the Project Manager. Attends District progress meetings when able and leads progress meetings in the absence of the Project Manager. Specific duties to be determined by the Contractor, as appropriate.
 3. Master Scheduler: Shall create, update and a schedule in accordance with SR-2.C Schedule.
 4. Project Engineer: Is responsible for all technical aspects of this Contract scope. Is available for Progress Meetings with the District and is prepared to answer technical questions. Is available for calls or email correspondence with the District for technical discussions, as needed.
 5. Quality Assurance: Is responsible for all quality aspects of this Contract scope. Provides inspection notifications and four week look ahead schedules as detailed in SR-2.C Schedule and TS1-13 Quality Assurance Program. Is available for Progress Meetings with the District and is prepared to answer quality related questions. Distributes non-conformance documentation to the District for review. Compiles quality reports for each Unit, in accordance with the Contract.
 6. Sourcing Manager: Is responsible for the research, selection, and management of the Contractor's suppliers. Attends District progress meetings when able and leads progress meetings in the absence of the Project Manager. Provides supplier updates, as requested by the District. Able to communicate with suppliers to address issues, as needed.
 7. Commercial Manager: Supports the Project Manager in commercial documentation for this Contract. Is available for commercial discussions with the District, as appropriate.
 8. Document Control Specialist: Ensures timely delivery of Submittals to the District's SharePoint site.
9. U5-U10 wicket gate tail seal profile changes - Contractor shall machine the wicket gate tail seal in accordance with Voith drawing 2TKV04-0101-01353926 Revision N for U5-10. The Contractor shall procure templates for checking tail seal dimensions, check tail seal surfaces and reconfigure tooling. One-time costs will be included with U5. For all 24 U5 gates and 19 U6 gates, the Contractor shall re-machine final machined surfaces to create the new tail seal shape, as shown in Voith drawing 2TKV04-0101-01353926 Revision N. For 5 U6 gates and all U7-10 gates, the Contractor shall include a second machining setup to create the new tail seal profile, Voith drawing 2TKV04-0101-01353926 Revision N. See Unit cost summary below, for reference.

UNIT	One time costs	Re-machine final surfaces to create new profile	Machine additional plane to create new profile	Unit SUBTOTAL
U5	\$12,434.50	\$45,086.00		\$57,520.50
U6		\$34,365.50	\$3,812.00	\$38,177.50
U7			\$18,298.50	\$18,298.50
U8			\$18,298.50	\$18,298.50
U9			\$18,298.50	\$18,298.50
U10			\$18,298.50	\$18,298.50

For Units U7-U10, the price for this Change Order Item ~~A.4~~ A.9 shall be adjusted in accordance with the Price Adjustment provisions specified in Section SR-15 with the following modification: The Base Index value shall be the quarterly or monthly applicable index in effect at the time of receipt of Contractor's cost proposal on this item, sent via email 2/27/2023. The price shall be adjusted for U7-U10 as determined by the Bureau of Labor Statistic and subject to the following weighting adjustments:

60% of Section SR-15.1, 5% of Section SR-15.4, and 35% of Section SR-15.6.

This Change Order Item A.9 results in an increase to the Contract Price in the amount of \$168,892.00. Payment shall made, on a unit-by-unit basis, upon completion of added work scope, review and approval of final dimensional data and receipt of proper invoice.

10. U6 Intermediate Head Cover weld repairs - In addition to the scope identified in Section TS2-13, Head Covers, Change Order No. 1, Item A.1, Change Order No. 6, Item A.1, Change Order No. 14, Item A.8 and Change Order No. 34, Item A.2, the Contractor shall provide the following for the Unit 6 (P-1) existing intermediate head cover:
- Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100286570 and 8100286569.
 - Remove hardware and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100286570 and 8100286569.
 - Mill the split flange faces of half I & half II as agreed to by the Contractor and the District in Change Notifications 8100286570 and 8100286569.
 - Perform visual inspection of the weld repairs.
 - Perform repairs in accordance with 8100311774 & 8100311776, as discussed in PRDS - LTR-VHY-GCPUD-00040 sent 5/14/2025.

The Contractor shall not dimensional inspect the existing intermediate head cover prior to weld repair. Responsibility for the dimensional integrity after weld repairs of the existing intermediate head cover remains with the District.

This Change Order Item A.10 results in an increase to the Contract Price in the amount of \$159,142.00. Payment for this Item A.10 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

11. U6 Outer Head Cover weld repairs - In addition to the scope identified in Section TS2-13, Head Covers, and Change Order No. 6, Item A.2, the Contractor shall provide the following for the Unit 6 (P-1) existing outer head cover:
- Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100284585 (II), 8100284532 (US), 8100284442 (I), 8100284581 (DS).
 - Remove hardware, repair through holes and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100284585 (II), 8100284532 (US), 8100284442 (I), 8100284581 (DS).
 - Mill split face after repairs of M19 as agreed to by the Contractor and the District in Change Notification 8100284442 (I).
 - Machine a larger boss weld solution for bore B as agreed to by the Contractor and the District in Change Notification 8100284532 (US).

- e. Perform visual inspection of the weld repairs.

The Contractor shall not dimensionally inspect the existing outer head cover prior to weld repair. Responsibility for the dimensional integrity after weld repairs and full liability of the existing outer head cover remains with the District.

This Change Order Item A.11 results in an increase to the Contract Price in the amount of \$90,197.00. Payment for this Item A.11 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

- 12. U6 Operating Ring weld repairs - In addition to the scope identified in Section TS2-10, Wicket Gates and Wicket Gate Operating Mechanism, the Contractor shall provide the following for the Unit 6 (P-1) existing wicket gate operating ring:
 - a. Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100283393 and 8100283395.
 - b. Remove hardware and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100283393 and 8100283395.
 - c. Perform visual inspection of the weld repairs.

This Change Order Item A.12 results in an increase to the Contract Price in the amount of \$8,236.00. Payment for this Item A.12 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

- 13. U7 outer head cover mud removal - The outer head cover will be shipped to the Contractor with mud within each internal cavity. This mud shall be considered hot (containing lead) until testing proves otherwise. The Contractor shall dispose of the sand, mud, silt, plastic, PPE, etc. in accordance with all State and Federal requirements for mud removal.

This Change Order Item A.13 results in an increase to the Contract Price in the amount of \$25,000.00

- 14. Wicket Gate Cartridge Machining - The Contractor shall perform additional machining for the U7-U9 wicket gate cartridges.

After dimensions of the wicket gates, outer head cover and cartridges are known for a given unit, Contractor shall perform the following:

- a. Final machine intermediate bushings to their final dimension in accordance with Voith Drawing 2TKV04-0204-01878041 Intermediate Gate Stem Bushing Final.
- b. Machine the bottom of the cartridge to ensure proper seal cavity dimensions will be achieved, as needed. See Voith Drawing 2TKV04-0204-01643824 Wicket Gate Sealing Ring Specification for details.

The District agrees to pay the Contractor \$1,400.00 per cartridge for Change Order 42 Item A.14.a for U7-U9 wicket gate cartridge work. In the event Change Order 42 Item A.14.b machining is required on any of the wicket gate cartridges, the cost per cartridge to perform both Change Order Items A.6.a and A.6.b is \$ 1500 per cartridge. The District agrees to pay the Contractor \$2,800.00 for one-time, round trip shipping for all 24 cartridges to a third party shop .

The price for this Change Order Item A.14 shall remain unchanged for U7 and for U8 and U9 shall be adjusted in accordance with Change Order 38, item A.4, SR-15 with the following changes: the Base Index value shall be the quarterly or monthly applicable index in effect at execution of this Change Order 42. The price shall be adjusted for U8 based on NTP-9 and for U9 based on NTP-10, for A.14.a and A.14.b costs as determined by the Bureau of Labor Statistic and subject to the following weighting adjustments:

40% of Section SR-15.1, 40% of Section SR-15.2, and 20% of Section SR-15.4.

The District agrees to pay a not to exceed amount of \$116,400, subject to Change Order 38, item A.4, SR-15 Price Adjustment, for this Change Order Item A.14 upon delivery of the U7-U9 wicket gate cartridges to site and receipt of a proper invoice.

15. U7 Intermediate Head Cover weld repairs - In addition to the scope identified in Section TS2-13, Head Covers, Change Order No. 1, Item A.1, Change Order No. 6, Item A.1, Change Order No. 14, Item A.8 and Change Order No. 34, Item A.2, the Contractor shall provide the following for the Unit 7 existing intermediate head cover:

- f. Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100314184 and 8100314416.
- g. Remove hardware and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100314184 and 8100314416.
- h. Mill the split flange faces of half I & half II as agreed to by the Contractor and the District in Change Notifications 8100314184 and 8100314416.
- i. Perform visual inspection of the weld repairs.

The Contractor shall not dimensionally inspect the existing intermediate head cover prior to weld repair. Responsibility for the dimensional integrity after weld repairs of the existing intermediate head cover remains with the District.

This Change Order Item A.15 results in an increase to the Contract Price in the amount of \$151,409.00. Payment for this Item A.15 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

16. U7 Outer Head Cover weld repairs - In addition to the scope identified in Section TS2-13, Head Covers, and Change Order No. 6, Item A.2, the Contractor shall provide the following for the Unit 7 existing outer head cover:

- a. Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100313942 (II), 8100314026 (US), 8100314024 (I), 8100314043 (DS).
- b. Remove hardware, repair through holes and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100313942 (II), 8100314026 (US), 8100314024 (I), 8100314043 (DS).
- c. Machine the boss weld solution as shown in 2TKV04-0731-01353961 revision AA, "Section M-M Weld Prep VU7-VU10".
- d. Perform visual inspection of the weld repairs.

The Contractor shall not dimensionally inspect the existing outer head cover prior to weld repair. Responsibility for the dimensional integrity after weld repairs and full liability of the existing outer head cover remains with the District.

This Change Order Item A.16 results in an increase to the Contract Price in the amount of \$81,886.00. Payment for this Item A.16 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

17. U7 Operating Ring weld repairs - In addition to the scope identified in Section TS2-10, Wicket Gates and Wicket Gate Operating Mechanism, the Contractor shall provide the following for the Unit 7 existing wicket gate operating ring:

- a. Excavate and weld repair the as-found indications as agreed to by the Contractor and the District in Change Notifications 8100309464 and 8100309320.
- b. Remove hardware and perform grinding as agreed to by the Contractor and the District in Change Notifications 8100309464 and 8100309320.
- c. Perform visual inspection of the weld repairs.

This Change Order Item A.17 results in an increase to the Contract Price in the amount of \$20,438.47. Payment for this Item A.17 shall be upon satisfactory completion of the added work scope and receipt of proper invoice.

18. Installation Advisor additional days - Adds eight hundred forty-two additional working days to Bid Item No. 28 at the previously established unit rate of \$1,615.00 per day, subject to SR-15 rate adjustments.
- a. Original Quantity: 1,800 working days
 - b. Revised Quantity: 2,642 working days
 - c. Unit Rate: \$1,615.00/day
 - d. Additional Cost: \$1,359,830.00
 - e. Total Revised Cost for Bid Item No. 28: \$4,266,830.00

This Change Order Item A.18 results in an increase to the Contract Price in the amount of \$1,359,830.00. Payment for this Item A.18 shall be made upon the Contractor's satisfactory performance of the additional Installation Advisor services and submission and approval of Installation Advisor time sheets and a proper invoice.

- B. Time of Completion: The revised completion date shall be September 23, 2029. The completion dates of Section SR-2.A as revised in Change Order No. 41 shall be replaced with the revised Milestone dates in Item A.4 above. Liquidated damages, if any, shall be assessed based on the revised completion dates.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$7,722,309.94 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$108,536,494.19, subject to the Price Adjustment provision of Section SR-15 and Change Order No. 28, Item 2, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Voith Hydro, Inc.

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Change Order Table

Contract Title: Priest Rapids Turbine Upgrades

Contract No.	230-2583	Award Date:	6/10/2014
Project Manager:	Molly Hill	Original Contract Amount:	\$61,598,877.00
District Representative (If Different):		Original Contract completion:	Based on NTP
Contractor:	Voith Hydro, Inc.	Total CO Cost Change Amt	\$39,215,307.25

CO#	Change Description	Approved by	Approval Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the Contract Price for five changes and replace Sections GC-13.A Payment Schedule, SR-2A Milestone Dates, SR-2.B Liquidated Damages and SR-15.10 Application to Bid Item Prices.	Comm	06/09/15	Based on NTP	\$2,764,941.00	\$64,363,818.00	\$2,764,941.00
2	Increase the Contract Price for replacement of wicket gates, shaft modifications, wicket gate linkage modification, runner deflector and endplate modification.	Comm	08/25/15	Based on NTP	\$22,698,254.00	\$87,062,072.00	\$22,698,254.00
3	Increase the Contract Price for 8 additional items.	Comm	03/08/16	Based on NTP	\$1,640,879.00	\$88,702,951.00	\$1,640,879.00
4	Replace GC-30, Bond in Lieu of Retainage. Replace CO3 items A.5 and A.6.	Hydro Eng Supvr	05/18/16	Based on NTP	\$0.00	\$88,702,951.00	\$0.00

5	Increase the Contract Price for additional engineering of the replacement air valve.	Hydro Eng Supvr	08/17/16	Based on NTP	\$20,000.00	\$88,722,951.00	\$20,000.00
6	Increase the Contract Price for modifications to the intermediate head cover and the outer head cover. Replace the Payment Schedule and Milestone Schedule, and revise the Liquidated Damages and Price Adjustment language.	Comm	10/11/16	Based on NTP	\$3,869,915.00	\$92,592,866.00	\$3,889,915.00
7	Increase the Contract Price for weld repairs to the Unit 1 outer head cover. Replace the Milestone schedule in Section SR-2.A.	Director	11/23/16	Based on NTP	\$135,500.00	\$92,728,366.00	\$135,500.00
8	Increase the Contract Price for repairs to the existing intermediate head cover and existing wicket gate operating ring. Replace Section SR-2.A, Milestone Dates.	Director	12/15/16	Based on NTP	\$128,800.00	\$92,857,166.00	\$264,300.00
9	Increase the Contract Price for additional work to the outer head cover. Replace Section SR-2.A, Milestone Dates.	Dept Mgr	02/03/17	Based on NTP	\$99,300.00	\$92,956,466.00	\$363,600.00

10	Increase the Contract Price for additional work to the intermediate head cover, inner head cover, turbine shaft, operating ring, and revise Drawing 2TKV02-153-01353902. Replace Section SR-2.A, Milestone Dates.	Dept Mgr	02/08/17	Based on NTP	\$87,465.00	\$93,043,931.00	\$451,065.00
11	Increase the Contract Price for drawing changes, procuring new dowels & sleeves, enlarging the dowel holes and installing the sleeves and tapered dowels for Unit 1 only.	Dept Mgr	03/30/17	Based on NTP	\$11,400.00	\$93,055,331.00	\$462,465.00
12	Increase the Contract Price for the supply of a spare intermediate head cover, repair to the spare outer head cover, shop assembly of head covers, rehab of outer head cover, intermediate head cover and wicket gate cartridges. Supply of a replacement operating ring for Unit 2 and engineering support for field NCR's. Replace Section SR-2.A, Milestone Dates.	Comm	05/19/17	Based on NTP	\$3,061,146.00	\$96,116,477.00	\$3,523,611.00
13	Replace Section SR-2.A, Milestone Dates.	Dept Mgr	10/23/17	Based on NTP	\$0.00	\$96,116,477.00	\$0.00

14	Revise Sections GC-12, SR-2.A, CO12 Item A.2, CO2 Item A.1. Increase Contract Price for spare intermediate head oil pipe coupling and intermediate head cover, and servomotor link pin bushings.	Managing Director	02/23/18	Based on NTP	\$147,662.00	\$96,264,139.00	\$147,662.00
15	Replace Section SR-2.A. Increase Contract Price for additional rehab work to U2 wicket gate levers. Addition of bottom ring facing plate lifting holes for Units 2-10, change head cover hardware for Units 2-10, and change dimensions for packing box block for Units 2-10.	Dept Mgr	08/08/18	Based on NTP	\$9,913.00	\$96,274,052.00	\$157,575.00
16	Increase the Contract Price for machining of the Intermediate Head Cover on P-09 and for the supply of one unit's worth of wicket gate upper and lower links.	Dept Mgr	09/14/18	Based on NTP	\$86,953.00	\$96,361,005.00	\$244,528.00
17	Increase the Contract Price for weld repairs to Unit 2 intermediate head cover, outer head cover and operating ring. Replace Milestone schedule.	Managing Director	10/01/18	Based on NTP	\$139,571.00	\$96,500,576.00	\$384,099.00
18	Replace Section SR-2.A, Milestone Schedule.	Dept Mgr	11/20/18	Based on NTP	\$0.00	\$96,500,576.00	\$384,099.00

19	Increase Contract Price for additional work to the existing intermediate head cover and the existing outer head cover.	Dept Mgr	12/17/18	Based on NTP	\$98,809.00	\$96,599,385.00	\$482,908.00
20	Replace Section SR-2.A, Milestone Schedule.	Dept Mgr	01/21/19	Based on NTP	\$0.00	\$96,599,385.00	\$482,908.00
21	Replace GC-13.A and SR-2.A. Revise CO14.A.5 and work on Existing Intermediate Head Cover, Existing Outer Head Cover and Existing Wicket Gate Operating Ring. Add New Packing Box and increase hours of CO12.A.6.	Comm	02/27/19	Based on NTP	\$1,299,616.00	\$97,899,001.00	\$1,782,524.00
22	Replace Section SR-2.A Milestone Schedule, provide engineering analysis and drawings for runner turning method, and provide one spare pipe coupling to servomotor.	Managing Director	07/26/19	Based on NTP	\$19,609.00	\$97,918,610.00	\$19,609.00
23	Replace Section SR-2.A Milestone Schedule and provide Unit 3 Intermediate Head Cover rehab weld repairs and hardware removal, Outer Head Cover rehab weld repairs, and Operating Ring rehab weld repairs and hardware removal.	Managing Director	10/11/19	Based on NTP	\$170,186.00	\$98,088,796.00	\$189,795.00
24	Replace Section SR-2.A Milestone Schedule.	Managing Director	10/17/19	Based on NTP	\$0.00	\$98,088,796.00	\$189,795.00

25	Replace Section SR-2.A Milestone Schedule, provide additional dowels for existing intermediate head covers on Units 3-9, and remove the requirement for short term off-site storage of the Unit 3 intermediate head cover.	Dept Mgr	03/03/20	Based on NTP	\$27,121.00	\$98,115,917.00	\$216,916.00
26	Compensate the Contractor for Covid-related delays and replace Section SR-2.A Milestone Schedule.	Dept Mgr	07/17/20	Based on NTP	\$29,885.00	\$98,145,802.00	\$246,801.00
27	Increase the Contract Price for Field Test Engineer standby time, U5 Hub Additional Inspections, Contractor shop paint testing of TNEMEC coating, Replacement shear pins, Additional Engineering Support hours for Field NCR's, Additional storage costs due to outage delays, replace Section SR-2.A Milestone Schedule, and replace Section SR-10 Cavitation Guarantee/Price Adjustments.	Managing Director	01/04/21	Based on NTP	\$194,065.00	\$98,339,867.00	\$440,866.00
28	Replace Section SR-2.A Milestone Schedule and replace Change Order No. 6 Item A.6.	Senior/Plant Mgr	04/27/21	Based on NTP	\$53,700.00	\$98,393,567.00	\$494,566.00
29	Replace Section SR-2.A Milestone Schedule and add additional cleaning for the U4 outer head cover.	Dept Mgr	09/10/21	Based on NTP	\$0.00	\$98,393,567.00	\$494,566.00

30	Add U5-10 runner hub stainless steel overlay protection, perform U3 outer head cover additional machining, perform additional repairs to existing U4 intermediate head cover, perform additional repairs to existing U4 outer head cover, perform additional repairs to existing U4 wicket gate operating ring, perform additional machining to existing U4 wicket gate levers, and replace Section SR-2.A Milestone Schedule.	Comm	11/29/21	Based on NTP	\$1,473,475.00	\$99,867,042.00	\$1,968,041.00
31	Replace Section GC-13.A, Payment Schedule, Change Order No. 21, and replace Section SR-2.A Milestone Schedule.	Managing Director	01/13/22	Based on NTP	\$111,137.00	\$99,978,179.00	\$111,137.00
32	Compensate Contractor for Import Tariff and replace Section SR-2.A Milestone Schedule.	Senior/Plant Mgr	03/31/22	Based on NTP	\$68,253.50	\$100,046,432.50	\$179,390.50
33	Compensate Contractor for Import Tariff, OHC weld repairs, gate mechanism hardware changes, additional measurements/machining on wicket gate cartridges, existing OHC mud removal, hub additional inspections, and replace Section SR-2.A Milestone Schedule.	Managing Director	08/26/22	Based on NTP	\$308,654.50	\$100,355,087.00	\$488,045.00

34	Replace Section SR-2.A Milestone Schedule and compensate Contractor for U4 through U9 Intermediate Head Cover Seal Welds.	Comm	11/14/22	Based on NTP	\$29,397.00	\$100,384,484.00	\$517,442.00
35	Additional rehab to correct two dimensional issues with the U5 wicket gate levers and correct VT indications.	Dept Mgr	02/28/23	Based on NTP	\$37,626.00	\$100,422,110.00	\$37,626.00
36	Compensate Contractor for Import Tariff, add FNCR hours, U6 Mud Removal, U5 Rehab Part Weld Repairs, U5 Cartridge Machining, and Paint Change	Exec Manageme nt	02/22/24	Based on NTP	\$392,074.25	\$100,814,184.25	\$429,700.25
37	Replace Section GC-13 A Payment Schedule	Dept Mgr	03/25/24	Based on NTP	\$0.00	\$100,814,184.25	\$429,700.25
38	Replace Sections GC-13A (Payment Schedule), SR-2A (Milestone Dates), SR-2B (Liquidated Damages), SR-15 (Price Adjustment)	Dept Mgr	04/17/25	Based on NTP	\$0.00	\$100,814,184.25	\$429,700.25
39	Revise Section SR-2.2 A Milstone Dates	Dept Mgr	07/03/25	Based on NTP	\$0.00	\$100,814,184.25	\$429,700.25


40	Revise Section SR-2.2 A Milstone Dates	Dept Mgr	07/18/25	Based on NTP	\$0.00	\$100,814,184.25	\$429,700.25
41	Revise Section SR-2.2 A Milstone Dates	Dept Mgr	08/07/25	Based on NTP	\$0.00	\$100,814,184.25	\$429,700.25
42	Increase Contract Price, add Exhibit "P", and Revise Sections GC-13.A, GC-24, SR-2.A, SR-2.B, SR-2.C, SR-22, and add Section SR-27	Comm		Based on NTP	\$7,722,309.94	\$108,536,494.19	\$8,152,010.19
Total Change Order Cost Change Amount					39,215,307.25		


Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to approve an execution of a wholesale marketing agreement beginning September 30, 2025, resulting in a 16-month confirmation with **Morgan Stanley** Capital Group.

MEMORANDUM

Date 08/28/2025

TO: John Mertlich, General Manager/CEO

VIA: Jeff Grizzel, Sr. VP Power & Market Ops 

FROM: Rich Flanigan, VP Energy Supply & Markets 

SUBJECT: Proposed 16-Month Wholesale Marketing Services Confirmation with Morgan Stanley Capital Group

Purpose: To request Commission approval for the General Manager to execute a 16-month confirmation commencing on September 30, 2025, with Morgan Stanley Capital Group ("Morgan Stanley") to perform wholesale marketing services including day-ahead and real-time trading, scheduling, and energy tagging, for Grant's merchant function.

Discussion: In early 2024, Grant staff began looking at options to replace Grant's current 5-year Pooling/Service Agreement with Morgan Stanley. In evaluating a replacement contract, staff considered various conditions that would need to be present in a new contract, primarily the need to retain the capacity from the Priest Rapids Project ("PRP") to meet future Western Resource Adequacy Program ("WRAP") requirements. In addition, staff had a desire to begin the process of increasing their market knowledge as Grant continues building its generation portfolio to meet increasing system load, WRAP and CETA (Clean Energy Transformation Act) requirements and moves into a day-ahead market (SPP Markets+). These conditions limit Grant's ability to continue to offer slice contracts that convey WRAP capacity and CETA eligible energy and the practice where Grant sells a slice of PRP while purchasing firm energy back from the same counterparty. Counterparties view this arrangement less favorably as they would not receive firm capacity or carbon-free energy while taking on water risk. After various discussions and reviewing the indicative Request for Proposals ("RFP"), staff settled on a proposal from The Energy Authority ("TEA") to provide wholesale marketing services, optimizing Grant's resource portfolio, providing BPA Provider of Choice contract support, and Markets + support. In discussing this transition, Grant and TEA staff agreed that starting the agreement September 30, 2025 would not provide enough time to have TEA learn and integrate into Grant's systems. Once agreed upon, staff began negotiations with the second-place finisher, Morgan Stanley, to see if they would be interested in providing similar services to Grant as they have provided historically for a shorter term. After deliberate negotiations, Morgan Stanley agreed to provide wholesale marketing services for a 16-month term. In addition, Morgan was willing to pay a premium for use of storage (pondage) and day-ahead and hourly flexibility. Using Morgan Stanley to provide wholesale marketing services will allow time for an easy transition to TEA in early 2027.

The Product. A 16-month confirmation to provide wholesale marketing services that includes day-ahead and real-time energy trading to balance Grant's resources and loads, energy scheduling and tagging and managing Grant's hour-to-hour merchant functions. Grant will keep all rights to 33.31% of PRP's

capacity, energy, and carbon-free attributes. Morgan Stanley will be entitled to 33.31% of PRP pondage and day-to-day / hourly flexibility. Unlike the current Pooling agreement, and due to the conditions listed above, water risk is retained by Grant.

The confirmation will be executed pursuant to and in accordance with the ISDA (International Swaps and Derivatives Association) Master Agreement between Grant and Morgan Stanley dated as of May 20, 2024 ("Master Agreement"). This Master Agreement will provide standard legal terms and conditions for confirmation.

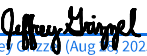
The Process. To ensure Grant received fair market value for the slice product, Wholesale Marketing and Supply staff conducted an indicative Request for Proposal ("RFP") process. The indicative RFP process was structured to assess counterparty interest and evaluate potential value across a range of contract structures.

Confirmation Review: An extensive internal review process was again used to construct the final agreement. There was an internal review by subject matter experts from Finance, Accounting, Dispatch, Control Systems Engineering, Compliance, and Risk. In addition, internal and external legal have reviewed the final confirmation.

Justification: The proposed Wholesale Marketing Services Confirmation will provide Grant with a smooth transition to a future TEA services contract, while providing Grant with PRP capacity and carbon-free energy to help meet its future WRAP and CETA requirements.

Recommendation: Commission approve the General Manager to execute a 16-month Wholesale Marketing Services Confirmation with Morgan Stanley, commencing on September 30, 2025.

Legal Review: See attached e-mail(s).

Signature: 
Jeffrey Grizzel (Aug 14 2025 09:46:06 PDT)

Email: Jgrizzel@gcpud.org

Morgan Stanley Capital Group Memo

Final Audit Report

2025-08-28

Created:	2025-08-28
By:	Erin Omlin (eomlin@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA77rPqbj6wHV05oVie0icm1bE83GPxmKp

"Morgan Stanley Capital Group Memo" History

-  Document created by Erin Omlin (eomlin@gcpud.org)
2025-08-28 - 4:42:12 PM GMT
-  Document emailed to Jeffrey Grizzel (Jgrizzel@gcpud.org) for signature
2025-08-28 - 4:42:44 PM GMT
-  Email viewed by Jeffrey Grizzel (Jgrizzel@gcpud.org)
2025-08-28 - 4:45:49 PM GMT
-  Document e-signed by Jeffrey Grizzel (Jgrizzel@gcpud.org)
Signature Date: 2025-08-28 - 4:46:06 PM GMT - Time Source: server
-  Agreement completed.
2025-08-28 - 4:46:06 PM GMT

For Commission Review – 09-23-2025

RESOLUTION NO. XXXX

A RESOLUTION SUPERSEDING RESOLUTION NO. 9080 AND ESTABLISHING CHANGE ORDER APPROVAL LIMITS

Recitals

Grant PUD's Commission has determined that it is desirable and in the best interest of Grant PUD to make changes to the levels of change order approval authority delegated to Grant PUD's management.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, as follows:

Section 1. All change orders shall require prior approval by Commission motion except as provided below.

Section 2. The General Manager/CEO or their delegate is hereby delegated the authority to execute one or more change orders to any existing contract, provided the cumulative dollar amount of the particular contract, including all prior change orders and the new change order(s), does not exceed the Commission delegated contract authority limits under **Resolution No. XXXX** or its successors.

Section 3. For contracts which have received prior Commission approval by motion or resolution, the General Manager/CEO or their delegate may execute one or more change orders, provided the dollar amount of the new change order(s), on a cumulative basis, does not exceed \$2,500,000.00.

Section 4. A report of all change orders shall be provided to the Commission monthly.

Section 5. All change orders shall be in strict compliance with all laws and Grant PUD policies. Grant PUD's General Counsel shall approve all policies and forms to be used for procurement.

Section 6. The authority of the General Manager/CEO to approve change orders as specified in Section 3 shall be reviewed by the Commission in September 2026 and every subsequent September occurring in even numbered years.

Section 7. This resolution shall supersede and amend all prior resolutions, including Resolution No. 9080 to the extent that they conflict with the delegation limits set forth in this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington,
this 14th day of October, 2025.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM**September 25, 2025**

TO: Grant PUD Board of Commissioners

VIA: John Mertlich, General Manager/Chief Executive Officer
 Ty Ehrman, Senior Vice President, Retail Operations ^{DS} TE
 Fallon Long, Vice President, Shared Services ^{DS} FL

FROM: Patrick Bishop, Senior Manager of Supply Chain ^{DS} PB

SUBJECT: Revise Resolution 9080, Change Order Approval Limits

Purpose: To request Commission approval to supersede Resolution 9080 and revise the Change Order Approval Limits

Discussion: In March 2012, Resolution 8609 established the change order approval level delegated to Grant PUD's General Manager provides authority to execute one or more change orders to any existing contract, provided the cumulative dollar amount of the particular contract, including all prior change orders and the new change order(s), does not exceed \$500,000, or will increase the contract price over \$2,500,000. Prior to March 2012, this approval level was \$50,000. Resolution 9080 superseded Resolution 8609, but did not revise the authority level. The proposed recommendation is to increase that authority level set by Resolution 8609, to allow Grant PUD's General Manager to execute one or more change orders to any existing contract, provided the cumulative dollar amount of the particular contract, including all prior change orders and the new change order(s), does not exceed \$2,500,000, or will increase the contract price over \$5,000,000. Factors listed below necessitate a revision to the purchase authority:

- **Facilitate Faster Decision-Making while remaining within compliance:**
 Increasing the change order authority will enable our General Manager to respond more quickly to operational needs by reducing delays associated with current approval levels. This agility is essential for maintaining momentum on critical projects and ensuring timely delivery of services. The proposed increase remains within the bounds of State requirements and compliance frameworks. It allows for greater operational flexibility while upholding the integrity and transparency of Grant PUD's procurement practices.
- **Adapting to Rising Costs:**
 Over the past several years, inflation has significantly impacted the cost of materials, labor, and services. This economic reality has created a need to reassess and adjust internal financial thresholds to ensure operational efficiency and responsiveness.

Recommendation: Commission approval to supersede Resolution 9080 and revise Grant PUD's General Manager authority to execute one or more change orders to any existing contract, provided the cumulative dollar amount of the particular contract, including all prior change orders and the new change order(s), does not exceed \$2,500,000, or will increase the contract price over \$5,000,000.

Legal Review: See attached e-mail(s).

For Commission Review – 09-23-2025

RESOLUTION NO. XXXX

A RESOLUTION SUPERSEDING RESOLUTION NO. 9079 AND ESTABLISHING DELEGATED PURCHASING AUTHORITY LIMITS

Recitals

Grant PUD's Commission has determined that it is desirable and in the best interest of Grant PUD to make changes to the levels of purchasing authority delegated to Grant PUD's management.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that:

Section 1. Grant PUD's General Manager/CEO or their delegate is hereby delegated authority to enter into contracts, except for the purchase of real property, for and on behalf of Grant PUD which do not exceed the sum of \$5,000,000. The General Manager/CEO or their delegate may, in their discretion, refer any purchase of any amount to the Commission for approval.

Section 2. All contracts shall be in strict compliance with all laws and Grant PUD policies. Grant PUD's General Counsel shall approve all policies and forms to be used for procurement. Any contract which is not on an approved Grant PUD boilerplate form shall first be submitted for review by Grant PUD's General Counsel.

Section 3.

- A. Contracts for lease of real property exceeding \$5,000.00 per year shall be reported in writing to the Commission as soon as practical following execution.
- 8. Purchases of goods or services shall not be split for purposes of avoiding the limitations contained herein.
- C. Any purchase of goods or services approved by management pursuant to this resolution must be included in Grant PUD's current approved budget.
- D. Emergency purchases shall continue to be governed by Grant PUD Resolution No. 9078 or its successors (no dollar limit on General Manager's/CEO's authority).
- E. Wholesale electric power purchases shall continue to be governed by Grant PUD Resolution No. 7650 or its successors.

Section 4. Except as otherwise provided herein, all purchases of goods or services shall require prior Commission approval by motion or resolution.

Section 5. The authority of the General Manager/CEO as specified in Section 1 shall be reviewed by the Commission in September 2026 and every subsequent September occurring in even numbered years.

Section 6. This resolution shall supersede and amend all prior Grant PUD resolutions, including Resolution No. 9079, to the extent that they conflict with the delegation limits set forth in this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 14th day of October, 2025.

President

ATTEST:

Secretary

Vice President



Commissioner


Commissioner

MEMORANDUM

September 25, 2025

TO: Grant PUD Board of Commissioners

VIA: John Mertlich, General Manager/Chief Executive Officer
 Ty Ehrman, Senior Vice President, Retail Operations 
 Fallon Long, Vice President, Shared Services 

FROM: Patrick Bishop, Senior Manager of Supply Chain 

SUBJECT: Revise Resolution 9079, Delegated Purchasing Authority Limits

Purpose: To request Commission approval to supersede Resolution 9079 and revise the Delegated Purchasing Authority delegated to Grant PUD's General Manager

Discussion: The current purchase authority for Grant PUD's General Manager of not to exceed \$1,000,000 was established by Resolution 8608 in March of 2012; increasing the authority from \$300,000. Resolution 9079 superseded Resolution 8608 but did not change the purchase authority amount. This proposed recommendation is to increase that authority level to not to exceed \$5,000,000. Factors listed below necessitate a revision to the purchase authority:

- **Facilitate Faster Decision-Making while remaining within compliance:**
 Increasing the purchase authority will enable our General Manager to respond more quickly to operational needs by reducing delays associated with current approval levels. This agility is essential for maintaining momentum on critical projects and ensuring timely delivery of services. The proposed increase remains within the bounds of State requirements and compliance frameworks. It allows for greater operational flexibility while upholding the integrity and transparency of Grant PUD's procurement practices.
- **Alignment with utilities of similar size:**
 Utilities of similar size have adopted similar approval levels.
- **Adapting to Rising Costs:**
 Over the past several years, inflation has significantly impacted the cost of materials, labor, and services. This economic reality has created a need to reassess and adjust internal financial thresholds to ensure operational efficiency and responsiveness.

Recommendation: Commission approval to supersede Resolution 9079 and revise the Delegated Purchasing Authority delegated to Grant PUD's General Manager to enter into contracts, except for the purchase of real property, for and on behalf of Grant PUD, to the not to exceed amount of \$5,000,000.

Legal Review: See attached e-mail(s).

For Commission Review ~~06/27/2023~~ **09-23-2025**

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RESOLUTION NO. XXXX

A RESOLUTION ADOPTING A BUSINESS RELATION EVENT EXPENSES POLICY

Recitals

1. Grant PUD desires to establish a Business Relation Event Expenses Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity related to such expenses; and
2. Grant PUD's Executive Management has reviewed the Business Relation Event Expenses Policy and recommends its adoption in accordance with RCW 42.24.090.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The Business Relation Event Expenses Policy attached hereto is hereby adopted and shall be effective November 1, 2025.

Section 2. The General Manager is authorized to modify Grant PUD's Business Relation Event Expenses Policy from time to time subject to the following limitations:

1. Expenses shall be limited to those that are necessary for and consistent with Grant PUD business requirements.
2. The policy and reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.
4. Any proposed change to the policy shall be submitted to Grant PUD's Commission at least 20 days prior to being put into effect. For clarity, the 20-day timeline begins on the date of the applicable Commission meeting.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this ~~14th~~ day of ~~October~~, 2025.

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President

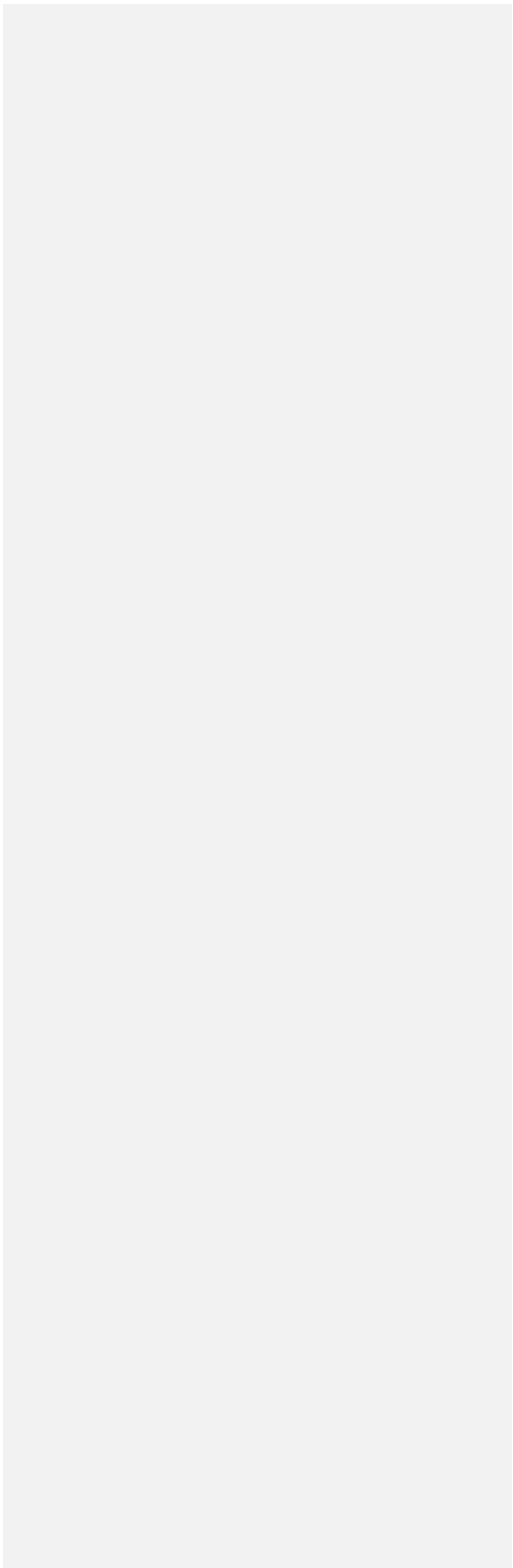
ATTEST:

Secretary

Vice President

Commissioner


Commissioner




MEMORANDUM

September 9, 2025

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Bonnie Overfield, VP Finance/Chief Financial Officer 
Bonnie Overfield (Sep 11, 2025 08:32:12 PDT)

FROM: Jennifer Sager, Sr Manager Accounting 

SUBJECT: New Policy-Business Relation Event Expenses Policy

Purpose:

To request Commission approval of the attached Business Relation Event Expenses policy, effective November 1, 2025 in accordance with RCW 42.24.090.

Discussion:

Grant PUD has identified the need to host business meetings and events that may fall outside the scope of its standard Travel and Non-Travel Meals policies. These gatherings, which may include both internal and external participants, are intended to support the District's business objectives and foster mutually beneficial relationships.

The purpose of this policy is to provide a framework for conducting such events in a manner that is consistent, ethical, and aligned with Grant PUD's values and strategic goals. It ensures that all engagements meet legitimate business needs while maintaining transparency and accountability.

The General Manager/CEO will serve as the policy owner and will be responsible for establishing and managing an annual budget based on the anticipated number and cost of these events. The GM/CEO will also ensure that all required approvals and documentation are completed in accordance with the policy guidelines.

In accordance with RCW 42.24.090, the legislative body of a municipal corporation is required to adopt a resolution to establish the rules and regulations governing reimbursable expenses. The proposed Business Relation Event Expenses Policy sets forth specific guidelines for expenses incurred during official business-related events. These expenses fall outside the scope of the municipality's existing Travel and Non-Travel Meals policies, thereby necessitating the adoption of a distinct policy and corresponding resolution to ensure compliance and clarity in reimbursement practices.

Justification:

Grant PUD regularly engages in business activities that require collaboration with internal teams and external stakeholders. While most meetings and events are covered under existing Travel and Non-Travel Meals policies, certain unique business engagements fall outside these parameters. These events are essential for advancing strategic initiatives, fostering partnerships, and supporting operational goals.

Establishing a dedicated policy for such meetings and events ensures that they are conducted in a manner that is ethical, consistent, and aligned with the District's values. It provides clear guidance for planning and execution, promotes fiscal responsibility through budget oversight, and supports transparency and accountability in decision-making.

Assigning ownership of the policy to the GM/CEO ensures appropriate governance and alignment with organizational priorities. The annual budgeting process will allow for proactive planning and resource allocation, while the approval and documentation requirements will safeguard compliance and integrity.

This policy is necessary to support the District's evolving business needs and to ensure that all engagements reflect the professionalism and stewardship expected of Grant PUD.

Recommendation:

Commission approval of new Business Relation Event Expenses policy, effective date of November 1, 2025 in accordance with RCW 42.24.090.

Legal Review: See attached e-mail(s).

From: [Mitchell Delabarre](#)
To: [Jennifer Sager](#); [Leah Mauceri](#)
Cc: [Bonnie Overfield](#)
Subject: RE: Legal Concurrence Business Relation Event Policy
Date: Wednesday, September 10, 2025 2:57:04 PM
Attachments: [image002.png](#)

No concerns with those edits.
Mitch

Mitchell P. Delabarre
General Counsel/Chief Legal Officer
Grant PUD
mdelaba@gcpud.org
509 793-1565

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From: Jennifer Sager <Jsager@gcpud.org>
Sent: Wednesday, September 10, 2025 2:15 PM
To: Mitchell Delabarre <Mdelaba@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>
Cc: Bonnie Overfield <Boverfi@gcpud.org>
Subject: RE: Legal Concurrence Business Relation Event Policy

Thank you, Mitch. We did have a couple edits to the resolution. Below is a screen shot with the red-line changes.

Please let me know if you see any issues.

RESOLUTION NO. XXXX
A RESOLUTION ADOPTING A BUSINESS RELATION EVENT EXPENSES POLICY

R e c i t a l s

1. Grant PUD desires to establish a Business Relation Event Expenses Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity related to such expenses; and
2. Grant PUD's Executive Management has reviewed the Business Relation Event Expenses Policy and recommends its adoption in accordance with RCW 42.24.090.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The Business Relation Event Expenses Policy attached hereto is hereby adopted and shall be effective November 1, 2025.

Section 2. The General Manager is authorized to modify Grant PUD's Business Relation Event Expenses Policy from time to time subject to the following limitations:

1. Expenses shall be limited to those that ~~which is~~are necessary for and consistent with Grant PUD business requirements.
2. The policy and reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.

Thank you.

Jennifer Sager

Senior Manager Accounting

OFFICE 509.750.2528

EMAIL jsager@gcpud.org



grantpud.org

From: Mitchell Delabarre <Mdelaba@gcpud.org>
Sent: Wednesday, September 10, 2025 12:03 PM
To: Jennifer Sager <Jsager@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>
Cc: Bonnie Overfield <Boverfi@gcpud.org>
Subject: RE: Legal Concurrence Business Relation Event Policy

My review of the policy is complete. To the extent the policy conflicts with the AG Opinion dated May 14, 1987 titled Eating and Drinking at Public Expense, there could be issues with SAO. Management can decide if the risks of proceeding under this policy are within Grant PUD's risk appetite.

Mitch

Mitchell P. Delabarre

General Counsel/Chief Legal Officer

Grant PUD's

mdelaba@gcpud.org

509 793-1565

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From: Jennifer Sager <Jsager@gcpud.org>
Sent: Wednesday, September 10, 2025 9:12 AM
To: Leah Mauceri <Lmaucer@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Bonnie Overfield <Boverfi@gcpud.org>
Subject: RE: Legal Concurrence Business Relation Event Policy

Attached is the updated PDF for review.

Thank you,

Jennifer Sager

Senior Manager Accounting

OFFICE 509.750.2528

EMAIL jsager@gcpud.org



grantpud.org

From: Leah Mauceri <Lmaucer@gcpud.org>
Sent: Wednesday, September 10, 2025 8:58 AM
To: Jennifer Sager <Jsager@gcpud.org>; Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Bonnie Overfield <Boverfi@gcpud.org>
Subject: Re: Legal Concurrence Business Relation Event Policy

Hi Jennifer,

When you submit this for the packet, please submit the attached version of the policy. I updated the effective date to 11/1, revised the version from 0 to 1, and removed the Draft watermark.

From: Jennifer Sager <Jsager@gcpud.org>
Sent: Tuesday, September 9, 2025 5:38 PM
To: Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Leah Mauceri <Lmaucer@gcpud.org>; Bonnie Overfield <Boverfi@gcpud.org>
Subject: Legal Concurrence Business Relation Event Policy

Mitch,

Attached is a document containing the memo, draft policy and associated resolution for the Business Relation Event Expenses policy for your review and legal concurrence.

Please let me know if you have any questions or concerns.

Jennifer Sager


Senior Manager Accounting

OFFICE 509.750.2528

EMAIL jsager@gcpud.org



grantpud.org

Effective Date: 11/1/2025	Version: 1 Supersedes: N/A	Related Documents:
 <div style="text-align: center;"> <h1 style="margin: 0;">POLICY</h1> <h2 style="margin: 0;">DISTRICT</h2> </div>		
Approved by: Commission		Regulation: RCW 42.24.090
Content Owner: Senior Manager of Accounting		Policy Category: Financial

FIN-AC-POL-102 – BUSINESS RELATION EVENT EXPENSES

1. Scope

This policy applies to all employees, contractors, and representatives of Grant PUD who engage with external businesses and stakeholders.

2. Purpose

The purpose of this policy is to establish guidelines for business meetings/events that are unique in nature and may not conform to Grant PUD's Travel or Non-Travel Meals Policies involving external businesses and stakeholders. The intent is to ensure consistent, ethical, and effective interactions that align with Grant PUD's values and objectives while reasonably meeting business needs.

3. Definitions

Conflict of Interest: A conflict of interest exists when there is evidence of or the appearance that an employee's personal interests have influenced or may influence Grant PUD transactions or operations, or that these interests take precedence over the interests, goals, and/or mission of Grant PUD.

Documentation: Keep accurate records of all engagements, agreements, and communications (RCW 42.24.080 and 42.24.090).

External business: Vendor or potential vendor.


Mutually Beneficial: Interaction that creates benefit for both Grant PUD and external business partners or stakeholders.

Promotional Hosting: Defined as furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with business meetings, social gatherings or ceremonies honoring persons or events that are related to authorized business promotion activities.

Reasonable: Defined as an expense that an average, prudent ratepayer would deem a legitimate use of ratepayer funds and would feel confident justifying to an auditor or in a public forum, such as a newspaper.

Stakeholders: Legislature, customers, organizations or other individuals with established relationship with Grant PUD or the Utility Business.

4. Policy

Effective Date: 11/1/2025	Version: 1 Supersedes: N/A	Related Documents:
 <div style="text-align: center;"> <h1 style="margin: 0;">POLICY</h1> <h2 style="margin: 0;">DISTRICT</h2> </div>		
Approved by: Commission		Regulation: RCW 42.24.090
Content Owner: Senior Manager of Accounting		Policy Category: Financial

Under the direction and supervision of the GM/CEO, business relation events that fall outside of Grant PUD’s Travel or Non-Travel Meals Policies may be authorized. Events may include business meetings with external businesses or stakeholders as needed to conduct Grant PUD business that is mutually beneficial to all participants. Benefit should be focused on collaboration and relationship building to drive value, culture, and partnerships. This should **not** be construed as Promotional Hosting and will be absent of Conflicts of Interest.

Budget will be set annually and managed by GM/CEO. The budget will be established through the annual budget process and will be based on estimated costs of a set number of necessary events/meetings.

Each event will require approval of the GM/CEO and detailed expense documentation for payment by Grant PUD. Each reimbursement shall include the following:

- Business purpose
- Direct benefit to Grant PUD
- Agenda, including dates and times
- Names, titles and organization of anticipated attendees and their capacity as it relates to Grant PUD business
- Total cost

Expenses for these events will be limited to meals and beverages for both employee and non-employee individuals. Participating employees will not be eligible for per diem as per the Travel and Non-Travel meals policies. If a current contractor/vendor, they will not be eligible to bill Grant PUD for per diem.

Grant PUD employee conduct and participation will comply with Grant PUD’s Code of Ethics.


Alcohol may be provided during business relation events where it is culturally appropriate and can facilitate relationship-building. Employees must exercise discretion and ensure that consumption does not impair judgment or professionalism. Beverages will be limited to one per person per event.

Detailed receipts will be submitted as documentation.

5. Risks/Risk Owners

This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Authority Risk
- Integrity Risk
- Reputation Risk
- Litigation Risk
- Performance Risk

Effective Date: 11/1/2025	Version: 1 Supersedes: N/A	Related Documents:
 <div style="text-align: center;">POLICY DISTRICT</div>		
Approved by: Commission		Regulation: RCW 42.24.090
Content Owner: Senior Manager of Accounting		Policy Category: Financial

- Leadership Risk

Risk Owners are the General Manager/CEO and the Commission.

6. Review/Revision History

Date	Description
11/1/2025	Effective Date

For Commission Review – 09-23-2025

Motion authorizing the General Manager/CEO to execute Change Order No. 2 to Contract 430-12474 with Open Access Technology International, Inc. (OATI) for addition of webAccounting systems or WestTrans and webOASIS increasing the contract total to \$855,437.60 for a new total of \$1,317,781.60 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2.

XXXX

MEMORANDUM

9/3/2025

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Rich Flanigan, Vice President of Power Delivery



FROM: Kevin Carley, Senior Manager of Control Systems Engineering 

SUBJECT: Contract 430-12474, Change Order No. 2

Purpose:

To request Commission approval of Change Order No. 2 to Contract 430-12474 with Open Access Technology International, Inc. (OATI) to add the webAccounting with Advanced Billing Module with 6 ½ years of maintenance increasing the total contract amount by \$855,437.60 for a new total of \$1,317,781.60.

Discussion:

Adding functionality to the existing webTrans and webSmartOASIS Solutions to allow Transmission Services and Balancing Authority Ancillary Services Billing. We will utilize this product to compile real-time accounting data, transmission scheduling, energy scheduling, PowerDex pricing, ICE pricing and Grants energy rates to a single bill for customers utilizing these services. Once deployed, this product will execute hourly calculations throughout the billing cycle to generate a final billing amount, while simultaneously preserving data integrity to facilitate efficient auditing.

Justification:

Adding the webAccounting package with advanced billing will allow the Transmission Business Services group to provide a common consistent billing platform for both Transmission Services and Balancing Authority Ancillary Services.

Financial Considerations:

- District looked at both PCI Energy Solutions package and OATI's webAccounting solution and determined to add this capability to OATI as it would require less integration work than PCI at a lower cost for the same term.

Change Order History:

- Change Order No.1 in the amount of \$112,344.00 to add NITS module to webTrans and webSmartOASIS.

Legal Review: See attached email.

Recommendation:

Approval of Change Order No. 2 to Contract 430-12474 with OATI to add the webAccounting with advanced Billing Module to or WestTrans and webOASIS contract increasing the total contract amount by \$855,437.60 for a new total of \$1,317,781.60.









Commission Memo OATI webAccounting Module addition

Final Audit Report

2025-09-03

Created:	2025-09-03
By:	Kevin Carley (kcarley@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAALF5ZY8oDo4c6D1m4HrqRrTFLxckFq2y8

"Commission Memo OATI webAccounting Module addition" History

-  Document created by Kevin Carley (kcarley@gcpud.org)
2025-09-03 - 8:23:03 PM GMT
-  Document emailed to Kevin Carley (kcarley@gcpud.org) for signature
2025-09-03 - 8:23:06 PM GMT
-  Email viewed by Kevin Carley (kcarley@gcpud.org)
2025-09-03 - 8:23:41 PM GMT
-  Document e-signed by Kevin Carley (kcarley@gcpud.org)
Signature Date: 2025-09-03 - 8:23:52 PM GMT - Time Source: server
-  Document emailed to Rich Flanigan (rflanig@gcpud.org) for signature
2025-09-03 - 8:23:54 PM GMT
-  Email viewed by Rich Flanigan (rflanig@gcpud.org)
2025-09-03 - 10:55:19 PM GMT
-  Document e-signed by Rich Flanigan (rflanig@gcpud.org)
Signature Date: 2025-09-03 - 10:57:19 PM GMT - Time Source: server
-  Agreement completed.
2025-09-03 - 10:57:19 PM GMT



Public Utility District No. 2 of Grant County Common Western OASIS (Project #3531) Change Order #04

NAME: Public Utility District No. 2 of Grant County (GCPD)
DATE: August 20, 2025
SUMMARY: Add the webAccounting Billing Solution for GCPD.
PROJECT MANAGER: Harish Kumar
VERSION: 1.0

DETAIL: This Change Order provides the addition of Base OATI webAccounting as described in the Attachment A - Service Specification.

EVALUATION SECTION:

EVALUATOR'S NAME: Mark W. Hackney, Senior Director, Wholesale West.

DATE: August 20, 2025.

DESCRIPTION: Please see the Attachment A for the General Service Specifications for webAccounting.

Special Provisions and Exclusions: The functionality limited to the scope described in this Change Order.

IMPACT OF REQUESTED CHANGES:

PROJECT SCHEDULE: The functionality described in this Change Order will be available for Customer Testing twelve (12) weeks after execution. Availability for testing subject to change pending execution of this Change Order by the Validity period stated below.

Project Schedule and resource allocation are based on execution of this Change Order by the Validity date stated below.

PROJECT MANAGEMENT: Included.

ACCEPTANCE TESTING: Three (3) weeks will be allocated for Acceptance Testing. Acceptance Testing by GCPD must be completed no later than six (6) weeks after the date the full Change Order functionality is available for testing on the Development System.

TRAINING: Included.

DELIVERABLES: The following documentation will be delivered to the Customer: Functional Specification and Interface Guidelines.

INTELLECTUAL PROPERTY: OATI retains exclusive ownership and intellectual property rights in and to all software changes delivered (developed - in the case of a service) pursuant to this Change Order.

CONTRACT PRICE ADJUSTMENT: The Contract Price Adjustment for this Change Order is outlined in Attachment B and includes the Milestone Payment Schedule. Initial Term is coincident with existing Common Western OASIS agreement of May 15, 2032. Payment terms are Net 30.

VALIDITY: The offer contained in this Change Order is valid for acceptance until September 30, 2025.

(Signatures on the following page)

Please include contracts@oati.net (ATTN: OATI Contracts) on return of executed Change Order.

APPROVED BY:

**PUBLIC UTILITY DISTRICT No. 2 OF
GRANT COUNTY:**

**OPEN ACCESS TECHNOLOGY
INTERNATIONAL, INC.:**

By: _____	By: _____
Name: _____	Name: <u>Sasan Mokhtari, Ph.D.</u>
Title: _____	Title: <u>President and CEO</u>
Date: _____	Date: _____
PO #: _____	

Filename: GCPD Change Order #04 (webAccounting Billing Solution) v1.0 - ID #8702 082025



LEADING
with **ACTION**

**PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY
PROJECT #3531**

**WEBACCOUNTING
CHANGE ORDER #04
ATTACHMENT B - PRICE SCHEDULE
v1.0**

AUGUST 2025

PROPRIETARY AND CONFIDENTIAL

TRADE SECRET

This document and attachments contain confidential and proprietary information of Open Access Technology International, Inc. This information is not to be used, disseminated, distributed, or otherwise transferred without the expressed written permission of Open Access Technology International, Inc.

PROPRIETARY NOTICE

OATI webAccounting™ and webTrader™ are trademarks and service marks of Open Access Technology International, Inc. All rights reserved.

Service Solution (Hardware/Software hosted and maintained at the OATI Data Center)

Item	Service Initiation Fee (USD)	Monthly Recurring Fee (USD)	Comments
OATI webAccounting (Hosted Solution) base service, v5.4 or higher, Multi-version database Includes 25 User IDs	\$180,000	\$3,500	For Base OATI webAccounting (Hosted Solution) v5.4 or higher. Includes access to Development Environment. Includes Project Management, 4 days of Administrative Training (Model building, configuring settings, etc. as applicable) and 2 days End-User Training. Limited to 15GB/year, 300 determinants and up to 400 data inputs per day, max 2,500 accounts (excluded quality codes). For Registered Entity Code GCPD and GCPU.
OATI webAccounting Advanced Billing/Invoicing module add-on Utilizes existing webAccounting User IDs	\$81,000	\$1,500	For Base OATI webAccounting Billing/Invoicing module add-on to base webAccounting. Requires concurrent subscription to webAccounting. For Registered Entity Code GCPD and GCPU.
Configuration Services	500 hours included. Additional T&M at \$325/hour	N/A	Assistance with configuration of data model, application formulas, displays and settings specific to customer. Applies during deployment phase prior to production operations.
Customizations for Third-party vendor data interfacing to webAccounting , and Internal Data Exchange with webTrader of PowerDex index pricing for use in Billing	\$20,000	\$1,000	This is for any customization needed to webAccounting and its existing data exchange interface to accommodate a 3 rd party vendor submission of data not in EIDE format. To include configuration of data extraction from existing GCPD webTrader module of PowerDex values for inclusion as Price Index for billing module.
OATI SOC 2 Attestation Report	Included	Included	Includes copy of OATI Annual SOC 2 Attestation Report.
Total	\$281,000	\$6,000	

Pricing Notes:

1. All other OATI services are separate from these services quoted above (webSmartTag, Congestion Management, etc.). Requires concurrent subscription to webTrans, webSmartTag and webSmartOASIS and webTrader.
2. All OATI travel is invoiced at OATI actual cost plus 10% for OATI travel services.
3. Pricing includes communications over public internet. Additional communication services such as VPN and OATInet are available for an additional fee and can be quoted upon request by customer.
4. Pricing is based on an initial term of May 15, 2032. OATI Fees will be escalated by 5% on an annual basis.
5. 40% of the total Monthly Recurring Fee shall commence on the date customer is given access to the Development Environment.
6. Customer data are retained for a lesser of contract term or Six (6) years. Online data access is included for thirty-six (36) months. System log data is retained for a minimum of seven (7) days.
7. User IDs include the OATI webCARES Digital Certificates.
8. Customer will be subject to 10% increase in its Monthly Recurring Fee to maintain versions older than the immediately preceding two (2) Service Packs. OATI may not support versions older than the immediately preceding four (4) Service Packs.
9. Pricing is valid for acceptance until September 30, 2025.

Milestone Payment Table

Milestone	Description	Payment (USD)
1	Execution of the Change Order.	\$60,000
2	Delivery of Base Functional Specification.	\$40,000
3	Customer is provided access to the Development Environment.	\$40,000 plus Commencement of 40% of Monthly Recurring Fee (\$2,400/month)
4	Initiation of Administrative Training. (Model building, configuring settings, etc. as applicable)	\$20,000
5	The earlier of: (a) Beginning of structured 3-day Acceptance Testing Period utilizing OATI Test Plan; or (b) 30 days following date OATI notifies Customer in writing that the functionality is available in the Development Environment for structured Acceptance Testing Period.	\$60,000
6	The earliest of: (a) 30 days following resolution of critical variances for the Service identified during structured Acceptance Testing Period; (b) Production Environment access, which is the date on which Customer has access to the Service in the OATI Production Environment following Customer written authorization; or (c) if Customer does not initiate Structured Acceptance Testing within 30 days per Milestone 5, then 90 days following the date OATI notifies Customer in writing that the functionality is available for structured Acceptance Testing.	\$61,000 Plus increase to 100% of Monthly Recurring Fee, \$6,000/month

Filename: GCPD Change Order #04 Attachment B - Price Schedule v1.0 082025

Change Order Table

Contract Title: OATI - Common Western OASIS

Contract No.	430-12474	Award Date:	8/28/2024
Project Manager:	Kevin Carley	Original Contract Amount:	\$350,000.00
District Representative (If Different):		Original Contract completion:	8/31/2031
Contractor:	Open Access Technology International		

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase contract price.	Managing Director	01/17/25	08/31/31	\$112,344.00	\$462,344.00	\$112,344.00
2	Increase contract price and extend contract completion date.	Comm		05/15/32	\$855,437.60	\$1,317,781.60	\$967,781.60
Total Change Order Cost Change Amount					967,781.60		

For Commission Review – 09-23-2025

Motion authorizing the General Manager/CEO to execute Change Order No. 1 to Contract 370-12118 with Adams Schwiez AG, increasing the not-to-exceed contract amount by \$800,000.00 for a new contract total of \$2,835,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 1.

XXXX

MEMORANDUM**9/8/2025****TO:** John Mertlich, General Manager/CEO

VIA: Jeff Grizzel, Senior Vice President of Power and Market Operations
 Rey Pulido, Vice President of Power Production Operations
 Jason Michelbook, Power Production Mechanical Engineering Manager

Initial
 KP
 DS
 M
 Initial
 MA

FROM: Mike Armstrong, Power Production Mechanical Engineer/Project Manager**SUBJECT:** Contract 370-12118, Change Order No.1

Purpose: To request Commission approval of Change Order No.1 to Contract 370-12118 with Adams AG for the Wanapum Right Bank Fish Ladder 72" Gravity Supply Valves. This Change Order increases the not-to-exceed Contract Price by \$800,000.00 for a new total revised maximum Contract Price of \$2,835,000.00. This Change Order also extends the delivery date by 14 days to November 15th, 2025.

Discussion: This Change Order is adding contractual language in section GC-20 (temporary pricing and delivery revisions) to cover the volatile import tariffs currently imposed on Switzerland. The District has added this language to other existing Contracts/PO's. At the time of contract award Adams AG had planned for a 3% import duty which has increased in recent months to a total of 42%. The amount of \$800,000.00 is a not-to-exceed amount to cover this unexpected 39% delta. This Change Order is precautionary and may not be necessary depending on the outcome of future US court rulings surrounding tariffs. Furthermore the District will only reimburse the Contractor the actuals paid (less the initial 3% assumption) during the import process. This Change Order also adds 14 days of delivery time to cover current uncertainty associated with the import process. The manufacturing of the valves is currently complete, and they are going through final acceptance testing prior to shipment.

Justification: The structural integrity of the current valves is in question and future repairs may not be an option, in which case replacement becomes mandatory. This has the potential to take the right bank fish ladder out of operation. We are required by our FERC operating license at Wanapum to have: Both of our fish ladders operating within criteria from April 15th through November 15th and one of the two fish ladders operating within criteria from November 16th through April 14th. These valves are to be replaced, and the piping repaired this fall during the planned fish ladder outage window.

Financial Considerations: This Change Order includes cost increases to compensate the Contractor for the volatile import tariffs currently imposed on imports from Switzerland.

Recommendation: Commission approval of Change Order No.1 to Contract 370-12118 with Adams AG in the not-to-exceed amount of \$800,000.00 for a new total revised contract sum of \$2,835,000.00 and a revision of the delivery date to November 15th, 2025.

Legal Review: See attached e-mail(s).

CHANGE ORDER
NO. 1

Pursuant to Section GC-10, the following changes are hereby incorporated into this Contract:

A. Description of Change:

1. Increase the Contract Price.
2. Extend the Contract completion date.
3. Add the following section:

GC-20. TEMPORARY PRICING AND DELIVERY REVISIONS

Under certain extreme market conditions, the District may consider temporary revisions to the awarded Bid Unit Price(s) and/or delivery requirements, provided the Contractor provides the following:

- A. 14 calendar days' written notice to the District Representative of any proposed revisions to the affected Bid Unit Price(s).
- B. The specific reasoning and justification for any such revisions.
- C. Upon request by the District, any market-based evidence, related pricing indexes or other resources to support the District in validating the proposed revisions. Such requests may be made by the District periodically so that the District can determine that the revisions are continually justified.

Price increases solely to increase profit or margins shall not be considered. Any temporary revisions to pricing and/or delivery requirements that the District may choose to agree to shall be authorized by Change Order in accordance with Section GC-10. In the event a temporary revision to the awarded Bid Unit Price(s) is authorized by Change Order, such revised pricing shall not be eligible for any further increase for a period of not less than six months from the date the Change Order is fully executed.

For Bid Items that are yet to be delivered in accordance with Section SR-2, the District shall have the right to periodically request, and the Contractor shall continue to provide, any of the supporting resources noted in Section GC-20.C above. If it is determined market conditions stabilize, the Contractor shall honor the original Bid Unit Price(s) and/or delivery requirements.

4. Add the following line item to Exhibit "A" – Bid Form:

Additional tariff costs per Section GC-20	Not To Exceed \$800,000.00
---	-------------------------------

- B. Time of Completion: The revised completion date shall be November 15, 2025.

- C. Contract Price Adjustment: As a result of this Change Order, the Contract Price shall be increased by the sum of \$800,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$2,835,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

ADAMS Schweiz AG

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Change Order Table

Contract Title: Wanapum Right Bank Fish Ladder Valves

Contract No.	370-12118	Award Date:	5/28/2024
Project Manager:	Michael Armstrong	Original Contract Amount:	\$2,035,000.00
District Representative (If Different):		Original Contract completion:	11/1/2025
Contractor:	ADAMS Schweiz AG		

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking (Reset CO Amount)
1	Increase Contract Price, Extend Contract Completion date, and add GC-10	Comm		11/15/25	\$800,000.00	\$2,835,000.00	\$800,000.00
Total Change Order Cost Change Amount (Cumulative CO Amount)					800,000.00		

For Commission Review – 09-23-2025

Motion authorizing the General Manager, on behalf of Grant PUD, to reset the delegated authority levels to the authority granted to the General Manager per Resolution 9080 for Contract 430-11920 with Douglas Public Utility District No. 1.

xxxx

MEMORANDUM

September 11, 2025

TO: John Mertlich, General Manager/Chief Executive Officer

FROM: Mitch Delabarre, General Counsel/Chief Legal Officer



SUBJECT: 430-11920 Reset Delegated Authority Levels

Purpose: To request Commission approval to reset the delegated authority levels to the authority granted to the General Manager per Resolution 9080 for Contract 430-11920 with Douglas PUD for legal services related to the Columbia River Treaty (CRT).

Discussion: In 2020, Grant PUD, Chelan PUD, and Douglas PUD entered into an agreement to memorialize the Parties' understanding regarding cooperation in pursuit of common objectives and defenses, and the need to preserve the confidentiality of attorney-client communications and work product shared between the Parties to review and assess their common joint defenses. Early 2023, the three parties agreed to share the costs of legal fees, and in 2025, agreed to share fees related to governmental and public affairs support (see Contract History below).

To date, Grant PUD has paid a total of \$915,088.42 under this agreement:

- Morgan Lewis \$808,421.76 Fees from February 2023 thru June 2025
- Ballard Partners \$106,666.66 Fees from December 2024 thru July 2025

Contract History:

Date	Description
2020	Entered into Joint Defense Agreement
Jan/Feb 2023	Douglas PUD engaged Morgan Lewis for legal services on this matter. Grant, Chelan, and Douglas agreed to share the costs of these legal fees. Each party is responsible for 1/3 of the cost.
Jan 2025	Douglas PUD engaged Ballard Partners to assist with governmental and public affairs support on this matter. Each party is responsible for 1/3 of the cost.

Recommendation: Commission approval to reset the delegated authority levels to the authority granted to the General Manager per Resolution 9080 for Contract 430-11920 with Douglas PUD for legal services related to the CRT.


For Commission Review – 09-23-2025


Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute and approve transfer of funds in the amount of \$15.0M from Electric System Revenue Fund and into the Rate Stabilization section of the Electric System Reserve and Contingency (R&C) Fund with an effective date of October 31, 2025 with a reflection of the updated minimum balance in the R&C Fund to \$165.0M.


xxxx

MEMORANDUM

September 8, 2025

TO: Bonnie Overfield, Chief Financial Officer/Treasurer/VP of Finance 
Bonnie Overfield (Sep 11, 2025 08:32:40 PDT)

VIA: Angelina Johnson, Senior Manager of Treasury & FP/Deputy Treasurer 

FROM: Amy Thompson, Manager of Treasury Operations 

SUBJECT: Electric System R&C Fund Transfer, Liquidity, Strategic Financial Metrics Update

Purpose: Request approval from the Commission to transfer funds from the Electric System Revenue Fund into the Rate Stabilization portion of the Electric System Reserve & Contingency (R&C) Fund effective October 31, 2025. This would increase the minimum amount managed in the R&C Fund to \$165.0M. Additionally, the Electric System Revenue Fund requires an increase in the minimum amount managed from \$25.0M to \$50.0M due to the significant increase in Electric System expenditures.

Discussion: The R&C Fund was established by Resolution 4112 in 1982 and provided that the Treasurer/Controller establish and maintain the fund, payments from the fund be authorized by the Commission, and for parameters surrounding deposits be established annually in the District's budget. The current adopted financial parameters as included annually in the budget detail that Electric Working Capital beyond \$50.0M may be transferred to the R&C Fund. Per the current financial forecast managed by Treasury, all the strategic financial metrics will be met (Electric System Liquidity and Days Cash On Hand) for year-end 2025 with the transfer of \$15.0M from the Electric System Revenue Fund into the R&C Fund.

Justification: The strategic financial metrics will not be met with the current minimum balance maintained for the Electric System Revenue Fund and R&C Funds without the \$15.0M transfer. The Days Cash On Hand (≥ 250 days) strategic financial metrics will fall short in 2026 without a transfer of \$15.0M into the R&C Fund.

Financial Justification: If the above recommended transfer is approved, the balance in the R&C Fund for rate stabilization would be \$165.0M (current approved target being \$150.0). Additionally, the transfer would leave the Electric System Revenue Fund with an estimated remaining balance of \$185.0M, allowing for a JLB issuance in Q1 2026 of \$120.0M.

Recommendation: To seek authorization from the Commission to 1) transfer \$15.0M from the Electric Revenue Fund into the Rate Stabilization portion of the Electric System R&C Fund effective October 31, 2025, 2) recognize the Electric System Revenue Fund to be managed no less than \$50.0M, and 3) update the minimum balance maintained in the R&C Fund to \$165.0M.

Legal Review: Please see attached email.

MEMORANDUM

4/22/2025

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Bonnie Overfield, Chief Financial Officer *Bonnie Overfield*
Glen Pruitt, Senior Manager of Risk & Compliance *Glen Pruitt*
Mitch Delabarre, General Council *MPD*
Tracy Johnson, Enterprise Risk Manager *Tracy Johnson*
MPD (Apr 22, 2025 13:24 PDT)
Tracy Johnson (Apr 22, 2025 13:19 PDT)

FROM: Lia Gunderson, Risk Analyst

SUBJECT: Claim Recommendation Follow up, Claim No: 24-007

Purpose: To request Commission to review and make claim determination

Background:

Claim #24-007 was submitted to the Risk Department in January of 2024. The Risk team did their investigation, and as the damage claimed exceeded \$60,000, did not have the authority to approve or deny the claim, as that authority resides with the Commissioners. The enclosed memo was submitted to the Commissioners with the recommendation to deny the claim as our investigation did not find the PUD's activity to meet the gross negligence threshold for power quality claims. The claimant said they could provide additional details and so the Commission decision was on hold until further evidence was presented.

In March 2025, the Risk Department received additional information and has now completed a second investigation into the new information provided by the claimant.

Justification:

The new information states that power fluctuations began in 2020. Unfortunately, we do not have any records of this being reported during this time and our System Engineers were not aware of any issues in 2020 or 2021. This means they did not run an investigation with recording devices to collect more granular details during this timeframe and we are unable today to look back at the data. Without this granularity, all we can rely on for data are AMI meters which only record data at 15-minute intervals, and limited data from line devices such as capacitor banks and regulators. After reviewing the limited AMI data from 2020 to 2023, Systems Engineers did not identify any consistent irregularities in voltage levels that would have caused any concern, and the voltage was within the ANSI range for healthy operating voltage, excluding one incident in 2023.

There was one instance in August 2023 of 300.4V, that was outside the acceptable ANSI range (263V – 291V); though, it is difficult to determine what the catalyst was. It is possible that this could have been a momentary voltage spike possibly caused by external factors such as weather. The fact that there were no switching operations or outages that occurred on this day on the Y5 feeder and the lack of consistent ranges outside the ANSI standards, it is reasonable to assume that this is not a Grant PUD power quality issue.

The first invoice for damage occurred in October 2021 when the claimant needed to replace a burned-up phase shift transformer and pump motor. The Risk Department pulled the incidents and outages

reported by the claimant in ARCOs and there was only one incident in October 2021 that was reported on 10/14/2021. If this is the incident in question, there was a fuse down on that line that was determined to be caused by a bird and there is nothing that Grant PUD can do to alleviate these instances.

It is the opinion of our Systems Engineers that we would have seen more consistent incidents of voltage being out of range if there were significant issues with our system. To further add to the investigation, the Risk Department pulled ARCOs reports from the seven customers upstream of the claimants to check for issues and there were no reported outages or power fluctuations from any of the seven customers during these instances.

Prior to the Road 1 cap bank being installed, the nearest cap bank to the claimant was 4.5 miles upstream. With this customer being located about 7 miles downstream of the substation, there will be inherent voltage drop, but never below the minimum acceptable voltage levels as determined by ANSI/IEEE. Cap bank placement is typically determined by the amount of reactive power (kVAR) on the line. Based on our modeling software, the system model did not show any voltage concerns for this feeder; however, Grant PUD made the decision to add a Cap Bank on this line to stay proactive due to rapidly growing loads over the last few years.

Recommendation:

It is possible that Grant PUD could have done better with internal communication and sharing data, assuming the claimant provided this power quality concern when it initially occurred in 2020/21; however, based on the lack of power quality issues from other customers on the line and the October incident being caused by a bird, there was no negligence on Grant PUD's side. It is the recommendation of the Risk Department that we deny claim 24-007.

Additional Information Provided by Claimant

Tracy Johnson
Enterprise Risk Management

17 March 2025

I am providing additional follow up information for the original claim #25-004 for \$65,638,48 filed on 11 Jan 2024 for VFD, phase shifter transformer and motor damage.

In our farming operation we have had farms that were at the end of a line before and we have always experienced more power fluctuations there. In this case I have two irrigation accounts that are at the end of Y-5 feeder line. The poles are 100 feet apart (**picture 1**). The picture with the transformers on it is meter #KZD86614677 which I will refer to as meter 1 service. The biggest pole in the picture is the disconnect for the underground service that goes to the second circle meter # KZD78958589, which I will refer to as meter 2 service, where the damage occurred.

I have noticed some power fluctuations there with both accounts from time to time as I have voltage meters on both circle irrigation systems. The first problem started with the connectors burning off the transformer going to meter 1 service in 2020. Then again on 8-10-21 the connections were burned off the transformer going to meter 1 service..

Continuing on to meter 2, while checking water on 5-10-21 I found a small fire on the pole and around the bottom of the pole. I was able to put out the fire on the ground and on the pole and called GCPUD for the loss of power, which they then repaired and restored my service. Then again on 9-14-21 while checking water, I found the complete pole and related service equipment had burned up and the remains were on the ground. I called the GCPUD and they put in a new pole, equipment and restored my service. There were also no rain storms during this time as well, which sometimes starts pole fires.

In October 2021 when checking water, I found the VFD, phase shift transformer and the pump motor were burnt up and had to be replaced (**pictures 2-7**). I had Lad Irrigation repair the damage (**Invoice # MOP 09863, footnote 1**). Then again in October 2023 the pump motor was burned up again and I had Lad Irrigation repair the motor (**Invoice # MI 226688, footnote 2**)

During the summer of 2022, the GCPUD commission had a tour and field trip which outlined Irrigation power quality and power quality protection issues. I talked with Mark Falstad about the problems I was having and he said he would look into it. He did and he told me that I had insufficient capacitor banks. This was more than likely causing the problems with meter 1 service and meter 2 service.

On May 14, 2024 Mark Falstad e-mailed saying that they had added a new capacitor bank on the Y-5 feeder line and it should take care of my problems. So far, I have not had any further problems to date on meter 1 service or meter 2 service since the new capacitor bank was installed. (**pictures 8-10**)

On 7 March 2024 I received a denial letter of my original claim, the letter I received made reference to the districts (justifications, about half way down the page) to an existing capacitor bank for my service. " The original claim cites a lack of capacitor banks on the related distribution feeder line as a potential source of the power quality issues and lack of power quality protection. This portion of the claim was investigated and found to be incorrect. There is a capacitor bank upstream of the customer's meter on the distribution line. " (**Reference GCPUD denial letter, footnote 3**)

Also in the denial justification you will see that there was one instance that the power quality and the power quality protection fell outside the normal range. (For the period reviewed in 2023, one instance fell outside of this range, a read of 300.4V on August 17th, 2023 at 22:30.)
(**Reference GCPUD denial letter, footnote 3**)

In light of everything that has happened I take exception to the justification that was used for the denial of my claim. To the best of my knowledge that is incorrect. I could not find any capacitor banks in my immediate area. If there, they were not functioning properly or were insufficient and or not working properly. Sufficient capacitor banks working correctly on this line should have prevented this damage from occurring. It is now obvious to me that power quality and power quality protection was not up to standard and was the reason we were having problems on service 1 and service 2 and was the justification for the new capacitor bank on road 1.

Please refer to the May 14 2024 e-mail that I received from Mark Falstad providing information on the (Y-5 feeder upgrade) . He goes on to say that Dennis Chenakov added a new 600 kvar cap bank on road1 black sand to help boost voltage. This is on the Y-5 feeder line about 1 mile away from meter 1 service and meter 2 service. This was a new installation as there was no other existing capacitor bank there or in the immediate area. (**e-mail, footnote 4**).

In light of the confusion on this claim, I am requesting that you reconsider my claim with this additional information.

Sincerely, Tom Flint



5842 Road 2NW
Ephrata, Wa 98823

509-398-3522

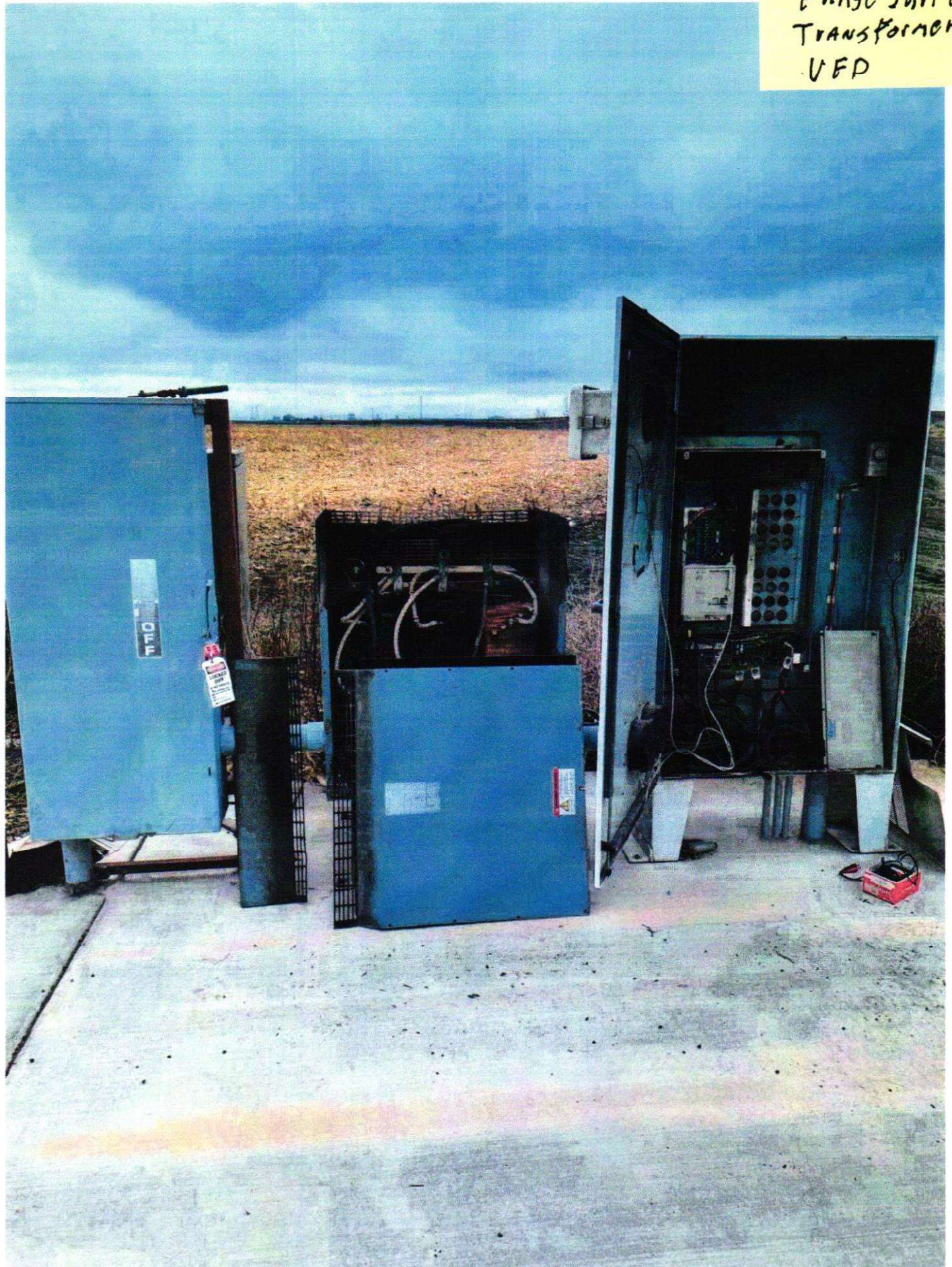
Picture 1

Meter 2
Service →

← Meter 1
Service



Picture 2
Phase Shift
Transformer &
VFD



Picture 3
phase shift
Transformer



Picture 4
Phase Shift
Transformer



Picture 5
VFD with
cover ON



Picture 6
VPD with
cover OFF



Picture 7
Motor



Footnote 1

Lad Irrigation Co

Salesman: Nick Meyer
 Contact Person: T & C Flint Farms
 Contact Phone: (509) 787-2003 Ext. 0000
 (509) 398-3522 Ext. 0000
 Contact Person:
 Contact Phone: (509) 398-2023 Ext. kthy

ML/TM

ML Order

Project Type: Pump Repair-Turbine

Install Start Date: 2/7/2022

Install Completion Date: 3/11/2022

Tax Schedule Id: NO TAX R/PARTS

LEVEL 5

Order	MOP09863
Date	2/3/2022
Page	1

Bill To:

Flint, Tom
 5842 Rd 2 NW
 Ephrata WA 98823

Ship To:

Flint, Tom
 47.083333 -119.524371
 SE1/4 NW1/4 S2 T18N R26EWM
 Ephrata WA 98823

Purchase Order No.		Customer ID	Sales ID	Shipping Method	Payment Terms	Materials Date	Master No.
REPAIR 200 HP ELECT.		0102	001	R/P EXEMPT	10th / Month	2/3/2022	495,789
Ordered	Shipped	B/O	Item Number	Description	Unit Price	Ext. Price	
1	1	0	LABEL	Replace 200 HP VFDpanel and repair motor as follows Meter #KZD78958589. Grant PUD	0.00000	0.00	
1	0	1	NS VFD	NEW Yaskawa U-1000 Matrix 12 pulse VFD including Nema 3R enclosure, 65 KAIC MCP Breaker with trip shunt protection. keypad and strikesorbs. IN STOCK AVAILABLE NOW. Unknown delivery once inventory is depleted. Phase shift trans not needed with this	33,572.00000	33,572.00	
1	1	0	SUB	Rewind/Repair 200hp VHS Motor; If repairable	8,138.40000	8,138.40	
1	1	0	FREIGHT	Freight in on above non stock items.	695.00000	695.00	
1	0	1	NS	Estimate wiring materials as required.	1,295.00000	1,295.00	
1	1	0	LABOR	Job demolition and preparation for new materials.	1,495.00000	1,495.00	
1	1	0	DELIVERY	Deliver & stage new replacement materials as required	795.00000	795.00	
1	1	0	LABOR	Estimate install new equipment and wire as required.	2,495.00000	2,495.00	
1	1	0	EQUIP	Estimate mileage, boom truck & equipment as required	1,995.00000	1,995.00	

Pump station hit with High Voltage Surge; Replace existing 200 hp VFD Panel complete.
 We will not need to replace the phase shift transformer as the panel will meet PUD
 IEEE519 harmonic requirements.
 Rebuild the exisiting 200hp motor as needed.
 Down payment with order \$25,000.00.
 Balance upon final invoicing.

Subtotal	\$50,480.40
Tax	\$0.00
Total	\$50,480.40
Amount Received	\$0.00
Amount Due	\$50,480.40



IRRIGATION COMPANY

"Serving the Basin since 1957"

Footnote 2

P.O. Box 880
Moses Lake, WA 98837
(509) 765-8864

Invoice	MI226688
Date	10/20/2023
Page	1

MO025931

NO TAX R/PARTS

Bill To:

Flint, Tom
5842 Rd 2 NW
Ephrata WA 98823

Ship To:

Flint, Tom
47.0833 -119.5243
TF6
Ephrata WA 98823

Purchase Order No.			Customer ID	Sales ID	Shipping Method	Payment Terms	Ship Date	Master No.
SERVICE CALL			0102	394	R/P EXEMPT	10th / Month	9/25/2023	588,793
Ordered	Shipped	B/O	Item Number	Description	Unit Price	Ext. Price		
1	1	0	SC	----- SERVICE CALL -----	0.00000	0.00		
1	1	0	SUBCONTRACT		8,564.05000	8,564.05		
			Chop & Burn Winding, Bead Blast Coils, Wind Coils, Dip & Bake Winding, Rewind Stator.					
1	1	0	0400-6314ZZ	Bearing Shielded Nachi	101.53333	101.53		
2	2	0	0403-7222	Bearing Thrust Nachi	396.68333	793.37		
6	6	0	6007-001007	Bolt SS 1/4 X 3/4	0.15267	0.92		
6	6	0	6007-003010	Bolt SS 3/8 X 1	0.39900	2.39		
6	6	0	6007-HN003	Nut Hex SS 3/8	0.16568	0.99		
6	6	0	6007-LW001	Lockwasher SS 1/4	0.02410	0.14		
7	7	0	4040-TOXP068	Oil Turbine P66 Syncom R&O 100wt	27.60278	193.22		
1	1	0	6500-2138	Paint Hunter Green	19.91429	19.91		
1	1	0	6500-2188	Paint Smoke Gray	17.55714	17.56		
1	1	0	1281-6201525	Red Insulating Varnish	19.32857	19.33		
1	1	0	5214-CSS	Consumable Shop & Service Supplies	18.37500	18.38		
19.00	19.00	0.00	MPLABOR	ML Pump Shop Labor	145.00000	2,755.00		
7.00	7.00	0.00	5210-JVE	Field Labor-Journeyman/Vehicle	166.03750	1,162.26		
5.50	5.50	0.00	5210-A	Field Labor-Apprentice	67.86250	373.24		
1.50	1.50	0.00	5212-BT27	Truck #27 w/Operator	170.17500	255.26		

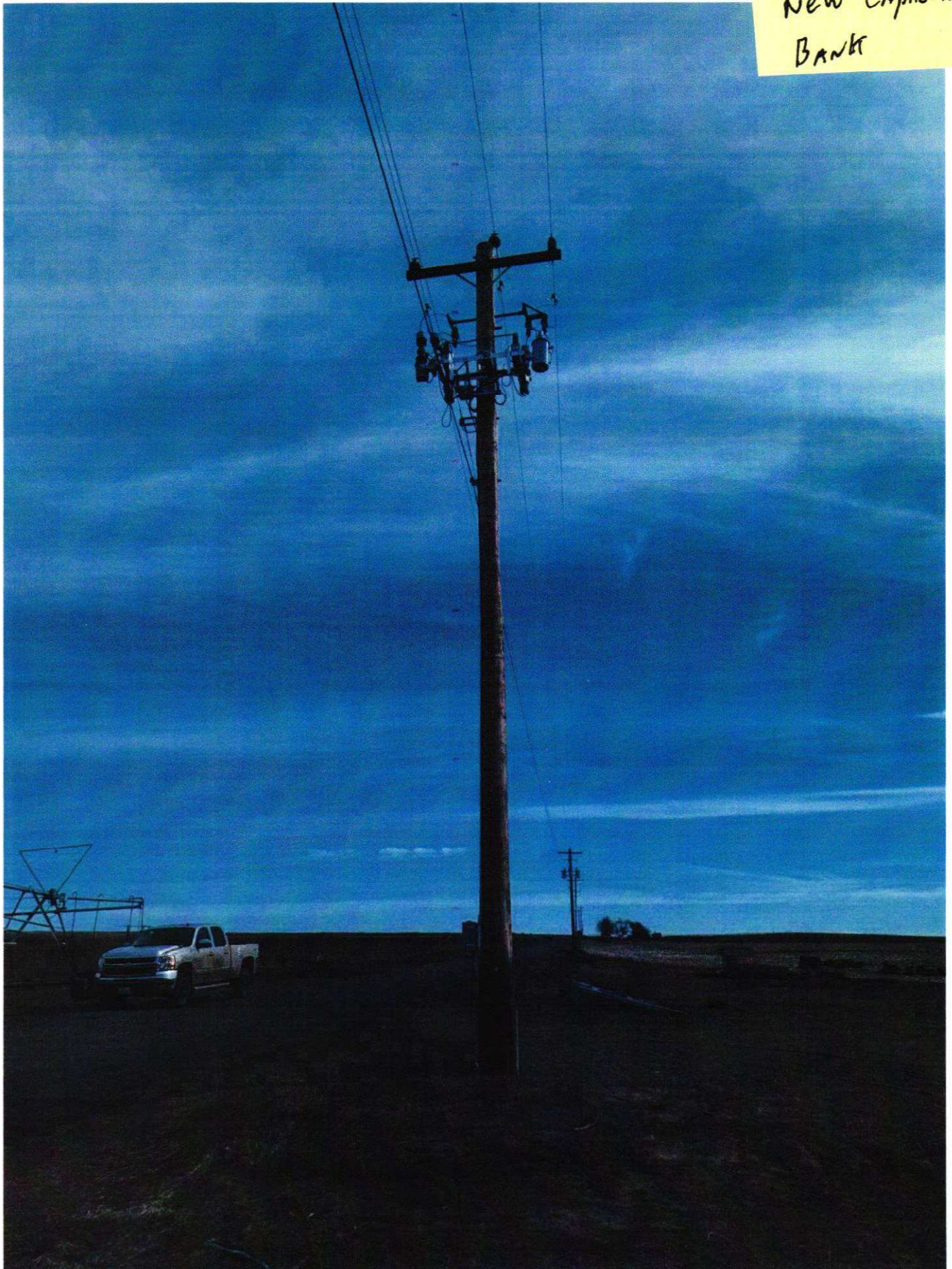
Pulled 200HP VHS Motor, Rewind and Repair.
Set Motor, Phase and Test.

Thank You for choosing Lad Irrigation.

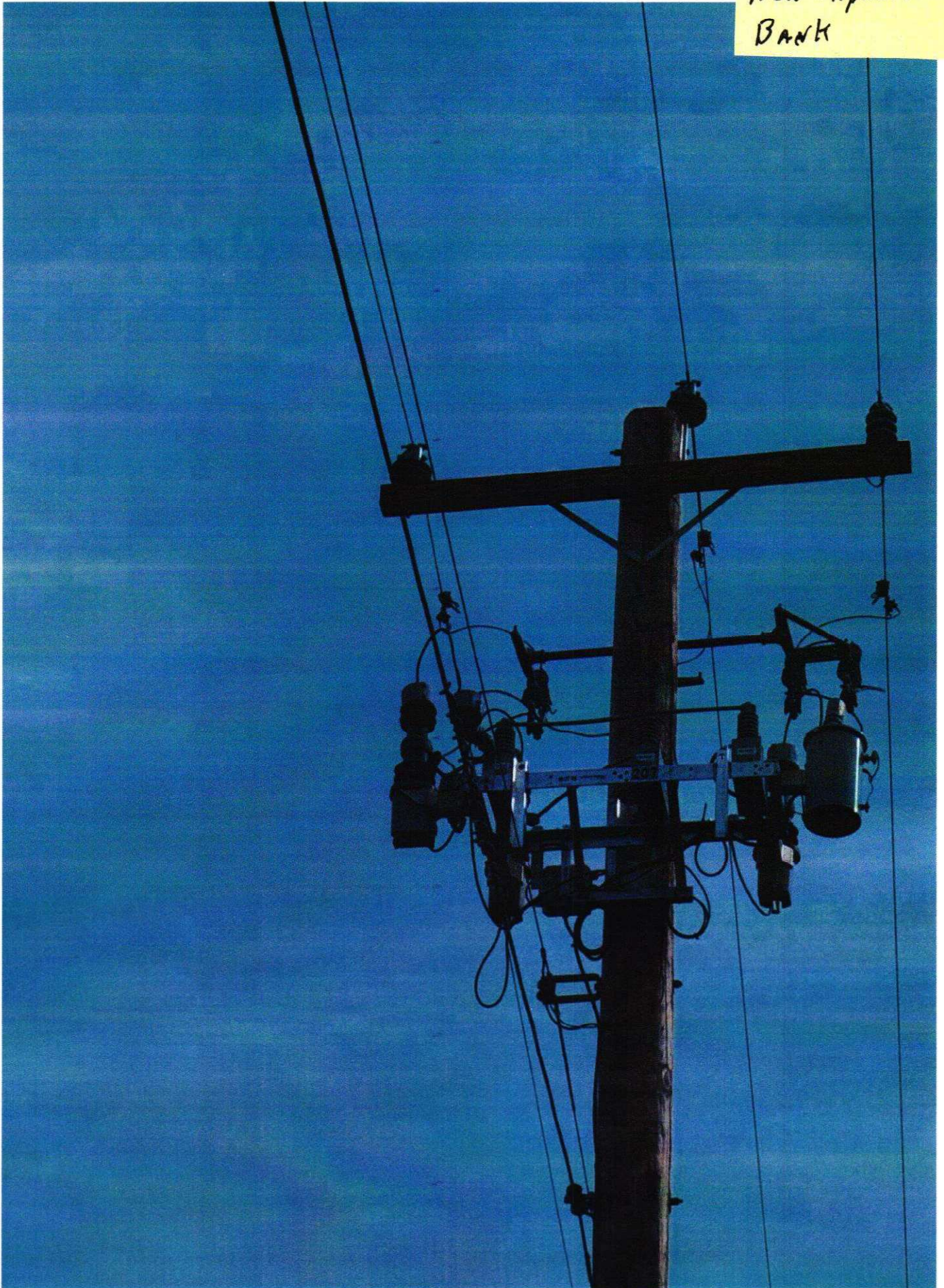
Subtotal	\$14,277.55
Tax	\$0.00
Total	\$14,277.55
Amount Received	\$0.00
Amount Due	\$14,277.55

Signature _____

Picture 8
New Capacitor
Bank



Picture 9
New Capacitor
Bank



Picture 10
New Capacitor
Bank



MEMORANDUM

3/7/2024

To: Rich Wallen, General Manager
Via: Bonnie Overfield, CFO
Tracy Johnson, Manager Enterprise Risk Management
CC: Mitch Delabarre, Attorney
From: Michael Reimers, Senior Financial Analyst
Re: Claim Recommendation, Claim No: 24-007

Purpose:

Enterprise Risk Management received a claim from Tom Flint alleging damages to a VFD, phase shift transformer, and motor of \$65,638.48 due to an alleged electrical surge. Enterprise Risk Management carefully reviewed this claim and recommends against honoring the claim as it does not find the district grossly negligent in this case.

Discussion:

District Resolution 8458 stipulates that claims over \$60,000 shall be submitted to the commission for final review and disposition by motion.

Justification:

AMI meter data for the meter associated with the alleged damages, meter # KZD78958589, was reviewed for the time period between August 2022 and October 2022 inclusive as well as for the period from August 2023 through October 2023 inclusive. AMI meter data is available at 15-minute intervals and provided on a 277V base. During the period reviewed in 2022, the voltage read for all instances fell within the IEEE/ANSI C84.1 acceptable range for normal operation of 263V to 291V. For the period reviewed in 2023, one instance fell outside of this range, a read of 300.4V on August 17th, 2023 at 22:30. All other instances fell within the acceptable limits. These reads indicate that the District did not experience any sustained power quality issues at the customer's meter.

The original claim cites a lack of capacitor banks on the related distribution feeder line as a potential source of power quality issues and lack of power quality protection. This portion of the claim was investigated and found to be incorrect. There is a capacitor bank upstream of the customer's meter on the distribution line.

Additionally, both the District's Customer Service Policy and Large Electric Service Handbook specifically address the potential for power quality variance. Chapter 2 of the District's Large Electric Service Handbook contains the following for motor loads, "Customers are responsible for providing and maintaining code-approved protective devices. These devices are required to protect motors...". Chapter 2 also contains the following on power quality, "The District recommends that Customers install protective equipment to filter or suppress voltage and current abnormalities to prevent damage to electronic equipment or other voltage sensitive equipment. The District shall not be responsible for damages to equipment from such fluctuations."

Furthermore, the District's Customer Service Policy, Section 2.5.1 contains the following:

In no event shall the District have any obligation or liability for any lost profits, consequential, incidental, indirect, special or punitive damages of any type arising out of or in any way connected to the District's supply electricity or any interruption suspension, curtailment or fluctuation thereof regardless of the causes thereof.

Recommendation:

Enterprise Risk Management recommends against honoring claim 24-007 as it does not find the district grossly negligent in this case.

Footnote 4

Get Outlook for iOS

From: Mark Falstad <Mfalsta@gcpud.org>
Sent: Tuesday, May 14, 2024 2:11:29 PM
To: Thomas Flint <Tflint@gcpud.org>
Cc: John Kemman <jkemman@gcpud.org>; Dennis Chesnakov <dchesnakov@gcpud.org>
Subject: Y5 feeder upgrade

Hi Thomas this is mark Falstad Power Quality. Dennis Chenakov added a new 600 kvar cap bank on road 1 to help Boost voltage. I stopped by your pump site on rd 1 black sands. I was checking voltages at the end of line your transformer looks great 278 volts on all 3 legs if you have any problems let john or my self know. Did see a lot of oil on the pad below the pump hope it is not a problem have a nice day.

Risk's Initial Claim Recommendation

MEMORANDUM

3/7/2024

To: Rich Wallen, General Manager
Via: Bonnie Overfield, CFO
Tracy Johnson, Manager Enterprise Risk Management
CC: Mitch Delabarre, Attorney
From: Michael Reimers, Senior Financial Analyst
Re: Claim Recommendation, Claim No: 24-007

Purpose:

Enterprise Risk Management received a claim from Tom Flint alleging damages to a VFD, phase shift transformer, and motor of \$65,638.48 due to an alleged electrical surge. Enterprise Risk Management carefully reviewed this claim and recommends against honoring the claim as it does not find the district grossly negligent in this case.

Discussion:

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Justification:

AMI meter data for the meter associated with the alleged damages, meter # KZD78958589, was reviewed for the time period between August 2022 and October 2022 inclusive as well as for the period from August 2023 through October 2023 inclusive. AMI meter data is available at 15-minute intervals and provided on a 277V base. During the period reviewed in 2022, the voltage read for all instances fell within the IEEE/ANSI C84.1 acceptable range for normal operation of 263V to 291V. For the period reviewed in 2023, one instance fell outside of this range, a read of 300.4V on August 17th, 2023 at 22:30. All other instances fell within the acceptable limits. These reads indicate that the District did not experience any sustained power quality issues at the customer's meter.

The original claim cites a lack of capacitor banks on the related distribution feeder line as a potential source of power quality issues and lack of power quality protection. This portion of the claim was investigated and found to be incorrect. There is a capacitor bank upstream of the customers meter on the distribution line.

Additionally, both the District's Customer Service Policy and Large Electric Service Handbook specifically address the potential for power quality variance. Chapter 2 of the District's Large Electric Service Handbook contains the following for motor loads, "Customers are responsible for providing and maintaining code-approved protective devices. These devices are required to protect motors...". Chapter 2 also contains the following on power quality, "The District recommends that Customers install protective equipment to filter or suppress voltage and current abnormalities to prevent damage to electronic equipment or other voltage sensitive equipment. The District shall not be responsible for damages to equipment from such fluctuations."

Furthermore, the District's Customer Service Policy, Section 2.5.1 contains the following:

In no event shall the District have any obligation or liability for any lost profits, consequential, incidental, indirect, special or punitive damages of any type arising out of or in any way connected to the District's supply electricity or any interruption suspension, curtailment or fluctuation thereof regardless of the causes thereof.

Recommendation:

Enterprise Risk Management recommends against honoring claim 24-007 as it does not find the district grossly negligent in this case.

Original Claim Received

Claim for VFD, phase shift transformer and motor.
Meter # (KZD78958589)

11 Jan 2024

Dear Tracy

I am filing this claim for damage that was done in the fall of 2022 and the fall of 2023 to my pump station. This is the last pump station at the end of a distribution feeder. This was not filed earlier as I did not have the newly discovered information related to the damages.

In the fall of 2022, my pump station burned up from an electrical surge. This claim is for the replacement of an irrigation VFD and phase shift transformer that were burned up and damaged beyond repair and had to be replaced, also a 200 hp pump motor that was damaged and burned. The 200 hp pump motor was salvageable and was rebuilt.

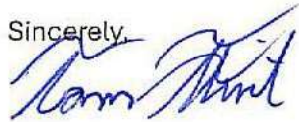
In the fall of 2023, we had another incidence with the same pump station which resulted in the same 200 hp pump motor burning up again. It was also salvageable and rebuilt again.

At the end of this summer of 2023 the commission had an irrigation tour and field trip for irrigation system upgrades, power quality, power protection and reliability issues and we were joined by John Kemman and GCPUD staff. I talked with John about my situation, and he said he would look into it, he did, and it was discovered that there were no capacitor banks on the related distribution feeder lines which would cause insufficient power quality and power protection issues resulting in the damage I have outlined.

I have included the 2022 bill which was for \$51,360.93 for the VFD replacement and the 200 hp pump motor repairs. This included the related labor for removal and installation of equipment. I have also included the 2023 bill for the same pump motor for repairs and removal and replacement which are \$ 14,277.55.

If you need more information let John or myself know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Flint", with a stylized flourish at the end.

Tom Flint
5842 Road 2NW
Ephrata, Wa
98823.
509-398-3522
tom1flint@gmail.com



HISTORICAL

Invoice	MIP10133
Date	10/13/2022
Page	1

MOP09863
NO TAX R/PARTS

P.O. Box 880
Moses Lake, WA 98837
(509) 765-8864

"Serving the Basin since 1957"

Bill To:

Flint, Tom
5842 Rd 2 NW
Ephrata WA 98823

Ship To:

Flint, Tom
47.083333 -119.524371
SE1/4 NW1/4 S2 T18N R26EWM
Ephrata WA 98823

Purchase Order No.		Customer ID	Sales ID	Shipping Method	Payment Terms	Ship Date	Master No.
REPAIR 200 HP ELECT.		0102	001	R/P EXEMPT	10th / Month	2/3/2022	495,789
Ordered	Shipped	B/O	Item Number	Description	Unit Price	Ext. Price	
1	1	0	LABEL	Replace 200 HP VFDpanel/repair motor, Locati Meter #KZD78958589. Grant PUD	0.00000	0.00	
1	1	0	NS VFD	Yaskawa U-1000 Matrix 12pulse VFD includes; Nema 3R enclosure, 65 KAIC MCP Breaker with trip shunt protection. keypad and strikesorbs. Freight included	33,572.00000	33,572.00	
1	1	0	SUB	D&D ElectricRepair 200hp VHS Motor; strip, cle rewind stator, Dip/bake; replace thrust and guide bearings, reassemble, surge test, paint.	11,331.98000	11,331.98	
1	1	0	NS	400amp Dual element fuse	321.52000	321.52	
1	1	0	LABOR	Labor, Mileage, Boom time, remove damaged components. Install new panel reusing existng wiring materials, reinstall rewound motor, Program panel, Start and Test; Discounted 10%	6,135.43000	6,135.43	

Pump station hit with High Voltage Surge; Replace existing 200 hp VFD Panel complete. Did not need to replace the phase shift transformer as new panel meets PUD IEEE519 harmonic requirements. Rebuilt existing 200hp motor as needed.
Down payment 2-7-22 ck#7984 \$25,000.00.
Balance now due this invoice; \$26,360.93
Thanks for doing business with LAD!

Subtotal	\$51,360.93
Tax	\$0.00
Total	\$51,360.93
Amount Received	\$25,000.00
Amount Due	\$26,360.93

Signature _____



IRRIGATION COMPANY

"Serving the Basin since 1957"

Invoice	MI226688
Date	10/20/2023
Page	1

P.O. Box 880
Moses Lake, WA 98837
(509) 765-8864

MO025931
NO TAX R/PARTS

Bill To:

Flint, Tom
5842 Rd 2 NW
Ephrata WA 98823

Ship To:

Flint, Tom
47.0833 -119.5243
TF6
Ephrata WA 98823

Purchase Order No.			Customer ID	Sales ID	Shipping Method	Payment Terms	Ship Date	Master No.
SERVICE CALL			0102	394	R/P EXEMPT	10th / Month	9/25/2023	588,793
Ordered	Shipped	B/O	Item Number	Description			Unit Price	Ext. Price
1	1	0	SC	SERVICE CALL			0.00000	0.00
1	1	0	SUBCONTRACT				8,564.05000	8,564.05
				Chop & Burn Winding, Bead Blast Coils, Wind Coils, Dip & Bake Winding, Rewind Stator.				
1	1	0	0400-6314ZZ	Bearing Shielded Nachi			101.53333	101.53
2	2	0	0403-7222	Bearing Thrust Nachi			396.68333	793.37
6	6	0	6007-001007	Bolt SS 1/4 X 3/4			0.15267	0.92
6	6	0	6007-003010	Bolt SS 3/8 X 1			0.39900	2.39
6	6	0	6007-HN003	Nut Hex SS 3/8			0.16568	0.99
6	6	0	6007-LW001	Lockwasher SS 1/4			0.02410	0.14
7	7	0	4040-TOXP068	Oil Turbine P66 Syncom R&O 100wt			27.60278	193.22
1	1	0	6500-2138	Paint Hunter Green			19.91429	19.91
1	1	0	6500-2188	Paint Smoke Gray			17.55714	17.56
1	1	0	1281-6201525	Red Insulating Vamish			19.32857	19.33
1	1	0	5214-CSS	Consumable Shop & Service Supplies			18.37500	18.38
19.00	19.00	0.00	MPLABOR	ML Pump Shop Labor			145.00000	2,755.00
7.00	7.00	0.00	5210-JVE	Field Labor-Journeyman/Vehicle			166.03750	1,162.26
5.50	5.50	0.00	5210-A	Field Labor-Apprentice			67.86250	373.24
1.50	1.50	0.00	5212-BT27	Truck #27 w/Operator			170.17500	255.26

Pulled 200HP VHS Motor, Rewind and Repair.
Set Motor, Phase and Test.

Thank You for choosing Lad Irrigation.

Subtotal	\$14,277.55
Tax	\$0.00
Total	\$14,277.55
Amount Received	\$0.00
Amount Due	\$14,277.55

Signature _____

For Commission Review – 09-23-2025

After considering the underlying merits of the claim, motion was (approved/denied) Claim No: 24-007.

xxxx

Motion was made by _____ and seconded by _____ authorizing the General Manager, on behalf of Grant PUD, to reset the delegated authority levels to the authority granted to the General Manager per Resolution 9080 for Contract 430-11920 with Douglas PUD. After consideration, the motion _____.

For Commission Review – 09/23/2025

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to sign Real Estate Purchase and Sale Agreement with Desert Diamond Investments LLC., for the acquisition of approximately 3.02 acres, more or less, and commonly known Grant County Assessor Parcel Number 13-1586-553 in Section 22, Township 21, Range 26 East, W.M. Grant County, Washington. The amount of \$789,307 was determined based on the appraisal value of \$6.00/square foot x 131,551 square feet.

XXXX

MEMORANDUM

September 18, 2025

TO: John Mertlich, General Manager/Chief Executive Officer

FROM: Fallon Long, Vice President of Shared Services 

SUBJECT: Real Property Acquisition to support future Grant PUD Facilities and Service Center

Purpose:

To request Commission approval to execute Real Estate Purchase and Sale Agreement (the "Agreement") between DESERT DIAMOND INVESTMENTS, A Washington Limited Liability company and PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON a municipal corporation for the acquisition of certain parcels of land consisting of approximately 3.02 acres, more or less, and commonly known Grant County Assessor Parcel Number 13-1586-553 in Section 22, Township 21, Range 26 East, W.M. Grant County, Washington. The property is near Nat Washington Way and within the City of Ephrata Urban Growth Area.

Discussion:

The District is seeking to purchase 3.02 acres of commercially viable property directly east and contiguous to the existing HQ-Annex (Canfield) property. Zoning and infrastructure are in-place to support the property's future development. Purchase of this property is critical to support our growth management strategy.

Justification:

The purchase of the property would provide an area for both physical and program expansion that is not possible at the existing HQ location on C Street. This property also provides a more direct connection to Nat Washington Way for signage (way finding) - the current HQ-Annex property does not include a signage easement at Nat Washington Way. Purchase of this property will provide options for temporary relocation and transition while we complete construction of the new Ephrata Service Center and Headquarters.

Financial Considerations:

The fair market value of \$789,307 was determined by the per acre value from Bowery Valuation Appraisal's-appraisal value of \$6.00 per square foot x 131,551-sf.

Contract Specifics:

See attached Purchase and Sale Agreement.

Recommendation:

Approval of a motion authorizing the Manager to sign the attached Purchase and Sale Agreement with the Grantor to support the future Ephrata Service Center construction.

Legal Review:

See attached e-mail(s).

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is dated September 15, 2025, and is entered into by and between DESERT DIAMOND INVESTMENTS, A Washington Limited Liability Company ("Seller") and PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON a municipal corporation ("Buyer").

Seller wishes to sell and Buyer wishes to purchase the Property, as defined below, upon the following terms and conditions:

1. **The Property.** The property to be purchased by Buyer (the "Property") shall consist of (i) that certain parcels of land consisting of approximately 3.02 acres, more or less, and commonly known as Grant County Assessor Parcel No. 13-1586-553, known as Lot 1 of Amendment No. 1 to Lots 1, 2, 3, 5 and 6 of the Commercial Binding Site Plan of Lot 2 of the Plat of Fitzburg Grant County, Washington the approximate location of which is attached on **Exhibit A** hereto; and (ii) all improvements thereon (the "Project"); and (iii) all personal property owned by Seller located at said real property, as set forth on the inventory to be furnished by Seller to Buyer pursuant to this Agreement; and (iv) all shrubs, trees, and plants thereon; and (v) all oil, gas, water and mineral rights and shares of stock pertaining to water or mineral rights, whether or not appurtenant thereto, owned by Seller; and (vi) all easements, rights of way, and other rights appurtenant thereto; and (vii) all permits and contract rights relating to the operation of the Property. If the exact boundaries and acreage of the Property is not known as of the date of mutual execution hereof, Buyer and Seller shall mutually agree on same during the period described in Section 7(vi) below. If the Property does not constitute a separate, legal, buildable lot which has been segregated for property tax purposes, Seller shall accomplish all actions necessary to render the Property in such condition on or before the expiration of the period described in Section 7(a) below.

2. **Closing.** "Closing" shall mean the date on which the general warranty deed with full warranties of title transferring title to the Property from Seller to Buyer is recorded in the official records of the County in which the Property is situated. Closing shall occur on or before the date which is thirty (30) days after Buyer's waiver of all of the contingencies set forth in Sections 7 below, or such other date as may be mutually agreed upon by the parties, at the offices of Frontier Title Company (the "Escrow Agent") located in Ephrata, Washington. If Closing has not occurred prior to the date that is thirty (30) days after mutual execution hereof (the "Outside Date for Closing") for any reason other than a default by Buyer or Seller hereunder, then this Agreement shall automatically terminate, and the parties shall have no further liabilities or obligations toward each other under this Agreement.

3. **Consideration.** The consideration to be paid to Seller by Buyer for purchase of the Property (the "Purchase Price") shall be a total of Seven Hundred and Eighty-nine thousand, three hundred and seven dollars (\$789,307) and shall be payable all in cash at Closing.

4. Title.

(a) Preliminary Title Report. Buyer shall, at Buyer's expense, obtain a preliminary title report applicable to the Property (the "Preliminary Title Report") issued by Frontier Title Company (the "Title Company"), together with a copy of all items indicated as exceptions in such Preliminary Title Report.

(b) Condition of Title. At Closing, Seller shall convey fee simple title to the Property to Buyer by general warranty deed, subject only to the items indicated on the Preliminary Title Report which have been approved by Buyer.

(c) Evidence of Title. Seller shall, at Seller's expense, provide Buyer with evidence of Buyer's title to the Property in the form of an owner's ALTA standard coverage policy of title insurance, Form B 1970 (revised 10/17/70), issued by the Title Company containing only those exceptions approved by Buyer with a liability limit equal to the Purchase Price. Seller also agrees to provide affidavits and indemnities in standard form required by the Title Company to remove from the title policy to be issued at Closing the standard preprinted exceptions for unrecorded leases and mechanics liens. Notwithstanding anything to the contrary herein, Seller shall remove at or before Closing, and the Permitted Exceptions shall not include, any financial encumbrances or monetary liens encumbering the Property (except to the extent caused by Buyer).

5. Delivery for Approval. Within ten (10) working days of the execution of this Agreement, Seller shall deliver to Buyer for Buyer's approval as to form and content, the following:

(a) An inventory of all personal property (if any) to be transferred to Buyer.

(b) Copies of all maintenance, service and other agreements affecting the Property.

(c) Copies of all construction and equipment warranties affecting the Property.

(d) All plans, specifications, surveys, soils reports and calculations related thereto and appraisals of the Property, environmental and hazardous waste reports and studies relating to the Property, and any other reports or studies relating to the physical condition of the Property or adjacent properties prepared prior to the date of this Agreement in the possession or subject to the control of Seller.

(e) All certificates of occupancy, building permits, architect's statements of completion and similar documents in possession or subject to the control of Seller evidencing appropriate regulatory approval of the completion of construction of improvements at the Property.

(f) To the extent the Property or this transaction is subject to natural hazard disclosure requirements or requires a transfer disclosure statement pursuant to applicable law, a disclosure statement in conformity with the provisions of applicable law for such disclosures.

6. Costs to Buyer and Seller; Closing Documents.

- (a) Buyer shall pay the escrow fee and document preparation, cost of the preliminary title report, the costs of Buyer's counsel and any costs or fees for recording the general warranty deed.
- (b) Real estate taxes and assessments, rents, water, and other utilities shall be prorated as of Closing. Real estate excise taxes to be paid by Buyer.
- (c) At Closing, Seller shall deliver to Escrow Agent the general warranty deed and a warranty bill of sale conveying to Buyer the personal property; and
- (d) At Closing, Buyer shall pay the Purchase Price and shall execute such other documents reasonably required to close the transaction contemplated by this Agreement.
- (e) Negotiated Items and Cost to Seller and Buyer:

7. Conditions Precedent to Buyer's Obligation.

- (a) Buyer's obligation to perform under this Agreement is subject to and contingent upon Buyer's approval or determination in its sole discretion of the following, all to occur within ninety (90) days after the date of mutual execution hereof:
 - (i) Title Condition. Buyer's review and approval of the Preliminary Title Report, together with all exceptions listed therein.
 - (ii) Documents. Buyer's review and approval of all items required to be delivered to Buyer pursuant to Section 5 of this Agreement.
 - (iii) Board of Commission Approval. Receipt of approval from Buyer's Board of Commissioners of all business terms of this Agreement by adoption of a resolution providing for the same.
 - (iv) Fair Market Value. Buyer's receipt of an appraisal prepared by Pacific Appraisal Associates, to determine the fair market value of the property meets or exceeds the purchase price.
 - (v) Regulatory Approval. Receipt of approval from all applicable regulatory authorities of Buyer's purchase of the Property and of any related opening, closing or relocating of Buyer's facilities.
 - (vi) Inspection of Property: Buyer's written approval of the Property, including zoning, land cultural resources, soils, geotechnical, and environmental condition of the Property and adjacent parcels, pursuant to physical inspection by Buyer or by whomsoever Buyer may designate, which approval may be withheld in Buyer's sole and absolute discretion. No inference that Buyer has waived any right to rely on warranties of Seller as set forth in

Section 8 of this agreement shall be drawn from Buyer's approval of the Property pursuant to such physical inspection. Unless otherwise stated by Buyer in writing, failure to timely approve or disapprove any of the above-referenced matters shall constitute disapproval.

- (vii) Buyer's obligation to take title to the Property and pay the Purchase Price at Closing is subject to and contingent upon receipt, on or before the Outside Date for Closing, of all necessary governmental, nongovernmental, and utility company approvals and permits for Buyer's proposed use and development of the Property, including any necessary land use zoning approvals, comprehensive plan amendments, annexation agreements and platting requirements, and utility service approvals for water, sewer, etc., consistent with Buyer service requirements. Unless otherwise stated by Buyer in writing, failure to timely approve or disapprove the matters set forth in this Section 7 or before the Outside Date for Closing shall constitute disapproval. Seller shall reasonably cooperate with Buyer to enable Buyer to obtain all such permits and approvals for development of the Property as Buyer may desire.

8. Warranty of Title. Seller is the lawful owner of the Property, and has the full right, power and authority to sell, transfer and convey the Property to Buyer and warrants that the Property is not subject to any liens, claims, security interests, encumbrances, taxes, or assessments however described or denominated.

Seller hereby agrees to defend, protect, indemnify, and hold Buyer harmless from any and all loss, damage, liability or expense, including attorneys' fees and costs, Buyer may suffer as a result of any breach of or any inaccuracy of the foregoing warranty. This warranty shall survive Closing.

Buyer hereby agrees to indemnify and hold Seller harmless from any and all loss or injury arising as a result of the Buyer's inspection of Property.

9. Possession. Upon execution of this Agreement, Buyer, through its authorized agents, personnel and employees, shall be entitled to enter upon the Property during normal business hours to make such inspections or studies as Buyer may deem reasonably necessary, including without limitation soils and hazardous waste studies. Full possession of the Property shall be delivered to Buyer by Seller at Closing. Seller shall furnish to Buyer all information that Buyer may reasonably request. If this transaction fails to close, Buyer shall restore the Property at its sole cost to substantially the same condition as when Buyer commenced its studies and tests. If upon full possession of the property, the Buyer chooses not to develop the property then the Seller has the right of first refusal to purchase property back from Buyer at the price of which it was acquired within two years of closing or appraised value after the two years; except that the property shall not be sold back to Seller for less than Buyer purchase price.

10. Seller's Remedy. Following waiver of all of Buyer's contingencies set forth in Sections 7(a) above, if this transaction fails to close due to a breach by Buyer hereunder, the sole and exclusive remedy available to Seller as a result of such breach shall be to terminate this Agreement, whereupon Buyer shall deliver to Seller, at no cost to Seller, copies of any reports,

studies, or tests performed by Buyer or its agents in connection with this transaction (excluding financial feasibility studies or other proprietary information). Seller hereby waives any other remedy it may have.

11. Buyer's Remedies. If this transaction fails to close due to a breach by Seller hereunder, the sole and exclusive remedy available to Buyer as a result of such breach shall be to terminate this Agreement, whereupon Seller shall deliver to Buyer, at no cost to Buyer, copies of any reports, studies, or tests performed by Seller or its agents in connection with this transaction (excluding financial feasibility studies or other proprietary information). Buyer hereby waives any other remedy it may have.

12. Miscellaneous.

(a) All notices, consents and approvals required by this Agreement shall be either:

- (i) personally delivered; or
- (ii) placed in the United States mail, properly addressed and with full first-class postage prepaid, certified mail with a return receipt. Said notices, consents and approvals shall be deemed received on the earlier of the date actually received, or forty-eight (48) hours after being mailed as aforesaid; or
- (iii) sent via email or other electronic means.

Said notices, consents and approvals shall be sent to the parties hereto at the following addresses, unless otherwise notified in writing:

To Seller: Desert Diamond Investments LLC
5151 Kopp Ln NE
Moses Lake, WA 98837

To Buyer: Public Utility District No. 2 of Grant County, WA.
Lands and Permitting Services
PO Box 878
Ephrata, WA 98823

(b) Attorneys' Fees. In the event that either party hereto brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, or for an alleged breach or default of, or any other action arising out of this Agreement or the transactions contemplated hereby the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and any court costs incurred in such action or proceeding, including on appeal, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

(c) Entire Agreement and Amendments. This Agreement, together with any Exhibits referred to herein constitute the final and complete expression between the parties hereto and supersedes any and all prior arrangements or understandings between the parties. This Agreement can be amended only by a writing signed by Buyer and Seller.

(d) Exhibits. All exhibits attached hereto are hereby incorporated by reference and made a part hereof.

(e) Time of the Essence. Time is of the essence in connection with each and every provision of this Agreement.

(f) Choice of Law. This Agreement and each and every related document is to be governed by, and construed in accordance with, the laws of the state in which the Property is situated.

(g) Successors. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. However, Seller shall have no right to assign any of its rights, privileges, duties or obligations under this Agreement or to convey or transfer the Property prior to Closing, without the prior written consent of Buyer. Buyer shall be entitled to assign Buyer's interest under this Agreement.

(h) Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference, and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(i) Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Agreement shall be made against either party except on the basis of a written instrument executed by or on behalf of such party. A receipt by Seller of any payment due hereunder, with knowledge of any breach of this Agreement, shall not be deemed a waiver of such breach. The party for whose benefit a condition is herein inserted shall have the unilateral right to waive such condition.

(j) Further Actions. Buyer and Seller agree to execute such further documents, and take such further actions, as may reasonably be required to carry out the provisions of this Agreement, or any agreement or document relating hereto or entered into in connection herewith.


(k) Counterparts. This Agreement may be executed in counterparts, each of which, when combined, shall constitute one single binding agreement.

IN WITNESS WHEREOF, the undersigned have executed this document as of the day and year first hereinabove written.

SELLER:

DESERT DIAMOND INVESTMENTS LLC


Dated: 9/16/25

By  J. R. Parker
By _____

BUYER:

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WA

Dated: 9/16/2025

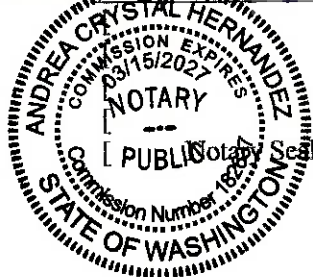
By 

STATE OF WASHINGTON)
)ss.
County of Cumt)

On this 16 day of September, 2025, before me personally appeared to me Dustin Cartfield and Deepest Diamond known to be the Partner of Deepest Diamond a Washington Limited Liability Company that executed the foregoing instrument, and acknowledged and said instrument to be the free and voluntary act and deed of said Limited Liability Company, for the uses and purposes therein mentioned, and on oath stated that (he/she/they) (is/are) authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Dated: 9/16/27



[Signature]
Notary Public

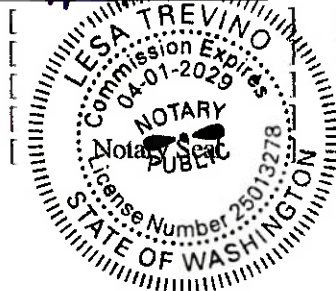
My appointment expires: 3/15/27

STATE OF WASHINGTON)
)ss.
County of Grant)

On this 16 day of September, 2025, before me personally appeared to me John M. Huch known to be the General Manager of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposed therein mentioned, and on oath stated that he was were authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Dated: 9/16/2025



[Signature]
Notary Public

My appointment expires: 4/1/2029

Legend

Lands Service Request
Active Project



Project Area: 2.98 acres

7/21/2025



PRELIMINARY ENVIRONMENTAL SUMMARY AND PERMITS

This map/data was created for informational, planning, reference, and guidance purposes only. Grant PUD makes no warranty, expressed or implied related to the accuracy or content of these materials.