

MEMORANDUM

October 22, 2025

TO: Grant County PUD Commissioners

VIA: Shannon Lowry, SR Manager Env Compliance & Lands Resources

FROM: Sam Dart, Manager Environmental Programs- Real Estate
Lesa Trevino, Lands Specialist

SUBJECT: Port of Mattawa Lease Agreement Execution

Purpose:

To inform the Grant PUD Board of Commissioners that the Lease agreement between Grant County Public Utility District #2 (Lessee) and Grant County Port District No. 3 (Lessor) for property located at 23912 Road T.2 SW Ste. A, Mattawa, WA 99349 has been fully executed as of September 2, 2025.

An approximately 3,000 square foot portion of the multi-purpose building identified as Suite A, approximately one-quarter (1/4) acre of unimproved ground, together with the non-exclusive use of the common areas associated therewith.

All required signatures have been obtained and the terms and conditions outlined in the lease agreement are now in effect.

This lease represents a renewal and continuation of the prior lease with the same lessor; however, updated lease language has been incorporated into this agreement as outlined below.

Lease Details:

Lease Term: September 2, 2025 – May 31, 2027

Rent Amount: \$2,593.28/Month

Payment Frequency: Monthly

Payment Due Date: Rent due on the 1st day of each successive month during the Term of the Lease

A copy of the executed lease agreement can be found within the Environmental Affairs SharePoint located here: [Port of Mattawa](#)

Signature: *Samuel Dart*

Email: sdart@gcpud.org

SD
SD

Signature: *J. Shannon Lowry*

Email: Slowry@gcpud.org

JL
JL

Port of Mattawa Memo

Final Audit Report

2025-10-27

Created:	2025-10-27
By:	Lesa Trevino (ltrevino@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfy8-uAg9vtbjazcaE6TfwN7x90N_qdQa

"Port of Mattawa Memo" History

-  Document created by Lesa Trevino (ltrevino@gcpud.org)
2025-10-27 - 3:40:50 PM GMT
-  Document emailed to Samuel Dart (sdart@gcpud.org) for signature
2025-10-27 - 3:40:54 PM GMT
-  Document emailed to J Lowry (Slowry@gcpud.org) for signature
2025-10-27 - 3:40:54 PM GMT
-  Email viewed by J Lowry (Slowry@gcpud.org)
2025-10-27 - 3:45:27 PM GMT
-  Document e-signed by J Lowry (Slowry@gcpud.org)
Signature Date: 2025-10-27 - 3:46:03 PM GMT - Time Source: server
-  Email viewed by Samuel Dart (sdart@gcpud.org)
2025-10-27 - 3:47:08 PM GMT
-  Document e-signed by Samuel Dart (sdart@gcpud.org)
Signature Date: 2025-10-27 - 3:48:17 PM GMT - Time Source: server
-  Agreement completed.
2025-10-27 - 3:48:17 PM GMT

From: [Leah Mauceri](#)
To: [Lesa Trevino](#)
Subject: Re: Executed Leases/License Agreement
Date: Monday, October 13, 2025 5:10:13 PM
Attachments: [Outlook-fa4ucs5r.png](#)
[Outlook-aw21ohrz.png](#)

Hi Lesa,

Thank you for the clarification. I don't think it will be an issue. I'll include your email below on the contract dashboard for future reference.

From: Lesa Trevino <ltrevino@gcpud.org>
Sent: Monday, October 13, 2025 11:48 AM
To: Leah Mauceri <Lmaucer@gcpud.org>
Subject: Re: Executed Leases/License Agreement

Hi Leah,

While reviewing the Port of Mattawa Lease- we believe that whoever printed off the lease on their end, accidentally changed the page numbers. The one that was sent from us was only 12 pages. Is this something that needs to be corrected or should it be fine?

Thanks!

Lesa Trevino

Lands Specialist

Office: 509.793.1513

Phone: 509.754.5088 ext. 2393

Cell: 509.393.8399

Email: ltrevino@gcpud.org



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From: Lesa Trevino <ltrevino@gcpud.org>
Sent: Wednesday, October 8, 2025 8:02 AM
To: Leah Mauceri <Lmaucer@gcpud.org>
Subject: Re: Executed Leases/License Agreement

Thank you for catching that! I'm not sure what happened. I feel like I have been fighting with technology all week haha.

I am not sure what happened with the Port of Mattawa, let me look into this more- I wasn't the lead on this one.

Here is the Kittcom one with all the pages.  [Executed GCPUD-Kittcom License.pdf](#)

From: Leah Mauceri <Lmaucer@gcpud.org>
Sent: Tuesday, October 7, 2025 3:04 PM
To: Lesa Trevino <ltrevino@gcpud.org>
Subject: Re: Executed Leases/License Agreement

Hi Lesa,

Thank you for this! It looks like several pages are missing from both files. Are there additional pages?

From: Lesa Trevino <ltrevino@gcpud.org>
Sent: Tuesday, October 7, 2025 2:58 PM
To: Leah Mauceri <Lmaucer@gcpud.org>
Subject: Executed Leases/License Agreement

Hi Leah,

Here are the links to the Leases we just executed this week. Let me know if you have any questions.

Again, Thank you for all your help, I appreciate it!

 [Executed Grant PUD - KITTCOM License Saddle Mountain.docx.pdf](#)

 [Port of Mattawa Lease 2025-Executed.pdf](#)

Lesa Trevino

Lands Specialist

Office: 509.793.1513

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Email: ltrevino@gcpud.org



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From: [Justin Girgus](#)
To: [Lesa Trevino](#)
Subject: Fw: Port of Mattawa - Lease Renewal
Date: Monday, October 27, 2025 9:37:28 AM
Attachments: [Outlook-cid_2340a6](#)
[Outlook-f3xzryzc.png](#)

Here you go! Have a great week!

Justin Girgus

Key Accounts Manager

C: 509-450-0846

O: 509-754-7078



From: Justin Girgus <jgirgus@gcpud.org>
Sent: Thursday, April 24, 2025 11:27 AM
To: Tracy Johnson <tjohnson1@gcpud.org>; Leah Mauceri <Lmaucer@gcpud.org>
Cc: Kylee Giraud <kwatkins@gcpud.org>; Lesa Trevino <ltrevino@gcpud.org>
Subject: Re: Port of Mattawa - Lease Renewal

Wonderful! Thank you, everyone!

Justin Girgus

Lands Specialist

CELL: 509-450-0846

OFFICE: 509-754-7078

EMAIL jgirgus@gcpu.org



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From: Tracy Johnson <tjohnson1@gcpud.org>
Sent: Wednesday, April 23, 2025 11:24 AM
To: Leah Mauceri <Lmaucer@gcpud.org>; Justin Girgus <jgirgus@gcpud.org>
Cc: Kylee Giraud <kwatkins@gcpud.org>; Lesa Trevino <ltrevino@gcpud.org>
Subject: RE: Port of Mattawa - Lease Renewal

Fine with Risk also. We are self-insured for the insurance limits they list but that hasn't changed since the last lease so assuming they are fine with that.

Tracy Johnson, CPCU, ARM

Manager, Enterprise Risk Management

MOBILE 503-999-8822

EMAIL tjohnson1@gcpud.org



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From: Leah Mauceri <Lmaucer@gcpud.org>
Sent: Wednesday, April 23, 2025 10:21 AM
To: Justin Girgus <jgirgus@gcpud.org>; Tracy Johnson <tjohnson1@gcpud.org>
Cc: Kylee Giraud <kwatkins@gcpud.org>; Lesa Trevino <ltrevino@gcpud.org>
Subject: Re: Port of Mattawa - Lease Renewal

Hi Justin,

There are no concerns with proceeding from legal perspective. Thank you for the opportunity to review.

From: Justin Girgus
Sent: Friday, April 18, 2025 10:20 AM
To: Tracy Johnson; Leah Mauceri
Cc: Kylee Giraud; Lesa Trevino
Subject: Port of Mattawa - Lease Renewal

Hi Tracy & Leah,

Happy Friday - Below is a link to a lease agreement renewal with the Port of Mattawa for your review and edits. Please reach out if you have any questions, I am happy to connect!

 [PortMattawa-PUD-LeaseAgreement-2025.docx](#)

Justin Girgus

Lands Specialist

CELL: **509-450-0846**

OFFICE: **509-754-7078**

EMAIL jgirgus@gcpu.org



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LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is dated this 2nd day of September, 2025, and is between Grant County Port District No. 3, a Washington municipal corporation ("Lessor"), whose address is 20140 Road 24 SW Suite G, Mattawa WA 99349, and Public Utility District No. 2 of Grant County, Washington, a Washington municipal corporation ("Lessee").

WITNESSETH:

1. **PROPERTY.** On and subject to the covenants, terms, conditions, and agreements herein contained, Lessor herewith leases to Lessee and Lessee herewith leases from Lessor that certain real property situated in Grant County, Washington, legally described as follows:

The following described portion of Lot 1, Plat of Wahluke Industrial Park Phase 1, according to the plat thereof recorded under Auditor's File No. 1348094, in Volume 30 of Plats, pages 1-4, records of Grant County, Washington. (APN: 313508000); to wit:

Physical address of the property is: 23912 Road T.2 SW Ste. A, Mattawa WA 99349.

Approximately 3,000 square-foot portion of the multi-purpose building identified as Suite A in building 23912 Road T.2 SW Mattawa, WA 99349, approximately one-quarter (1/4) acre of unimproved ground, together with the non-exclusive use of the common areas associated therewith.

TOGETHER WITH all franchises, privileges, permits, common areas, licenses, and easements, if any, that are on, connected with or usually had and enjoyed in connection with the above-described real property.

SUBJECT TO rights reserved and federal patents or state deeds, all easements and rights-of-way of record or in apparent use, all encumbrances, reservations, restrictions, land use and zoning laws, plat dedications, restrictive and protective covenants of record and existing or future municipal, county, state or other governmental or quasi-governmental assessments, if any.

INCLUDING all reasonable rights-of-way of ingress and egress which are appurtenant to the above-described real property or in which Lessor has rights.

The phrase "the Property" shall include, in addition to the above real property and any encumbrances and benefits above described, all improvements and fixtures hereafter located thereon unless hereinafter specifically provided.

2. **TERM.** The initial term of this Lease shall commence on June 1, 2025, ("the Commencement Date"), and shall terminate at midnight on May 31, 2027, (the "Termination Date"), unless sooner terminated in any manner hereinafter provided. (the "Term").
3. **RENT.** During the Term, Lessee shall pay Lessor \$2,593.28, as rent, per month, in advance and without demand, with the first monthly installment of rent due June 1, 2025, and subsequent monthly installments of rent due on the 1st day of each successive month during the Term of the Lease.

4. **TERMINATION.** Either party may terminate this Lease at any time by giving at least ninety (90) days written notice to the other party in accordance with Section 30. No rent shall accrue after the effective date of such notification.
5. **LATE CHARGE.** Any late payment of rents or taxes shall be subject to an additional charge of one percent (1%) per month or the maximum amount permitted by law, whichever is less.
6. **TAXES.** Lessee shall pay before delinquency all taxes, assessment, license fees and other charges levied or assessed against Lessee's personal property installed or located on the Property during the Lease term.
7. **USE OF PROPERTY.**
 - 7.1 Lessee shall use the Property only as an office and storage facility and other similar and related purposes. No other use of the Property shall be made without the prior written consent of the Lessor.
 - 7.2 Consent, if given, for any change in use must be expressed in writing and may include an adjustment of the rent in accordance with the change.
 - 7.3 Lessee shall not use or allow the Property to be used for any improper, immoral, unlawful, or objectionable purpose. Lessee shall not do or permit anything to be done in, on, about or from the Property which will in any way increase the existing premium rate for, modify or reduce the coverage of or cause a cancellation of any fire or extended coverage insurance policy maintained by Lessor covering the Property or any part thereof or any of its contents. Lessee shall not do or permit anything to be done in, on, about or from the Property which will constitute a nuisance or trespass or will in any way obstruct or interfere with the rights of other tenants of the Property or their invitees or licensees or injure or annoy them.
8. **HAZARDOUS SUBSTANCES/ENVIRONMENT.**
 - 8.1 Lessee shall not cause, permit or allow any hazardous substance to be brought upon, kept or used in, on or about the Property by Lessee, or Lessee's agents, employees, contractors, licensees, invitees or lessees, except for such hazardous substances as may be reasonably necessary for Lessee's possession and use of the Property pursuant to the terms of this Lease. Any hazardous substances which by the foregoing provision are permitted to be brought upon, kept or used in, on or about the Property and all containers therefor, shall be used, kept, stored and disposed of in a manner that complies strictly in all respects with all federal, state and local laws or regulations applicable to the handling, use, storage, treatment and transportation of hazardous substances, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9601, *et seq.*; the Super Fund Amendments and Reauthorization Act of 1986; the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 9601, *et seq.*; the Clean Water Act, 33 U.S.C. § 1317, § 1321; the Clean Air Act, 42 U.S.C. § 7412; the Toxic Substances Control Act, 15 U.S.C. § 2606; the Washington Model Toxics Control Act ("MTCA"), RCW Ch. 70.1050; the State Environmental Policy Act ("SEPA"), RCW Ch. 43.216; and the Hazardous Waste Management Act, RCW Ch. 70.105, including all amendments and recodifications thereof, all regulations promulgated thereunder and all future laws and regulations enacted by any governmental authority respecting the handling, use, storage, treatment and transportation of hazardous substances. The term "hazardous substance(s)" as used herein means and includes any "hazardous waste" as defined by RCRA and the Hazardous Waste Management

Act, as amended from time to time and regulations promulgated thereunder; any "hazardous substance" as defined by CERCLA, the Hazardous Waste Management Act and SEPA, as amended from time to time and any regulations promulgated thereunder; any oil, petroleum products and their byproducts; and any substance or waste with respect to which the handling, use, storage, treatment and transportation thereof on crops, soil, water and equipment is or becomes regulated by any federal, state or local government authority.

- 8.2 Lessee shall defend, indemnify and hold Lessor completely harmless from any breach or violation of the prohibitions imposed upon Lessee by this section. Indemnification includes, without limitation, any and all costs or expenses (including all claims, damages, fines, judgments, penalties, liabilities, loss, attorneys' fees and consultant and expert fees) of any kind or nature incurred because of any testing, assessments or investigations of the Property or any cleanup, removal, remediation or restoration of the Property mandated or threatened by any federal, state or local agency or political subdivision or voluntarily undertaken and specifically includes any and all such costs or expenses due to hazardous substances that flow, diffuse, migrate or percolate into, onto or under the Property after the date of this Lease.
9. **ALTERATIONS AND ADDITIONS.** Lessee shall not make or allow to be made any alterations, additions or improvements to or of the Property, or any part thereof, without the prior written consent of Lessor and, except as is otherwise provided hereinafter in this section, any alterations, additions or improvements to or of the Property, including but not limited to, structures, buildings, wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the Property and belong to Lessor and shall be surrendered with the Property on the termination of this Lease. Upon the expiration or sooner termination of the Lease term, Lessee shall, upon the written demand of Lessor given at least thirty (30) days prior to the end of the Lease term, forthwith and with all due diligence, remove any alterations, additions, or improvements by Lessee designated by Lessor to be removed and repair any damage to the Property caused by such removal.
10. **RETURN OF THE PROPERTY.** On the date of termination of this Lease, Lessee shall return the Property to Lessor in as good a condition as the same was at the time Lessee took possession hereunder, natural deterioration, depreciation, reasonable wear and tear due to reasonable use and occupancy in conformance with the provisions of this Lease and Acts of God alone excepted. Notwithstanding any provision in this Lease relating to the exception of natural deterioration, depreciation and reasonable wear and tear due to use and occupancy, Lessee shall, at Lessee's own cost and expense, at all times keep the Property in a neat, clean and sanitary condition, keep the glass of all windows and doors clean and presentable, immediately replace any glass as may become cracked and broken with glass of a like kind and quality, and at all times maintain the Property in such a state and condition as is consistent with the operation of a clean, sanitary, first-class facility for the packaging and distribution of agricultural products.
11. **FORCE MAJEURE.** If either of the parties hereto shall be delayed or prevented from the performance of any act required hereunder by reason of Acts of God, strikes, lock-outs or other labor troubles, inability to procure materials, restrictive governmental laws, ordinances regulations or requirements or other cause without the fault and beyond the control of the party obligated (financial inability or difficulties of Lessee excepted), then performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay; provided that nothing in this section shall excuse Lessee from the prompt payment of rent or other charges required of Lessee hereunder, unless expressly provided otherwise elsewhere in this Lease; and provided further that nothing in this section shall extend the term of this Lease beyond the termination date hereinabove set forth.

12. **GOVERNMENTAL AUTHORITY.** Lessee shall comply with all rules, ordinances and regulations of the County of Grant, State of Washington, the federal government and its agencies and all other governmental or quasi-governmental authorities with jurisdiction as may be required or imposed by any such authorities on Lessee, the Property, or Lessee's use, occupancy or control thereof; and shall comply with any direction pursuant to law of any public official or officer who shall impose any duties upon Lessee with respect to the Property or the use, occupancy or control thereof, or the conduct of any business therein. Further, if as a result of the imposition or enforcement of any governmental rules, ordinances or regulations it is required the Property be repaired, remodeled or altered on account of any acts or omissions of Lessee, Lessee shall promptly and at the sole cost and expense of Lessee effect any such repair, remodel or addition and shall be fully responsible to Lessor for claims, liabilities or damages resulting therefrom or approximately caused thereby.
13. **WASTE.** Lessee shall not commit or permit spoil or waste of or to any of the Property and shall peacefully surrender possession of the Property on the date of termination of this Lease in a clean and neat condition, free and clear of all refuse and debris.
14. **CONDITION OF THE PROPERTY.** Lessee certifies that Lessee has personally or through an agent inspected the Property and found the Property tenantable and fully suitable for the intended uses and purposes of Lessee. Lessee understands that Lessor makes no express or implied warranties with respect to the Property, its condition, the exact area thereof, the exact boundaries thereof, the environmental health thereof or freedom from contamination by hazardous substances, or its suitability for the uses and purposes of Lessee. Lessee waives, remises and releases Lessor from all warranties and liabilities and all claims, damages and remedies of Lessee with respect to any lack of suitability for or defect in the property, including any loss of revenue or profits or any other direct, incidental or consequential damages. Lessee leases the Property from Lessor "AS IS." Neither Lessor nor the agents, assigns or successors of Lessor shall be held to any covenant or agreement for alterations, improvements or repairs of the Property unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this Lease.
15. **MAINTENANCE AND REPAIR BY LESSEE.** Lessee shall throughout the Lease term and so long as Lessee remains in possession of the Property, keep and maintain the entire Property, including all improvements and components thereof, in good operating order and repair, reasonable wear and usage and Acts of God excepted.
16. **UTILITIES.** Except as may otherwise be specifically provided herein, Lessee shall pay all charges for utilities and services to the Property, which shall include but not be limited to, charges for water, sewer, heat, light, gas and refuse disposal, and any other charges assessed against the Property as a result of Lessee's use and/or occupation thereof as the same become due and payable and shall not permit liens, executions or attachments to exist against the Property by reason of nonpayment thereof.
17. **INDEMNITY.** Lessee covenants to defend, indemnify and hold Lessor harmless from and against all claims, liabilities and damages of whatsoever cause and whatsoever kind arising out of or in connection with the possession, use or operation of the Property, including areas adjacent thereto over which Lessee exercises control such as sidewalks and parking areas which are part of the Property or necessary for the use and occupancy of the Property, or mere presence thereon by Lessee or Lessee's agents, employees, independent contractors, successors, assigns, family, invites, licensees, or any third persons either lawfully or unlawfully on the Property, excepting only claims, liabilities and damages proximately caused by or resulting from the failure of Lessor to properly

perform any of Lessor's obligations with respect to the Property required by the provisions of this Lease.

18. INSURANCE.

18.1 Lessee shall procure and maintain in force, without cost or expense to Lessor, on the commencement date of this Lease and throughout the Lease term or as long as Lessee remains in possession of the Property, with insurance carriers licensed to do business in the State of Washington, a policy or policies of insurance providing the following coverages with respect to the Property and the use and occupancy of the Property by Lessee:

18.1.1 Broad form comprehensive general liability insurance covering bodily injury and property damage, including pollution endorsements, with liability limits of not less than \$1,000,000, per occurrence.

18.1.2 Special form or risks of direct physical loss coverage, insuring all equipment, fixtures, improvements, structures and buildings which are now or hereafter part of the Property in amounts equal to the full replacement value of all buildings and improvements and the actual cash value of all equipment.

Lessor shall be named as additional insured on all such policies, which policies shall provide that they may not be canceled or modified for any reason without fifteen (15) days prior written notice to Lessor. In connection with all such insurance, Lessor shall apply to the insurer to have the insurer waive in writing all rights and subrogation which the insurer might have otherwise acquired, if at all, against Lessor. Lessee shall furnish Lessor with certificates of each policy of insurance required by this section within ten (10) days of the execution of this Lease and with renewal certificates within ten (10) days of the annual renewal of each such policy. If requested by Lessor, all policies required under this section shall name any mortgagee or deed of trust beneficiary and/or any assignee thereof, as their respective interests may appear, as a loss payee and a certificate of each such policy shall be deposited with such loss payee.

18.2 Notwithstanding the foregoing provisions of this section, in the event Lessee is not able to procure the special form or risks of direct physical loss coverage insurance required by paragraph 18.1 above, Lessor shall procure such insurance, and Lessee shall pay the annual (or other periodic) premiums therefore immediately on demand of Lessor.

18.3 In the event of the receipt of insurance proceeds from the policy of insurance required by this Section 18 resulting from physical loss of equipment, fixtures, improvements, structures and buildings which are now or hereafter become part of the Property, all such insurance proceeds shall be applied to the complete rebuilding and restoration of the Property or any such damaged part thereof. In the event there are any insurance proceeds remaining after the complete rebuilding and restoration of the Property or such damaged portion thereof, such remaining insurance proceeds shall be distributed to Lessee free and clear of any claim of Lessor.

19. EMINENT DOMAIN.

19.1 If the whole of the Property should be taken under government power of eminent domain or by private condemnation, the Lease term shall cease as of the day possession be taken and

rent shall be paid to the date of termination with a refund to Lessee of any unused rent paid in advance.

- 19.2 If only part of the Property should be taken and the balance thereof remains tenantable for Lessee's purposes, this Lease shall continue in full force and effect. The rent shall be adjusted if Lessee's business is reduced because of the taking and the amount of any adjustment shall be agreed upon between Lessor and Lessee. If the parties are unable to agree whether or not the remaining portion of the Property remains tenantable for Lessee's purposes or as to the amount of rent adjustment, either Lessor or Lessee may for a period of thirty (30) days following the taking, terminate this Lease by giving ten (10) days' notice to the other. On termination, Lessor shall refund to Lessee any unused rent paid in advance.
- 19.3 All damages awarded for taking under the power of eminent domain or private condemnation, whether for the whole or a part of the Property, shall be the property of Lessor, whether such damages be awarded as compensation for diminution in value of the leasehold or to the fee of the Property and Lessee hereby expressly waives any claim to any part thereof; provided that Lessee shall have the right to claim and recover from the condemning authority, but not from Lessor, such compensation as may be separately awarded or recoverable by Lessee in Lessee's own right on account of any and all damage to Lessee's business by reason of the condemnation and for or on account of any cost or loss to which Lessee might be put in removing Lessee's merchandise, furniture, fixtures, leasehold improvements and equipment, including any loss of goodwill and securing a new leasehold. Notwithstanding anything to the contrary contained herein, in the event of any total or partial condemnation, Lessee shall not have any claim against Lessor for the value of any unexpired term of this Lease.
20. **DAMAGE TO THE PROPERTY.** Notwithstanding anything to the contrary contained herein with respect to Force Majeure, if the Property is destroyed or damaged by fire, earthquake, or other casualty to such an extent as to render the Property wholly or partially unfit for occupancy then Lessee may exercise an election, at Lessee's exclusive option, to cancel and terminate this Lease by notice given within thirty (30) days of the date of such damage or destruction. Upon the giving of such notice, this Lease shall be deemed to have terminated on the date of such damage or destruction and all rent paid by Lessee in advance, if any, shall be immediately refunded by Lessor to Lessee. On the other hand, in the event Lessee does not elect to cancel this Lease, then Lessor shall rebuild or restore the Property as soon as is reasonably practicable considering the extent of the damage or destruction and the availability of workmen and supplies and during such period of rebuilding or restoration, this Lease shall continue in full force and effect, except for obligations of Lessor or Lessee hereunder which because of the damage cannot be performed, and except for rent which shall be reduced equitably or suspended entirely on the basis of the diminution of the business of Lessee caused by the loss of area and/or restoration.
21. **FIXTURES AND EQUIPMENT.** Any fixtures or equipment of any kind whatsoever placed upon the Property by Lessee shall remain the property of Lessee and be at the sole risk of Lessee, unless provided otherwise herein. On or prior to the termination of this Lease, such fixtures or equipment may be removed by Lessee if removal will not result in damage to the Property. If such fixtures or equipment can only be removed by damaging the Property, then Lessee has the option of removing the same or allowing said fixtures or equipment to remain in place and become part of the Property and the property of Lessor. In the event Lessee exercises Lessee's option to remove said fixtures and equipment and removal will result in damage to the Property, then Lessee shall pay Lessor for the repair of the damage to be caused in an amount agreed upon between Lessor and Lessee prior to

removal. All fixtures and equipment remaining on the Property after the termination of this Lease shall be the property of Lessor free of any claims or interest of Lessee.

22. **INSPECTION.** During the Lease term, Lessee shall permit Lessor, and Lessor's agents, representatives and designees free and unlimited access to the Property at all reasonable times for the purpose of inspection or of making repairs, additions or alterations required of Lessor by this Lease or to portions of the Property under the control of Lessor, if any; provided that this right to enter and make repairs shall not be construed as an agreement or requirement on the part of Lessor to make any repairs, additions or alterations to the Property unless specifically required of Lessor in this Lease. Lessor shall have the right to place and maintain "For Sale" and/or "For Rent" signs in conspicuous places on the borders of Property.
23. **FAILURE TO PAY OR PERFORM.** If Lessee fails to pay any sums required to be paid to any third parties by this Lease in the full amount and precisely at the times required or fails to provide or maintain insurance or to perform any other act(s) herein required, Lessor may (but shall have no obligation) make any such payment, effect such insurance or to perform any such act(s) and all sums paid or expenses incurred by Lessor thereby, including attorneys' fees and interest on all of said sums at the rate of ten percent (10%), per annum, from the dates of payment or expenditure until repaid, shall be payable by Lessee to Lessor immediately on Lessor's demand, all without prejudice to any other rights Lessor may have by reason of such defaults.
24. **ABANDONMENT.** Should Lessee abandon the Property while in default, Lessor may take immediate possession of the Property and all improvements and equipment thereon for the purpose of protecting and preserving the Property and may mitigate damages by renting or operating the Property during the period of enforcement of Lessor's rights under this Lease without prejudicing Lessor's rights or remedies under this Lease or by law or in equity.
25. **ASSIGNMENT.** Lessee shall not assign, convey or transfer this Lease or any interest herein, nor sublet the Property or any part thereof; nor shall this Lease be assigned, conveyed or transferred or the Property sublet by operation of law, without the prior written consent of Lessor.
26. **EVENTS OF DEFAULT.** Each of the following events shall constitute an "Event of Default":
 - 26.1 If Lessee shall make a general assignment or general arrangement for the benefit of creditors; or a receiver is appointed to take possession of substantially all of Lessee's assets located on the Property or of Lessee's interest in the Property or this Lease, where possession is not restored to Lessee within thirty (30) days free of any such claims; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located on the Property or of Lessee's interest in this Lease, where such attachment, execution or seizure is not discharged within thirty (30) days;
 - 26.2 If Lessee shall fail to pay Lessor any rent or other payment required of Lessee precisely when the same shall become due and shall not make such payment within ten (10) days after notice thereof by Lessor to Lessee;
 - 26.3 If Lessee shall fail to perform or comply with any of the other covenants, conditions or agreements of this Lease to be performed by Lessee (other than payment of rent) and if the non-performance shall continue for a period of twenty (20) days after notice thereof by Lessor to Lessee; and
 - 26.4 If Lessee shall vacate or abandon the Property.

27. **REMEDIES.** In the case of any Event of Default, Lessor shall be entitled to exercise any, all or any combination of the following remedies including any other right or remedy granted by law or in equity:
- 27.1 Lessor shall have the right to cancel and terminate this Lease as well as all the right, title and interest of Lessee hereunder and in the Property by so notifying Lessee. Upon the giving of such notice, this Lease and the right, title and interest of Lessee hereunder and in the Property shall terminate in the same manner and with the same force and effect, except as to Lessee's liability for rent or damages for breach of a covenant, term or condition of this Lease as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined; and/or
- 27.2 Lessor may elect, but shall not be obligated, to make any payments required of Lessee herein or comply with any agreement, term or condition required hereby to be performed by Lessee and Lessor shall have the right to enter the Property for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for correction or remedy by Lessor shall be at the expense of Lessee and not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default; and/or
- 27.3 Lessor may reenter the Property immediately and remove the Property and personnel of Lessee and store the Property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. After reentry, Lessor shall not be required but may terminate this Lease on giving twenty (20) days' written notice of termination to Lessee. On such termination Lessor may recover from Lessee all damages proximately resulting from the breach, including attorneys' fees, the costs of recovering the Property, and the worth of the balance of this Lease over the reasonable rental value of the Property for the remainder of the Lease term, which sum shall be immediately due Lessor from Lessee. Without notice, reentry will not terminate this Lease. After reentry without notice of termination, Lessor may relet the Property or any part thereof for any term, for the rent and on such other terms as Lessor may choose. Lessor may make alterations and repairs to the Property; and/or
- 27.4 Lessor may institute suit to specifically enforce any of Lessee's covenants and agreements hereunder and/or seek damages for breach of this Lease.
28. **CUMULATIVE REMEDIES.** All the foregoing remedies are cumulative and are given without impairing any other rights or remedies of Lessor given by law, equity, in other provisions of this Lease or otherwise.
29. **CURING AN EVENT OF DEFAULT.** In order to remedy any Event of Default for which notice is given by Lessor to Lessee, Lessee shall in addition to the payment of any sum required or the performance of any act required, pay to Lessor the agreed and reasonable sum of \$500 as and for the expenses incurred by Lessor for the preparation of any necessary notice and its delivery, whether or not attorneys' fees or other professional fees are actually incurred; and shall in addition pay to Lessor all expenses reasonably incurred by Lessor and specified in said notice for any special reports or costs in connection with the preparation of said notice. No Event of Default shall be deemed cured and Lessee shall continue in default until any payments required to be made pursuant to the provisions of this section are made in addition to payment or actions required of Lessee as specified in said notice.

30. **NOTICE.** Any notice, declaration, demand, or communication to be given by a party to this Lease to the other shall be in writing and transmitted to the other party by certified U.S. mail, return receipt requested, postage fully prepaid, addressed as follows:

To Lessor: Port of Mattawa
20140 Road 24 SW Ste. G
Mattawa, Washington 99349

To Lessee: Public Utility District No. 2 of Grant County,
Washington

Attn: Lands
P.O. Box 878
Ephrata, Washington 98823

The mailing and certifying of any such notice as herein provided shall be sufficient service thereof. All notices given in compliance with this section shall be deemed effective two (2) business days following the deposit thereof in the U.S. mail, irrespective of the date of actual receipt of such notice by the addressee. Either party may by notice change its address for notice.

31. **ATTORNEYS' FEES.** If either party shall be in breach or default of this Lease, the nondefaulting party shall have the right at the defaulting party's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce such party's rights under this Lease. The defaulting party shall pay all costs and expenses so incurred by the nondefaulting party, including but without limitation, arbitration and court costs, collection agency charges, notice expenses, title search expenses, and reasonable attorneys' fees (with or without arbitration or litigation), and the failure of the defaulting party to promptly pay the same shall cause a failure of cure of the specified default and shall in itself constitute a further and additional default of this Lease. In the event either party hereto institutes any action (including arbitration) to enforce the provisions of this Lease or for any cause arising out of this Lease, or to procure an adjudication or determination of the rights of the parties hereto, the losing party shall pay or reimburse the prevailing party for all of its court costs and reasonable attorneys' fees and fees or costs normally charged or advanced by such attorneys for items such as title reports, photocopies, telephone tolls, mileage, travel, boarding, expert fees, accounting fees or other advanced costs and fees, including such costs and fees that are incurred on appeal and in the enforcement in any judgment. In the event it is necessary for either party to employ counsel or incur expense, in or out of court in any bankruptcy or reorganization proceedings, to enforce, establish or protect such party's rights hereunder, such party who prevails therein or so protects or establishes such party's rights hereunder is entitled to recover from the other party all reasonable attorneys' fees and expenses so incurred. All payments and reimbursements required by this section shall be due and payable on demand, and may be offset against any sums owed to the party so liable in order of maturity, and shall bear interest at the rate of twelve percent (12%), per annum, from the date of demand to and including the date of collection or the due date of any sum against which the same is offset, as the case may be.
32. **TIME OF ESSENCE.** Time is specifically declared to be of the essence of this Lease and of the payment of all sums and the performance of all acts required to be done and performed by the parties hereto.
33. **SECTION HEADINGS.** The capitalized and underscored word or words appearing at the commencement of sections and paragraphs of this Lease are included only as a guide to the

contents thereof and are not to be considered as controlling, enlarging or restricting the language or meaning of those sections or paragraphs.

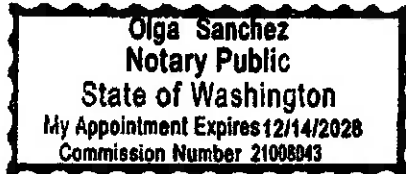
34. **NUMBER AND GENDER.** The use of any gender or neutral term shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Lessor" and "Lessee" refer to either the singular or the plural, as the case may be.
35. **INVALIDITY.** In the event any portion of this Lease should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof. In all provisions of this Lease where Lessee may be obligated to pay interest to Lessor, it is the intention of Lessor to charge a lawful rate of interest, and in the event it is determined by any court of competent jurisdiction that any rate herein provided for exceeds the maximum permitted by law for a transaction of the character evidenced by these presents, the amount so determined to be above the legal rate shall be applied against principal due hereunder or, if such principal has been paid, or otherwise at the discretion of the then holder of this Lease, said excess shall be refunded to Lessee on demand without interest, and the interest rates specified hereunder shall be reduced to the maximum rate then permitted by law for the type of transaction to which this Lease pertains.
36. **DEFENSE AND INDEMNITY.** All covenants, promises, conditions and agreements made herein by each party to this Lease shall include as a specific part thereof a covenant to defend, indemnify and hold harmless the other party to this Lease from and against any and all claims, liabilities or damages resulting from a breach or default in the performance of such covenant, promise, condition or agreement. Further, all cost and expenses required for or occasioned by compliance with a covenant, promise, condition or agreement by which either party hereto is bound shall be at the sole cost and expense of the party so bound unless this Lease specifically provides otherwise.
37. **WAIVER.** No assent, express or implied, by Lessor to any breach in the performance by Lessee of any of Lessee's covenants, agreements, conditions or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition or term hereof.
38. **LEGAL RELATIONSHIP.** The parties to this Lease execute the same solely as a landlord and a tenant. No partnership, joint venture or joint undertaking shall be construed from these presents, and except as herein specifically provided, neither party shall have the right to make any representations for, act on behalf of, or be liable for the acts or liabilities of the other. All terms, covenants and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and a default by any one or more of such persons shall be deemed a default on the part of the party with whom said person or persons are identified. Unless otherwise specifically provided herein, no third party is intended to be benefitted by this Lease. Any married person executing this Lease hereby pledges his or her separate Property and marital communities in satisfaction hereof.
39. **APPLICABLE LAW/CONSTRUCTION/VENUE.** This Lease shall be governed and interpreted in accordance with the laws of the State of Washington. In the event of conflict between this Lease and any exhibits or documents attached hereto, the terms of this Lease shall be controlling. In the event this Lease is in conflict with the provisions of any laws or statutes governing the subject matter hereof, such laws or statutes only to the extent of such conflict shall be controlling. The venue of any action brought to interpret or enforce any provision of this Lease shall be laid in the county in which the Property is situated. All sums herein referred to shall be calculated by and payable in the lawful currency of the United States.

STATE OF WASHINGTON)

) ss.

County of Grant)

This record was acknowledged before me on September 2, 2025, by
GILBERT ALVARADO as Executive Director of Grant County Port District No. 3, a
Washington municipal corporation.



[Signature]
(Signature)

Notary Public in and for the State of Washington

Residing at Mattawa, WA 99349

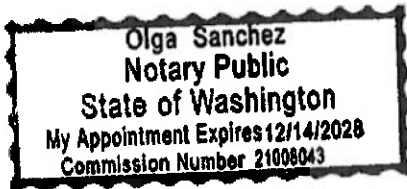
My appointment expires: December 14, 2028

STATE OF WASHINGTON)

) ss.

County of Grant)

This record was acknowledged before me on Sept 2, 2025, by
_____, as _____ of Public Utility District
No. 2 of Grant County.



[Signature]
(Signature)

Notary Public in and for the State of Washington

Residing at Mattawa, WA 99349

My appointment expires: Dec. 14, 2028

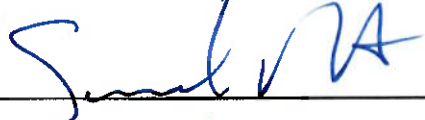
40. **ENTIRE AGREEMENT.** This Lease contains the entire agreement of the parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this Lease, supersedes all of their previous understandings and agreements, written and oral, with respect to the subject matter hereof. Neither Lessor nor Lessee shall be liable to the other for any representations made by any person concerning the Property or regarding the terms of this Lease, except to the extent that the same are expressed in this Lease. This Lease may be amended only by written instruments executed by Lessor and Lessee or their lawful successors and assigns subsequent to the date hereof.
41. **EFFECT OF SIGNATURES.** Each person signing below executes this Lease in his or her individual capacity and on behalf of any marital community of which he or she is a member, except where a signature is designated as a representative signature.
42. **HEIRS AND ASSIGNS.** The terms, covenants, agreements and conditions of this Lease are binding upon and shall insure to the benefit or detriment of the legal representatives, assigns and successors in interest to the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

GRANT COUNTY PORT DISTRICT
NO. 3

By: 
Gilbert Alvarado, Business Manager

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

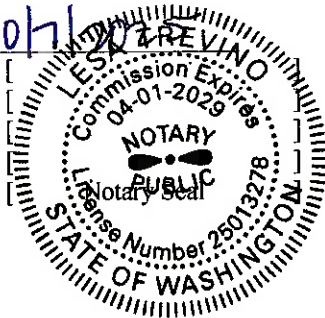
By: 
Name: Samuel DART
Its: Manager Environmental Programs
Real Estate

STATE OF WASHINGTON)
County of Grant)ss.

On this 7th day of October, 2025, before me personally appeared to me Samuel Dart
known to be the Mng Environmental Programs Real Estate 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 they 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: 10/7/2025



Lesa Trevino
Notary Public
My appointment expires: 4/1/2029

MEMORANDUM

October 20, 2025

TO: Grant PUD Commissioners

VIA: John Mertlich, General Manager/CEO
Tod Ayers, Vice-President of Human Resources, CHRO 
Thomas Stredwick, Senior Manager Talent and Organizational Development 

FROM: Scott Sundberg, Organizational Development Supervisor

SUBJECT: Updated Employee Recognition Policy, Resolution 8693

Purpose: To provide the Commission with information regarding changes made to the Employee Recognition Policy associated with Resolution 8693. The resolution provides that the General Manager is authorized to modify the policy from time to time provided the proposed changes are submitted to Grant PUD's Commission at least 20 days prior to being put into effect. The proposed effective date is **January 1, 2026**.

Discussion: To honor the contributions of employees, support the retention of top talent, and enhance consistency, compliance, and controls, we are proposing implementation of a revised Employee Recognition Policy. This change enables us to merge several processes and procedures into a single policy. This can be seen through the merging of safety recognition workflows into this employee recognition policy for greater consistency in administration and eliminating references to recognition leave which are better suited for Grant PUD's leave policy (also under revision and review currently). Additional key enhancements to the recognition policy language include:

- Spot Recognition – the use of recognition items is capped at 12 items per calendar year (inclusive of both spot recognition items and value coins). The former policy had no guidance in terms of maximum allowable.
- Value Coins – this policy will also now include Safety Coins and be administered in a single SharePoint workflow. This allows for greater consistency in oversight and administration. A quarterly report will be generated to ensure compliance with policy adherence going forward.
- Safety Achievement Award – This will allow safety meeting raffle items to be administered in a single SharePoint workflow. This provides greater consistency in oversight and administration.
- Length-of-Service Award – This enhancement allows employees achieving 20+ and above years of service to go before Commission at the 2nd Tuesday of the month Commission meeting to be recognized for their years of service.
- Employee and Team Celebrations – Language has been added to clarify the inclusion of apprenticeship graduation ceremonies.
- Commitment to the Code of Excellence Award – This new award allows for awards within the de minimis value range.
- De minimis value clarified and set at \$100 per recognition item. The current policy provides no guidance relative to an approved de minimis value. Anything above this amount is taxable. This does not mean that our items will all be \$100, rather it allows the purchase of clothing items that may be a higher cost due to the requested size.

All employees will be notified of these revisions as part of the change management process for the new Employee Recognition Policy prior to the effective date of **January 1, 2026**.

Recommendation: Inform the Commission of the changes made to the Employee Recognition Policy as described above. The documentation in this packet includes:

- Commission memo
- Copy of Resolution 8693
- Copy of the current policy
- Red-lined version of the revised policy to identify edits
- Clean copy of the revised policy (v4)

RESOLUTION NO. 8693

A RESOLUTION ESTABLISHING GRANT PUD'S EMPLOYEE
RECOGNITION PROGRAM

Recitals

1. Grant PUD's Human Resource Manager along with Senior Management recommend that Grant PUD adopt the attached Employee Recognition Program;
2. Resolution No. 8614 establishes the ability for the Manager to award Management Leave to exempt employees for demonstrated extraordinary service and commitment above and beyond the expectations of their job; and
3. Grant PUD's Manager has requested that the Manager be delegated the authority to modify the Employee Recognition Program as he (she) deems to be in Grant PUD's best interest subject only to the limitations set forth below.

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

Section 1. The Employee Recognition Program attached as Exhibit A is hereby adopted.

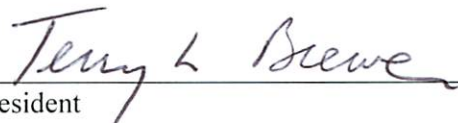
Section 2. Management Leave days can be awarded to non-bargaining, non-exempt employees for the purposes outlined by the attached Employee Recognition policy only.

Section 3. The Manager is hereby authorized to modify Grant PUD's Employee Recognition Program from time to time subject to the following limitations:

A. The policy shall at all times be subject to and consistent with the requirements of all applicable laws and regulation.

B. Any proposed changes to the Employee Recognition Program shall be submitted to Grant PUD's Commission at least twenty (20) days prior to being put into effect.

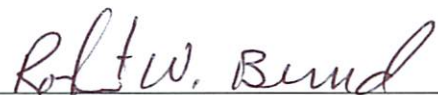
PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of November, 2013.



President

ATTEST: 

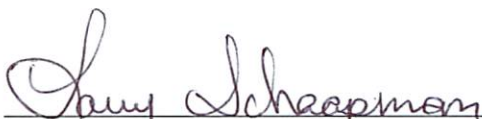
Secretary



Vice President



Commissioner



Commissioner

Implement on:
11/12/13

Version: 0
Supersedes:

See Also: HR120030A-PRO,
HR120030B-PRO, HR120030A-FRM,
HR120030A-FRM



POLICY

Approved by: D. Shannon

Regulation: Resolution XXXX

HR120030-POL – ADMINISTERING EMPLOYEE RECOGNITION

This policy provides for recognition to individuals or teams making significant contributions towards the strategic objectives of the utility.

1. Supervisors Will Utilize Spot Recognition to Reward Outstanding Performance in the Short Term

Supervisors of employees that provide consistently outstanding performance that does not meet the eligibility criteria of another recognition or performance based compensation may choose from a list of recognition items.

All regular, full-time employees are eligible for Spot Recognition.

The inventory and annual budget for these items will be maintained by Public Affairs.

2. Individuals Will Be Recognized for Continuous Improvement Efforts with Management Leave Days

Regular, full-time, non-bargaining unit employees (exempt and non-exempt) are eligible to receive management leave days for recognition.

To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and materially reduce costs and/or improves efficiency. Additionally, the work must represent outstanding performance that is beyond the duties required of the individual employee.

Implement on: 11/12/13	Version: 0 Supersedes:	See Also: HR120030A-PRO, HR120030B-PRO, HR120030A-FRM, HR120030A-FRM
 POLICY		
Approved by: D. Shannon		Regulation: Resolution XXXX

Directors may award up to 24-hours of management leave per recognition activity or project that meet the above mentioned criteria.

Recognition awards cannot exceed 40 hours per calendar year for an employee.

Refer to HR120030A-PRO and HR120030-FRM.

3. Individuals Will Be Recognized For Making Extraordinary Effort to Symbolize PUD Values With Recognition Coins

Regular, full-time employees (exempt and non-exempt) are eligible to receive this recognition. To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and demonstrate one or more of these values:

- Safety (See SA000014-POL)
- Innovation
- Service
- Teamwork
- Respect
- Integrity
- Heritage

Directors will approve all nominations for coins (see HR120030B-PRO and HR120030B-FRM).

Except when issuing a safety coin (see SA000014-POL).

HR will be responsible for maintaining the coin inventory.

4. Awards Submitted After The Last Work Day In November Will Be Held To The Following Calendar Year.

Implement on: 11/12/13	Version: 0 Supersedes:	See Also: HR120030A-PRO, HR120030B-PRO, HR120030A-FRM, HR120030A-FRM
 POLICY		
Approved by: D. Shannon		Regulation: Resolution XXXX

Management leave awards will be cashed out annually according to the management leave procedures. Dates set annually by Human Resources and Payroll.

5. Team Celebrations Can Be Used To Recognize Group Accomplishments

Supervisors may authorize team celebrations that meet the requirements of this policy. Reasonable expenses such as cake, ice cream, pizza and associated paper products (cups, plates, etc.) may be purchased at the utility's expense.

Any employee recognized by management as being part of the group recognition can participate in these events.

6. Supervisors Are Expected To Utilize This Policy In A Way That Meets Strategic Plan Objectives

Recognition should be used to further employee engagement. Employees should receive recognition at only one level for efforts made on a single project or similar work products.

Management retains the sole discretion to award recognition to any employee at any time, within the constraints of this policy. Also, this policy may be discontinued or modified, either in part or whole, at any time without prior notification.

Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy



DISTRICTWIDE POLICY

Approved by: GM and CAO
Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693
Policy Category: Employment, Benefits, and Workplace

OD-DW-POL-010 - EMPLOYEE RECOGNITION

1. Scope

This policy applies to all regular, full-time employees of Grant PUD.

2. Policy Statement

The employee recognition program provides recognition to individuals or teams making significant contributions towards the strategic objectives of the utility.

3. Supervisors will utilize Spot Recognition to reward outstanding performance in the short term.

Supervisors of employees that provide consistently outstanding performance that does not meet the eligibility criteria of another recognition or performance-based compensation may choose from a list of recognition items.

The inventory and annual budget for these items will be maintained by Public Affairs.

4. Individuals will be recognized for continuous improvement efforts with management leave days.

Regular, full-time, non-bargaining unit employees (exempt and non-exempt) are eligible to receive management leave days for recognition.

To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and materially reduce costs and/or improve efficiency. Additionally, the work must represent outstanding performance that is beyond the duties required of the individual employee.

Senior Managers may award up to 24 hours of management leave per recognition activity or project that meet the above-mentioned criteria.

Recognition awards cannot exceed 40 hours per calendar year for an employee.

Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy



DISTRICTWIDE POLICY

Approved by: GM and CAO
Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693
Policy Category: Employment, Benefits, and Workplace

See also EAC-PA-PR0-201.

5. Individuals will be recognized for making extraordinary effort to symbolize Grant PUD values with recognition coins.

Regular, full-time employees (exempt and non-exempt) are eligible to receive this recognition. To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and demonstrate one or more of these values:

- Safety
- Innovation
- Service
- Teamwork
- Respect
- Integrity
- Heritage

Senior Managers will approve all nominations for coins, except Safety coins. HR will be responsible for maintaining the coin inventory.

6. Awards submitted after the last workday in November will be held to the following calendar year.

Management leave awards will be cashed out annually according to the management leave procedures. Dates are set annually by HR and Payroll.

7. Team celebrations can be used to recognize group accomplishments.

Supervisors may authorize team celebrations that meet the requirements of this policy. Any meals shall be in accordance with the Non-Travel Meals Policy. Any employee recognized by management as being part of the group recognition can participate in these events.

Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy



DISTRICTWIDE POLICY

Approved by: GM and CAO
Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693
Policy Category: Employment, Benefits, and Workplace

8. Supervisors are expected to utilize this policy in a way that meets strategic plan objectives.

Recognition should be used to further employee engagement. Employees should receive recognition at only one level for efforts made on a single project or similar work products.

Management retains the sole discretion to award recognition to any employee at any time, within the constraints of this policy. Also, this policy may be discontinued or modified, either in part or whole, at any time without prior notification.

9. Review/Revision History

Date	Description
V0 11/12/2013	Original document effective date
V1 11/01/2019	Update to new format and moved from HR to PA
V2 7/27/2021	Revised Sections 4 and 7 to include all company-wide events authorized by the General Manager/CEO in team celebrations and group accomplishment recognition. Authorized by GM via 20-day advance notice to the Commission in accordance with Resolution 8693.
V3 8/1/2023	Updated format and revised Section 7 related to team celebrations.

Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy

DISTRICTWIDE POLICY

Approved by: GM and CAO

Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693

Policy Category: Employment, Benefits, and Workplace

OD-DW-POL-010 - EMPLOYEE RECOGNITION

1. Scope

This policy applies to all ~~regular, full-time~~ Grant PUD employees ~~of and does not include~~ Grant PUD contractors.

2. Purpose Policy Statement

~~The~~ Grant PUD recognizes employees for contributions toward organizational performance outcomes. Recognition supports employee engagement, retention, and performance aligned with our Strategic Plan and organizational values. This policy outlines the approved recognition tools and awards, including ~~believes that~~ employee recognition program provides recognition to individuals or teams making ~~significant~~ honors the contributions towards the strategic objectives of the utility.

~~Supervisors will utilize Spot Recognition to reward outstanding performance in the short term.~~

~~Supervisors of employees that provide consistently outstanding while also supporting the retention of top talent, increasing employee engagement, and encouraging employee performance that does not meet the eligibility criteria of another recognition or performance-based compensation may choose from a list of recognition items.~~

~~The inventory and annual budget for these items will be maintained by Public Affairs.~~

~~Individuals will be recognized for continuous improvement efforts~~

Printed copies are for reference only. Refer to the electronic copy in PolicyTech for the latest version.

Printed copies are for reference only. Refer to the electronic copy in PolicyTech for the latest version.

Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy

DISTRICTWIDE POLICY

Approved by: GM and CAO

Policy Owner: Senior Manager Employee
Experience

Regulation: Resolution 8693

Policy Category: Employment, Benefits,
and Workplace

with management leave days.

Regular, full-time, non-bargaining unit employees (exempt and non-exempt) are eligible to receive management leave days for recognition.

To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and materially reduce costs and/or improve efficiency. Additionally, the work must represent outstanding performance that is beyond the duties required of the individual employee.

Senior Managers may award up to 24 hours of management leave per recognition activity or project that meet the above-mentioned criteria.

Recognition awards cannot exceed 40 hours per calendar year for an employee.

Printed copies are for reference only. Refer to the electronic copy in PolicyTech for the latest version.

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Effective Date:
8/1/2023

Version: 3
Supersedes: 2

Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy



DISTRICTWIDE POLICY

Approved by: GM and CAO

Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693

Policy Category: Employment, Benefits, and Workplace

~~See also EAC-PA-PR0-201.~~

~~Individuals will be recognized for making extraordinary effort to symbolize Grant PUD reflects Grant PUD's core values with recognition coins.~~

~~Regular, full-time employees (exempt and non-exempt) are eligible to receive this recognition. To qualify, the completed project or scope of work must support the objectives of the Strategic Plan and demonstrate one or more of these values:~~

~~Safety~~

~~Innovation~~

~~Service~~

~~Teamwork~~

~~Respect~~

~~Integrity~~

~~Heritage~~

~~Senior Managers will approve all nominations for coins, except Safety coins. HR will be responsible for maintaining the coin inventory.~~

~~Awards submitted after the last workday in November will be held to the following calendar year.~~

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Effective Date:
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Related Documents:
OD-DW-LST-011, Non-Travel Meals Policy



DISTRICTWIDE POLICY

Approved by: GM and CAO

Policy Owner: Senior Manager Employee Experience

Regulation: Resolution 8693

Policy Category: Employment, Benefits, and Workplace

~~Management leave awards will be cashed out annually according to the management leave procedures. Dates are set annually by HR and Payroll.~~

~~Team celebrations can be used to recognize group accomplishments.~~

~~Supervisors may authorize team celebrations that meet the requirements of. Toward those ends, this policy. Any meals shall be in accordance with the Non-Travel Meals Policy. Any describes the tools available for recognizing employee recognized by management as being part of the group recognition can participate in these events.contributions.~~

~~Supervisors are expected to utilize this policy in a way that meets strategic plan objectives.~~

~~The employee recognition program reflects our Commitment to the Code of Excellence and Strategic Plan objectives by recognizing employee contributions and achievements with awards such as:~~

- ~~• Spot Recognition and Value Coins~~
- ~~• Safety Achievement Award (Safety Meeting Raffle)~~
- ~~• Length-of-Service Award~~
- ~~• Employee and Team Celebrations~~
- ~~• Commitment to the Code of Excellence Award~~

~~**Recognition of Contributions for Community Members/Customers**~~

3. General Guidelines

Recognition should be used as one of many tools to further employee engagement. Employees ~~should~~may not receive ~~recognition at only~~more than one ~~level for efforts~~

Printed copies are for reference only. Refer to the electronic copy in PolicyTech for the latest version.

Printed copies are for reference only. Refer to the electronic copy in PolicyTech for the latest version.

Effective Date: X/X/2025	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICTWIDE POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

~~made on a single project or similar work products type of recognition for the same contribution (except for Length-of-Service awards, performance incentive award plans, and team celebration awards). Recognition should be applied consistently, equitably, and within budgetary constraints.~~

Management retains the ~~sole~~ discretion to award recognition to any employee at any time, within the constraints of this policy. ~~Also, this~~ This policy may be discontinued or modified, either in part or whole, at any time without prior notification.

4. Award Taxability Guidelines

~~All payments or items of value given to employees are considered supplemental compensation, and are subject to federal, state, and employment tax withholding and reporting on Form W-2, unless a specific exemption applies. Taxability will follow current regulations as determined by the Internal Revenue Service (IRS) regarding taxability of awards, prizes, and gifts to the maximum benefit amount allowed.~~

~~Employees have the option to decline awards, thereby avoiding any taxation on their paycheck.~~

Award taxability categories:

Non-cash Awards

- ~~• De minimis awards: non-cash items of \$100 or less (excluding tax and shipping) given occasionally are non-taxable. recognition items for purposes of this policy are non-cash awards of minimal value given only occasionally and as such are not considered taxable compensation to the employee. Grant PUD defines this value to be \$100 or less excluding tax or shipping.~~
- ~~• Non-de minimis awards: recognition items are non-cash tangible items awardsover that exceed \$100 in value and are always considered taxable compensation and will be reported on W-2 formsto the employees.~~

5. Spot Recognition and Value Coins may be utilized to reward outstanding performance.

~~Spot recognition and value coins may be given by employees (wwith Ssupervisor approval) to acknowledge exceptional behaviors aligned with, employees can utilize Spot Recognition to recognize individuals, teams, or leaders whose behaviors emphasize our Strategic Plan objectives and/or our core values as stated in the Commitment to the Code of Excellence. Employees may receive up to The use ofthat make contributions toward Grant PUD's Strategic Plan objective s.spot rRecognition items are is capped at 12 total items per calendar year (including both spot recognition and value coins and spot recognition items). Spot recognition is intended to incentivize and reinforce performance that is above and beyond and in alignment with the values of Grant PUD. E Employees may choose from a list of recognition items of de minimis~~

Effective Date: <u>X/X/2025</u>	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, <u>Non-Bargaining</u> Leave Policy
 DISTRICTWIDE POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

value.

Value Coins

Supervisors and above can recognize individuals with a Value Coin whose behaviors emphasize our Strategic Plan objectives and/or our core values as stated in the Commitment to the Code of Excellence. The use of value coins is Recognition items are capped at 12 items per calendar year (including both coins and spot recognition items). The use of value coins is intended to incentivize and reinforce performance that is above and beyond and in alignment with the values of Grant PUD. whose behaviors emphasize the core values as called out in Grant PUD's Strategic Plan and Commitment to the Code of Excellence:-

Safety

Innovation

Service

Teamwork

Respect

Integrity

Heritage

6. Safety achievement awards may be utilized to reward safety culture engagement.

Monthly Safety meetings are utilized to reward employees whose behavior make contribution emphasizes towards Grant PUD's core value of Ssafety-culture. Employees may choose from a list of recognition items of de minimis value.

7. Length-of-Service

A. Purpose

It is appropriate that full-time regular Grant PUD employees be recognized for their years of dedicated service on behalf of the people of Grant County. A Length-of-Service award program has been established to thank employees for their service to Grant PUD during milestone service years.

B. Criteria

Effective Date: <u>X/X/2025</u>	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, <u>Non-Bargaining</u> Leave Policy
 DISTRICTWIDE POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

1. Employees must be bona fide employees of Grant PUD and employed in a position that is eligible for credit with the state retirement system. Length-of-Service awards with any other PUD or agency will not count toward Grant PUD's Length-of-Service award program.
2. Employees will be recognized for 5, 10, 15, 20, 25, 30, and 35 years and above (5-year increments) for continuous all-years of service including cumulative years of service with Grant PUD.
3. It is the expectation that aAll service recognition awards must be presented by supervisors in a "meaningful presentation" that need not be elaborate but must emphasize the employee's achievement.
4. Subsequent five-year awards for 20, 25, 30, 35 and above (5-year increments) will be acknowledged by the Board of Commissioners at one of the regularly scheduled commission meetings.
5. Upon attaining a recognized milestone listed above, employees will receive a Length-of-Service pin and will be able to choose an award from from an established vendor catalog representing their years of service as shown below:

<u>Years of Cumulative Service</u>	<u>RecognitionAward</u>
<u>5</u>	<u>Service Pin</u>
<u>10</u>	<u>Service Pin and Award</u>
<u>15</u>	<u>Service Pin and Award</u>
<u>20</u>	<u>Service Pin and Award</u>
<u>25</u>	<u>Service Pin and Award</u>
<u>30</u>	<u>Service Pin and Award</u>
<u>35 & above (5-year increments)</u>	<u>Service Pin and Award</u>

8. Employee and Team celebrations can be used to recognize group accomplishments.

To qualify, the completed project, scope of work or effort must reinforce our Strategic Plan objectives and/or core values as stated in the Commitment to the Code of Excellence. This includes all company-wide events authorized by the General Manager/CEO. Any meals under this section must be in accordance with the Non-Travel Meals Policy (FIN-AC-POL-220).

Some examples include but are not limited to: SafetyEmployee Day, New Hire Orientation and subsequent Tours, Apprenticeship Graduation.

9. Commitment to the Code of Excellence Award

Effective Date: X/X/2025	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICTWIDE POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

The Code of Excellence committee may recognize and reward outstanding contributions and achievements of employees that exhibit the core values as stated in the Commitment to the Code of Excellence with ~~by~~ a non-cash award within the de minimis threshold stated in this policy.

10. Risks/Risk Owners

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

- Human Capital Risk
- Performance Risk
- Leadership Risk
- Taxation Risk
- Regulatory Risk
- Information Risk
- Reputation Risk

Risk Owners are the Organizational Development Department and Supervisors.

3-11. Review/Revision History

Date	Description
V0 11/12/2013	Original document effective date
V1 11/01/2019	Update to new format and moved from HR to PA
V2 07/27/2021	Revised Sections 4 and 7 to include all company-wide events authorized by the General Manager/CEO in team celebrations and group accomplishment recognition. Authorized by GM via 20-day advance notice to the Commission in accordance with Resolution 8693.
V3 08/01/2023	Updated format and revised Section 7 related to team celebrations.
V4 X/X/2025	Updated format, added taxability guidelines, length-of-service awards, commitment to the Code of Excellence award, and required Risk section.

Effective Date: 01/01/2026	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICT POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

OD-DW-POL-010 - EMPLOYEE RECOGNITION

1. Scope

This policy applies to all Grant PUD employees and does not include Grant PUD contractors.

2. Purpose

Grant PUD recognizes employees for contributions toward organizational performance outcomes. Recognition supports employee engagement, retention, and performance aligned with our Strategic Plan and organizational values. This policy outlines the approved recognition tools and awards, including:

- [Spot Recognition and Value Coins](#)
- [Safety Achievement Award \(Safety Meeting Raffle\)](#)
- [Length-of-Service Award](#)
- [Employee and Team Celebrations](#)
- [Commitment to the Code of Excellence Award](#)

3. General Guidelines

Recognition should be used as one of many tools to further employee engagement. Employees may not receive more than one type of recognition for the same contribution (except for Length-of-Service awards, performance incentive award plans, and team celebration awards). Recognition should be applied consistently, equitably, and within budgetary constraints.

Management retains the discretion to award recognition to any employee at any time, within the constraints of this policy. This policy may be discontinued or modified, either in part or whole, at any time without prior notification.

4. Award Taxability Guidelines

All payments or items of value given to employees are considered supplemental compensation, and are subject to federal, state, and employment tax withholding and reporting on Form W-2, unless a specific exemption applies. Taxability will follow current regulations as determined by the Internal Revenue Service (IRS) regarding taxability of awards, prizes, and gifts to the maximum benefit amount allowed.

Employees have the option to decline awards, thereby avoiding any taxation on their paycheck.

Award taxability categories:

- De minimis awards: non-cash items of \$100 or less (excluding tax and shipping) given occasionally are non-taxable.

Effective Date: 01/01/2026	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICT POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

- Non-de minimis awards: non-cash items over \$100 are considered taxable compensation and will be reported on W-2 forms.

5. Spot Recognition and Value Coins

Spot recognition and value coins may be given by employees (with supervisor approval) to acknowledge exceptional behaviors aligned with our Strategic Plan and core values. Employees may receive up to 12 total items per calendar year (including both spot recognition and value coins).

6. Safety achievement awards may be utilized to reward safety culture engagement.

Monthly Safety meetings are utilized to reward employees whose behavior emphasizes Grant PUD's core value of Safety. Employees may choose from a list of recognition items of de minimis value.

7. Length-of-Service

A. Purpose

It is appropriate that full-time regular Grant PUD employees be recognized for their years of dedicated service on behalf of the people of Grant County. A Length-of-Service award program has been established to thank employees for their service to Grant PUD during milestone service years.

B. Criteria

1. Employees must be bona fide employees of Grant PUD and employed in a position that is eligible for credit with the state retirement system. Length-of-Service awards with any other PUD or agency will not count toward Grant PUD's Length-of-Service award program.
2. Employees will be recognized for 5, 10, 15, 20, 25, 30, and 35 years and above (5-year increments) for continuous years of service with Grant PUD.
3. It is the expectation that all service recognition awards be presented by supervisors in a "meaningful presentation" that need not be elaborate but must emphasize the employee's achievement.
4. Subsequent five-year awards for 20, 25, 30, 35 and above (5-year increments) will be acknowledged by the Board of Commissioners at one of the regularly scheduled commission meetings.
5. Upon attaining a recognized milestone listed above, employees will receive a Length-of-Service pin and will be able to choose an award from an established vendor catalog representing their years of service as shown below:

Effective Date: 01/01/2026	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICT POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

Years of Cumulative Service	Recognition
5	Service Pin
10	Service Pin and Award
15	Service Pin and Award
20	Service Pin and Award
25	Service Pin and Award
30	Service Pin and Award
35 & above (5-year increments)	Service Pin and Award

8. Employee and Team celebrations can be used to recognize group accomplishments.

To qualify, the completed project, scope of work or effort must reinforce our Strategic Plan objectives and/or core values as stated in the Commitment to the Code of Excellence. This includes all company-wide events authorized by the General Manager/CEO. Any meals under this section must be in accordance with the Non-Travel Meals Policy.

Some examples include but are not limited to: Employee Day, New Hire Orientation and subsequent Tours, Apprenticeship Graduation.

9. Commitment to the Code of Excellence Award

The Code of Excellence committee may recognize and reward outstanding contributions and achievements of employees that exhibit the core values as stated in the Commitment to the Code of Excellence with a non-cash award within the de minimis threshold stated in this policy.

10. Risks/Risk Owners

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

- Human Capital Risk
- Performance Risk
- Leadership Risk
- Taxation Risk
- Regulatory Risk
- Information Risk
- Reputation Risk

Risk Owners are the Organizational Development Department and Supervisors.

Effective Date: 01/01/2026	Version: 4 Supersedes: 3	Related Documents: Non-Travel Meals Policy, Non-Bargaining Leave Policy
 DISTRICT POLICY		
Approved by: GM and CHRO		Regulation: Resolution 8693
Policy Owner: Senior Manager Employee Experience		Policy Category: Employment, Benefits, and Workplace

11. Review/Revision History

Date	Description
V0 11/12/2013	Original document effective date
V1 11/01/2019	Update to new format and moved from HR to PA
V2 07/27/2021	Revised Sections 4 and 7 to include all company-wide events authorized by the General Manager/CEO in team celebrations and group accomplishment recognition. Authorized by GM via 20-day advance notice to the Commission in accordance with Resolution 8693.
V3 08/01/2023	Updated format and revised Section 7 related to team celebrations.
V4 01/01/2026	Updated format, added taxability guidelines, length-of-service awards, commitment to the Code of Excellence award, and required Risk section.

MEMORANDUM

October 16, 2025

TO: Grant PUD Commissioners

VIA: John Mertlich, General Manager/Chief Executive Officer

FROM: Tod Ayers, Vice President of HR & Chief HR Officer  Oct 16, 2025
Tod Ayers (Oct 16, 2025 09:24:34 PDT)

SUBJECT: Revised Non-Bargaining Leave Policy (formerly Personal Leave Policy)

Purpose: To provide notification to the Commission regarding proposed changes to the Non-Bargaining Leave Policy (formerly Personal Leave Policy) associated with Resolution 8911. The resolution provides that the General Manager is authorized to modify the policy from time to time provided the proposed changes are submitted to Grant PUD's Commission at least 20 days prior to being put into effect.

Discussion: This policy update is intended to consolidate leave applicable to non-bargaining unit, benefits eligible employees. Revisions include:

- Revise the policy title from Personal Leave to Non-Bargaining Leave.
- Incorporate a Personal Leave accrual table for part-time employees.
- Remove clause that allows the General Manager to authorize up to 35 additional days of Management Leave per year to an employee in recognition of extraordinary service.
- Remove Leave without Pay. It will be incorporated into the new General Leaves policy.

The revised policy will be effective November 17, 2025. The detailed changes can be viewed in the attached redline document. All employees will be notified of this policy revision before the effective date.

Recommendation: Inform the Commission of the changes made to the Non-Bargaining Leave Policy as described above, effective November 17, 2025. The documentation in this packet includes:

- Commission memo
- Copy of Resolution 8911
- Clean copy of the current policy
- Red-lined version of the revised policy to identify edits
- Clean copy of the revised policy

RESOLUTION NO. 8911

A RESOLUTION AMENDING GRANT PUD'S MANAGEMENT BENEFIT POLICIES AND
SUPERSEDING RESOLUTION NO. 8735

Recitals

1. Grant PUD revised the benefits policies pursuant to Resolution No. 8735 superseding previous resolutions related to benefits for management employees;
2. Grant PUD's General Manager has requested that he be delegated authority to modify the management benefit policies as he deems to be in Grant PUD's best interest; and
3. The benefits provided to eligible Management employees are as follows:
 - Paid Holidays & Floating Holidays
 - Personal Leave Plan
 - Professional Certification Program – to be rescinded by April 18, 2019
 - Medical, VEBA, Dental, and Vision insurance
 - Short-Term and Supplemental Leave Bank
 - Deferred Compensation
 - Retiree Medical Premium Program
 - Isolation Pay

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

Section 1. The aforementioned benefits listed above are hereby approved.

Section 2. The General Manager is hereby authorized to modify the policies related to Grant PUD's management benefits from time to time subject to the following limitations:

- A. The policy shall at all times be subject to and consistent with the requirements of all applicable laws and regulations.
- B. Any proposed changes to these policies shall be submitted to Grant PUD's Commission and General Counsel at least twenty (20) days prior to being put into effect.

Section 3. Resolution No. 8735 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of February, 2019.

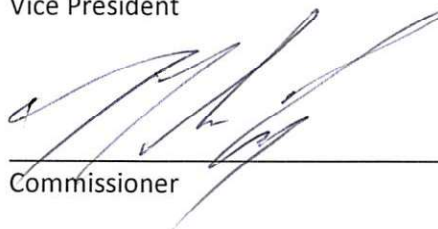


President

ATTEST:


Secretary

Vice President


Commissioner
Commissioner

Effective Date: 7/27/2021	Version: 2 Supersedes: 1	Related Documents: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours
 DISTRICTWIDE POLICY		
Approved by: Commission		Regulation: Resolution 8911
Policy Owner: Senior Manager of Human Resources		Policy Category: Employment, Benefits, and Workplace

HR-BEP-POL-410 – PERSONAL LEAVE (PL)

1. Scope

This policy applies to all Grant PUD employees that are non-bargaining unit benefit-eligible. Bargaining unit employees shall refer to the Collective Bargaining Agreement.

2. Policy Statement

The intent of this policy is to enable employees to take leave needed for rest and recreation, illness, injury, childcare, bereavement, personal business, and any other approved absence from work on a paid status (except where noted below for Occupational Disability, Short-Term Disability, or Long-term Disability).

3. Personal Leave

- a. Personal Leave (PL) is provided to all regular, full time Grant PUD employees, except to the extent Occupational Disability Allowance, Short-Term Disability, or Long-Term Disability plan provisions provide otherwise.
- b. PL for full-time, regular employees is accrued based on years of service as indicated by the table below.

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate* (illustrative only)
During the 1 st through 5 th year	6.46 hours	21 days per year
During the 6 th through 10 th year	8.31 hours	27 days per year
During the 11 th year	8.62 hours	28 days per year
During the 12 th year	8.92 hours	29 days per year
During the 13 th year	9.23 hours	30 days per year
During the 14 th year	9.54 hours	31 days per year
During the 15 th year	9.85 hours	32 days per year
During the 16 th year	10.15 hours	33 days per year
During the 17 th through 25 th year	10.46 hours	34 days per year
After the 25 th year	10.77 hours	35 days per year

* For purposes of this policy, a day means eight hours.

Effective Date: 7/27/2021	Version: 2 Supersedes: 1	Related Documents: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours
 DISTRICTWIDE POLICY		
Approved by: Commission		Regulation: Resolution 8911
Policy Owner: Senior Manager of Human Resources		Policy Category: Employment, Benefits, and Workplace

PL for part-time, regular employees is accrued based on a 20-hour work week. PL usage is limited to the predetermined amount of work hours agreed to per pay period, i.e., if the agreed upon work hours is 48 hours per pay period, the employee cannot exceed the 48 hours with a combination of Personal Leave and actual hours worked.

PL does not accrue while an employee is on Occupational Disability leave or Leave without Pay (LWOP), for any reason.

PL requirements for those on an Alternate Work Schedule (AWS) should refer to HR-SOC-POL-525, Scheduling Alternate Work Hours.

- c. The General Manager may modify the PL accrual schedule to increase an individual's PL balance; however, such balance shall not exceed 35 days on an annual basis for each individual. This may occur in exceptional circumstances on a prospective basis.
- d. Employees must take at least 10 days of PL per year for the first 5 full years of employment, and at least 15 days per year thereafter.

These minimums will be forfeited unless such failure to take the minimum amount was due to occupational disability, extended illness, military leave, or the employee's CXO approves an exception. Short-term disability leave will be augmented with PL to avoid forfeiture of PL.

In case of cancellation of leave by Grant PUD in response to an emergency which affects the ability of the employee to take PL, the General Manager is authorized to extend the year-end deadline an additional 90 days.

Partial years of employment (first and last) do not have minimum requirements.

- e. Total accrued PL for each individual cannot exceed established limits.
 - 1) For employees hired on or after April 1, 2011, total accrued PL shall not exceed 700 hours.

Effective Date: 7/27/2021	Version: 2 Supersedes: 1	Related Documents: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours
 DISTRICTWIDE POLICY		
Approved by: Commission		Regulation: Resolution 8911
Policy Owner: Senior Manager of Human Resources		Policy Category: Employment, Benefits, and Workplace

- 2) For employees hired before April 1, 2011, accrued PL shall not exceed the greater of 1200 hours or the number of hours accrued by each employee as of May 30, 1996.

Annually, accrued PL in excess of the limits set forth above shall be cashed out at the straight-time hourly rate of pay then in effect for the affected employee. This cash-out does not count as leave required to be taken.

- f. In the final pay period of the payroll year, employees are permitted to cash out their accumulated PL to the extent their PL balance exceeds 80 hours. This cash out does not count as leave required to be taken.

PL cash-out will be restricted to the employee's current annual accrual rate. The employee may cash out the difference between their total PL accrued during the payroll year and the actual leave taken during the payroll year.

These guidelines do not apply to the cash-out of PL accrued in excess of the maximum allowable accrual and cash-out at retirement or termination.

- g. Use of PL shall be conditioned upon operational needs of Grant PUD and approval of the General Manager or designee. Annually, the General Manager/CEO may authorize leave for a day of employee recognition to include significant unstructured time for employees to recharge and engage in team building.
- h. Full-time, regular employees may utilize their PL up to 160 hours immediately preceding their retirement. Part-time, regular employees may run out 80 hours of leave before retirement. Run-out of leave for reasons other than retirement are not permitted, except when a bona fide approved FMLA or Family Care Leave situation exists.
- i. All accrued but unused PL will be paid to the employee upon termination or retirement, provided that 6 months of continuous employment has been met.

4. Management Leave

Effective Date: 7/27/2021	Version: 2 Supersedes: 1	Related Documents: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours
 DISTRICTWIDE POLICY		
Approved by: Commission		Regulation: Resolution 8911
Policy Owner: Senior Manager of Human Resources		Policy Category: Employment, Benefits, and Workplace

- a. Grant PUD provides 3 paid days of Management Leave each calendar year to employees that are classified as full-time, regular exempt under the Fair Labor Standards Act, except for those hired into an eligible position after October 1st of the Payroll year.
- b. Management Leave days will be prorated for regular, part-time employees annually (12 hours).
- c. The General Manager may authorize additional days of Management Leave for exempt employees who have demonstrated extraordinary service and commitment above and beyond the expectations of their job. In these cases, the General Manager shall not exceed 35 days on an annual basis for a single employee.

5. Leave without Pay

- a. Leave without Pay (LWOP) may be approved when all applicable accrued leave with pay has been used.

Supervisors may approve LWOP for less than 8 hours. Senior Manager approval is required for LWOP of 8 hours or more.
- b. LWOP may also be used for disciplinary purposes, even when leave with pay is available.
- c. LWOP will be calculated in half-hour increments of actual work time missed for employees who are exempt. LWOP will be counted beginning at the time an employee leaves work until the employee returns to work within the scope of their regularly scheduled shift.
- d. Accrual of PL, time in grade, and anniversary dates are affected when an employee takes LWOP. See HR-BEP-PRO-412, Administering Leave Without Pay.
- e. Benefits may be affected as outlined in group insurance contracts and in accordance with state and federal laws.
- f. Grant PUD retains the right to deny LWOP when not connected to an approved leave such as FMLA or other state or federal laws.

Effective Date: 7/27/2021	Version: 2 Supersedes: 1	Related Documents: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours
 DISTRICTWIDE POLICY		
Approved by: Commission		Regulation: Resolution 8911
Policy Owner: Senior Manager of Human Resources		Policy Category: Employment, Benefits, and Workplace

If approved LWOP extends over a full calendar month, the employee has the option to continue Grant PUD's health insurance through COBRA by self-paying COBRA premiums. If the employee is on approved such as federal Family Medical Leave (FMLA) or state Family and Medical Leave, Grant PUD will continue to pay its share of the premium and the employee will pay their share.

6. Review/Revision History

Date	Description
v0 7/22/2014	Initial Effective Date
v1 2/12/2019	Updated, converted to new format
v2 7/27/2021	Revised Section 3.g to authorize leave for a day of employee recognition, updated document numbers for related documents, formatting clean up. Authorized by GM via 20-day advance notice to the Commission in accordance with Resolution 8911. Commission review completed 8/16/21 and document published.

Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents: ,
 POLICY		
Approved by: GM and Chief HR Officer		Regulation: Resolution 8911
Policy Owner: Sr Manager Employee Relations,		Policy Category: Employment, Benefits, and Workplace

HR-BEP-POL-410 – **NON-BARGAINING LEAVE POLICY**

1. Scope

This policy applies to all Grant PUD employees that are non-bargaining unit, benefits eligible. Bargaining unit employees shall refer to the Collective Bargaining Agreement.

2. Policy Statement

The intent of this policy is to enable employees to take leave needed for rest and recreation, illness, injury, childcare, bereavement, personal business, and any other approved absence from work on a paid status (except where noted below for Occupational Disability, Short-Term Disability, or Long-term Disability).

The following leaves are defined in this policy: Personal Leave and Management Leave.

3. Personal Leave

3.1 Personal Leave (PL) is provided to all regular, full-time, and part-time Grant PUD employees.

3.2 Accrual

PL does not accrue while an employee is on Occupational Disability leave or Leave without Pay (LWOP), for any reason.

Total accrued PL for an employee cannot exceed established limits:

- For employees hired on or after April 1, 2011, total accrued PL shall not exceed 700 hours.
- For employees hired before April 1, 2011, accrued PL shall not exceed the greater of 1200 hours or the number of hours accrued by each employee as of May 30, 1996.

If total accrued PL exceeds the amounts above at the end of the payroll year, the excess will be automatically cashed-out in accordance with Section 3.4.

All accrued but unused PL will be paid to the employee upon termination or retirement.

PL for full-time, regular employees is accrued based on years of service as indicated by the table below (based on an 8-hour workday):

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Deleted: , provided that 6 months of continuous employment has been met.

Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents: ,
 POLICY		
Approved by: GM and Chief HR Officer		Regulation: Resolution 8911
Policy Owner: Sr Manager Employee Relations,		Policy Category: Employment, Benefits, and Workplace

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate (illustrative only)
During the 1 st through 5 th year	6.46 hours	21 days per year
During the 6 th through 10 th year	8.31 hours	27 days per year
During the 11 th year	8.62 hours	28 days per year
During the 12 th year	8.92 hours	29 days per year
During the 13 th year	9.23 hours	30 days per year
During the 14 th year	9.54 hours	31 days per year
During the 15 th year	9.85 hours	32 days per year
During the 16 th year	10.15 hours	33 days per year
During the 17 th through 25 th year	10.46 hours	34 days per year
After the 25 th year	10.77 hours	35 days per year

PL for part-time, regular employees is accrued based on a 20-hour work week and years worked indicated by the table below:

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate (illustrative only)
During the 1 st through 5 th year	3.23 hours	10.5 days per year
During the 6 th through 10 th year	4.16 hours	13.5 days per year
During the 11 th year	4.31 hours	14 days per year
During the 12 th year	4.46 hours	15.5 days per year
During the 13 th year	4.62 hours	15 days per year
During the 14 th year	4.77 hours	15.5 days per year
During the 15 th year	4.93 hours	16 days per year
During the 16 th year	5.08 hours	16.5 days per year
During the 17 th through 25 th year	5.23 hours	17 days per year
After the 25 th year	5.39 hours	17.5 days per year

The General Manager may modify the annual PL accrual rate schedule; however, such balance shall not exceed 35 days on an annual basis for each individual. This may occur in exceptional circumstances on a prospective basis.

The Chief HR Officer or their delegate may approve an increase in the annual PL accrual rate and/or PL balance for new hires based on the selected candidate's qualifications and years of experience.

3.3 Using PL

Employees must take at least 80 hours of PL per year for the first 5 full years of employment, and at least 120 hours of PL per year thereafter. These minimums will be forfeited unless such failure to take the minimum amount was due to occupational

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Deleted: * For purposes of this policy, a day means eight hours.¶

Deleted: . PL usage is limited to the predetermined amount of work hours agreed to per pay period, i.e., if the agreed upon work hours is 48 hours per pay period, the employee cannot exceed the 48 hours with a combination of Personal Leave

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Deleted: PL does not accrue while an employee is on Occupational Disability leave or Leave without Pay (LWOP), for any reason.¶ PL requirements for those on an Alternate Work Schedule (AWS) should refer to HR-SOC-POL-525, Scheduling Alternate Work Hours.¶

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Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents: ,
 POLICY		
Approved by: GM and Chief HR Officer		Regulation: Resolution 8911
Policy Owner: Sr Manager Employee Relations		Policy Category: Employment, Benefits, and Workplace

disability, extended illness, military leave, or the General Manager approves an exception. Partial years of employment (first and last) do not have minimum requirements.

In case of cancellation of leave by Grant PUD in response to an emergency which affects the ability of the employee to take PL, the General Manager is authorized to extend the year-end deadline an additional 90 days.

PL should be requested 2x ahead of the amount of leave requested. For example, a request for 40 hours of PL needs to be requested 80 hours in advance; 8 hours of PL needs to be requested 16 hours in advance. This does not apply to emergency situations.

Employees working alternate work schedules must record PL in accordance with HR-SOC-POL-525, Alternate Work Hours.

Short-term disability leave may be augmented with PL.

With prior approval from Chief HR Officer or delegate, full-time, regular employees may utilize their PL up to 160 hours immediately preceding their retirement. Part-time, regular employees may utilize their PL up to 80 hours preceding their retirement. Utilizing PL preceding separation of employment will follow Using PL parameters above, except when an authorized leave of absence exists, such as FMLA, Family Care Leave, or other leave in accordance with state and/or federal law.

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Deleted: Short-term disability leave will be augmented with PL to avoid forfeiture

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Deleted: Partial years of employment (first and last) do not have minimum requirements. ¶ Total accrued PL for each individual cannot exceed established limits.¶ For employees hired on or after April 1, 2011, total accrued PL shall not exceed 700 hours. ¶ For employees hired before April 1, 2011, accrued PL shall not exceed the greater of 1200 hours or the number of hours accrued by each employee as of May 30, 1996. ¶ Annually, accrued

Deleted: in excess

Deleted: limits set forth above shall be cashed out at the straight-time hourly rate

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Deleted: employees are permitted to cash out their accumulated PL to the extent their PL balance exceeds 80 hours. This cash out does not count as leave required to be taken.¶ PL cash-out will be restricted to the

Deleted: annual accrual rate. The employee

Deleted: Employees with a PL balance of 80 hours or more may cash out the difference between their total PL accrued during the payroll year and the actual leave taken during the payroll year.

Deleted: These guidelines do not apply to the cash-out of PL accrued in excess of the maximum allowable accrual and cash-out at retirement or termination.¶ Use of PL shall be conditioned upon operational needs of Grant PUD and approval of the Gen(... [1]

3.4 Annual Cash Out of PL

In the final pay period of the payroll year, PL may be cashed out at the employee's current straight time hourly rate under the following circumstances:

- Employees may cash out PL so long as their balance does not fall below 120 hours. At the employee's option, the cash out may be paid to the employee or distributed to a Grant PUD provided deferred compensation plan.

3.5 All accrued but unused PL will be paid to the employee upon termination or retirement, provided that 6 months of continuous employment has been met.

To be eligible for a PL cash out, employees must submit the required information annually by the posted deadlines communicated by the Payroll department. Requests that are not made timely will not be honored.

- If total accrued PL exceeds the limits specified in Section 3.2 above, the excess hours will automatically be cashed-out.

Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents: ,
 POLICY		
Approved by: GM and Chief HR Officer		Regulation: Resolution 8911
Policy Owner: Sr Manager Employee Relations,		Policy Category: Employment, Benefits, and Workplace

PL cash-out does not count as leave required to be taken. ,

4. Management Leave

- 4.1 Grant PUD provides 24 hours of Management Leave each calendar year to employees that are classified as full-time, regular exempt under the Fair Labor Standards Act, except for those hired into an eligible position after October 1st of the Payroll year. Management Leave days will be prorated for regular, part-time employees annually (12 hours).
- 4.2 If not used, Management Leave will be automatically cashed out in December.
- 4.3 All accrued but unused Management Leave will be paid to the employee upon termination or retirement, provided that 6 months of continuous employment has been met.

5. Risks/Risk Owners

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

- Regulatory Risk
- Human Capital Risk
- Health & Safety Risk
- Authority Risk

Risk Owners are all Grant PUD employees, supervisors, and Chief HR Officer.

6. Review/Revision History

Effective Date	Description
v0 7/22/2014	Initial Effective Date <u>(Personal Leave Policy)</u>
v1 2/12/2019	Updated, converted to new format
v2 7/27/2021	Revised to authorize leave for a day of employee recognition, updated <u>related</u> document numbers, formatting clean up. Authorized by GM via 20-day notice to the Commission in accordance with Resolution 8911. ,
v3 1/2/2026	Revised policy title, removed authorization of up to 35 additional days of Management Leave, added Risk section. Moved LWOP to new General Leaves policy. Authorized by GM with 20-day notice to the Commission in accordance with Resolution 8911.

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Deleted: LWOP Procedures, LWOP Request Form, Scheduling Alternate Work Hours

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Deleted: PL cash-out cannot exceed the employee's current annual accrual rate.

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Deleted: <#>The General Manager may authorize additional days of Management Leave for exempt employees who have demonstrated extraordinary service and commitment above and beyond the expectations of their job. In these cases, the General Manager shall not exceed 35 days on an annual basis for a single employee.¶

Deleted: <#>without Pay¶
Leave without Pay (LWOP) may be approved when all applicable accrued leave with pay has been used.¶
Supervisors may approve LWOP for less than 8 hours. Senior Manager approval is required for LWOP of 8 hours or more. ¶
LWOP may also be used for disciplinary purposes, even when leave with pay is available.¶
LWOP

Deleted: <#>calculated

Deleted: <#>half-hour increments of actual work time missed for employees who are exempt. LWOP will be counted beginning at the time an employee leaves work until the employee returns to work within the scope of their regularly scheduled shift

Deleted: <#>Accrual of PL, time in grade, and anniversary dates are affected when an employee takes LWOP. See HR-BEP-PRO-412, Administering Leave Without Pay.¶
Benefits may be affected as outlined in group insurance contracts and in accordance with state and federal laws. ¶
Grant PUD retains the right to deny LWOP when not connected to an approved leave such as FMLA or other state or federal laws.¶ ... [2]

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Deleted: Commission review completed 8/16/21 and document published.

Deleted: incorporated Management Recognition Leave

Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents:
 POLICY		
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HR-BEP-POL-410 – NON-BARGAINING LEAVE POLICY

1. Scope

This policy applies to all Grant PUD employees that are non-bargaining unit, benefits eligible. Bargaining unit employees shall refer to the Collective Bargaining Agreement.

2. Policy Statement

The intent of this policy is to enable employees to take leave needed for rest and recreation, illness, injury, childcare, bereavement, personal business, and any other approved absence from work on a paid status (except where noted below for Occupational Disability, Short-Term Disability, or Long-term Disability).

The following leaves are defined in this policy: Personal Leave and Management Leave.

3. Personal Leave

3.1 Personal Leave (PL) is provided to all regular, full-time, and part-time Grant PUD employees.

3.2 Accrual

PL does not accrue while an employee is on Occupational Disability leave or Leave without Pay (LWOP), for any reason.

Total accrued PL for an employee cannot exceed established limits:

- For employees hired on or after April 1, 2011, total accrued PL shall not exceed 700 hours.
- For employees hired before April 1, 2011, accrued PL shall not exceed the greater of 1200 hours or the number of hours accrued by each employee as of May 30, 1996.

If total accrued PL exceeds the amounts above at the end of the payroll year, the excess will be automatically cashed-out in accordance with Section 3.4.

All accrued but unused PL will be paid to the employee upon termination or retirement.

PL for full-time, regular employees is accrued based on years of service as indicated by the table below (based on an 8-hour workday):

Effective Date: 1/2/2026	Version: 3 Supersedes: 2	Related Documents:
 POLICY		
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Policy Owner: Sr Manager Employee Relations		Policy Category: Employment, Benefits, and Workplace

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate (illustrative only)
During the 1 st through 5 th year	6.46 hours	21 days per year
During the 6 th through 10 th year	8.31 hours	27 days per year
During the 11 th year	8.62 hours	28 days per year
During the 12 th year	8.92 hours	29 days per year
During the 13 th year	9.23 hours	30 days per year
During the 14 th year	9.54 hours	31 days per year
During the 15 th year	9.85 hours	32 days per year
During the 16 th year	10.15 hours	33 days per year
During the 17 th through 25 th year	10.46 hours	34 days per year
After the 25 th year	10.77 hours	35 days per year

PL for part-time, regular employees is accrued based on a 20-hour work week and years worked indicated by the table below:

Years of Service	Bi-Weekly Accrual Rate	Annual Accrual Rate (illustrative only)
During the 1 st through 5 th year	3.23 hours	10.5 days per year
During the 6 th through 10 th year	4.16 hours	13.5 days per year
During the 11 th year	4.31 hours	14 days per year
During the 12 th year	4.46 hours	15.5 days per year
During the 13 th year	4.62 hours	15 days per year
During the 14 th year	4.77 hours	15.5 days per year
During the 15 th year	4.93 hours	16 days per year
During the 16 th year	5.08 hours	16.5 days per year
During the 17 th through 25 th year	5.23 hours	17 days per year
After the 25 th year	5.39 hours	17.5 days per year

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Semi-Annual Report

Internal Audit

November 12, 2025



Powering our way of life.

Internal Audit
Department

Team Updates

Vacant (In Recruitment)
Senior Auditor

2025 Audit Plan - Status

- 457F Compliance Assessment – *complete*
- 401a and 457 Deferred Compensation Plan Audits – *co-sourcing; drafting report*
- Small and Attractive Assets – *draft report shared with management*
- Payroll Processing – *field work (delayed)*
- Customer billing and adjustments – *postponed; waiting on Internal Controls work to be completed*
- System Access – Roles and Responsibilities – *field work*
- Hiring Practices – *co-sourcing*
- Energy Supply Management – *co-sourcing (assessment of internal controls and segregation of duties)*
- Third Party Risk
- Contribution in aid of Construction

2025 Audit Plan – Status - continued

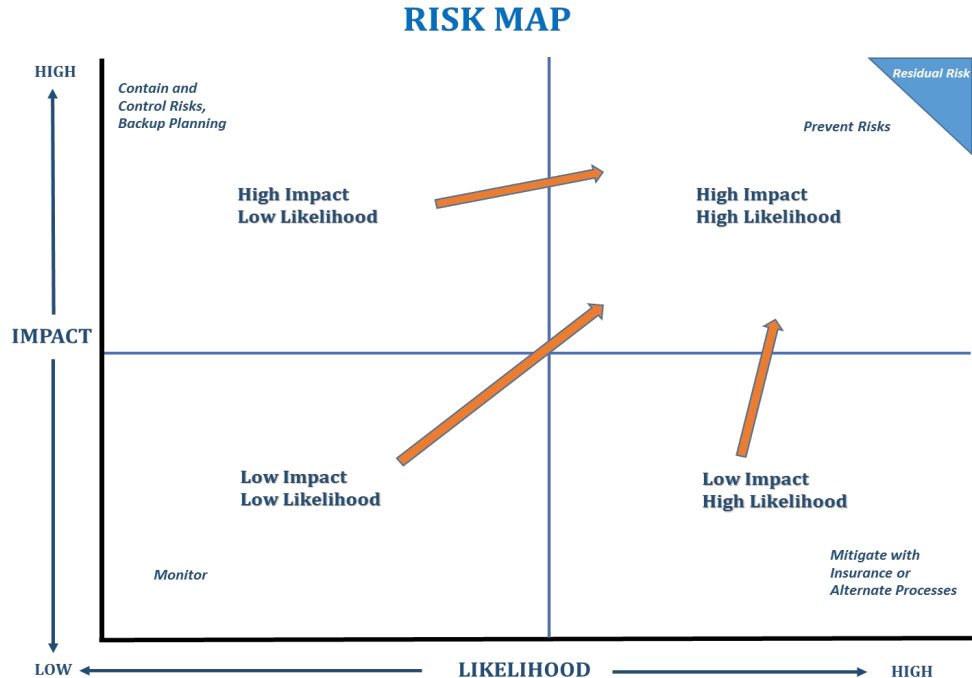
- Statutory Expenditure Review & Other Requests
 - Weekly voucher review
 - Bi-weekly payroll review
 - Policy Review

- Washington State Auditor's Office
 - 2023 Accountability Audit – completed in April 2025; no audit recommendations
 - 2024 Accountability Audit – started in October 2025

Internal Audit Plan Development

Risk based approach

- Understanding business objectives
- Risk assessments
- Analytical procedures
- Consider work performed by others
- Prioritizing risks



2026 Audit Plan

- Customer Billing and Adjustments
- Overtime
- Accounts Payable
- Contribution in aid of Construction
- HEAR Grant Compliance
- Vendor Management
- Enterprise Resource Planning (ERP)

2026 Audit Plan - continued

- Statutory Expenditure Review & Other Requests
 - Weekly voucher review
 - Bi-weekly payroll review
 - Policy Review

- Washington State Auditor's Office
 - 2024 Accountability Audit – ongoing
 - 2025 Accountability Audit - fall 2026

- Follow-up: Monitor Audit Recommendations

2026 Outlook

Internal Audit Program Development

- Internal Audit charter updates
- Consulting engagement agreement for policy review
- Improve audit department framework
- Develop audit observations ranking methodology
- Development and documentation of audit processes and procedures
- Revamp and enhance the internal audit methodology to strengthen alignment with statutory requirements, integrate advanced data analytics, and improve system exception reporting capabilities.

Commission Support: Key Asks

- Approve the 2026 audit plan
- Support internal audit's role in delivering assurance and insights that add value across the district.
- Promote a strong tone at the top to drive a district-wide culture of ethics and compliance.

Questions?



Powering our way of life.

Thank you!



Department Name:	Key Presenters:	Date:
Internal Audit Department	Dmitriy Turchik	11/12/2025

RECAP

Open Projects

Recap goals set for the previous quarter and their outcomes:

- 457F Compliance Assessment – complete
- 401a and 457 Deferred Compensation Plan Audits – co-sourcing; drafting report
- Small and Attractive Assets – draft report shared with management
- Payroll Processing – field work
- System Access – Roles and Responsibilities – field work
- Hiring Practices – co-sourcing
- Energy Supply Management – co-sourcing (assessment of internal controls and segregation of duties)

NEAR-TERM PLANS

Upcoming Commitments

- 2024 WSAO Accountability audit support
- Hiring practices audit support
- Internal Audit charter updates
- Consulting engagement agreement for policy review

LONGER-TERM STRATEGY

Roadmap

Discuss strategic initiatives and projects on the longer-term roadmap:

- Improve audit department framework
- Develop audit observations ranking methodology
- Development and documentation of audit processes and procedures
- Revamp and enhance the internal audit methodology to strengthen alignment with statutory requirements, integrate advanced data analytics, and improve system exception reporting capabilities.

Strategy

Strengthen the Internal Audit function by modernizing its charter and methodology, formalizing consulting agreements, and enhancing governance through robust frameworks, standardized processes, and observation ranking. This transformation will align with statutory requirements, leverage advanced data analytics, and improve exception reporting to deliver greater assurance and value to the organization

COMMISSION SUPPORT: KEY ASKS

Specific Requests

- Approve the 2026 audit plan
- Support internal audit's role in delivering assurance and insights that add value across the district.
- Promote a strong tone at the top to drive a district-wide culture of ethics and compliance.