



October 13, 2026

2nd/3rd Tuesday - Workshop

8:30 a.m.	Executive Session
9:00 a.m.	Business Review
10:00 a.m.	Presentation Period
11:00 a.m.	Presentation Period
12:00 p.m.	Lunch
1:00 p.m.	Internal Recognition
1:30 p.m.	Presentation Period
2:30 p.m.	Presentation Period



Materials

Grantpud.org/commission-meetings

4th Tuesday – Business Meeting

8:30 a.m.	Executive Session
9:00 a.m.	Administration Voucher Calendar
9:30 a.m.	Reporting
11:00 a.m.	Business Review
12:00 p.m.	Lunch
1:00 p.m.	Business Meeting: SAFETY BRIEF a. Pledge of Allegiance, Attendance b. Round Table-Trade Association, Correspondence, Public Comment Period c. Consent Agenda d. Approval of Vouchers e. Meeting minutes f. Agenda Items
2:30 p.m.	Commission Period
3:30 p.m.	Commission Planning Period

Workshop – Business Review

Resolution XXXX – Amending Grant PUD’s Customer Fee Schedule.

Resolution XXXX – Amending Grant PUD’s Retail Waiving Authority Limits and Back Billing Policy.

Resolution XXXX – Adopting Small Works Contract Provisions of Chapter 39.04 RCW and Superseding Resolution No. 9049.

Motion authorizing payment of non-compliant purchase from Farmers Electric II LLC, for invoice number 14734 dated June 8, 2026, in the amount of \$23,458.84. (xxxx)

Business Meeting – Agenda Items

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

September 22, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 464734098# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

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

The Commission engaged in a Business Review period. There being no further follow-up, the Commission reviewed vouchers.

Bryndon Ecklund, Manager of Forecasting and Planning; Amanpreet Singh, Principal Financial Analyst presented the Financial Suite.

Julie Pyper, Vice President – Head of Strategy, presented the Balanced Score Card report along with the following Executive Leadership team members who reported on the Management Action Plan(s)(MAP):

- Tod Ayers, Vice President of Human Resources
- Fallon Long, Vice President of Shared Services
- Ty Ehrman, Senior Vice President of Retail Operations
- Bonnie Overfield, CFO and Vice President of Finance
- Rey Pulido, Vice President of Power Production
- Jeff Grizzel, Senior Vice President of Power and Market Operations
- Glenn Pruitt, Vice President of Legal Government and Regulatory Affairs

An executive session was announced at 12:05 p.m. to last until 12:55 a.m. to discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 a.m. and the regular session resumed.

The Commission resumed at 1:03 p.m. and opened the public comment period.

- Shawn Cardwell, Ephrata, Washington introduced the Columbia Basin Allied Arts program.
- Larry Lewis, Quincy, Washington expressed his concerns over several areas of interest to the Sunland properties.

A round table of trade association and committee reports were reviewed regarding the following topics:

- September WPUDA Association Meeting in Olympia, Washington was attended virtually by Commissioner Wilson.

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

Payment Number	170051	through	170981	\$68,518,962.28
Payroll Direct Deposit	43513	through	45456	\$6,858,362.97
Payroll Tax and Garnishments	20260902A	through	20260916B	\$3,017,574.06

Business Minutes from:

- September 22, 2026 – Commission Meeting
- October 13, 2026 – Commission Workshop
- October 20, 2026 – Commission Workshop

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

Resolution No. 9132 relative to delegated authority was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Cox to approve Resolution No. 9132. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9132

A RESOLUTION DELEGATING AUTHORITY TO APPROVE CERTAIN POLICIES TO THE GENERAL MANAGER/CEO AND SUNSETTING PRIOR RELATED RESOLUTIONS

Recitals

1. The Commission, as the governing board, provides independent oversight of internal control, as established by the COSO Internal Control—Integrated Framework and WSAO BARS 3.1.3, and retains ultimate accountability for its effectiveness. The Commission sets expectations for integrity and accountability and ensures management establishes and maintains controls that provide reasonable assurance over operations, compliance, safeguarding of public resources, and reliable financial reporting, while holding management accountable for control performance and risk management.
2. Pursuant to RCW 54.16.100, the Manager shall serve as the chief administrative officer of Grant PUD and shall have supervision, direction, and control over all administrative functions thereof. The Manager shall be responsible to the Commission for the efficient and effective administration of the affairs of Grant PUD; and
3. Grant PUD's Commission desires to delegate authority for the approval of certain Grant PUD administrative policies to the General Manager/CEO where adoption and approval by Grant PUD's Commission is not required by local, state, or federal laws, rules, or regulations.

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

Section 1. Authority to approve the following Grant PUD administrative policies is hereby delegated to the General Manager/CEO:

- Customer Service Policy
 - Excluding Customer Fee Schedule
- Customer Deposit Schedule
- Requests for Public Records Policy and Fee Schedule
- Telecom Customer Service Policy
 - Excluding Telecommunications Fee Schedule
- Whistleblower Policy

Section 2. To the extent they conflict with this resolution, the following resolutions shall automatically sunset upon the effective date of the next revision of the applicable policy:

- Resolution 9098, Customer Service Policy
 - Excludes Customer Fee Schedule and Retail Waiving Authority Policy, which require Commission action
- Resolution 9068, Customer Deposit Schedule
- Resolution 9097, Requests for Public Records Policy and Fee Schedule
- Resolution 9014, Telecom Customer Service Policy
 - Excludes Telecommunications Fee Schedule, which requires Commission action
- Resolution 8615, Whistleblower Policy

Section 3. The General Manager/CEO may, at their discretion, refer any policy covered by Section 1 above to the Commission for approval or notification on a case-by-case basis.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 22nd day of September, 2026.

Resolution No. 9133 relative to authorizing an electricity prepayment transaction was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9133. After consideration, the motion passed by unanimous vote of the Commission.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

RESOLUTION NO. 9133

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON AUTHORIZING AN ELECTRICITY PREPAYMENT TRANSACTION, INCLUDING THE PURCHASE OF ELECTRICITY FROM ENERGY SOUTHEAST, A COOPERATIVE DISTRICT; APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE POWER SUPPLY CONTRACTS, LIMITED ASSIGNMENT

AGREEMENTS, AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; AND ADDRESSING RELATED MATTERS.

PASSED: SEPTEMBER 22, 2026

PREPARED BY:

NIXON PEABODY LLP
New York, New York

RESOLUTION NO. 9133

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON AUTHORIZING AN ELECTRICITY PREPAYMENT TRANSACTION, INCLUDING THE PURCHASE OF ELECTRICITY FROM ENERGY SOUTHEAST, A COOPERATIVE DISTRICT; APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE POWER SUPPLY CONTRACTS, LIMITED ASSIGNMENT AGREEMENTS, AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; AND ADDRESSING RELATED MATTERS

WHEREAS, Public Utility District No. 2 of Grant County, Washington, a Washington municipal corporation (the "District") desires to enter into a prepaid electricity transaction whereby bonds (the "Bonds") will be issued by Energy Southeast, A Cooperative District, a political subdivision and capital improvement cooperative district organized under the laws of the State of Alabama pursuant to Sections 11-99B-1 et seq. of the Code of Alabama (the "Issuer"); and

WHEREAS, the proceeds of the Bonds will finance the acquisition by the Issuer of electricity supplies from one or more special purpose entities (the "Prepaid Supplier") created by J. Aron & Company LLC ("J. Aron"), an affiliate of The Goldman Sachs Group, Inc., pursuant to one or more Prepaid Power Sales Agreements (each a "Prepaid Agreement");

WHEREAS, the Issuer and the District will enter into one or more power supply contracts (each a "Power Supply Contract"), pursuant to which the Issuer will sell electricity delivered to it under the Prepaid Agreement(s) to the District, including rights to capacity based on battery storage (the "Storage"), at the prices and for the term specified therein; and

WHEREAS, the District has entered or will enter into certain short-term and long-term power purchase agreements (the "PPAs") with those counterparties (the "PPA Counterparties") identified on Exhibit A to this resolution; and

WHEREAS, in order to effectuate the purchase of electricity from the Issuer in accordance with the terms of the Power Supply Contract(s), the District will execute Limited Assignment Agreements with the PPA Counterparties and the Prepaid Supplier assigning certain of the District's rights and obligations under the PPAs to J. Aron (each a "Limited Assignment Agreement"); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture between the Issuer and a bond trustee (the "Indenture") and purchased by the underwriters or original purchasers of the Bonds (the "Underwriters") pursuant to a bond purchase agreement or similar agreement; and

WHEREAS, the Bonds will be secured by a Trust Estate (as defined in the Indenture), which will include a pledge by the Issuer of the revenues it receives under the Power Supply Contract(s), and its other rights with respect to the Power Supply Contract(s); provided the District will have no obligation with respect to the payment of debt service on the Bonds; and

WHEREAS, through the structure described herein, the District expects to receive a discount on the price of electricity it purchases under the Power Supply Contract(s); and

WHEREAS, in order to authorize the purchase of electricity from the Issuer and the execution of the Power Supply Contract(s), to authorize the execution of the Limited Assignment Agreements, and to authorize and take such other necessary and appropriate action in furtherance of the transactions contemplated in the documents described herein, the Commission of the District adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of the District as follows:

SECTION 1: The District is authorized to enter into one or more Power Supply Contract(s) with the Issuer, pursuant to which the District will purchase electricity from the Issuer in accordance with the terms thereof. The Power Supply Contract(s) shall be in substantially the form submitted and attached hereto as Attachment A, which such form is hereby approved, to include such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes.

SECTION 2: The District is authorized to enter into Limited Assignment Agreements with the PPA Counterparties and J. Aron assigning certain rights and obligations under the PPAs to J. Aron, as set forth in the Limited Assignment Agreements. The District is authorized to execute any letter agreement with J. Aron regarding matters relating to the Limited Assignment Agreements. The Limited Assignment Agreements shall be in substantially the form submitted and attached hereto as Attachment B, which such form is hereby approved, to include such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes. The District is also authorized to enter into any Limited Assignment Agreements, in substantially the same form as attached hereto, for assignments, of any other or additional power purchase agreements during the term of the Power Supply Contract(s).

SECTION 3: The approvals provided for herein shall be subject to the following parameters:

- (a) the Bonds will not be obligations of the District, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged therefor under the Indenture, including amounts payable by the District under the Power Supply Contract(s);
- (b) the amount of electricity to be purchased under the Power Supply Contract(s) shall not in the aggregate exceed 1,300,000 megawatt-hours ("MWh") per year; and
- (c) the savings to the District under the Power Supply Contract(s) on an annual basis shall be at least 6%.

SECTION 4: Subject to the foregoing, the General Manager, Chief Financial Officer/Treasurer, and Senior Manager of Treasury and Financial Planning/Deputy Treasurer, and any successor to the functions of such offices (the "Designated Representative") are hereby authorized to execute and deliver the Power Supply Contract(s) and the Limited Assignment Agreements (including any initial or future Limited Assignment Agreements). The signature of one Designated Representative shall be sufficient to bind the District. The Designated Representative shall cause the District to take all action on its part as are necessary to complete the Power Supply Contract(s) and the Limited Assignment Agreements and to provide for the delivery of all certificates, custodial agreements, legal opinions and other deliverables required thereunder.

SECTION 5: The officers, employees, and agents of the District are hereby authorized and directed to take such actions and do all things necessary to cause the transactions contemplated by the Power Supply Contract(s) and the Limited Assignment Agreements to take place, including the payment of all amounts required to be paid in order to purchase the electricity in accordance with the Power Supply Contract(s).

SECTION 6: The officers and employees of the District, as well as any other agent or representative

of the District, are hereby authorized and directed to cooperate with and provide the Issuer, the underwriters of the Bonds, and their agents and representatives with such information relating to the District as may be necessary for use in the preparation and distribution of a Preliminary Official Statement and Official Statement (the "Offering Documents"), or other disclosure document used in connection with the offering and sale of the Bonds. Any Designated Representative is hereby authorized and directed, for and on behalf of the District, to execute and deliver a certificate as to the information regarding the District contained in the Offering Documents. The District is authorized to comply with its requirement in the Power Supply Contract(s) to provide annual financial and operating information to the Issuer to enable the Issuer to comply with its continuing disclosure undertaking in connection with the Bonds.

SECTION 7: If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 8: This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank.]

PASSED AND ADOPTED this 22 day of September, 2026.

Motion was approved by Commissioner Pyle and seconded by Commissioner Wilson authorizing the General Manager/CEO to execute Change Order No. 3 to Contract 430-12924 with ROI Insight Group LLC increasing the not-to-exceed contract amount by \$1,750,000.00 for a new contract total of \$5,225,000.00 extending the contract term to January 31, 2027, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 9080 for charges incurred as a result of Change Order No. 3. After consideration, the motion passed by unanimous vote of the Commission.

Motion approved by Commissioner Flint and seconded by Commissioner Cox to the terms of a Settlement Agreement among the United States of America Entity, as defined in the Columbia River Treaty ("Treaty"), Article I, Section (1)(g), acting by and through the United States Department of Justice and on behalf of Travis Kavulla, acting in his official capacity as the Administrator of the Bonneville Power Administration ("BPA") OF1 and Brigadier General William C. Hannan Jr. in his official capacity as Commander, U.S. Army Corps of Engineers, Northwestern Division, (collectively the "U.S. Entity") and Public Utility District No. 1 of Chelan County ("Chelan County PUD"), Public Utility District No. 1 of Douglas County ("Douglas County PUD"), and Public Utility District No. 2 of Grant County ("Grant County PUD") (collectively, the "Mid-Cs") (hereafter collectively referred to as the "Parties"), through their authorized representatives to settle all claims arising from CV-00204-TOR in the United States District Court Eastern District of Washington and authorizing the CEO/GM to sign the Settlement Agreement on behalf of Grant County PUD when he deems it appropriate. After consideration, the motion passed by unanimous vote of the Commission.

There being no further business to discuss, the Commission adjourned at 2:05 p.m. on September 22 and reconvened on Thursday, September 24 at 2:00 p.m. at Wanapum Dam, Beverly, Washington for the purpose of attending a site tour and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 4:00 p.m. on September 24 and reconvened on Wednesday, September 30 at 8:30 a.m. at Wanapum Heritage Center, Highway 243 S, Beverly, Washington for the purpose of attending Elder's Day and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 1:30 p.m. on September 30 and reconvened on Saturday, October 3 at 12:00 p.m. at Hilton Garden Inn Spokane Airport, Spokane, Washington for the purpose of travel to site visits in Georgia thru Wednesday, October 7 and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 5:00 p.m. on October 7 and reconvened at 8:30 a.m. on October 13 at Grant PUD's Main Headquarters Building, Commission Room, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at _____ on October 13 and reconvened at 8:30 a.m. on October 20 at Grant PUD's Main Headquarters Building, Commission Room, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the September 22, 2026 meeting officially adjourned at _____ on October 20, 2026.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

For Commission Review – 10/13/2026

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S CUSTOMER FEE SCHEDULE

Recitals

1. Grant PUD is authorized by RCW 54.16.040 to regulate and control the use, distribution, rates, service, charges, and price of energy; and
2. Grant PUD's Senior VP of Retail Operations and staff are of the opinion that the revised Customer Fee Schedule attached hereto is in the best interest of Grant PUD.

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

Section 1: The revised Customer Fee Schedule attached hereto is hereby approved and adopted and shall be effective November 1, 2026.

Section 2: As of November 1, 2026, any prior resolutions inconsistent with the Customer Fee Schedule adopted herein, including Resolution No. 9098, are hereby superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

August 17, 2026

TO: John Mertlich, General Manager/CEO ^{Initial} 

VIA: Ty Ehrman, Sr. VP Retail Operations 
Fallon Long, Interim VP Customer Experience 

FROM: Cary West, Senior Manager Customer Solutions 

SUBJECT: Amended Customer Fee Schedule

Purpose: To request Commission approval of proposed updates to Grant PUD's Customer Fee Schedule, effective November 1, 2026.

Discussion: The changes to the Customer Fee Schedule includes increasing the Line Extension True-Up provision from the current \$20,000 threshold to \$40,000 is recommended to reflect the significant increases in labor and material costs since the provision was introduced in 2023. The proposed adjustment also aligns the threshold more closely with those of comparable regional utilities. Raising the true-up threshold is expected to enhance the customer experience by reducing administrative complexity and enabling more timely project closeouts for line extension projects subject to the true-up provision.

Fee Schedule Revision History: Last updated August 26, 2025 via Resolution 9098.

Legal Review: See attached email.

Recommendation: Commission approval of the amended Customer Fee Schedule, effective November 1, 2026.



CUSTOMER FEE SCHEDULE

Approved by: Resolution XXXX

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
2.14	Revenue Protection and Power Diversion Fees	Actual Damages, plus up to three times, pursuant to RCW 80.28.240
2.14 B	Meter Resealing Fee	\$100.00
4.0, 4.5.1 A, 4.5.1 B, 4.11.1 B	Meter Fees: 120/240V 200A Single Phase Meter _____ 120/240V 320A Single Phase Meter _____ - For all other types of Meters	\$225.00 \$325.00 Consult with Customer Engineering
4.5.1 A	Line Extension Fee If the Design Cost is \$40,000 or greater, a true-up provision applies pursuant to a Time and Materials Contract. If actual costs are above the Design cost, the Customer will be billed for the difference. If the actual costs are below the Design cost, the Customer will receive an account credit for the difference.	Actual Fee per Design A 25% discount, up to a maximum of \$2,500, is available to Residential Customers on Rate Schedule 1, excluding plat developers. A 25% discount, up to a maximum of \$10,000, is available to Irrigation and Agricultural Services Customers on Rate Schedules 3 and 3B.
4.5.1 B	Underground Simple Service Fee (if moped and fiber handhole are already installed) _____ Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)	Electric - \$850.00 Fiber - \$400.00 Electric - \$450.00 Fiber - \$430.00
4.5.1 D	Overhead Temporary Service _____ Underground Temporary Service	\$380.00 \$340.00
5.3.5	Service Modification Fee	\$350.00
5.3.5	False Call Fee	\$215.00
5.4.7	Meter Obstruction Fee	Basic Charge



CUSTOMER FEE SCHEDULE

Approved by: Resolution XXXX

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
5.6.1	Net Metering Fees: - New Installation Application Fee - Modification of Facilities Application Fee	\$700.00 \$300.00
6.1	Manual Meter Read Charges: - Installation Charge - Monthly Meter Read Charge	\$250.00 \$65.00
6.7	Return Check Fee	\$25.00
6.10	Monthly Late Payment Charge (LPC) <i>The LPC rate is updated annually on April 1 and is rounded to two decimal places.</i> Monthly Minimum LPC (by Customer Class): - Residential, Irrigation, Agricultural Services, General Service - Large General Service, Industrial, Large Industrial	The greater of: 2%, or The U.S. Prime Lending Rate as of the preceding March 15, plus 12%, divided by twelve (12) \$5.00 \$50.00
6.11	Account Service Charge	\$15.00
6.12	After-Hours Fees: - Call Center – Customer Service * - On-Site – Field Service * <i>For non-remote meter turn-on / turn-off</i> * Combined fees apply when both call-outs are applicable - On-Site Field Service – For maintenance, upgrades or other necessary work	\$250.00 \$450.00 Actual Charges including labor (at applicable overtime rates), materials, equipment and administrative costs
6.17.1	Disconnect for Non-Payment Fee	\$50.00
6.18	Door Tag Fee	\$50.00



CUSTOMER FEE SCHEDULE

Approved by: Resolution XXXX

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
8.1	Large Electric Service Application Fee and Related Refund Potential: 0.5 MW to 5 MW _____ > 5 to 10 MW _____ > 10 to 40 MW _____ > 40 to 80 MW _____ - Over 80 MW (*requires different process)	\$2,500.00, Non-refundable \$12,500.00, Refundable to 85.0% less any costs incurred \$40,000.00, Refundable to 90.0% less any costs incurred \$60,000.00, Refundable to 92.5% less any costs incurred Variable (min. \$60,000.00), Refundable to 92.5% less any costs incurred
8.5	Redundant Capacity Monthly Charge	\$0.85 per kW

Effective Date: ~~11/1/2026~~	Supersedes: ~~9/1/2025~~	Related Documents: Customer Service Policy
 CUSTOMER FEE SCHEDULE		
Approved by: Resolution ###		

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
2.14	Revenue Protection and Power Diversion Fees	Actual Damages, plus up to three times, pursuant to <u>RCW 80.28.240</u>
2.14 B	Meter Resealing Fee	\$100.00
4.0, 4.5.1 A, 4.5.1 B, 4.11.1 B	Meter Fees: 120/240V 200A Single Phase Meter 120/240V 320A Single Phase Meter - For all other types of Meters	\$225.00 \$325.00 Consult with Customer Engineering
4.5.1 A	Line Extension Fee If the Design Cost is ~~\$40,000~~ or greater, a true-up provision applies pursuant to a Time and Materials Contract. If actual costs are above the Design cost, the Customer will be billed for the difference. If the actual costs are below the Design cost, the Customer will receive an account credit for the difference.	Actual Fee per Design A 25% discount, up to a maximum of ~~\$2,500~~ , is available to Residential Customers on Rate Schedule 1, <i>excluding plat developers</i> . A 25% discount, up to a maximum of ~~\$10,000~~ , is available to <u>Irrigation and Agricultural Services</u> Customers on Rate Schedules <u>3 and 3B</u> .
4.5.1 B	Underground Simple Service Fee (if moped and fiber handhole are already installed) Overhead Simple Service Extension Fee (if transformer is already on pole and pole is within 100' of new meter base/mast)	Electric - \$850.00 Fiber - \$400.00 Electric - \$450.00 Fiber - \$430.00
4.5.1 D	Overhead Temporary Service Underground Temporary Service	\$380.00 \$340.00
5.3.5	Service Modification Fee	\$350.00
5.3.5	False Call Fee	\$215.00
5.4.7	Meter Obstruction Fee	Basic Charge

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Effective Date: ~~11/1/2026~~	Supersedes: ~~9/1/2025~~	Related Documents: Customer Service Policy
 CUSTOMER FEE SCHEDULE		
Approved by: Resolution ###		

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
5.6.1	Net Metering ~~Fees~~ : ~~New Installation~~ Application Fee ~~Modification of Facilities~~ Application Fee	\$700.00 \$300.00
6.1	~~Manual Meter Read~~ ~~Charges~~ : ~~Installation Charge~~ ~~Monthly Meter Read Charge~~	\$250.00 \$65.00
6.7	Return Check Fee	\$25.00
6.10	<u>Monthly Late Payment Charge (LPC)</u> <i>The LPC rate is updated annually on April 1 and is rounded to two decimal places.</i> Monthly Minimum LPC (by Customer Class): - Residential, Irrigation, ~~Agricultural Services~~, General Service - Large General Service, Industrial, ~~Large Industrial~~	<u>The greater of:</u> <u>2%,</u> <u>or</u> <u>The U.S. Prime Lending Rate as of the preceding March 15, plus 12%, divided by twelve (12)</u> \$5.00 \$50.00
6.11	Account Service Charge	\$15.00
6.12	After-Hours Fees: - Call Center – ~~Customer Service~~ * ~~On-Site~~ – ~~Field Service~~ * <i>For non-remote meter turn-on / turn-off</i> * Combined fees apply when both call-outs are applicable ~~On-Site~~ ~~Field Service~~ – ~~For~~ maintenance, upgrades or other necessary work	\$250.00 \$450.00 Actual Charges including labor (at applicable overtime rates), materials, equipment and administrative costs
6.17.1	Disconnect ~~for Non-Payment~~ Fee	\$50.00
6.18	Door Tag Fee	\$50.00

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Effective Date: ~~11/1/2026~~	Supersedes: ~~9/1/2025~~	Related Documents: Customer Service Policy
 CUSTOMER FEE SCHEDULE		
Approved by: Resolution ###		

Fees shown on the Fee Schedule are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

Customer Service Policy Section	Item	Fee
8.1	Large Electric Service Application Fee and Related Refund Potential:	
	• 0.5 MW to 5 MW	\$2,500.00, Non-refundable
	• ~~> 5~~ to 10 MW	\$12,500.00, ~~Refundable to 85.0% less any costs incurred~~
	• ~~> 10~~ to 40 MW	\$40,000.00, ~~Refundable to 90.0% less any costs incurred~~
	• ~~> 40~~ to 80 MW	\$60,000.00, ~~Refundable to 92.5% less any costs incurred~~
	• Over 80 MW (*requires different process)	Variable (min. \$60,000.00), ~~Refundable to 92.5% less any costs incurred~~
8.5	Redundant Capacity ~~Monthly~~ Charge	\$0.85 per kW

Deleted: 9/1/2025
Deleted: 12/1/2024
Deleted: 9098
Deleted: ¶
Deleted: 6
Deleted: of Application Fee
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Deleted: 1
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Deleted: of Application Fee
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Deleted: direct purchases
Deleted: Monthly charge of
Deleted: ¶
Deleted: *Notes for Customer Service Policy Section 8.1:¶
¶
For additional information on Large Power Applications, Facility Studies, and Application Refunds see Customer Service Policy Sections 8.1 through 8.5. ¶
¶
Application fees minus the expended costs will be applied as a credit to the overall costs of th

For Commission Review – 10/13/2026

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S RETAIL WAIVING AUTHORITY LIMITS AND BACK BILLING POLICY

Recitals

1. Grant PUD adopted a Retail Waiving Authority Limits and Back Billing Policy on August 26, 2025 via Resolution No. 9098; and
2. Grant PUD's Senior VP of Retail Operations and staff are of the opinion that the revised Retail Waiving Authority Limits and Back Billing Policy attached hereto is in the best interest of Grant PUD.

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

Section 1: The revised Retail Waiving Authority Limits and Back Billing Policy attached hereto is hereby approved and adopted and shall be effective November 1, 2026.

Section 2: As of November 1, 2026, any prior resolutions inconsistent with the Retail Waiving Authority Limits and Back Billing Policy adopted herein, including Resolution No. 9098, are hereby superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

M E M O R A N D U M

September 23, 2026

TO: John Mertlich, General Manager/CEO ^{Initial} TE

VIA: Ty Ehrman, Sr. VP Retail Operations
Fallon Long, Interim VP Customer Experience ^{Initial} CSW ^{DS} FL

FROM: Cary West, Senior Manager Customer Solutions

SUBJECT: Amend Retail Waiving Authority Limits and Back Billing Policy

Purpose: To request Commission approval of proposed updates to Grant PUD's Retail Waiving Authority Limits and Back Billing Policy, effective November 1, 2026.

Discussion: The changes to the policy include:

- An administrative update is required to revise the reference to the Line Extension True-Up provision in Table 1, increasing the threshold from the current \$20,000 to \$40,000 to align with the proposed Customer Fee Schedule update. Table 1 establishes approval authority based on whether a work order falls above or below the Line Extension True-Up threshold. Updating this reference will ensure consistency between the policy and the Customer Fee Schedule. Refer to Customer Fee Schedule related memo for justification to increase the Line Extension True-Up threshold.
- Remove "Damage to District" from Table 1 because all related claims and settlements are administered by the Risk Department under established processes and procedures.

Policy Revision History: Last updated August 26, 2025 via Resolution 9098.

Legal Review: See attached email.

Recommendation: Commission approval of the amended Retail Waiving Authority Limits and Back Billing Policy, effective November 1, 2026.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

CSS-DW-POL-100 – RETAIL WAIVING AUTHORITY LIMITS AND BACK BILLING POLICY

1. Scope

This policy applies to Customer Solutions employees, Large Power Solutions employees and Supervisors/Management from Finance and Power Delivery.

2. Policy Statement

Certain customer charges billed through the District's Customer Information System (CIS) may be waived per occurrence under specific circumstances using both tables below establishing authority limits by charge type and positions.

3. Back Billing Memorandums

Any back billing occurrences extending beyond six (6) prior bill periods with a net impact of \$25,000 or greater will be documented in a memorandum and sent to the Vice President of Customer Experience in advance of the back billing completion.

4. Waiving Limits and Delegated Authority

Reporting of account waivers, rebills and back billing will be available monthly; reviewed by a Customer Solutions Supervisor and distributed to the Vice President of Customer Experience, Chief Financial Officer, Senior Manager of Customer Solutions, Senior Manager of Accounting, Senior Manager of Treasury, Enterprise Risk Manager.

Customer account adjustments/reversals due to Grant PUD errors/corrections which result in rebills or back billing are outside of the waiving authority limits stated below.

Table 1: Delegated authority by charge type for this Policy:

Charge	Waiver	Discretion ⁽¹⁾	Authority (See Table 2)
Account Service Charge	A customer may be granted one (1) waiver per service agreement over a rolling twelve (12) month period.	Customer must provide reasonable justification.	Customer Service Rep or above.
After-Hours Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or Dispatch Manager, or above.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Charge	Waiver	Discretion ⁽¹⁾	Authority (See Table 2)
After-Hours Scheduled Work Charges	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Senior Manager and Power Delivery C&M Senior Manager and Accounting Senior Manager, or above.
Demand Charges	Outside of normal operating conditions such as start-up and/or certain spike events.	Abnormal interval patterns to be reviewed and confirmed by the Meter Relay Shop Supervisor or designee.	Customer Solutions Senior Manager and Power Delivery C&M Senior Manager, or above.
Disconnect Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or above.
Door Tag Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or above.
False Call Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or Line Department Supervisor, or above.
Late Payment Charge (LPC)	A customer may be granted one (1) waiver per service agreement over a rolling twelve (12) month period.	Customer must provide reasonable justification.	Refer to Table 2. For LPCs \$250 or greater, must have concurring approval by the Senior Manager Customer Solutions, or above.
Line Extension Fee (At or below a cost quote of \$40,000)	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor and Distribution System Engineering Supervisor, or above.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Charge	Waiver	Discretion ⁽¹⁾	Authority (See Table 2)
Line Extension Fee (Above a cost quote of \$40,000)	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Senior Manager and Power Delivery C&M Senior Manager and Power Delivery Engineering Senior Manager and Accounting Senior Manager, or above.
Manual Meter Installation or Read Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or above.
Meter Obstruction Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or above.
Return Check Fee	A customer may be granted one (1) waiver per account over a rolling twelve (12) month period.	Customer must provide reasonable justification.	Customer Service Rep or above.
Simple Service Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor and Distribution System Engineering Supervisor, or above.
Temporary Service Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor and Distribution System Engineering Supervisor, or above.
All Other Charges / Fees	Per case-by-case occurrence.	All other charges / fees not outlined above.	Customer Solutions Senior Manager and other Senior Manager (from originating / requesting department) if applicable, or above.

⁽¹⁾ **Discretion** - Reasonable justification implies having a valid and rational explanation for the request or a compelling reason that justifies the waiver.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Table 2: Delegated authority dollar thresholds per occurrence for this Policy:

Position	Amount
Customer Service Reps and Customer Accounting Reps	Up to \$250
Supervisor, Manager, Senior Manager levels	Up to \$2,500
Vice President of Customer Experience and Chief Financial Officer (CFO) with concurring approvals	Up to \$5,000
Senior Vice President of Retail Operations ⁽²⁾	\$5,000 and above

⁽²⁾ Occurrences above \$5,000 will be provided to the Board of Commissioners as an FYI.

5. Reasonable Justification

Guidelines for reasonable justification include:

- Financial Hardship: Demonstrating a genuine inability to afford the fees due to financial constraints.
- Special Circumstances: Providing evidence of unexpected and unavoidable circumstances that impact the ability to pay, such as medical emergencies or extraordinary events.
- Consistent Payment History: A history of timely payments showing that the request is not a regular occurrence.
- Communication: Open and transparent communication explaining the situation and seeking a mutually agreeable solution.
- Minimal to No Loss of Costs incurred by Grant PUD: Waivers associated with customer charges such that there is minimal to no loss of actual costs incurred by Grant PUD in relation to the customer charge.

6. Risks/Risk Owners

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

- Authority Risk
- Customer Needs and Wants Risk
- Customer Satisfaction Risk
- Governance Risk
- Quality Risk
- Reputation Risk
- Resource Utilization Risk

Risk Owners:

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

- Policy Owners
- Policy Administrators
- Policy reviewers
- Policy approvers

7. Related Documents

Additional documents related to this policy include, but are not limited to, those listed below and any successor, replacement, or superseding documents.

- Customer Service Policy
- Customer Fee Schedule
- Receipting of Grant PUD Funds

8. Review / Revision History

Effective Date	Description
11/1/2026	Updates Line Extension True-up threshold to \$40,000 for consistency with Customer Fee Schedule. Removes Damage to District from Table 1 as it is handled separately through Risk.
9/1/2025	Replaces INT-001 Calculating Late Payment Charge (LPC) Section 3 Waiving Authority. This new District Policy provides a more comprehensive framework for customer waivers and reporting. Adopted via Resolution 9098.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
		
DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Deleted: 1
Deleted: Customer Service Policy and Related Fee Schedule, Invoicing and Receipting of District Funds
Deleted: 09
Deleted: 2025
Deleted: : 9/1/2025N/A

CSS-DW-POL-100 – RETAIL WAIVING AUTHORITY LIMITS AND BACK BILLING POLICY

1. Scope

This policy applies to Customer Solutions employees, Large Power Solutions employees and Supervisors/Management from Finance and Power Delivery.

2. Policy Statement

Certain customer charges billed through the District’s Customer Information System (CIS) may be waived per occurrence under specific circumstances using both tables below establishing authority limits by charge type and positions.

3. Back Billing Memorandums

Any back_billing occurrences extending beyond six (6) prior bill periods with a net impact of \$25,000 or greater will be documented in a memorandum and sent to the Vice President of Customer Experience in advance of the back_billing completion.

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4. Waiving Limits and Delegated Authority

Reporting of account waivers, rebills and back_billing will be available monthly; reviewed by a Customer Solutions Supervisor and distributed to the Vice President of Customer Experience, Chief Financial Officer, Senior Manager of Customer Solutions, Senior Manager of Accounting, Senior Manager of Treasury, Enterprise Risk Manager.

Customer account adjustments/reversals due to Grant PUD errors/corrections which result in rebills or back_billing are outside of the waiving authority limits stated below.

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Charge	Waiver	Discretion ⁽¹⁾	Authority (See Table 2)
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After-Hours Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor or Dispatch Manager, or above.

Effective Date:
11/01/2026

Version: 2
Supersedes: 1

Related Documents: See Section 7



DISTRICT POLICY

Approved by: Commission

Regulations: Resolution XXXX

Policy Owner: Senior Manager Customer Solutions

Policy Category: Customer

Deleted: 1

Deleted: Customer Service Policy and Related Fee Schedule, Invoicing and Receipting of District Funds

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Charge	Waiver	Discretion ⁽¹⁾	Authority (See Table 2)
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Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Deleted: 1
Deleted: Customer Service Policy and Related Fee Schedule, Invoicing and Receipting of District Funds
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Temporary Service Fee	Per case-by-case occurrence.	Customer must provide reasonable justification.	Customer Solutions Supervisor and Distribution System Engineering Supervisor, or above.
All Other Charges / Fees	Per case-by-case occurrence.	All other charges / fees not outlined above.	Customer Solutions Senior Manager and other Senior Manager (from originating / requesting department) if applicable, or above.

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⁽¹⁾ **Discretion** - Reasonable justification implies having a valid and rational explanation for the request or a compelling reason that justifies the waiver.

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
 DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

Deleted: 1
Deleted: Customer Service Policy and Related Fee Schedule, Invoicing and Receipting of District Funds
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Deleted: 2025
Deleted : 9/1/2025N/A

Table 2: Delegated authority dollar thresholds per occurrence for this Policy:

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Senior Vice President of Retail Operations ⁽²⁾	\$5,000 and above

⁽²⁾ Occurrences above \$5,000 will be provided to the Board of Commissioners as an FYI.

5. Reasonable Justification

Guidelines for reasonable justification include:

- Financial Hardship: Demonstrating a genuine inability to afford the fees due to financial constraints.
- Special Circumstances: Providing evidence of unexpected and unavoidable circumstances that impact the ability to pay, such as medical emergencies or extraordinary events.
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6. Risks/Risk Owners

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

- | | |
|--|--|
| <ul style="list-style-type: none"> • Authority Risk • Customer Needs and Wants Risk • Customer Satisfaction Risk • Governance Risk | <ul style="list-style-type: none"> • Quality Risk • Reputation Risk • Resource Utilization Risk |
|--|--|

Risk Owners:

Effective Date: 11/01/2026	Version: 2 Supersedes: 1	Related Documents: See Section 7
		
DISTRICT POLICY		
Approved by: Commission		Regulations: Resolution XXXX
Policy Owner: Senior Manager Customer Solutions		Policy Category: Customer

- Policy Owners
- Policy Administrators
- Policy reviewers
- Policy approvers

7. Related Documents

Additional documents related to this policy include, but are not limited to, those listed below and any successor, replacement, or superseding documents.

- Customer Service Policy
- Customer Fee Schedule
- Receipting of Grant PUD Funds

8. Review/Revision History

Effective Date	Description
11/1/2026	Updates Line Extension True-up threshold to \$40,000 for consistency with Customer Fee Schedule. Removes Damage to District from Table 1 as it is handled separately through Risk.
9/1/2025	Replaces INT-001 Calculating Late Payment Charge (LPC) Section 3 Waiving Authority. This new District Policy provides a more comprehensive framework for customer waivers and reporting. Adopted via Resolution 9098.

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Deleted: Customer Service Policy and Related Fee Schedule, Invoicing and Receipting of District Funds

Deleted: 09

Deleted: 2025

Deleted: : 9/1/2025N/A

Deleted: <#>Accounts Receivable Policy¶

Deleted: <#>Invoicing and Receipting of District Funds¶

Deleted: pdates threshold for memorandum to Commission for waivers granted to \$25,000 Section 2 threshold for memorandum to Commission for backbilling instances.

For Commission Review – 10/13/2026

RESOLUTION NO. XXXX

A RESOLUTION ADOPTING SMALL WORKS CONTRACT PROVISIONS OF CHAPTER 39.04
RCW AND SUPERSEDING RESOLUTION NO. 9049

Recitals

1. Grant PUD adopted certain Small Works Contract provisions on May 14, 2024, via Resolution 9049.
2. In its 2026 Regular Session, the Washington State Legislature passed Substitute House Bill 2420 amending small works contract limits.
3. The General Manager/CEO and Procurement staff recommend adopting the Small Works Contract provisions of Chapter 39.04 RCW as amended from time to time.

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

Section 1: Small Works Contract procedures may be used for awarding contracts for work with an estimated cost as authorized by RCW 39.04.152, as amended from time to time; and

Section 2: The General Manager/CEO delegation levels, for the purpose of approving Small Works Contracts, shall be limited to the amounts specified in RCW 39.04.152, as amended from time to time; and

Section 3: The General Manager/CEO is authorized to revise Grant PUD's Small Works Contract policies as appropriate provided such revisions are compliant with Chapter 39.04 RCW as amended from time to time; and

Section 4: This resolution shall rescind and supersede Resolution No. 9049 and any other prior related resolutions, to the extent that they conflict with this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27th day of October, 2026.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

September 24, 2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Ty Ehrman, Sr VP Retail Operations *TE*
Fallon Long, Vice President of Shared Services FL
Patrick Bishop, Senior Manager of Supply Chain/Procurement *PB*

FROM: Lori Englehart-Jewell, Supply Chain Supervisor - Procurement *LEJ*

SUBJECT: Small Works Contract Provisions and Related Policy Delegation

Purpose: To adopt the small works contract provisions of Chapter 39.04 RCW, Public Works, as amended from time to time and maintain the delegation of authority for approval of Grant PUD's small works contract policies to the General Manager/CEO.

Discussion: The small works contract provisions of Chapter 39.04 RCW are periodically revised by the Washington State Legislature. This includes, but is not limited to, revisions related to procedures for the use of a small works roster (RCW 39.04.151), associated dollar limits (RCW 39.04.152), and requirements to post a list of awarded contracts (RCW 39.04.200).

The most recent change was approved this year, with new small works contract limits going into effect on January 1, 2027. Historically, a new resolution has been passed by Grant PUD each time these changes by the legislature occur. To minimize the administrative processes associated with these changes, staff recommends that the Commission adopt the small works contract provisions of Chapter 39.04 RCW, as amended from time to time, and maintain the delegation of authority for approval of Grant PUD's related policies to the General Manager/CEO provided such policies are compliant with Chapter 39.04 RCW. For clarity, this means future revisions to the statutes that impact Grant PUD's small works contract policies would not require further Commission action.

This action will supersede Resolution No. 9049 adopting certain small works contract limits on May 14, 2024.

Recommendation: Commission approval to adopt the small works contract provisions of Chapter 39.04 RCW, Public Works, as amended from time to time, and maintain the delegation of authority for approval of Grant PUD's small works contract policies to the General Manager/CEO provided such policies are compliant with Chapter 39.04 RCW.

Legal Review: See attached e-mail.

MEMORANDUM

Final Audit Report

2026-09-24

Created:	2026-09-24
By:	Patrick Bishop (pbishop@gcpud.org)
Status:	Approved
Transaction ID:	CBJCHBCAABAAstNEVCfq4KPjE4BaxMex_mK7lbsolBrb

"MEMORANDUM" History

-  Document created by Patrick Bishop (pbishop@gcpud.org)
2026-09-24 - 9:36:59 PM GMT
-  Document emailed to Lori Englehart-Jewell (lengleh@gcpud.org) for approval
2026-09-24 - 9:37:03 PM GMT
-  Email viewed by Lori Englehart-Jewell (lengleh@gcpud.org)
2026-09-24 - 9:44:43 PM GMT
-  Document approved by Lori Englehart-Jewell (lengleh@gcpud.org)
Approval Date: 2026-09-24 - 9:46:05 PM GMT - Time Source: server - Signature Appearance Selected: TYPE
-  Document emailed to Patrick Bishop (pbishop@gcpud.org) for approval
2026-09-24 - 9:46:06 PM GMT
-  Email viewed by Patrick Bishop (pbishop@gcpud.org)
2026-09-24 - 10:03:09 PM GMT
-  Document approved by Patrick Bishop (pbishop@gcpud.org)
Approval Date: 2026-09-24 - 10:03:26 PM GMT - Time Source: server - Signature Appearance Selected: TYPE
-  Document emailed to Fallon Long (flong@gcpud.org) for approval
2026-09-24 - 10:03:27 PM GMT
-  Email viewed by Fallon Long (flong@gcpud.org)
2026-09-24 - 10:29:50 PM GMT
-  Document approved by Fallon Long (flong@gcpud.org)
Approval Date: 2026-09-24 - 10:30:13 PM GMT - Time Source: server - Signature Appearance Selected: TYPE
-  Document emailed to Ty Ehrman (tehrman@gcpud.org) for approval
2026-09-24 - 10:30:14 PM GMT

 Email viewed by Ty Ehrman (tehrman@gcpud.org)

2026-09-24 - 10:39:18 PM GMT

 Document approved by Ty Ehrman (tehrman@gcpud.org)

Approval Date: 2026-09-24 - 10:45:24 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

 Agreement completed.

2026-09-24 - 10:45:24 PM GMT

For Commission Review – 10/13/2026

Motion authorizing payment of non-compliant purchase from Farmers Electric II LLC, for invoice number 14734 dated June 8, 2026, in the amount of \$23,458.84.

XXXX

MEMORANDUM

September 21, 2026

TO: John Merlich, General Manager/Chief Executive Officer

VIA: Ty Ehrman, Sr. VP Retail Operations *Ty Ehrman* Oct 1, 2026
Ron Alexander, VP of PD Operations *Ronald Alexander* Oct 1, 2026
Dale Campbell, Sr. Manager PD Engineering

FROM: Dan Niehenke, Manager of Engineering *DN* Oct 1, 2026
Daniel Niehenke (Oct 1, 2026 16:42:20 PDT)

SUBJECT: Request to Pay Unauthorized Purchase

Purpose:

Request Commission approval to authorize payment of Farmers Electric II LLC invoice 14734, dated June 8, 2026, in the amount of \$23,415.56 for completed contractor work that exceeded the direct-purchase authority and proceeded before a purchase order was issued.

Description of unauthorized purchase:

Work Order 225554 was initiated to eliminate a remaining corner-grounded delta service and convert the service to a grounded-wye configuration. Farmers Electric II LLC provided a quote of \$23,458.84, which exceeded the direct-purchase limit in effect at the time. The work was authorized and completed before a purchase order was issued, creating an unauthorized purchase that requires Commission approval before payment can be made.

Details and history of the purchase:

The District has been converting remaining corner-grounded delta services to grounded-wye configurations because grounded-wye service is inherently safer for end users. From October 2022 through March 2023, Farmers Electric completed 36 conversions under contract for a District project. Since then, District staff have addressed additional remaining installations as they are identified, generally through direct purchases because prior individual conversions were below \$9,000. Design for this work order began on March 11, 2026, and a preliminary design and estimate were completed on April 1, 2026. Farmers Electric provided a quote of \$23,458.84 on April 7, 2026. District staff reviewed the quote for reasonableness due to the need to pull new secondary to the pump house, then authorized the contractor to proceed. Farmers Electric completed the work in May 2026 and issued invoice 14734 on June 8, 2026.

Total cost:

The total invoice amount is \$23,415.56, including \$21,641.00 for the bid price and \$1,774.56 in sales tax.

Violation (i.e., State Bid Law, Delegation of Authority, etc.):

The purchase violated the Purchase Authorization Table in effect at the time, effective January 27, 2026. The contractor quote exceeded the applicable direct-purchase authority and should have been processed through the purchase-order process before work was authorized. District staff reviewed the quote for reasonableness but did not verify the required purchasing method against the Purchase Authorization Table before authorizing the work.

Steps Taken to Avoid Future Violations:

To prevent recurrence, the Customer Engineering Manager will require the Customer Engineering Technician group to use the purchase-order process for all contractor work, regardless of dollar amount. This requirement will be communicated by email, reinforced during monthly team meetings, and incorporated into the group's purchasing expectations for future contractor-supported work.

Recommendation: Commission approval to pay Farmers Electric II LLC, invoice 14734, in the amount of \$23,415.56.

See attached invoice and background information.

CC: Pat Bishop, Senior Manager Supply/Procurement
McKayla Walz, Accounts Payable Supervisor
Dmitriy Turchik, Auditor

CSE NonComply Memo

Final Audit Report

2026-10-01

Created:	2026-10-01
By:	Anna Hirz (ahirz@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAz4nQUH1GQj-Rpj2s6udY79svTij1bWqa

"CSE NonComply Memo" History

-  Document created by Anna Hirz (ahirz@gcpud.org)
2026-10-01 - 11:36:38 PM GMT
-  Document emailed to Daniel Niehenke (dniehenke@gcpud.org) for signature
2026-10-01 - 11:38:47 PM GMT
-  Document emailed to Ronald Alexander (ralexander@gcpud.org) for signature
2026-10-01 - 11:38:47 PM GMT
-  Document emailed to Frederick Ehrman (tehrman@gcpud.org) for signature
2026-10-01 - 11:38:47 PM GMT
-  Email viewed by Frederick Ehrman (tehrman@gcpud.org)
2026-10-01 - 11:39:10 PM GMT
-  Email viewed by Ronald Alexander (ralexander@gcpud.org)
2026-10-01 - 11:39:19 PM GMT
-  Document e-signed by Ronald Alexander (ralexander@gcpud.org)
Signature Date: 2026-10-01 - 11:39:36 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE
-  Document e-signed by Frederick Ehrman (tehrman@gcpud.org)
Signature Date: 2026-10-01 - 11:40:07 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE
-  Email viewed by Daniel Niehenke (dniehenke@gcpud.org)
2026-10-01 - 11:42:06 PM GMT
-  Document e-signed by Daniel Niehenke (dniehenke@gcpud.org)
Signature Date: 2026-10-01 - 11:42:20 PM GMT - Time Source: server - Signature Appearance Selected: DRAW
-  Agreement completed.
2026-10-01 - 11:42:20 PM GMT



Adobe Acrobat Sign

Purchasing Procedure Violation

Work Order	225554
Task	Elimination of a corner-grounded delta service
Issue	Contractor quote of \$23,458.84 exceeded the direct-purchase limit, but the work proceeded without a purchase order.
Policy reference	Purchase Authorization Table in effect at the time (effective 1/27/26) Excerpt shown in Appendix A

1. Summary

The District initiated an internally generated work order to correct a remaining corner-grounded delta service. A contractor familiar with this work provided a quote to complete the requested work, which happened to be above the direct-purchase threshold. The work was subsequently completed without issuing a purchase order as required by the applicable Purchase Authorization Table.

2. History

In 1992, the District formally discontinued allowing new installation of Corner Grounded Delta (CGD) transformers for certain 3 phase services, and established criteria for bringing existing installations into compliance with National Electrical Safety Code requirements. A subsequent 1995 policy established a systematic, multiyear program to add system neutrals and convert existing CGD services with a “Grounded-Wye” configuration. This conversion provides an inherently safer service for the end user.

The District underwent a project from October 2022 to March 2023 to convert 36 of the remaining CGD services to a grounded-wye configuration. Farmers Electric was awarded the contract and completed the conversions. Even with these conversions completed, many more remained due to various reasons (complexities of permitting, coordination challenges, unknown installations, etc.).

As District staff are made aware of remaining installations, they attempt to update the service if possible. These services have been generally handled through direct purchases with the contractors as they have been lower value. There have been three instances since the initial project was completed where we have utilized Farmers Electric for these conversions, all of which were valued below \$9,000.

3. Known Sequence of Events

- **March 11, 2026:** Design initiated.
- **April 1, 2026:** Preliminary design and estimate completed. The ArcFM CMG estimate was \$13,899 and typically included internal charges only unless external costs were specifically added.
- **Early April 2026:** Brian met with the contractor onsite to review the work package.
- **April 7, 2026:** Contractor quote received for \$23,458.84; Brian forwarded it to Will for approval. Will called Brian to question the cost; Brian explained that a neutral conductor was not present and new secondary had to be pulled to the pump house. Will indicated that it was ok to proceed. Brian told the contractor that they could start work.
- **May 2026:** Contractor performed the work.
- **June 8, 2026:** Invoice prepared and post mailed to the District.
- **Unknown Date:** Invoice received by the District.

4. Analysis

District staff correctly provided the Contractor with a scope of work and asked for a quotation for services. The contractor provided the quotation as requested. Brian asked for a review; Will worked with Brian to determine the quote was reasonable for the work to be performed. Both Brian and Will missed an opportunity to compare the quotation against the Purchase Authority Table in effect at the time to qualify the correct purchasing method to utilize.

5. Impacts

- The purchase-order control was bypassed for contractor services above the direct-purchase limit.
- Payment to contractor is now delayed due to improper procurement method used.

6. Proposed Corrections

- Customer Engineering Manager will require the Customer Engineering Technician group to use the purchase-order process for all work utilizing contractors, regardless of the dollar amount.
 - Proposed changes will be communicated out via email communication and reinforced during monthly team meetings

- Alternative method would be to have an engineer handle all purchasing of services on behalf of the Customer Engineering Technician group. While feasible, it does introduce additional steps and burdens for other employees.

Appendix A – Supporting Documents

1. Contractor quote dated 4/7/2026.



509-488-2822
FAX 509-488-3229
PROPOSAL

CONTRACTOR # FARMEEI910R8

PROPOSAL SUBMITTED TO: Grant County PUD
CONTACT: Brian Owens
PHONE: 509-754-7685
CELL: 509-750-1563
EMAIL: bowens1@gcpud.org
DATE: 4/7/2026

ADDRESS 30 C Street / Po Box 878 Ephrata, WA 98823
PROPOSAL# 2026-04-662
JOB NAME Corner Ground Conversion
JOB ADDRESS Rd O and 25 Mattawa, WA 99349

WE HEREBY SUBMIT SPECIFICATIONS AND ESTIMATES FOR:

Remove old metering equipment.
Install New 127 TB meter base on rack next to transformer pole.
Update grounding as per NEC
Install new PVC schedule 80 mast and wire to weather head.
Install new 250 cable con feeder with neutral from meter base to pump house (service location)
Update grounding and bonding as per National Electrical Code

Material: \$10,691.00
Labor: \$7,400.00
Excavation/Backfill: \$3,100.00
Electrical permit/Prevailing wage filing: \$450.00
Sales Tax: \$1,817.84 (8.4%)
Total: \$23,458.84

NOTES:
ELECTRICAL PERMIT INCLUDED IN THIS PROPOSAL

We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of;
AS PER ABOVE DOLLARS

Payment to be made as follows: **NET 30 DAYS**

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above this estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature _____ Caleb Booth _____ Quote good for 10 days. Due to
increase with commodity pricing.
509-989-1156

ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date: _____ Signature: _____

2. Contractor invoice dated 6/8/2026.

FARMERS ELECTRIC II, LLC 30 EAST HEMLOCK OTHELLO, WA 99344 (509) 488-2822		Invoice							
		<table border="1"> <tr> <th>Date</th> <th>Invoice #</th> </tr> <tr> <td>6/8/2026</td> <td>14374</td> </tr> </table>	Date	Invoice #	6/8/2026	14374			
Date	Invoice #								
6/8/2026	14374								
<table border="1"> <tr> <td> Bill To GRANT COUNTY PUD 30 C STREET SW EPHRATA, WA 98823 </td> </tr> </table>				Bill To GRANT COUNTY PUD 30 C STREET SW EPHRATA, WA 98823					
Bill To GRANT COUNTY PUD 30 C STREET SW EPHRATA, WA 98823									
		<table border="1"> <tr> <th>P.O. No.</th> <th>Terms</th> <th>Project</th> </tr> <tr> <td>PROJECT 225554</td> <td>NET 10</td> <td></td> </tr> </table>	P.O. No.	Terms	Project	PROJECT 225554	NET 10		
P.O. No.	Terms	Project							
PROJECT 225554	NET 10								
Quantity	Description	Rate	Amount						
1	REPLACE METERING EQUIPMENT, TRENCH AND INSTALL NEW UNDER GROUND FEEDER, UPGRADE/RECONFIGURED CUSTOMER ELECTRICAL PANELS FROM CORNER GROUND BID PRICE	21,641.00	21,641.00						
	Sales Tax	8.20%	1,774.56						
		Total	\$23,415.56						

3. Applicable purchasing procedure and direct-purchase threshold in effect at the time.

Effective 1/27/26

Grant PUD Purchase Authorization Table
 All purchases must be compliant with RCWs and internal resolutions and policies, and are exclusive of sales tax.
 (\$50k limit for services/\$120k limit per like item for materials**)
 If your procurement may, or will, involve the use of federal funds, please refer to PU-DW-REF-021 – FEDERALLY FUNDED PROCUREMENT THRESHOLDS in PolicyTech.

EMPLOYEE LEVEL	*DIRECT AMOUNT (per invoice)	PCARD AMOUNT (per month)	PURCHASE ORDER AMOUNT	CONTRACT AMOUNT	CHANGE ORDER AMOUNT
	If purchase is over \$15k, contact Procurement.	Not To Exceed Monthly Totals Supervisor approval required at reconciliation	\$50k limit for services \$120k/mo. limit for material (like items**)	Expenditure approvals authorized when contract is approved	Expenditure approvals authorized when change order is approved. *****
Chief Dam Safety Officer					
Level 4a – Managers over Departments not specified in 3c;	\$15,000	\$15,000	\$60,000	None	None
Level 4b – Supervisors over Departments	\$10,000	\$15,000	\$60,000	None	None
Level 5 – All Remaining Employees Not Identified in the Exception Table (see pgs. 3 & 4)	\$1,000	\$5,000 w/dept. manager approval	\$1,000	None	None

Effective 1/27/26

Grant PUD Purchase Authorization – Exception Table
 All purchases must be compliant with RCWs and internal resolutions and policies, and are exclusive of sales tax.

EMPLOYEE LEVEL	*DIRECT AMOUNT (per invoice)	PCARD AMOUNT (per month)	PURCHASE ORDER AMOUNT	CONTRACT AMOUNT	CHANGE ORDER AMOUNT	PURPOSE OF EXCEPTION
	If purchase is over \$15k, contact Procurement.	Not To Exceed Monthly Totals Supervisor approval required at reconciliation	\$50k limit for services \$120k/mo. limit for material (like items**)	Expenditure approvals authorized when contract is approved	Expenditure approvals authorized when change order is approved	
Sr. Mgr. Enterprise Tech				\$250,000	\$250,000	Software license or maintenance renewals.
PD & PP Engineers, Telecom Engineers, Project Managers, PD & PP Maintenance Engineers, District Representatives specified in current contracts.	\$10,000	\$15,000	\$60,000	None	\$25,000 Immediate Need Labor Contract Change Orders Only (Note: DRs do not have authority for change orders that are not immediate need if expenditure approval level is zero.)	Project management
PD Engineer – Will Coe/John Kemman	\$15,000	\$15,000	\$60,000	None	None	C&M Support

2023 Administrative Assistant

4. Historical Payments to Farmers Electric

Vendor ID: FAEL00
 Name: FARMERS ELECTRIC II LLC

Documents: by Type ☒ All ☐ From: To:

Sort by: Document Date Ascending

Include: ☒ Work ☒ Open ☒ History

Origin	IC	Document Number	Type	Doc. Date	Original Amount	Unapplied Amount
		Voucher/Payment Number	Due Date	Disc. Date	Transaction Description	Currency ID
HIST		12473	INV	11/21/2022	\$167,516.32	\$0.00
HIST		12482	INV	11/21/2022	\$18,609.03	\$0.00
HIST		9000068699	PMT	12/14/2022	\$186,125.35	\$0.00
HIST		12528	INV	1/5/2023	\$149,993.33	\$0.00
HIST		9000069734	PMT	2/2/2023	\$149,993.33	\$0.00
HIST		12589	INV	3/15/2023	\$337,308.65	\$0.00
HIST		9000071226	PMT	4/13/2023	\$337,308.65	\$0.00
HIST		13030	INV	9/11/2023	\$5,330.37	\$0.00
HIST		9000075756	PMT	10/26/2023	\$5,330.37	\$0.00
HIST		13400	INV	3/19/2024	\$8,409.27	\$0.00
HIST		13475	INV	4/25/2024	\$2,307.78	\$0.00
HIST		9000082038	PMT	7/25/2024	\$8,409.27	\$0.00
HIST		8000007276	PMT	9/25/2025	\$2,307.78	\$0.00