AGENDA
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, January 14, 2020

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

9:00 a.m. Reports from Staff

12:00 Noon Lunch

1:00 p.m. Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

   Approval of Vouchers

   Meeting minutes of December 10, 2019

2. Regular Agenda

3. Review Items For Next Business Meeting

   Resolution XXXX – Accepting a Bid and Awarding Contract 230-08636, for Priest Rapids Right Embankment Improvement Project.

   Resolution XXXX – Accepting a Bid and Awarding Contract 130-09625, for Tree Trimming and Removal Services from February 202 to December 2021.

   Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 230-3871 with Brazil Quality Services, increasing the not-to-exceed contract amount by $2,350,000.00 for a new contract total of $6,650,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5. (xxxx)

   Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 430-3797 with Washington State Department of Fish & Wildlife, increasing the not-to-exceed contract amount by $1,457,609.00 for a new total of $3,779,548.80, extending the completion date to December 31, 2022 replacing Appendix B with Revised Appendix B Budget and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Amendment No. 5. (xxxx)
Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Amendment No. 1 to Interlocal Agreement 430-08136 with Carlton Acclimation Facility Operation, revising the scope of service, increasing the not-to-exceed contract amount by $995,591.00 for a new total of $1,342,995.00, extending the completion date to February 25, 2025 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Amendment No. 1.

Motion authorizing a transfer of the lesser of $28,000,000.00 or excess balance above $100,000,000.00 in the Electric System R&C fund for the purpose of cash defeasing Grant PUD outstanding debt. The amount in the non-rate stabilization fund is to be drawn first with the remainder coming from the rate stabilization portion.

4. Calendar

5. Reports from Staff (if applicable)

Adjournment
CONSENT AGENDA
The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington with the following Commissioners present: Dale Walker, President; Tom Flint, Vice-President; Larry Schaapman, Secretary; Judy Wilson, Commissioner (present after 11:10 a.m.); and Nelson Cox, Commissioner.

A round table discussion was held regarding the following topics: State Auditor Office (SAO) exit meeting and Commission representation on the Financial Advisory Committee (FAC).

Derin Bluhm, Chief Technology Officer, provided a TMG Contract Report.

Tom Dresser, Fish & Wildlife Manager, provided the Fish and Wildlife Report.

Ty Ehrman, Managing Director of Power Production, provided the Cultural Resources Program Report.

The Commission recessed at 11:10 a.m.

The Commission resumed at 11:15 a.m.

Rich Wallen, Chief Operating Officer, and Robert Lougee, Corrective Action Program Manager, provided the Corrective Action Program Report.

The Commission recessed at 11:45 a.m.

The Commission resumed at 1:00 p.m.

The afternoon portion of the meeting was opened by reciting the Pledge of Allegiance.

Consent agenda motion was made Mr. Flint and seconded by Mr. Cox to approve the following consent agenda items:

<table>
<thead>
<tr>
<th>Payment Numbers</th>
<th>97943 through 98513</th>
<th>$13,546,982.60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Direct Deposit</td>
<td>150947 through 151627</td>
<td>$2,081,362.02</td>
</tr>
</tbody>
</table>

Meeting minutes of November 26, 2019.

RESOLUTION NO. 8935
A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Judy Wilson is hereby appointed as representative of Grant PUD to the Board of Directors of the Washington Public Utility Districts' Association, effective January 1, 2020 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Dale Walker, Tom Flint, Larry Schaapman, and Nelson Cox are hereby appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Wilson. Other Commissioners will not be precluded.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission.

RESOLUTION NO. 8936

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF ENERGY NORTHWEST

BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington, that Commissioner Dale Walker is hereby appointed as the representative of Grant PUD to the Board of Directors of Energy Northwest, effective January 1, 2020 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Judy Wilson, Tom Flint, Larry Schaapman, and Nelson Cox are appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Walker.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution, appoint other members of the Board as representative or alternate in the place and stead of those above named.

RESOLUTION NO. 8937

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE CENTRAL WASHINGTON POWER AGENCY

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Nelson Cox is hereby appointed as representative of Grant PUD to the Board of Directors of the Central Washington Power Agency, effective January 1, 2020 and will serve until his successor is appointed.
BE IT FURTHER RESOLVED that Commissioners Judy Wilson, Larry Schaapman, Dale Walker and Tom Flint are appointed as alternate representatives to said Board to serve in the absence or disability of Commissioner Cox.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution, appoint other members of the Board as representative or alternate in the place and stead of those above named.

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

Resolution No. 8929 relative to prequalifying contractors to perform electrical work for Grant PUD was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Cox to approve Resolution No. 8929. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8929

A RESOLUTION PRE-QUALIFYING CONTRACTORS TO PERFORM ELECTRICAL WORK FOR GRANT PUD

Recitals

1. RCW 54.04.085 requires that contractors be pre-qualified to do electrical work for Grant PUD, and pursuant thereto, contractors listed in Appendix A have filed applications for pre-qualification with Grant PUD;

2. Grant PUD’s engineers and staff have reviewed all applications and their recommendations with respect to the same are set forth in Appendix A attached hereto;

3. Grant PUD’s engineers recommend rejection of certain contractor pre-qualification requests, and Grant PUD’s General Manager concurs with those recommendations; and

4. The Commission has reviewed and considered the recommendations of Grant PUD’s engineers.

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

Section 1. The various contractor requests received by Grant PUD for pre-qualification are hereby approved and rejected as set forth in Appendix A attached hereto.

Section 2. For these contractors who are pre-qualified as set forth in Appendix A, they shall each designate their employees, and/or subcontractors with electrical contract licenses prior to performing any electrical work for Grant PUD requiring the same.
PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 10th day of December, 2019.

Resolution No. 8930 relative to authorizing the execution of a collective bargaining agreement was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Schaapman to approve Resolution No. 8930. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8930

A RESOLUTION AUTHORIZING THE EXECUTION OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE DISTRICT AND LOCAL UNION 77 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Recitals:

1. RCW 54.04.170 and RCW 54.04.180 authorize the District and its employees to enter into collective bargaining;

2. Central Washington Public Utilities (CWPU) is an association organized for the purpose of collective bargaining on behalf of several public utilities including the District;

3. Local Union 77 of the International Brotherhood of Electrical Workers (IBEW Local 77) is the sole and exclusive bargaining agency with respect to rates of pay, hours of work and other conditions of employment for those employees covered by the classifications set forth in Article 9 of the existing collective bargaining agreement;

4. Representatives of the District and IBEW Local 77 have been negotiating over wages, hours and working conditions for bargaining unit personnel and during the course of negotiations, the District’s Senior Manager Human Resources/Labor Relations, General Manager, and Assistant General Manager, entered into the following tentative agreements with the IBEW Local 77 Business Manager in order to facilitate settlement: Grant PUD Tentative Agreement dated 9/17/2019;

5. On 10/28/2019, a majority of the bargaining unit employees ratified a new collective bargaining agreement proposal consisting of the changes outlined in the tentative agreement referred to above. Some changes identified in the Tentative Agreement become effective with the first pay period of 2020. Other changes are effective with standard contract dates (April 1 – March 31, annually);

6. Notice has been given of the excess compensation provisions of this Contract pursuant to RCW 41.50.152; and

7. The District’s Senior Manager, Human Resources and the negotiating team are of the opinion that the proposal should be approved in consideration of future services to be provided by the bargaining unit after the date of ratification, that further negotiations are not cost-effective, and that the contract proposal ratified by the bargaining unit employees is reasonable and in the best interests of the District.
NOW, THEREFORE, BE IT RESOLVED as follows:

The President and Secretary of the Commission are authorized to sign on behalf of the District a three (3) year collective bargaining agreement with IBEW Local 77 (Contract No. 430-503) consistent with the attached tentative agreement effective January 1, 2020 through March 31, 2023.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 10th day of December 2019.

Resolution No. 8931 relative to establishing the Public Utility District No. 2 of Grant County Washington 10-year conservation potential plan and two-year conservation target was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Flint to approve Resolution No. 8931. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8931

A RESOLUTION ESTABLISHING THE PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET PURSUANT TO RCW CHAPTER 19.285

Recitals

1. Public Utility District No. 2 of Grant County, Washington ("Grant PUD") is subject to RCW Chapter 19.285, the Energy Independence Act (EIA) and also known as Initiative 937;

2. EIA requires Grant PUD to set targets for energy conservation and use of eligible renewable resources by identifying achievable cost-effective conservation potential through 2029;

3. Beginning January 1, 2020 Grant PUD must begin acquiring all conservation that is cost effective, reliable and feasible to meet our EIA compliance target;

4. The 2020 ten-year conservation potential plan and two-year conservation target has been reviewed and updated;

5. It is in Grant PUD's best interest to adopt a ten-year conservation potential plan and two-year conservation target;

6. Every two years Grant PUD must review and update its ten-year conservation potential plan, establish a biennial acquisition target and meet that target during the subsequent two-year period; and

7. A legal advertisement was published in local newspapers notifying customers of noticed public hearing to be held on November 26, 2019 regarding Grant PUD's efforts to establish the ten-year conservation potential plan and two-year conservation target.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant county, Washington, that:
Section 1. Grant PUD has established the ten-year conservation potential plan of 218,562 MWH and two-year conservation target of 35,828.4 MWH.

Section 2. Grant PUD biennial target is its pro rata share of its ten-year conservation potential plan.

Section 3. Grant PUD is acquiring all conservation that is cost-effective, reliable and feasible.

Section 4. Grant PUD reviewed the plan and target as set forth in RCW 19.285.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 10th day of December, 2019.

Resolution No. 8932 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Cox to approve Resolution No. 8932. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8932

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-09800, FOR SUPPLYING 15kV MEDIUM VOLTAGE UNDERGROUND CABLE

Recitals

1. Bids were publicly opened on October 31, 2019 for Contract 170-09800, for Supplying 15kV Medium Voltage Underground Cable;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;
   - Wesco Distribution, Inc. (bidding Okonite) $4,203,000.00
   - Anixter, Inc. (bidding Pyrsmiam/General Cable) $4,309,200.00

3. The low bid, submitted by Wesco Distribution, Inc. is both commercially and technically compliant with Grant PUD’s contract requirements;

4. The bid is within 15% of the Engineer’s Estimate of $4,110,000.00; and

5. Grant PUD’s Senior Manager of Power Delivery Engineering and Managing Director of Power Delivery concur with staff and recommend award to Wesco Distribution, Inc. as the lowest responsible and best bid based on Grant PUD’s plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-09800, for Supplying 15kV Medium Voltage Underground Cable with Wesco Distribution, Inc. of Portland, OR in the amount of $4,203,000.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD’s Counsel.
PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 10th day of December, 2019.

Resolution No. 8933 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Cox and seconded by Mrs. Wilson to approve Resolution No. 8933. After consideration, the motion passed by unanimous vote of the Commission

RESOLUTION NO. 8933

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $200,000,000 FOR THE PURPOSE OF DEFEASING AND REFUNDING CERTAIN OUTSTANDING ELECTRIC SYSTEM BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS

Resolution No. 8934 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Cox and seconded by Mrs. Wilson to approve Resolution No. 8934. After consideration, the motion passed by unanimous vote of the Commission

RESOLUTION NO. 8934

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF PRIEST RAPIDS HYDROELECTRIC PROJECT REVENUE REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $450,000,000 FOR THE PURPOSE OF DEFEASING AND REFUNDING CERTAIN OUTSTANDING PRIEST RAPIDS PROJECT REVENUE BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS

Motion was made Mr. Cox and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to approve Interlocal Cooperative Agreement (Contract 430-09886) between Energy Northwest and Grant PUD for lease agreement and electric vehicle charging station installation and maintenance. After consideration, the motion passed by unanimous vote of the Commission.

Motion a was made Mr. Flint and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 1 to Contract 130-08756 with North Sky Communications, LLC., increasing the not-to-exceed contract amount by $10,500,000.00 for a new contract total of $20,500,000.00, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 1. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to reset the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for Contract 130-09195 with Van Ness Feldman. After consideration, the motion passed by unanimous vote of the Commission.
Motion was made by Mr. Schaapman and seconded by Mrs. Wilson authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 130-09724 with HDR Constructors, Inc., in an amount not-to-exceed $2,028,023.14 for Phase 1 of Load Growth Project (Design Build 2). After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mrs. Wilson naming the following slate of officers effective January 1, 2020 and shall remain in effect until the next election of officers:

- President: Tom Flint
- Vice President: Larry Schaapman
- Secretary: Judy Wilson
- Commissioner: Nelson Cox
- Commissioner: Dale Walker

After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Cox requesting motion for Change Order No. 2 to Contract 430-09096 with TMG Consulting be moved from Commission review to Commission action.

Motion was made by Mr. Schaapman and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 2 to Contract 430-09096 with TMG Consulting, increasing the not-to-exceed contract amount by $790,180.00 for a new contract total of $1,290,180.00, replacing in its entirety Appendix A – Revised Statement of Work with the addition of Section C thru Section G, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Andrew Munro, Senior Manager External Affairs and Chuck Allen, Public Affairs Supervisor, provided the 2019 Customer Satisfaction Survey.

John Mertlich, Senior Manager of FPA, provided the Strategic Plan Dashboard Review.

Jake Johnson, Electric Shop Supervisor, provided a CT Audit Report. In addition, he recognized the following employees for their efforts on the CT Site Audit Project: Stephen Correll, Meter Relay Apprentice - 3rd Period; Randy Hovland, Meter Relay Technician IV; and John Bowkett, Foreman – Meter Relay Technician. Other employees verbally recognized for their efforts were: Kevin Marshall, Jeff Grizzle, Mike Tongue, Danna Carvo, Roger Jensen, Sam Buchmann, Javier Ramirez, Tristan Jones, Tyler McGhee, and Mark Falstad.

The Commission recessed at 2:40 p.m.

The Commission resumed at 2:45 p.m.
New employee Mindy Klingenberg, Administrative Assistant, was introduced to the Commission.

Russ Seiler, PMO Manager, and Dave Klinkenberg, Project Manager, provided a Red Rock Transmission Line Status Update.

An executive session was announced at 3:10 p.m. to last until 3:40 p.m. to discuss performance of a public employee with legal counsel present (via conference call) pursuant to RCW 42.30.110(1)(g) and pending litigation with legal counsel present (via conference call) pursuant to RCW 42.30.110(1)(i). The executive session concluded at 3.40 p.m. and the regular session resumed.

There being no further business to discuss, the December 10 meeting officially adjourned at 3:40 p.m.

Dale Walker, President

ATTEST:

Larry Schaapman, Secretary

Tom Flint, Vice President

Judy Wilson, Commissioner

Nelson Cox, Commissioner
REGULAR AGENDA
RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 230-08636, FOR PRIEST RAPIDS RIGHT EMBANKMENT IMPROVEMENT PROJECT

Recitals

1. Bids were publicly opened on November 20, 2019 for Contract 230-08636, for Priest Rapids Right Embankment Improvement Project;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

   - IMCO General Construction, Inc. $33,382,742.00
   - Tapani, Inc. $44,499,600.00
   - Big Sky Civil/Montana Civil Joint Venture $46,228,795.00
   - Granite Construction Company $61,271,580.00

3. The low bid, submitted by IMCO General Construction, Inc. is both commercially and technically compliant with Grant PUD’s contract requirements;

4. The bid is less than the Engineer’s Estimate of $46,240,162.97; and

5. Grant PUD’s Senior Manager of Power Production Engineering and Managing Director of Power Production concur with staff and recommend award to IMCO General Construction, Inc. as the lowest responsible and best bid based on Grant PUD’s plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 230-08636, for Priest Rapids Right Embankment Improvement Project with IMCO General Construction, Inc. of Ferndale, Washington in the amount of $33,382,742.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD’s Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of January, 2020.
MEMORANDUM

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Rich Wallen, Chief Operating Officer
Ty Ehrman, P.E., Managing Director of Power Production
Dale Campbell, P.E., Senior Manager of Power Production Engineering
Rebecca Simpson, Manager of Engineering – Dam Safety

FROM: Brandon Little, P.E., Engineer V

SUBJECT: Award of Contract 230-08636, Priest Rapids Right Embankment Improvement Project

Purpose: To request Commission approval to Award Contract 230-08636, “Priest Rapids Right Embankment Improvement Project”, in the amount of $33,382,742.00 to IMCO General Construction, Inc.

Discussion: The Priest Rapids Right Embankment Improvement Project (PRREIP) is a partial replacement for the existing right embankment at Priest Rapids Dam. The project includes the construction of a new, Roller-Compacted Concrete (RCC) dam, connected to the existing structure with a secant pile wall. The project is necessary to ensure the safety of Priest Rapids Dam during seismic events. Contract 230-08636 was released for bids on May 23, 2019, and bids were opened on November 20, 2019. The Contract included both Alternative and Additive Bid Items. The Alternative Bid Items allowed the District to evaluate the price of providing aggregate from a quarry on the Yakima Training Center (YTC) as opposed to purchasing it commercially. The Additive Bid Item allowed the evaluation of requiring the Contractor to provide their own Builder’s Risk Insurance coverage. The Engineer’s estimate and Bids received are summarized below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Total Base Bid</th>
<th>Alternative Bid Item No. 1 – Fine Aggregate for RCC from YTC Quarry</th>
<th>Alternative Bid Item No. 2 – Coarse Aggregate for RCC from YTC Quarry</th>
<th>Additive Bid Item No. 1 – Contractor Provided Builder’s Risk Insurance</th>
<th>Evaluated Bid Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer’s Estimate</td>
<td>$46,822,312.97</td>
<td>$2,586,000.00</td>
<td>$4,848,750.00</td>
<td>$500,000.00</td>
<td>$46,240,162.97</td>
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<tr>
<td>IMCO General Construction, Inc.</td>
<td>$34,870,742.00</td>
<td>$732,000.00</td>
<td>$1,350,000.00</td>
<td>$340,000.00</td>
<td>$33,382,742.00</td>
</tr>
<tr>
<td>Tapani, Inc.</td>
<td>$45,914,600.00</td>
<td>$1,000,000.00</td>
<td>$1,875,000.00</td>
<td>$500,000.00</td>
<td>$44,499,600.00</td>
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<tr>
<td>Big Sky Civil/Montana Civil JV</td>
<td>$46,508,795.00</td>
<td>$1,200,000.00</td>
<td>$2,250,000.00</td>
<td>$295,000.00</td>
<td>$46,228,795.00</td>
</tr>
<tr>
<td>Granite Construction Company</td>
<td>$62,511,580.00</td>
<td>$1,480,000.00</td>
<td>$3,000,000.00</td>
<td>$30,000.00</td>
<td>$61,271,580.00</td>
</tr>
</tbody>
</table>
All Bidders were deemed technically compliant. Big Sky Civil/Montana Civil JV and Granite Construction Company were deemed commercially non-compliant. Both Alternative Bid Items and the Additive Bid Item are included in the Contract Award, requiring the Contractor to produce their own RCC Aggregates using material from the YTC quarry, and provide Builder’s Risk Insurance. This option provides the best value and flexibility to the District for the construction of the PRREIP.

The Engineer’s Estimate was prepared using industry standard production rates and costs. The estimate was prepared by Stantec Inc. in accordance with the criteria established by the AACE International, Inc for a Class 2 Estimate. The low bidder was able to reduce their bid relative to the Engineer’s Estimate on many bid items. Large discrepancies are apparent on the costs of the Foundation Preparation, RCC Aggregates, RCC Placement, and Plastic Concrete Installation. These discrepancies are due to efficiencies in the construction methods the Contractor intends to utilize during the performance of the work. During the Bid Period, IMCO General Construction, Inc. was very proactive in reaching out to the District regarding Contract clarifications, and review of means and methods. In addition, the District met with IMCO General Construction, Inc. to reaffirm the scope of the contract. IMCO General Construction Inc. has worked successfully with the District before, during the performance of Contract 230-3282, Priest Rapids Hatchery Renovation.

This positive track record with the District, in addition to their extensive roster of successful projects with other owners, provides assurance that IMCO General Construction, Inc. can satisfactorily complete the project. The project team assembled by IMCO General Construction, Inc. has recently completed has several large scale projects including: Albeni Falls for Army Corps of Engineers, William Henry Moore Bridge in Alaska, Duck River Dam in Alabama, and Site C Hydroelectric Project for BC Hydro all involving RCC concrete, rock excavation, or secant wall construction. The District will ensure all change order requests will be reviewed extensively and verified for appropriateness. All valid change orders will be negotiated using industry rates and equipment costs.

**Justification:** In May 2015, the FERC directed the District to convene a Board of Consultants to assess the seismic performance and post-seismic stability of all embankments at the Priest Rapids and Wanapum Dams. As a result of this requirement, the District performed an extensive investigation/evaluation of the Priest Rapids Right Embankment.

The existing right embankment of the Priest Rapids Dam is zoned earthfill construction. At the westernmost end of the dam, the impervious core is constructed on “prepared ground surface”, as opposed to bedrock like the rest of the embankment. Unfortunately, the “prepared ground surface” is composed of alluvial fan deposits that are potentially liquefiable in a seismic event. Should the foundation materials liquefy, the resulting loss of strength would allow large deformations of the existing embankment. These deformations could allow the reservoir to overtop the existing embankment or result in cracks within the embankment. Either of these scenarios would lead to increased erosion, resulting in a failure of the embankment and loss of the Priest Rapids Reservoir. Due to the proximity of the Wanapum Indian Village to Priest Rapids Dam, failure of the existing embankment is an unacceptable outcome.

In order to prevent the loss of the Priest Rapids Reservoir, a new, RCC dam will be constructed immediately downstream of the existing embankment. The RCC dam will be connected to the existing embankment with a short section of zoned earthfill dam, and a secant pile wall. Once completed, the RCC dam, secant
pile wall and remaining earthfill embankment will provide a robust water retaining structure that is designed to satisfy all current seismic requirements.

The use of an RCC dam was selected as the preferred alternative to other earthfill, rockfill or hardfill alternatives. The RCC dam requires a smaller construction footprint than other available alternatives and is faster to construct. The construction of RCC dams to serve as a backup to existing dams with foundation/seismic concerns has been successfully performed at other facilities across the United States, such as Saluda and Center Hill Dams.

**Financial Considerations:** The PRREIP is budgeted under the capital PID 102663 through 2022. The Engineers estimate was based upon similar construction projects, material, equipment and labor prices specific to this location, and site-specific considerations for this project. The estimate was developed by the consulting engineer and finalized by the District. The low Bid has been reviewed by the consulting engineer and the District and found to be acceptable. The low Bidder has also confirmed their Bid Price and understanding of the project scope.

**Contract Specifics:** Despite the extensive site investigation performed at the direction of the FERC, there are many aspects of the foundation condition that remain unknown. Should the bedrock depths/conditions be deeper/worse than anticipated, amount of work and materials necessary to construct the dam could vary. The Contract has attempted to address these concerns using unit-price bid items. However, if the bid quantities are exceeded, future Change Orders will be required to address these unknown conditions.

Additionally, the mix design for the Roller Compacted Concrete is undergoing a final round of testing and revision. Depending on the outcome of these tests, there may be a need to increase the quantity of fly ash in the RCC. This increase in fly ash quantities would require a Change Order increasing costs by approximately $1,300,000.00. The Change Order would be negotiated to minimize the cost increase associated with the change in fly ash quantities. IMCO General Construction, Inc. has the lowest bid price for fly ash, and any Change Orders negotiated with them for increased quantities are anticipated to be lower than other Bidders. This potential cost increase has been accounted for in the project budget. Should the additional fly ash not be necessary, the budget forecast will be adjusted accordingly.

The Alternative Bid Items direct the Contractor to produce RCC aggregate from a quarry on the YTC. The use of the Alternative Bid Items result in a savings of $1,828,000.00. However, by awarding the Alternative Bid Items, the District assumes additional risk. These risks are primarily related to uncertainty regarding the suitability of the YTC quarry aggregate and the lack of a land use agreement with the YTC to utilize the quarry. If the YTC aggregates do not produce quality concrete, the District would be required to compensate the Contractor for procuring commercially available RCC aggregates. Existing stockpiles of YTC quarry materials have been tested and satisfy the specification. By careful selection of YTC quarry materials prior to crushing, the District should be able to ensure adequate supply of quality materials for Contractor use. If the District in unable to secure a land use agreement with the YTC prior to the Contractors need, the District would be responsible to compensate the Contractor for delay. The District has been in contact with all necessary levels of Army and Army Corps of Engineers personnel and verified their preliminary support. The current timeline for execution of the land use agreement is not anticipated to disrupt the Contractors work. The cost of the land use agreement will be approximately $250,000.00. The use of the YTC quarry still results in a cost savings to the District, as well as a dramatic reduction in truck traffic around the Wanapum Indian Village. These benefits to the project outweigh the above described risks. In the event that the YTC quarry is not available and/or suitable, swift Commission action
will be required to authorize the increased Contract Value to procure commercially available RCC aggregate with minimal delay.

The Additive Bid Item directs the Contractor to provide Builder’s Risk Insurance at their expense. After reviewing the Bid Unit Price and coverage provided by the Contractor, the District has determined that procuring the same insurance coverage through our broker would be more expensive. Awarding the Contract to include the Additive Bid Item provides excellent insurance coverage at the lowest possible cost.

**Recommendation:** Commission approval to award Contract 230-08636, “Priest Rapids Right Embankment Improvement Project”, in the amount of $33,382,742.00 to IMCO General Construction, Inc.

**Legal Review:** See attached e-mail(s).
## COMMERCIAL EVALUATION

<table>
<thead>
<tr>
<th>Contract No.:</th>
<th>230-08636</th>
<th>Contract Title:</th>
<th>Priest Rapids Right Embankment Improvement Project</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Bid Opening Date</th>
<th>11/20/2019 @ 2:00PM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Bidders:</td>
<td>Four (4)</td>
</tr>
</tbody>
</table>

**Was prequalification required for bidding?**
- See add'l information

**No. of potential Bidders notified via ProcureWare of Bid opportunity:**
- 1,156

**No. of potential Bidders who obtained the Bid documents:**
- 210

**Was this Bid advertised in the newspaper?**
- Yes

**If yes, where?**
- 1. Seattle Daily Journal of Commerce
- 2. Spokesman Review
- 3. Tri-City Herald

**Addenda issued?**
- Yes

**If yes, how many**
- Seven (7)

### Additional Information
1. Secant Pile Wall Subcontractors were prequalified in 2017 under 230-07633, Subcontractor Prequalification.
2. Contact information for prequalified Secant Pile Wall Subcontractors was provided in Contract Documents Section 8.B.
3. Addenda Tracking Spreadsheet is posted on CMapp dashboard.

### Engineer's Estimate (Total Base Bid Price):
- **$46,822,312.97**

<table>
<thead>
<tr>
<th>Bid Alternate No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid Alternate No. 1</td>
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</tr>
<tr>
<td>Bid Alternate No. 2</td>
<td><strong>$4,848,750.00</strong></td>
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<tr>
<td>Bid Additive Item No. 1</td>
<td><strong>$500,000.00</strong></td>
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### Bidders

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Imco General Construction, Inc.</th>
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<tbody>
<tr>
<td>Total Base Bid Price:</td>
<td>$34,870,742.00</td>
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<tr>
<td>Bid Alternate No. 1:</td>
<td><strong>$732,000.00</strong></td>
</tr>
<tr>
<td>Bid Alternate No. 2:</td>
<td><strong>$1,350,000.00</strong></td>
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<td>Bid Additive Item No. 1:</td>
<td><strong>$340,000.00</strong></td>
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<tr>
<th>Bid Security:</th>
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<th>Signature Certification:</th>
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</tr>
<tr>
<td>Addendum Received:</td>
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</tr>
<tr>
<td>Bidder's Data Provided:</td>
<td>No, but not required</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercially Compliant?:</th>
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</tr>
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<tbody>
<tr>
<td>Technically Compliant?:</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Additional Information:
1. **REQUIRED FOR EVALUATION:**
   - List of major equipment proposed by Bidder for use in the work not submitted. DR requested 11/21/19, Contractor provided 11/26/19.
### Tapani, Inc.

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Tapani, Inc.</th>
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<tbody>
<tr>
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<td>Bid Alternate No. 2:</td>
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<td>Bid Additive Item No. 1:</td>
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</tr>
<tr>
<td>Addendum Received:</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder’s Data Provided:</td>
<td>No, but not required</td>
</tr>
<tr>
<td>Commercially Compliant?</td>
<td>Yes</td>
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</table>

**Additional Information:**
1. NOT REQUIRED FOR EVALUATION:
   Supplemental Bid Form for Additional Time and Equipment not submitted.

### Big Sky Civil/Montana Civil JV

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
<th>Big Sky Civil/Montana Civil JV</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Bid Alternate No. 1:</td>
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<tr>
<td>Bidder’s Data Provided:</td>
<td>Yes</td>
</tr>
<tr>
<td>Commercially Compliant?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Additional Information:**
1. BID REJECTED PURSUANT TO INSTRUCTIONS ON BID FORM & RCW 39.30.060 (1) – Bidder did not submit name of Electrical Subcontractor.
2. PER LEGAL COUNSEL, UNDER THE JOINT VENTURE STRUCTURE, ONE OF THE JOINT VENTURES’ MEETING THE REQUIREMENT BELOW IS SUFFICIENT.
   1. Montana Civil (JV Firm) has attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW.
   2. Big Sky Civil (JV Firm) has not attended training from the department of labor and industries or a training program approved by the department of labor and industries relating to the requirements associated with public works and prevailing wage under chapter 39.04.350 RCW and chapter 39.12 RCW.

### Granite Construction Company

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<th>Name of Bidder:</th>
<th>Granite Construction Company</th>
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<tr>
<td>Total Base Bid Price:</td>
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<tr>
<td>Bid Alternate No. 1:</td>
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<td>Addendum Received:</td>
<td>Yes</td>
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<tr>
<td>Bidder’s Data Provided:</td>
<td>No, but not required</td>
</tr>
<tr>
<td>Commercially Compliant?</td>
<td>Yes</td>
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</table>

**Additional Information:**
REQUIRED FOR EVALUATION:
1. BID REJECTED PURSUANT TO RCW 54.04.080 - Exceeds Engineer’s Estimate by greater than 15%.
2. List of major equipment proposed by Bidder for use in the work not submitted.
TECHNICAL EVALUATION
CONTRACT NO. 230-08686

Technical Bid Data

The following is a list that details the required bidder’s data, as submitted by each bidder. The total bid price is listed for comparison.

References were contacted and information was gathered confirming that the low bidder has the experience and qualifications to perform this work. No exceptions to the contract specifications were requested.

1. **IMCO General Construction, Inc.**
   - Base Bid: $34,870,742.00
   - Alternate Bid Item No. 1: $732,000.00
   - Alternate Bid Item No. 2: $1,350,000.00
   - Additive Bid Item No. 1: $340,000.00
   - Listed HVAC, Plumbing & Electrical Subcontractors: Yes
   - Listed Prequalified Secant Pile Wall Subcontractor: Yes
   - Subcontractor List: N/A
   - Statement of RCC Experience: Yes
   - Satisfactory RCC Experience: Yes
   - Statement of Secant Pile Wall Experience: Yes
   - Satisfactory Secant Pile Wall Experience: Yes
   - List of Major Equipment Proposed for the Work: Yes
   - Supplemental Bid Form: Yes
   - **Technically Compliant:** Yes

2. **Tapani, Inc.**
   - Base Bid: $45,914,600.00
   - Alternate Bid Item No. 1: $1,000,000.00
   - Alternate Bid Item No. 2: $1,875,000.00
   - Additive Bid Item No. 1: $500,000.00
   - Listed HVAC, Plumbing & Electrical Subcontractors: Yes
   - Listed Prequalified Secant Pile Wall Subcontractor: Yes
   - Subcontractor List: N/A
   - Statement of RCC Experience: Yes
   - Satisfactory RCC Experience: Yes
   - Statement of Secant Pile Wall Experience: Yes
   - Satisfactory Secant Pile Wall Experience: Yes
   - List of Major Equipment Proposed for the Work: Yes
   - Supplemental Bid Form: No
   - **Technically Compliant:** Yes

3. **Big Sky Civil/Montana Civil JV**
   - Base Bid: $46,508,795.00
   - Alternate Bid Item No. 1: $1,200,000.00
   - Alternate Bid Item No. 2: $2,250,000.00
   - Additive Bid Item No. 1: $295,000.00
   - Listed HVAC, Plumbing & Electrical Subcontractors: Yes
Listed Prequalified Secant Pile Wall Subcontractor Yes
Subcontractor List N/A
Statement of RCC Experience Yes
Satisfactory RCC Experience Yes
Statement of Secant Pile Wall Experience Yes
Satisfactory Secant Pile Wall Experience Yes
List of Major Equipment Proposed for the Work Yes
Supplemental Bid Form Yes
Technically Compliant Yes

4. **Granite Construction Company**

<table>
<thead>
<tr>
<th></th>
<th>Base Bid</th>
<th>Alternate Bid Item No. 1</th>
<th>Alternate Bid Item No. 2</th>
<th>Additive Bid Item No. 1</th>
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<tr>
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<td></td>
<td>$62,511,580.00</td>
<td>$1,480,000.00</td>
<td>$3,000,000.00</td>
</tr>
<tr>
<td>Listed HVAC, Plumbing &amp; Electrical Subcontractors</td>
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<td></td>
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</tr>
<tr>
<td>Listed Prequalified Secant Pile Wall Subcontractor</td>
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<td></td>
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<tr>
<td>Subcontractor List</td>
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<tr>
<td>Statement of RCC Experience</td>
<td>Yes</td>
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<td></td>
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<tr>
<td>Satisfactory RCC Experience</td>
<td>Yes</td>
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<tr>
<td>Statement of Secant Pile Wall Experience</td>
<td>Yes</td>
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<tr>
<td>Satisfactory Secant Pile Wall Experience</td>
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<tr>
<td>List of Major Equipment Proposed for the Work</td>
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<tr>
<td>Supplemental Bid Form</td>
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<tr>
<td>Technically Compliant</td>
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<td></td>
<td>Company Name</td>
<td>Base Bid</td>
<td>Listed HVAC, Plumbing &amp; Electrical Subs</td>
<td>Subcontractor List</td>
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<td>4</td>
<td>Pipe of Washington, Inc. dba POW Contracting</td>
<td>$ 962,750.00</td>
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<td>N/A</td>
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<td>5</td>
<td>Award Construction, Inc.</td>
<td>$ 977,100.00</td>
<td>Yes</td>
<td>N/A</td>
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<td>6</td>
<td>S&amp;L Underground, Inc.</td>
<td>$ 1,157,000.00</td>
<td>Yes</td>
<td>N/A</td>
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</table>
RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-09625, FOR TREE TRIMMING AND REMOVAL SERVICES FROM FEBRUARY 2020 TO DECEMBER 2021

Recitals

1. Bids were publicly opened on December 17, 2019 for Contract 130-09625, for Tree Trimming and Removal Services from February 2020 to December 2021;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

   - Basin Tree Service and Pest Control, Inc. $1,711,610.28

3. The low bid, submitted by Basin Tree Service and Pest Control, Inc. is both commercially and technically compliant with Grant PUD’s contract requirements;

4. The bid is less than the Engineer’s Estimate of $3,863,749.00; and

5. Grant PUD’s Senior Manager of Power Delivery Construction Maintenance and Managing Director of Power Delivery concur with staff and recommend award to Basin Tree Service and Pest Control, Inc. as the lowest responsible and best bid based on Grant PUD’s plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 130-09625, for Tree Trimming and Removal Services from February 2020 to December 2021 with Basin Tree Service and Pest Control, Inc. of Ephrata, Washington in the amount of $1,711,610.28 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD’s Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of January, 2020.

______________________________
President

ATTEST:

______________________________
Secretary

______________________________
Vice President

______________________________
Commissioner

______________________________
Commissioner
MEMORANDUM

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Rich Wallen, Chief Operating Officer
     Jeff Grizel, Managing Director of Power Delivery
     Mike Tongue, Senior Manager of Construction and Maintenance

FROM: William Coe, Project Engineer

SUBJECT: Award of Contract 130-09625 “Tree Trimming and Removal Services from February 2020 to December 2021”

Purpose: To request Commission approval to award Contract 130-09625 to Basin Tree Service & Pest Control Inc. for a contract price of $1,711,610.28.

Discussion: This contract will provide the District a means to trim or remove trees that pose a threat to its system reliability. This activity is mandated by FERC Reliability Standard FAC-003-4.

The District has contracted these services for many years. Past contracts have been executed on an annual basis and specifies that all transmission and distribution lines throughout the county will be addressed on an annual basis. Basin Tree Service & Pest Control Inc. was the low bidder for the 2018-2019 contract amid competitive bids. This contract, a 23-month contract rather than the traditional 12-month contract was offered to reduce bidding costs and secure a lower price bid opportunity. The result of this bid was one sole bidder, Basin Tree Service & Pest Control Inc. for a bid price of $1,711,610.28. Other potential bidders were contacted after the bid opening to determine why other bids were not submitted. Potential bidders stated that there is a high demand for these services at this time.

Justification: This contract will provide the District a means to trim or remove trees that pose a threat to its system reliability. This activity is mandated by FERC Reliability Standard FAC-003-4. Not performing this work would violate the NERC standard that carries one of the highest monetary fines of all the standards.

Contracting this labor is the least cost option as the District does not employ arborists nor certified tree trimming personnel. It is common practice throughout the utility industry to have electric utilities contract such work, utilities including Chelan and Douglas PUD.

Financial Considerations: The District engineer’s estimate for this contract was $3,863,749. The sole bid on this contract was $1,711,610.28. The substantial deviation of $2,152,138.72 between the engineer’s estimate and limited bid submissions was investigated.

This contract was advertised in media print, as many of the District’s contracts, in the Grant County Journal. Solicitation of potential bidders was also performed utilizing the District’s
Procureware software. Registered entities for this type of work are automatically notified that this contract is available for download and bid.

There was a total of 27 potential bidders that downloaded the contract, yet only Basin Tree & Pest Control Inc. submitted a bid. Basin Tree & Pest Control Inc. is a local business that recently submitted a bid on a District tree removal project in Mattawa that was not the lowest qualified bid. As such, this business may have provided a more competitive bid on this contract to secure employment of their local crews.

Other potential bidders where contacted to determine why they did not bid. We were informed that they did not have capacity to accept such a contract at this time. Young bucks Inc. of Wenatchee could not secure the necessary bonding to qualify as a bidder.

The engineer’s estimate was derived from adding cost-of-living adjustments to the previous contract line item costs. Below is a breakdown of how the engineer’s estimate was derived and how the itemized bid prices of this contract compared to last.

<table>
<thead>
<tr>
<th>Bid Item</th>
<th>Basin Tree’s 2018-2019 Bid (1 year contract)</th>
<th>Basin Tree’s 2020-2021 Bid (2 year contract lump sum)</th>
<th>Annual price difference (current bid divided by 2)</th>
<th>Cola Mult</th>
<th>Cola Inc</th>
<th>1st cycle</th>
<th>Cola Mult</th>
<th>Cola Inc</th>
<th>2nd cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area 1 - ML</td>
<td>$67,536.00</td>
<td>$35,360.54</td>
<td>-$42,175.46</td>
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<td>Area 1A - ML</td>
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<td>Area 3 - Mattawa</td>
<td>$16,413.00</td>
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<td>Area 4 - Royal Slope</td>
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<td>Area 5 - Quincy Rural</td>
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<td>Area 6 - Quincy</td>
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<td>-$1,465.86</td>
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<td>Area 8 - Ephrata</td>
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<td>$16,320.25</td>
<td>-$3,641.75</td>
<td>0.05</td>
<td>998.1</td>
<td>2090.1</td>
<td>0.03</td>
<td>628.803</td>
<td>21588.903</td>
</tr>
<tr>
<td>Area 9 - Soap Lk Rural</td>
<td>$33,269.00</td>
<td>$34,000.53</td>
<td>-$7,731.53</td>
<td>0.05</td>
<td>1663.45</td>
<td>3493.45</td>
<td>0.03</td>
<td>1047.9735</td>
<td>35980.4235</td>
</tr>
<tr>
<td>Area 10 - North Coulee</td>
<td>$23,732.00</td>
<td>$27,880.42</td>
<td>-$4,148.42</td>
<td>0.05</td>
<td>1186.6</td>
<td>2491.86</td>
<td>0.03</td>
<td>747.518</td>
<td>25666.158</td>
</tr>
</tbody>
</table>

| Item 25 2-man tree removal & overhang | $195 per hr (1000hrs x $195) = $195000.00 | $185 per hr (4000hrs x $185) = $74000.00 | NA | |
| Item 26 Brush hog | $5 per hr (1000hrs x $5) = $5000.00 | $8 per hr (1000hrs x $8) = $8000.00 | NA | |
| Item 27 3-man hand trimming and pickup | $175 per hr (1000hrs x $175) = $175000.00 | $150 per hr (1000hrs x $150) = $150000.00 | NA | |
| Item 28 3-man tree removal | $185 per hr (1000hrs x $185) = $185000.00 | $195 per hr (4000hrs x $195) = $78000.00 | NA | |

| Total | $388,916.85 | $400,184.36 | |
| Est Total | $789,501.21 | $789,501.21 | |
| Est Quant | PUI 2018 | | |
| 4000 | 195 | 0.05 | 9.75 | 819000.00 | 0.03 | 24570.00 | 84370.00 |
| 1200 | 5 | 0.05 | 0.25 | 6300.00 | 0.03 | 189.00 | 6489.00 |
| 1200 | 175 | 0.05 | 8.75 | 202000.00 | 0.03 | 6615.00 | 22715.00 |
| 400 | 185 | 0.05 | 9.25 | 77700.00 | 0.03 | 2331.00 | 80331.00 |
| Total | $1,125,520.00 | $1,948,727.21 | |
| Total Engineer’s Estimate | $3,863,748.45 | $3,863,748.45 | |
| 15% limit | $4,443,311.35 | | |
The previous two contracts for this type of work were annual contracts.

<table>
<thead>
<tr>
<th>Contract Timeline</th>
<th>Contract Amount</th>
<th>Contract Awarded to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019</td>
<td>$653,491.77</td>
<td>Basin Tree and Pest Control Inc</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$686,558.00</td>
<td>Basin Tree and Pest Control Inc</td>
</tr>
</tbody>
</table>

Past contracts did not include significant tree removal estimates; tree removals are additional costs to the tree trimming activities throughout the areas of the county. Based on past bid values, the bid for this contract is a great discount for the District by saving over $2.1M over 23 months.

This contract could have been much higher as the District emphasized tree removals by over 400% in this contract to realize long-term cost benefits.

Tree trimming and removal is a budgeted item under PID 71790.

**Contract Specifics:** This contract included standard terms and conditions used by the District. The local demand for this service resulted in a sole bid of $1,711,610.28 by Basin Tree and Pest Control Inc. The bidder has satisfied all terms and conditions and their bid is deemed technically and commercially compliant. This contract is set to expire on December 31, 2021.

**Recommendation:** Commission approval to award Contract 130-09625 to Basin Tree Service & Pest Control Inc. for a contract price of $1,711,610.28.

**Legal Review:** See attached e-mail(s).
## COMMERCIAL EVALUATION

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>130-09625</th>
<th>Contract Title</th>
<th>Tree Trimming and Removal Services from February 2020 to December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid Opening Date</td>
<td>December 17, 2019</td>
<td>Total No. of Bidders</td>
<td>1</td>
</tr>
<tr>
<td>Was prequalification required for bidding?</td>
<td>No</td>
<td>No. of potential Bidders notified via ProcureWare of Bid opportunity</td>
<td>N/A</td>
</tr>
<tr>
<td>No. of potential Bidders who obtained the Bid documents</td>
<td>27</td>
<td>Was this Bid advertised in the newspaper?</td>
<td>Yes</td>
</tr>
<tr>
<td>If yes, where?</td>
<td>Grant County, WA</td>
<td>Addenda issued?</td>
<td>No</td>
</tr>
<tr>
<td>If yes, how many</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Additional Information

Cost Estimate: $3,863,749.00

### Bidders

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Basin Tree Service &amp; Pest Control, Inc.</th>
<th>Total Bid Price</th>
<th>$1,711,610.28</th>
<th>Bid Security</th>
<th>Bid Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature Certification</td>
<td>NA</td>
<td>Bid Security</td>
<td>As required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addendum Received</td>
<td>N/A</td>
<td>Bidder’s Data Provided</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commerially Compliant?</td>
<td>Yes</td>
<td>Technically Compliant?</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Additional Information:

- District Representative will need to determine if the Bidder’s Data supplied meets ITB 8.H.
- District Rep. has determined Bidder’s data meets ITB 8H.  WLC 12/20/19
Motion was made by _______________ and seconded by ____________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 230-3871 with Brazil Quality Services, increasing the not-to-exceed contract amount by $2,350,000.00 for a new contract total of $6,650,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5.

xxxx
MEMORANDUM

November 20, 2019

TO: Kevin Nordt, General Manager

VIA: Richard Wallen, Chief Operating Officer
Ty Ehrman, Managing Director of Power Production
Julie Pyper, Senior Manager of PMO
Stuart Hammond, PMO Manager Power Production

FROM: Molly Hill, Engineer IV, Project Manager for Turbine Supply
Jeff Niehenke, Engineer V, Project Manager for Generator Supply

SUBJECT: Professional Services Agreement 230-3871, Change Order No. 5

Purpose: To request Commission approval of Change Order No. 5 to Professional Services Agreement 230-3871 with Brazil Quality Services (BQS) for the Priest Rapids Upgrades to increase the not to exceed Contract Price in the amount of $2,350,000.00 for a new total revised not to exceed Contract Price of $6,650,000.00.

Discussion: Brazil Quality Services S/C LTDA EPP (BQS) was awarded Professional Services Agreement (PSA) 230-3871 in July 2014. This PSA was issued in order to provide third party inspection support for the Priest Rapids Upgrades project. The original Contract was planned for factory inspection in Brazil and China for turbine manufacturing for about 10 years. This was based on Voith selection of factories in those countries and an expectation that the need for inspections would be similar to Wanapum turbine and generator scope and would primarily focus on factory, not site inspections.

Wanapum Inspection History

Turbine:
- BQS inspectors covered Brazil and Romania manufacturing.
- The runner shop assembly was performed in the USA and District inspectors covered these inspections without the help of BQS.

Generator:
- BQS inspectors were utilized in China for manufacturing of three generators.
- BQS supplemented Wanapum site inspection prior to 2016 and near full time through 2019 following retirement of the District’s generator inspector.

Unit Controls:
- The Wanapum governor and auxiliaries upgrades work was performed by District electricians and no contracted electrical inspection support was required.

Priest Rapids
Based on the Wanapum inspection history staff planned for the Priest Rapids Inspection Contract to cover primarily factory support as described above and included minimal on-site inspection costs. After award of this Contract some of the key assumptions about factory location and needs at the site have changed.
Manufacturing Inspection
At the beginning of the Priest Rapids turbine and generator project, inspectors were planned to be utilized in China and Brazil. The runner shop assembly was expected to be performed in the USA. Starting with the second unit, Voith decided to move the critical runner shop assemblies from the United States to Brazil. The move to Brazil resulted in additional BQS inspection support to monitor the parts that were now manufactured there as well as support our District inspectors with shop assembly activities. This resulted in an increase in Brazil inspection costs starting in January 2016 as shown in green on the Figure 1 graph. For future units, it is anticipated work will continue in Brazil and China as well as additional work in Canada and the United States. This requires one full time inspector plus an additional part time inspector for shop assembly in Brazil as well as a part time inspector for various inspections in China.

**BQS Contract 230-3871**
**Original Estimates vs. Actual Costs to date**

![BQS Contract 230-3871](image)

*Figure 1: Comparison of Original Contract Estimates vs. Actual Costs*

Priest Rapids On-Site Inspection
After award of this Contract, it was determined electrical inspectors were needed in order to monitor the work being performed on-site by electrical contractors. Starting with the first unit outage the District has utilized a full time BQS electrical inspector to monitor the Garrett Electric work and a part time BQS generator erection inspector to monitor the GE generator work (approximately 7 months out of the year). The generator erection inspector has been shared across both Wanapum and Priest Rapids generator
work when feasible to reduce costs. This cost is shown in red on the Figure 1 graph above starting with the 1st unit outage in August, 2016.

Rehabilitated Components Inspection
Due to the large number of rehabilitated parts for the Priest Rapids turbines it has not been feasible for District Engineers or Inspectors to perform all of the necessary inspections. As a result, a local BQS Inspector has been occasionally utilized at Voith’s shop in York, PA. Costs for this inspector are shown in black in Figure 1 above.

Justification:
Inspectors perform a critical function monitoring component quality during manufacturing and installation to ensure:

- Parts are being manufactured, rehabilitated, and installed in accordance with the technical requirements, drawings and procedures. This process ensures a high-quality product. The District specifies detailed quality requirements in our contracts and Inspectors perform a key role ensuring suppliers understand the requirements and know that the District is monitoring the quality and enforcing the contracts.

- The Inspectors also ensure that issues which arise from the work can be quickly communicated to the District. This enables quality issues to be resolved quickly thereby avoiding lower quality parts and potential schedule delays. This strategy of detailed monitoring of the manufacturing processes of our parts has proven to be very successful at avoiding risks that parts would arrive at site with problems that could not easily be resolved at the site. Inevitably, that would result in either schedule delays or being forced to accept sub-standard parts to be used on our units.

- Inspectors also assist in other ways that may not be directly related to quality inspections. They are often able to provide engineering staff with up to date information on progress in the shops, they can provide invaluable assistance coordinating with shop personnel and bridging language and cultural barriers, and they sometimes are able to identify more general concerns that may not be specifically covered by the Contract but are beneficial.

- The inspectors create daily reports documenting the work for future reference with written descriptions, data sheets, and photos. This process provides clear documentation of the history of our parts in the event there are questions that arise in the future and help resolve any disputes that may arise.

Summary
Due to the changes in inspection support requirements as described above, the Contract not-to-exceed amount will be expended in early 2020. District staff have reviewed our current and future needs for inspection support and projected the resource requirements. At this time, Staff recommend an increase to the Contract in the amount of $2,350,000.00 to cover inspection services for the remainder of the Unit 3 and Unit 4 outages as well as off-site inspection support at various manufacturing facilities through 2022 year end.

Staff will continue to assess on-going inspection support needs during the Unit 3 and Unit 4 outages to determine the most economic method to meet future inspection needs. Alternatives that will be reviewed
include continuing to utilize this Contract, request proposals for a different services contract, or find a solution utilizing District staff. A recommendation would be expected by mid-year 2022.

Table 1: Summary of Change Order Costs

<table>
<thead>
<tr>
<th>On-site generator erection inspector</th>
<th>0.6</th>
<th>Jan 2020 – Aug 2021</th>
<th>$390,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-site electrical inspector</td>
<td>1</td>
<td>Jan 2020 – Aug 2021</td>
<td>$630,000</td>
</tr>
<tr>
<td>Off-site inspectors – China/Brazil</td>
<td>1.4</td>
<td>Jan 2020 – Dec 2022</td>
<td>$940,000</td>
</tr>
<tr>
<td>Off-site inspectors – USA/Canada</td>
<td>0.25</td>
<td>Jan 2020 – Dec 2022</td>
<td>$130,000</td>
</tr>
<tr>
<td>Contract Administration &amp; misc costs (travel, mileage)</td>
<td>-</td>
<td>Jan 2020 – Dec 2022</td>
<td>$260,000</td>
</tr>
<tr>
<td><strong>Total Change Order Cost:</strong></td>
<td></td>
<td></td>
<td><strong>$2,350,000</strong></td>
</tr>
</tbody>
</table>

The need for on-site electrical and generator inspection will continue through the duration of the unit outages at Priest Rapids which are scheduled into 2028.

The need for factory inspection will continue in Brazil and China and additional inspection support will now be needed in the United States and Canada. There are travel and mileage costs associated with these locations. Contract Administration is also needed to review and submit reports as well as develop invoices for all staff.

**Financial Considerations:**

**Options Considered:**

1. Hire more in-house inspectors: An additional full-time inspector could be employed by the District to perform on-site electrical inspections. This alternative has not been supported in the past due to concerns of excess staff when the upgrade project ends in approximately 8 years. In addition, the District has more flexibility with Contractors which works well for part-time work such as the Generator erection which covers about 7 months/unit. This flexibility is shown in Figure 1 above when looking at the monthly variability in actual costs spent on-site inspection support. For off-site inspectors, we have been unable to recruit individuals with the skills and knowledge to be able to adequately support all the different shop locations we travel to. There is a lot of value to the District in utilizing local foreign inspectors who are not only proficient in English but speak the local language of the country and can interface directly with shop personnel. This ensures proper communication is occurring for our project work.
2. Utilize a different contract for inspection work: The District currently utilizes AVANTech Contract 430-06804 for some on-site inspection staff support for the Priest Rapids Unit Upgrades project. We currently use a Technical Specialist 8 for night shift inspection work, see Table 2.

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>Location</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Specialist 8</td>
<td>Priest Rapids Site</td>
<td>$160.83</td>
</tr>
</tbody>
</table>

As shown in Table 3 below, the Avantech rate is within the range of rates for BQS on-site electrical inspectors. The District currently utilizes all three types of electrical inspector rates to support the Priest Rapids Upgrades work.

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>Location</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Electrical Inspector</td>
<td>Priest Rapids Site</td>
<td>$174.43</td>
</tr>
<tr>
<td>Senior Electrical Inspector</td>
<td>Priest Rapids Site</td>
<td>$151.67</td>
</tr>
<tr>
<td>Electrical Inspector</td>
<td>Priest Rapids Site</td>
<td>$135.45</td>
</tr>
<tr>
<td>Mechanical Inspector</td>
<td>Canada/USA/Mexico</td>
<td>$114.61</td>
</tr>
<tr>
<td>Mechanical Inspector</td>
<td>China/South Korea</td>
<td>$109.40</td>
</tr>
<tr>
<td>Mechanical Inspector</td>
<td>Brazil/South America</td>
<td>$68.77</td>
</tr>
<tr>
<td>Contract Administration</td>
<td>Any Country</td>
<td>$75.01</td>
</tr>
</tbody>
</table>

AVANTech does not currently provide inspection staff for international inspection. Therefore, the BQS contract is the contract in place for the Priest Rapids Upgrade project for out of country inspection support.

3. Re-bid Contract for inspection services for the Priest Rapids upgrades project: It would be possible to develop, bid, and award a new contract, and terminate this Contract, however this would be expected to create some disruption to the project. It would also likely be a futile effort in that the District would not be able to find a different company to contract with that has the same level of experience and familiarity across all locations and has equal ability to effectively support on-going work. If the District misses important inspections at off-site locations it increases the risk of receiving parts with problems when they are delivered to site. This also would cause a disruption to the electrical inspections being performed. Current inspectors are familiar with our standards and our manufacturing locations and turbine/generator contracts and changing these individuals would result in a new learning curve increasing the risk of incorrect work being performed. Re-bidding this contract would likely not result in a cost savings since rates are comparable to other inspection contractors doing work with the District. This option creates many risks to the project and has minimal chance of a cost savings.

4. Award Change Order to BQS as proposed: This allows for project continuity for current inspectors employed by BQS and working on our project. For on-site inspectors, these individuals are now working on their third unit upgrade. They have the benefit of past unit knowledge and are familiar with District processes and the work involved. For off-site inspectors, BQS has provided us with native inspectors in Brazil and China who are familiar with
the country they work in as well as our project work. They provide valuable information on the progress of our parts and assist District inspection staff when we visit these sites.

Costs for this Change Order are included in the budget as shown in Table 4.

<table>
<thead>
<tr>
<th>Project</th>
<th>Budgetary PID</th>
<th>Cost Center</th>
<th>Project Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turbines</td>
<td>B100045A</td>
<td>ED1000</td>
<td>Molly Hill</td>
</tr>
<tr>
<td>Generators</td>
<td>B100020A</td>
<td>ED1000</td>
<td>Jeff Niehenke</td>
</tr>
<tr>
<td>Unit Controls</td>
<td>B100050A</td>
<td>EBS100</td>
<td>John Philipp</td>
</tr>
</tbody>
</table>

The current financial forecast for the Priest Rapids unit upgrades includes costs for contracted third party inspection work through the end of the project in 2028.

**Change Order History:** See attached Change Order table.

**Legal Review:** See attached email.

**Recommendation:** Commission approval of Change Order No. 5 to Professional Services Agreement 230-3871 increasing the not to exceed Contract Price in the amount of $2,350,000.00 for a new total revised not to exceed Contract Price of $6,650,000.00.

c. Joe Larkin
   John Philipp
   Lori Englehart-Jewell
All, I’ll be out of the office from December 18 through January 1. From December 18-20, I’ll be delegating to Dale Campbell, as I’ll be in surgery and recovering. After that, I’ll be fully available via phone and email as needed and will handle any e-signatures or workflows remotely. Have a safe and happy Christmas and New Year!

Ty Ehrman
Managing Director
Power Production

DESK 509.793.1587
EXT. 3328
CELL 509.361.8201
EMAIL ty.ehrman@grantpud.org

grantpud.org
CHANGE ORDER
NO. 5

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

A. Description of Change: Increase the Contract Price.

B. Time of Completion: The completion date shall remain December 31, 2027.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of $2,350,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is $6,650,000.00, including changes incorporated by this Change Order.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  Brazil Quality Services S/C LTDA EPP
of Grant County, Washington

Accepted By: ____________________________  Accepted By: ____________________________

Name: ________________________________  Name: ________________________________

Title: _________________________________  Title: _________________________________

Date: ________________________________  Date: ________________________________
<table>
<thead>
<tr>
<th>CO#</th>
<th>Change Description</th>
<th>Approved by</th>
<th>Approval Date</th>
<th>Revised Completion Date</th>
<th>Cost Change Amount</th>
<th>Revised Contract Amount</th>
<th>Authority Level Tracking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Replace Appendix &quot;A&quot; Rate Schedule</td>
<td>Hydro Eng Supvr</td>
<td>04/04/16</td>
<td>N/A</td>
<td>$0.00</td>
<td>$3,800,000.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Add CIP language and CIP Appendices to contract</td>
<td>Hydro Eng Supvr</td>
<td>08/24/16</td>
<td>N/A</td>
<td>$0.00</td>
<td>$3,800,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>3</td>
<td>Replace Appendix &quot;A&quot; Rate Schedule</td>
<td>Dept Mgr</td>
<td>01/31/17</td>
<td>N/A</td>
<td>$0.00</td>
<td>$3,800,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>4</td>
<td>Increase the Contract Price</td>
<td>Director</td>
<td>08/21/19</td>
<td>N/A</td>
<td>$500,000.00</td>
<td>$4,300,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Increase the Contract Price</td>
<td>Comm</td>
<td>N/A</td>
<td>$2,350,000.00</td>
<td>$6,650,000.00</td>
<td>$2,850,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Total Change Order Cost Change Amount: $2,850,000.00
Motion was made _______ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 430-3797 with Washington State Department of Fish & Wildlife, replacing revised Appendix B, increasing the not-to-exceed contract amount by $1,457,609.00 for a new total of $3,779,548.80, extending the completion date to December 31, 2022 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Amendment No. 5.
TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Rich Wallen, Chief Operating Officer
Ty Ehrman, Managing Director of Power Production
Ross Hendrick, Senior Manager of Environmental Affairs

FROM: Tom Dresser, Fish and Wildlife Manager
Peter Graf, Fisheries Scientist

SUBJECT: Contract 430-3797, Change Order No. 5

Purpose: Request Commission approval of Change Order No. 5 to Contract 430-3797. Change Order No. 5 will extend the contract through December 31, 2022 (730 days) and increase the Not-To-Exceed (NTE) amount by $1,457,609 for a new NTE Contract Price of $3,779,548.80

Discussion: The Public Utility District No. 2 of Grant County, Washington (Grant PUD) was issued a Biological Opinion (BiOp) for the Priest Rapids Project by the National Marine Fisheries Service (NMFS) in 2008. The 2008 BiOp includes specific terms and conditions to mitigate for impacts to Upper Columbia River (UCR) spring Chinook and UCR steelhead; both species which are covered under the Endangered Species Act (ESA) that do migrate through the Priest Rapids Project Area.

Grant PUD entered into the Priest Rapids Salmon and Steelhead Settlement Agreement (SSSA) with multiple parties during 2005 and 2006. The SSSA included specific measures to protect, mitigate and enhance populations of non-ESA-listed salmon species that migrate through the Priest Rapids Project (coho, sockeye, fall and summer Chinook) and also included additional measures to protect, mitigate and enhance ESA-listed populations. The 2008 BiOp and SSSSA were adopted into Grant PUD’s Federal Energy Regulatory Commission (FERC) License Order in April 2018.

A key requirement included in the above-mentioned regulatory requirements is the development and implementation of monitoring and evaluation (M&E) programs associated with each of the various hatchery programs that Grant PUD is required to implement. This Change Order (No. 5) to Contract 430-3797 covers M&E activities associated with Grant PUD’s hatchery programs located in the Wenatchee and Methow River Basins for non-ESA listed summer Chinook (Wenatchee and Methow Rivers) and ESA-listed spring Chinook (Nason Creek and the White River).

To control costs and seek out efficiencies, Grant PUD and the Public Utility District No 1 of Chelan County, Washington (Chelan PUD) submitted a joint request for proposals (RFP) for monitoring and evaluation for both of the PUD’s hatchery programs in the Wenatchee Basin in 2013. The primary goal of the RFP was to identify the most qualified and cost-effective organization capable of fulfilling both Grant and Chelan PUD’s M&E obligations for a five-year period (2014-2018).

1 Parties to the Priest Rapids Salmon and Steelhead Settlement Agreement include the National Marine Fisheries Service, US Fish and Wildlife Service, Washington Department of Fish and Game, Confederated Tribes of the Colville Reservation, Yakama Nation, and Public Utility District No. 2 of Grant County Washington.
Grant PUD FW staff viewed the RFP process as an opportunity to encourage new and alternative approaches to M&E activities that could provide cost savings to the PUDs. Additionally, with a joint RFP, Grant PUD and Chelan PUD anticipated finding efficiencies where the two PUDs’ M&E activities overlap. After a formal review and interview process, it was determined that Washington Department of Fish and Wildlife (WDFW) provided the most complete and cost-effective plan to meet the objectives of the District’s M&E obligations.

**Justification:** The work conducted under this contract covers a substantial portion of Grant PUD’s hatchery mitigation M&E program requirements, included within its FERC License Order (Hatchery Genetic Management Plans), SSSA and BiOp issued by the NMFS for the Wenatchee and Methow River basins. As discussed above, M&E programs are a specific requirement of Grant PUD’s various regulatory requirements and are directed by the Priest Rapids Coordinating Committee Hatchery Subcommittee.

At this time, Grant PUD staff does not have the biological staff or the expertise necessary to complete this work in-house. Additionally, since this work is M&E and directly related to the District’s requirements, performing our own M&E activities could potentially be perceived as a conflict of interest.

FW staff believes that the RFP responses received in 2013 identified that WDFW was the most cost-effective choice with the appropriate qualification. Nothing has changed significantly that would change that evaluation. Grant PUD staff also believes that a continuation of this contract with WDFW is the most cost effective and biologically prudent option in meeting its mitigation obligations in the Wenatchee and Methow Basins, for the following reasons;

- ✓ Overall M&E costs are shared/split between both Grant PUD and Chelan PUD;
- ✓ Efficiencies are realized by both the Grant PUD and Chelan PUD in having the same/single entity perform the work within the same river basin;
- ✓ WDFW has the biological staff with specific expertise in monitoring and evaluating present and available and;
- ✓ WDFW has performed this proposed work previously, and Grant PUD’s FW staff believes it meets the standard of care and monitoring and evaluation program requirements as defined within the SSSA (SSSA 2006, Page 6).

**Financial Considerations:** Grant PUD FW staff conducts a detailed line item review in an effort to hold the costs in check and ensure that the proposed tasks and the associated budget were tied to Grant PUD’s M&E requirements and/or aligned with the Grant PUD’s long-term strategic goals related to hatchery M&E.

Through the line item review and negotiations, Grant PUD FW staff were able to negotiate a three year contract extension that will benefit Grant PUD in three ways; (1) to ensure that the required monitoring work continues uninterrupted with a knowledgeable and consistent contractor that is cost shared with Chelan PUD through 2023 at which point Grant PUD will recalculate its hatchery mitigation requirements, (2) to lock into personnel and indirect rates that Grant PUD FW staff believe are currently competitive and could, without an multiyear contract, increase annually more than the agreed to 3%, and (3) reduce contract services and time from the contractor. At a minimum, Grant PUD FW staff estimate that a total savings of $19,604 will be realized with a three-year contract extension versus annual extensions over the course of three years.
Labor and benefits typically accounts for a majority of the costs within an M&E contract, such as this one. For example, under this change order, requested labor and benefits account for approximately 70% of the overall budget. To keep labor increases in check, FW staff reviews all line item tasks to determine the “right-sized crews” necessary to perform the work. However, it is difficult to hold salaries and benefits static from year to year, as up to six WDFW staff working on the M&E projects are covered under the State of Washington and Washington Association of Fish and Wildlife Professionals Collective Bargaining Agreement (https://ofm.wa.gov/state-human-resources/labor-relations/collective-bargaining-agreements/washington-association-fish-and-wildlife-professionals-wafwp-2019-21).

As a reference point, the total cost difference between the work performed in 2017 ($426,850) and the proposed work in 2022 ($499,109) is $72,259. Over those five years, this increase constitutes a 3.4% increase in total contract costs.

If approved by the Commission, Change Order No. 5 would extend the contract through December 31, 2022 (730 days) and increase the Not-To-Exceed (NTE) amount by $1,457,609 for a new NTE Contract Price of $3,779,548.80. This work was anticipated and was included into the proposed 2020 budget under Cost Center 4220.

**Legal Review:** See attached email.

**Recommendation:** Commission approval of Change Order No. 5 would extend the contract through December 31, 2022 (730 days) and increase the Not-To-Exceed (NTE) amount by $1,457,609 for a new NTE Contract Price of $3,779,548.80.
CHANGE ORDER
NO. 5

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

A. **Description of Change**: Increase the Contract Price, extend the Contract completion date and replace Revised Appendix “B” Budget (Change Order No. 4), Calendar Years 2019 and 2020 with Revised Appendix “B” Budget (Change Order No. 5), Calendar Years 2020 through 2022, attached hereto for the continuation of the monitoring and evaluation of hatchery programs in the Wenatchee and Methow River Basins.

B. **Time of Completion**: The revised completion date shall be December 31, 2022.

C. **Contract Price Adjustment**: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of $1,457,609.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is $3,779,548.80, including changes incorporated by this Change Order.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2 of Grant County, Washington
Washington State Department of Fish & Wildlife

Accepted By: ____________________________  Accepted By: ____________________________

Name: __________________________________ Name: __________________________________

Title: _________________________________  Title: _________________________________

Date: _________________________________  Date: _________________________________
REVISED APPENDIX “B”
BUDGET (Change Order No. 5)
Calendar Years 2020 through 2022

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2020-2022 Total</th>
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<tr>
<td>Adult Monitoring</td>
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<td>$69,033.00</td>
<td>$201,606.00</td>
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<td>Reporting</td>
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<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$472,750.00</strong></td>
<td><strong>$485,750.00</strong></td>
<td><strong>$499,109.00</strong></td>
<td><strong>$1,457,609.00</strong></td>
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# Change Order Table

**Contract Title:** Monitoring and Evaluation of Hatchery Programs in the Wenatchee and Methow River Basins  

<table>
<thead>
<tr>
<th>Contract No.</th>
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<tr>
<td>430-3797</td>
<td>3/25/2014</td>
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<table>
<thead>
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<tr>
<td>Peter Graf</td>
<td>$1,718,268.95</td>
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<table>
<thead>
<tr>
<th>District Representative (If Different):</th>
<th>Original Contract completion:</th>
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<tr>
<td></td>
<td>12/31/2019</td>
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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Washington Department of Fish &amp; Wildlife</td>
<td>$2,061,279.85</td>
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<th>CO#</th>
<th>Change Description</th>
<th>Approved by</th>
<th>Approval Date</th>
<th>Revised Completion Date</th>
<th>Cost Change Amount</th>
<th>Revised Contract Amount</th>
<th>Authority Level Tracking</th>
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<td>12/31/20</td>
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<td>12/31/22</td>
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<td>$1,457,609.00</td>
<td>$3,779,548.80</td>
<td>$1,457,609.00</td>
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| Total Change Order Cost Change Amount | 2,061,279.85 |
Motion was made _______ and seconded by __________ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Amendment No. 1 to Interlocal Agreement 430-08136 with Carlton Acclimation Facility Operation, revising the scope of service, increasing the not-to-exceed contract amount by $995,591.00 for a new total of $1,342,995.00, extending the completion date to February 25, 2025 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Amendment No. 1.

xxxx
TO: Kevin Nordt, General Manager

VIA: Rich Wallen, Chief Operating Officer
Ty Erman, Managing Director of Power Production
Ross Hendrick, Senior Manager of Environmental Affairs

FROM: Tom Dresser, Fish and Wildlife Manager
Deanne Pavlik-Kunkel, Fish and Wildlife Program Supervisor

SUBJECT: Interlocal Agreement 430-08136, Amendment No. 1

Purpose: To request Commission approval of Amendment No. 1 to Interlocal Agreement 430-08136 to extend the contract through February 28, 2025 (1,826 days) and increase the Not-To-Exceed by $995,591.00 for a new not to exceed Contract Price of $1,342,955.00.

Background: The Public Utility District No. 2 of Grant County, Washington (Grant PUD) entered into the Priest Rapids Salmon and Steelhead Settlement Agreement (SSSA) with multiple parties during 2005 and 2006. The SSSA included specific measures to protect, mitigate and enhance populations of non-ESA-listed salmon species that migrate through the Priest Rapids Project (coho, sockeye, fall and summer Chinook) and also included additional measures to protect, mitigate and enhance ESA-listed populations. The 2008 BiOp and SSSA were adopted into Grant PUD’s Federal Energy Regulatory Commission (FERC) License Order in April 2008.

Under Part IX, Section 10.4 “Summer Chinook Artificial Propagation” of this agreement, Grant PUD is required to develop facilities necessary to produce 833,000 summer Chinook salmon smolts as called for in the Biological Assessment and Management Plan (BAMP). The total number of summer Chinook smolts (833,000) to be released were divided amongst the Methow, Wenatchee, and Okanogan Rivers via negotiations with fish managers. In consultation with the Priest Rapids Coordinating Committee-Hatchery Subcommittee the Methow program was examined during the 2013 recalculation and reduced to 200,000 smolts (SOA 2012-01).

Construction of the Carlton Acclimation Facility (CAF) was initiated in spring 2013 and completed in February 2014, thereby providing for overwintering acclimation, as required by Grant PUD’s stewardship requirements. In July 2013, Grant PUD entered into contract 430-3645 with Washington Department of Fish and Wildlife (WDFW) for fish husbandry and hatchery operation and maintenance services at the CAF and broodstock collection at Wells Dam. Under contract 430-3645, the total Not-To-Exceed (NTE) amount for the July 2013 and June 30, 2019 time period was $1,076,640.58 for an estimated cost of $505.70/day.

In the fall of 2017, the Public Utility District No 1 of Douglas County, Washington (DPUD) decided to terminate its fish husbandry and hatchery operation and maintenance services contracts with WDFW and staff its Methow and Wells Hatcheries with DPUD employees. This decision had a direct impact on the contractual agreement between Grant PUD and WDFW for services at the CAF, because key experienced individuals (WDFW staff) supporting tasks at the CAF were directly hired by DPUD to support fish husbandry and hatchery operation and maintenance at its Methow Hatchery, thereby leaving WDFW with a limited ability to provide coverage at the CAF. As result, WDFW communicated to Grant PUD that it could no longer provide the same quality of services that they had provided due to limited staff and logistical concerns (response times, housing, etc.).
In February of 2018, Grant PUD entered into an Interlocal Agreement (430-08136) with DPUD for fish husbandry, hatchery operational and maintenance performed at CAF and broodstock collection activities for a total NTE $347,364 for services covering the timeframe of March 1, 2018 – February 29, 2020.

Amendment No. 1 will extend the contract 430-08136 through February 28, 2025 (5 years) and increase the NTE by $955,591.00 for a new total NTE contract price of $1,342,955.00. Over the initial timeframe (March 1, 2018 – February 29, 2020) and proposed timeframe (for Amendment No. 1), the cost/day for conducting fish husbandry and hatchery operation and maintenance services at the CAF and broodstock collection at Wells Dam is estimated at $470.20/day. In comparison with the previous contract (with WDFW), this would be a $35.47/day decrease.

**Justification:** Amendment No. 1 will provide for continued implementation of Grant PUD's mitigation requirements for Methow Basin summer Chinook required by the SSSA, Part IX, Section 10.4 “Summer Chinook Artificial Propagation” as amended on August 2006 and under PRCC-HSC SOA 2012-01. The consequence of not implementing this Amendment is non-compliance with obligations under the SSSA and FERC License order for the Priest Rapids Project.

**Financial Considerations:** To hold costs down, Fish and Wildlife Staff (FW Staff) conducts a line item review and negotiation process to ensure that proposed tasks and the associated budget are tied to Grant PUD's CAF O&M requirements and aligned with internal long-term strategic goals related to hatchery production.

Contract 430-08136 is primary a labor contract, in which labor and benefits account for 85% ($846,253) of the costs associated with this contract. Direct expenses (fish health materials and sample analyses, insurance, and training costs) comprise $58,829 or 5.9% of overall costs, while the remaining cost is for a 10% Administrative Fee charged on labor and direct costs ($90,508; 9.1%).

Under the provided budget, a 6.0% increase is proposed during the first year. This includes an increase in labor cost (3%), as well as inclusion of fish health supplies and sample analyses costs (3%). Over the proposed remaining 4 years of the contract, the overall contract price increases by 2.9% each year.

FW Staff believe that an Amendment to Interlocal Agreement 430-08136 fulfills Grant PUD's mitigation responsibilities in a sound biological and cost-effective manner. Other alternatives were contemplated but were considered not feasible. Alternatives considered include:

1. Grant PUD staff: This option is not feasible (at this time), because Grant PUD does not have the technical expertise in-house to conduct fish husbandry and hatchery operation and maintenance activities. In addition, other logistical issues would need to be researched thoroughly before this could move forward. For example, housing options would need to be provided for extended periods of time (6 months) to ensure that hatchery response would occur within 30 minutes to address alarms at the CAF while fish are on station.

2. Other Contractors: Currently, FW Staff is unaware of other contractor(s) that are available and capable to provide quality hatchery-operation services in the Methow Basin. Due to the proximity of Methow Hatchery (to CAF), experienced DPUD staff and efficiencies that come with the close proximity, DPUD is the best option to ensure operation of a quality program.

Approval of Amendment No. 1 would extend the contract through February 28, 2025 (1,826 days) and increase the NTE amount by $955,591.00 for a new not to exceed Contract Price of $1,342,955.00. The budget for this program is included in the Grant PUD's adopted 2020 and proposed out-year Operations and Maintenance budgets under Class/Contract 2000-20 under Cost Center EB4220.

**Change Order/Amendment History:** This would be the first Amendment to this Interlocal Agreement.

**Legal Review:** See attached email.
**Recommendation:** Commission approval of Amendment No. 1 to Contract 430-08136 to increase the Contract amount by $955,591.00 for a new maximum Contract Price of $1,342,955.00 and to extend the term of the Contract by 1,826 days (5 years) for a new Contract completion date of February 28, 2025.
AMENDMENT NO. 1

Pursuant to Section 8, the following changes are hereby incorporated into this Agreement:

A. **Description of Change:**

1. Revise and Replace Section 1, Scope of Services in its entirety with the attached Revised Scope of Services, (Amendment No. 1)

2. Revise and Replace Section 3., Payment in its entirety with the following:

   **Payment**

   Grant agrees to pay Douglas for services quarterly for the term of this agreement upon receipt of the invoice. Since the Carlton Acclimation Facility Interlocal Agreement runs from March 1st to February 28th/29th, quarterly invoices will be submitted to Grant at the beginning of each quarter (March 1, June 1, September 1, and December 1). The invoiced amount paid to Douglas will equal one quarter of the estimated annual cost (see table below). Grant will pay invoices within thirty (30) days of receipt. In no event shall the total amount paid to Douglas for services exceed the amount specified for the associated fiscal year laid out in the table below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budget Estimate</th>
<th>Quarterly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 2020-Feb. 28, 2021</td>
<td>$187,543.07</td>
<td>$46,885.77</td>
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<tr>
<td>March 1, 2021-Feb. 28, 2022</td>
<td>$193,169.36</td>
<td>$48,292.34</td>
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<tr>
<td>March 1, 2022-Feb. 28, 2023</td>
<td>$198,964.44</td>
<td>$49,741.11</td>
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<tr>
<td>March 1, 2023-Feb. 29, 2024</td>
<td>$204,933.38</td>
<td>$51,233.34</td>
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<tr>
<td>March 1, 2024-Feb. 28, 2025</td>
<td>$210,980.48</td>
<td>$52,745.12</td>
</tr>
</tbody>
</table>

   If the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12-month period for which CPI-U data is available changes more than 2% above or below the agreed upon annual 3% increase (less than 1% or greater than 5%) (not seasonally adjusted) the parties shall have the right to renegotiate this Agreement.

   The total maximum Agreement Price shall not exceed $995,591.00, unless modified pursuant to Section 8 of this Agreement.

   Invoices shall include the Agreement No. 430-08136 and shall be submitted per the schedule designated above to the attention of:

   Public Utility District No. 2
   of Grant County, Washington
   Attn: Accounts Payable
   PO Box 878
   Ephrata, WA 98823

   Or

   AccountsPayable@gcpud.org
3. Extend the Contract Completion Date.

4. Increase the Contract Price.

B. **Time of Completion**: The revised completion date shall be February 28, 2025.

C. **Agreement Price Adjustment**: As a result of this Amendment, the not to exceed Amendment Price shall be increased by the sum of $995,591.00 plus applicable sales tax. This Amendment shall not provide any basis for any other payments to or claims by Douglas PUD as a result of or arising out of the performance of the work described herein. The new total revised maximum Agreement Price is $1,342,955.00, including changes incorporated by this Amendment.

D. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Public Utility District No. 1 of Douglas County,
Washington

Accepted By: ____________________________

Accepted By: ____________________________

Name: __________________________________

Name: __________________________________

Title: _________________________________

Title: _________________________________

Date: _________________________________

Date: _________________________________
1. Revised Scope of Services (Amendment No. 1)

The purpose of this Agreement is to set forth the terms and conditions under which Douglas shall provide to Grant PUD the services associated with the rearing and acclimation of Methow Basin summer Chinook salmon, required of Grant PUD, under the 2006 Priest Rapids Salmon and Steelhead Settlement Agreement (Part X) at Grant PUD’s Carlton Acclimation Facility (CAF).

A. Scope of Services Provided by Douglas PUD

1. Douglas PUD hatchery staff shall support the stocking of the CAF with up to 220,000 (200,000 program target plus up to ten percent [10%] over production, or adjusted number per Grant PUD’s Priest Rapids Coordinating Committee Hatchery Sub-Committee [PRCC-HSC]) juvenile summer Chinook in eight (8), 30’-diameter acclimation tanks starting in October of each year. Juvenile fish transport to CAF shall be conducted by Washington Department of Fish and Wildlife (WDFW) staff stationed at Eastbank Hatchery.

2. Douglas PUD hatchery staff shall feed and rear (including other standard fish husbandry tasks) the number of stocked fish from item 1 (currently up to 220,000 juvenile Chinook) until the April/May release time according to an annual rearing plan provided by Grant PUD. Current size target at release is fifteen (15) fish per pound.

3. Douglas PUD hatchery staff shall release the juvenile fish production to the Methow River via the existing CAF release mechanism on the prescribed release date(s) and time(s). Should an unplanned emergency release be necessary, the actions will follow the Emergency Action Plan (January 2019) for the CAF. Fish will be released to the Methow River from CAF if possible, or trucked to a safe release location according to the plan. Grant PUD will be notified as soon as possible, but within 24 hours.

4. All fish culture targets (rearing number and size targets, release dates, etc.) shall adhere to Grant PUD’s PRCC-HSC management guidelines.

5. Douglas PUD staff shall purchase fish feed under the account(s) with the feed vendor(s) established by Grant PUD to ensure that proper fish nutrition is achieved at CAF. Douglas PUD shall provide Grant PUD an annual estimate of the amount of fish feed to be purchased.

6. Douglas PUD hatchery staff shall provide standby and emergency response while fish are on-station, i.e., during the October to May acclimation period. Standby and emergency response shall be within thirty (30) minutes.

7. Douglas PUD hatchery staff shall collect adult broodstock at Wells Dam and/or Wells Hatchery, per timing outlined in the broodstock-collection protocols, typically between July 1 and September 15. This work includes trapping, short-term holding, loading of adults into a fish transport vehicle, and delivering the fish to holding ponds at Eastbank Hatchery. Coordination with WDFW Monitoring & Evaluation (M&E) staff at Wells Dam on collection days, and procurement of a fish-transport permit is included in this work.
8. Douglas PUD staff shall provide support for Grant PUD’s Passive Integrated Transponder (PIT) tagging contractor at CAF.

9. Douglas PUD staff shall maintain thorough records of all aspects of fish culture: i.e., fish numbers, fish health, feeding, sampling/biological data, mortalities, coefficient of variations (CV), growth profiles, feed-conversion rates, etc. Douglas PUD shall provide a database to hold all recorded data at CAF.

10. Douglas PUD staff shall provide written monthly and annual program reports to Grant PUD. Monthly reports are due by the 10th of the following month. Annual report first drafts are due by May 30 and final reports are due by July 31, annually data shall be provided to Grant PUD for annual Monitoring and Evaluation reporting according to Grant PUD’s current reporting schedule.

11. Douglas PUD staff shall record facility water use on a weekly basis and shall report these data to Grant PUD on a monthly basis.

12. Douglas PUD hatchery staff shall ensure that in-hatchery M&E crews contracted by Grant PUD and Grant PUD biologists have access to fish at CAF, as well as providing access to the CAF fish culture database.

13. Douglas PUD hatchery staff shall perform all necessary fish health inspections, biological assessments and treatments at the CAF, and shall be responsible for sending fish health samples and testing to a fish health lab. Douglas PUD fish husbandry staff shall also be responsible for implementing Grant PUD approved biosecurity protocols and procedures recommended by Douglas PUD’s fish health personnel.

14. Douglas PUD fish husbandry staff shall strictly implement all of the fish health specialist’s prescribed treatments including all chemical, biological, and mechanical treatments and measures. Douglas PUD shall keep Grant PUD apprised of fish health issues and possible treatments. Grant PUD shall have input on the preferred course of treatment, at its discretion.

15. Douglas PUD hatchery staff shall maintain CAF in a fully functional, clean, and reliable condition, including site appearance and grounds maintenance. Douglas PUD hatchery staff will handle minor repairs requested by Grant, using appropriate materials, tools and equipment provided by Grant PUD; provided Grant will be responsible for general maintenance and repair obligations for normal wear and tear of the CAF as provided in Section 1-B5, below. Douglas PUD shall repair the CAF for any damage caused by Douglas PUD.

16. Douglas PUD staff shall follow Grant PUD protocols for purchases, using Grant PUD’s provided list of approved vendor accounts whenever possible. These purchases shall be for smaller cost items and items that are needed quickly to keep the facility operating properly and safely. Materials, supplies, or services not
available through Grant PUD’s approved vendors or in excess of $500.00 shall be submitted to Grant PUD’s Project Manager for approval and/or purchase.

17. Douglas PUD staff and Grant PUD’s Project Manager shall closely coordinate on all aspects of facility Operation and Maintenance (O&M). Douglas PUD and Grant PUD shall hold a weekly meeting during the fish-acclimation season to foster communication and coordination regarding the operation of the CAF.

18. Douglas PUD shall provide Grant PUD an opportunity to respond to all visitor requests to the CAF prior to scheduling visits.

19. Douglas PUD shall provide and configure a computer, printer, and scanner.

20. Douglas PUD shall provide a telephone (landline type).

21. Douglas PUD shall coordinate with Grant PUD on safety at CAF and agrees to appoint a safety officer to visit the CAF upon request by Grant PUD to evaluate the facility and activities performed by Douglas PUD staff, and to identify safety improvements and/or facility upgrades deemed necessary by both Douglas and Grant PUD Safety Officers. Douglas PUD shall include the CAF and assigned operators in Douglas PUD’s monthly hatchery safety meetings. Safety shall remain a priority for Douglas PUD at the CAF, and Douglas PUD will hold monthly safety meetings to ensure workers operate safely and that the CAF remains a safe working environment. Douglas PUD will adopt any reasonable safety measures requested by Grant PUD.

22. The Douglas PUD workers shall be insured by Douglas PUD. The vehicle supplied to Douglas PUD by Grant PUD (as set forth Section 1(b)(10), below, is to be used for official business only. The vehicle shall not be used for standby duty (unless authorized by supervisor for unusual circumstances).

23. Douglas PUD shall provide the following employee positions to Grant PUD for CAF:

a. 12-month Hatchery Specialist to direct fish husbandry and maintenance at CAF and provide standby and emergency response (30-minute response required).

b. 8-month Hatchery Specialist to work at CAF, October through May to support the 12-month Hatchery Specialist position and to provide standby and emergency response (30-minute response required).

c. 1-month Methow Hatchery Supervisor to oversee the operation of the CAF team and coordinate standby response using all available Methow and Wells hatchery personnel.

d. 1-month Fish Health and Evaluation Specialist to oversee biosecurity and fish health.
All Douglas PUD employee payroll, benefits, and costs for its employees will be paid by Douglas PUD unless otherwise provided herein.

24. Douglas PUD shall provide Pollution Liability Insurance for the Carlton Acclimation Facility as required by Agreement, Section 9.A. Insurance. The annual cost of the Pollution Liability Insurance shall be reimbursed by Grant PUD.

B. Scope of Services Provided by Grant PUD

1. Grant PUD will maintain an account(s) with a fish feed supplier(s) and provide use of this account(s) for Douglas PUD staff to purchase fish feed for the CAF program. Grant PUD will directly pay the fish feed supplier(s) for the fish feed.

2. Grant PUD will provide Passive Integrated Transponder (PIT) tags and a contractor to conduct PIT-tagging activities at CAF. Currently, PIT tagging is conducted by Public Utility District No. 1 of Chelan County (Chelan PUD).

3. Grant PUD will maintain a contract with the fish health lab used by Douglas PUD to allow direct payment of fish health laboratory testing expenses.

4. Grant PUD will provide appropriate materials, tools and equipment necessary for maintaining the CAF facility, grounds, and site in a fully functional, clean, and reliable condition.

5. Grant PUD will coordinate and pay for all maintenance and repair of facility components at the CAF (physical plant, structural, mechanical, etc.) except for the Douglas PUD allocated maintenance and repair obligations set forth in Section 1(A)(15). Grant PUD will evaluate the CAF for necessary repairs or improvements. Items to be evaluated include potential flow limitations to the surface water intake, potential for ice buildup or pipes freezing in the facility, or other potential operational or safety hazards identified during safety reviews or during normal operations in the future. Grant PUD will notify Douglas PUD of plans to conduct facility repairs or upgrades, and keep Douglas PUD informed on progress of facility repairs, upgrades or modifications.

6. Grant PUD will provide an Emergency Action Plan (EAP) for Douglas PUD staff to follow in the event of emergencies that fall outside Douglas PUD’s standard emergency response protocol. This plan will include contact names and phone numbers for individuals that may be contacted for support and assistance. General scenarios and the appropriate actions to take/people to contact will be included in the EAP.

7. Grant PUD will provide Douglas PUD hatchery staff a list of Grant PUD approved vendor accounts for use in procuring items for the operation of the CAF.

8. Grant PUD will provide internet service, phone service, and electrical service to CAF.

9. Grant PUD shall coordinate with Douglas PUD on safety at CAF and agrees to appoint a safety officer to visit the CAF upon request by Douglas PUD to evaluate
the facility and activities performed by Douglas PUD staff, and to identify safety improvements and/or facility upgrades deemed necessary by both Douglas and Grant PUD Safety Officers. Grant PUD will implement safety measures when completing its CAF maintenance and repair obligations hereunder.

10. Grant PUD will supply one vehicle for Douglas PUD staff to use at CAF, which will be insured by Grant PUD.

11. Grant PUD will keep the Douglas PUD CAF operators informed of all fish culture targets (rearing number and size targets, release dates, etc.), Grant PUD’s PRCC-HSC management guidelines, and of all in-season alterations that occur.
<table>
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<tr>
<th>CO#</th>
<th>Change Description</th>
<th>Approved by</th>
<th>Executed Date</th>
<th>Revised Completion Date</th>
<th>Cost Change Amount</th>
<th>Revised Contract Amount</th>
<th>Authority Level Tracking</th>
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<td>1</td>
<td>Extend the Contract Completion, Increase the Contract Price, Replace Section 1 and 3.</td>
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Total Change Order Cost Change Amount: $995,591.00
Motion was made by ______________and seconded by______________ authorizing a transfer of the lesser of $28,000,000.00 or excess balance above $100,000,000.00 in the Electric System R&C fund for the purpose of cash defeasing Grant PUD outstanding debt. The amount in the non-rate stabilization fund is to be drawn first with the remainder coming from the rate stabilization portion.

xxxx
MEMORANDUM

TO: Board of Commissioners
    Kevin Nordt, General Manager

VIA: Jeffrey Bishop, CFO

FROM: Bonnie Overfield, Senior Manager Treasury

SUBJECT: Electric System R&C fund transfer

December 27, 2019

Purpose: Request the approval of the attached motion to transfer from the Electric R&C Fund the lesser of $28,000,000 or excess balance above $100,000,000 for the purpose of cash defeasing District outstanding debt. The amount in the non-rate stabilization fund is to be drawn first with the remainder coming from the rate stabilization portion.

Discussion: This motion provides funding in January 2020 for the cash contribution to the bond transaction escrow to legally defease as included in the District finance plan. The cash defeasance to reduce overall debt will be executed at the same time as the refunding bonds in January with a tentative expected closing date the week of January 27, 2020. This transfer out from the Electric R&C Fund will lower the balance to the targeted minimum balance of $100,000,000. Below is the current balance (market value) of the R&C Fund that denotes the amount held in the rate stabilization portion and the amount held within the non-rate stabilization portion of the overall fund. Rate stabilization dollars are those that have decremented debt service in prior years and can be utilized in future periods as a cash receipt to augment coverage. Dollars in the non-rate stabilization account are those that were transferred in via other mechanisms and accumulated interest earnings on the fund balance.

Recommendation: Commission approve the above described motion on the January 28th Commission meeting.

Attachment - Motion
## January 2020

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- **February 2020**

- **March 2020**

- **10:00am Randalynn Hovland Commission Meeting (HQ-Commission)** - Randalynn Hovland

- **8:00am APPA Legislative Rally**

- **8:00am APPA Legislative Rally**

- **8:00am APPA Legislative Rally**

- **8:00am Energy Northwest Executive Board Meeting & Board of Directors Meeting (if Needed)**

Commission Meetings
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**March 2020**

- **8 March 2020**: 10:00am Hovland Commission Meeting (HQ-Commission) - Randalynn Hovland

- **15 March 2020**: 8:00am Energy Northwest Executive Board Meeting & Board of Directors Meeting (Tri-Cities)
- 10:00am Hovland Commission 12:00pm Lunch with

- **22 March 2020**: 8:00am Energy Northwest Executive Board Meeting & Board of Directors Meeting (Tri-Cities)

- **29 March 2020**:

**Commission Meetings**