

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 287 686 505#
COMMISSION MEETING
Tuesday, May 25, 2021

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

- 9:00 a.m.** Commission Convenes
Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch with County Commissioners
- 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 May 11, 2021

2. Regular Agenda

8965 – A Resolution Amending Grant PUD’s Strategic Plan Effective May 25, 2021.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10921 with the Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$1,136,055.00 and with a contract completion date of June 30, 2024. (3362)

3. Review Items For Next Business Meeting

XXXX – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, Providing for the Issuance of a Subordinate Lien Electric System Revenue Refunding Bond of the District in the Principal Amount of not to exceed \$50,000,000.00 to Refinance Certain Capital Improvements to the Electric System; Providing the Form and Terms of the Bond; Authorizing the Sale of the Bond; and Approving Certain Matters Related Thereto.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute an Interlocal Agreement between Grant PUD and Energy Northwest. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 10 to Contract 230-08636 with IMCO General Construction, Inc., increasing the not-to-exceed contract amount by \$4,258,940.00 for a new contract total of \$39,584,485.46 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. 10. (xxxx)

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

May 11, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 287 686 505# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Dale Walker, Commissioner; and Tom Flint, Commissioner.

The Commission convened to review vouchers and correspondence.

Due to technical difficulties, the meeting did not begin until 9:18 a.m.

A round table discussion was held regarding the following topics: Quincy chute operations update; request for gateway installation report; appreciation noted from a Royal City customer; and a Commission request for additional information relating to the process and structure of customer service request estimates.

Rich Wallen, COO, recognized Kevin Marshall as recipient of the Northwest Public Power Association (NWPPA) Excellence in Engineering Award.

Rich Wallen, COO, recognized the following employees as recipients of the Northwest Public Power Association (NWPPA) Safety Heroism Award: David Burk, Jeremy Coleman, Steve Gilliland, Brian Saunders, Roy Bensch, Mark Riggs, Bill Nichols, Mike Allen, Travis Havens, Willie Stone and Ty Mertes.

Kevin McCarthy, Senior Manager of Internal Services, provided an overview of the Ephrata Service Center (ESC) and Moses Lake Service Center (MLSC) remodel project.

John Mertlich, Senior Manager of FP&A, and Jeremy Nolan, Lead Financial Analyst, presented the Current Year Budget to Actual Report.

Ron Alexander, Senior Manager of Power Delivery Construction and Maintenance, provided the Construction and Maintenance Report.

The Commission attended a working lunch tour of the Ephrata Service Center.

Consent agenda motion was made Mr. Walker and seconded by Mrs. Wilson to approve the following consent agenda items:

Payment Number	110876	through	111293	\$6,590,118.28
Payroll Direct Deposit	176999	through	177728	\$2,034,204.00
Payroll Tax and Garnishments	20210506A	through	20210506B	\$897,391.26

Meeting minutes of April 27, 2021.

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

Motion was made by Mr. Cox and seconded by Mr. Flint to remove Resolution No. 8963 from the table. After consideration, the motion passed by unanimous vote of the Commission.

Resolution No. 8963 relative to amending the Governance Policy was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Walker to approve Resolution No. 8963. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8963A RESOLUTION AMENDING THE GOVERNANCE POLICY AND SUPERSEDING PRIOR
RESOLUTIONS RELATING TO GOVERNANCE OF GRANT PUDRecitals

1. Grant PUD has a Governance Policy adopted August 31, 2009 by Resolution No. 8402, and as amended by Resolution Nos. 8517, 8708, 8815, and 8918; and
2. Grant PUD has reviewed and desires to update its Governance Policy.

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

Section 1. The Public Utility District No. 2 of Grant County, Washington Governance Policy (the "Governance Policy") attached as Exhibit A is hereby approved and adopted as the official governance policy of Grant PUD.

Section 2. Any prior resolutions inconsistent with the Governance Policy adopted herein are superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 11th day of April, 2021.

Resolution No. 8964 relative to Adopting Salaries for Commission Appointees was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Walker to approve Resolution No. 8964. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8964

A RESOLUTION ADOPTING SALARIES FOR COMMISSION APPOINTEES

Recitals

1. The Commission desires to establish the salaries for Commission Appointees as set forth herein.

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

Section 1. The adjusted salaries for Commission Appointees is set forth in Exhibit A and shall be effective May 14, 2021.

Section 2. The adjusted salaries for Commission Appointees is set forth in Exhibit B and shall be effective January 7, 2022.

Section 3. The Commission adds contributions to the personal leave (PL) bank of the General Manager / Chief Executive Officer as follows:

- May 2021 – Thirty (30) days at eight (8) hours per day
- January 2022 – Thirty (30) days at eight (8) hours per day

Section 4. The Commission adds contributions to the personal leave (PL) bank of the General Counsel / Chief Legal Officer as follows:

- May 2021 – Fifteen (15) days at eight (8) hours per day
- January 2022 – Fifteen (15) days at eight (8) hours per day

Section 5. This resolution supersedes any prior resolution relating to Commission Appointee salaries to the extent of any conflict or inconsistency with the salary adjustments set forth in Exhibits A and B.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 11th day of May, 2021.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 1:51 p.m.

The Commission resumed at 2:00 p.m.

Dmitriy Turchik, Internal Audit Manager, presented the Internal Audit Program Report.

Andrew Munro, Senior Manager of External Affairs and Communications, and Cliff Sears, Senior Policy Analyst, provided a Federal & State Legislative Update Report.

An executive session was announced at 3:30 p.m. to last until 4:30 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:45 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 3:45 p.m. on May 11 and reconvened on Friday, May 21 at 8:30 a.m. at the Crescent Bar Recreation Area – Chinook Park Day Use Parking Lot for the purpose of attending a joint Grant PUD and Grant County Commissioner Tour and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Judy Wilson, Nelson Cox, Dale Walker and Tom Flint. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the May 11 meeting officially adjourned at 12:00 p.m. on May 21, 2021.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Dale Walker, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

RESOLUTION NO. 8965

A RESOLUTION AMENDING GRANT PUD'S STRATEGIC PLAN EFFECTIVE May 25, 2021

R e c i t a l s

1. On April 28, 2020, the Commission by Resolution No. 8941 amended Grant PUD's Strategic Plan;
2. The Strategic Plan is a living document that will be systematically reviewed every six months with the Commission. During these sessions, the board will review progress made towards our goals and identify the strengths, weaknesses, opportunities, and threats facing the utility;
3. Slight variations to the document are anticipated regularly and will be reviewed with the Commission. When formal action is taken to revise the Strategic Plan, staff will propose those changes via formal resolution; and
4. Grant PUD's General Manager / CEO recommends adoption of a revised Strategic Plan dated May 25, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Grant PUD's Strategic Plan dated May 25, 2021 is hereby adopted and said Strategic Plan replaces and supersedes Grant PUD's Strategic Plan dated April 28 2020.

BE IT FURTHER RESOLVED that Resolution No. 8941 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of May, 2021.

ATTEST:

Tom Flint, President

Judy Wilson, Secretary

Larry Schaapman, Vice President

Dale Walker, Commissioner

Nelson Cox, Commissioner

STRATEGIC PLAN 2021

May 25, 2021





OUR MISSION

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

OUR VISION

EXCELLENCE IN SERVICE AND LEADERSHIP

We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.



OUR VALUES

■ SAFETY

We believe that employee and public safety is paramount.

■ INNOVATION

We make decisions that best serve present and future generations.

■ SERVICE

We are committed to excellent customer service.

■ TEAMWORK

We are one team with the same mission.

■ RESPECT

We honor the rights and beliefs of those we work with and serve.

■ INTEGRITY

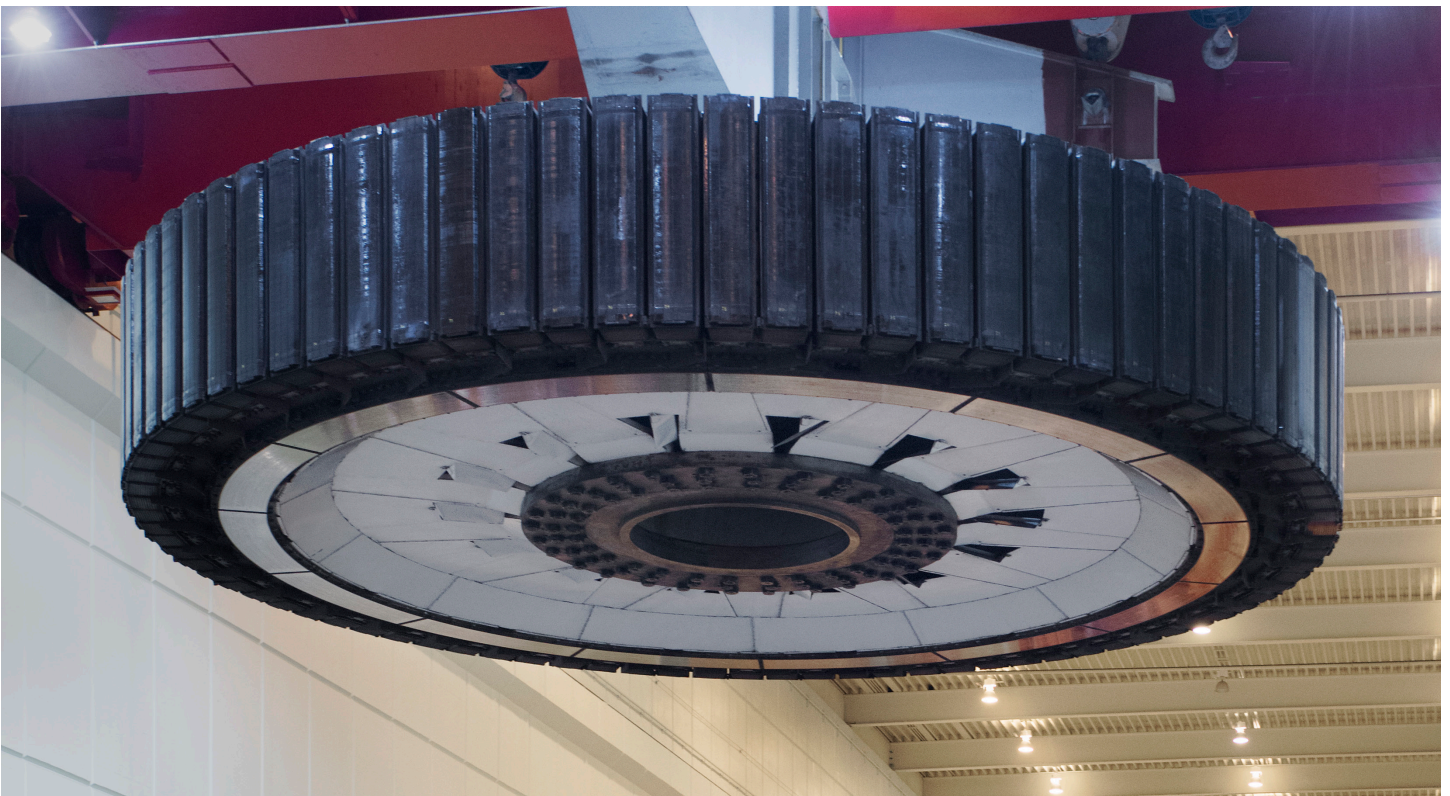
We hold ourselves and others accountable to professionalism in our actions and words.

■ HERITAGE

We protect, preserve and perpetuate both the spirit of the Grant PUD and the Wanapum relationship.

OUR KEY OBJECTIVES

- | | | | |
|---|---|---|---|
| 1 | Achieve and maintain a zero-incident workplace | 5 | Provide outstanding service to our customers |
| 2 | Design and sustain an engaging & fulfilling Grant PUD culture | 6 | Operate responsibly by attaining environmental, cultural resource and regulatory compliance |
| 3 | Maintain a strong financial position | 7 | Completion and maintenance of a sustainable wholesale fiber optic network |
| 4 | Provide long-term low rates | | |





OBJECTIVE 1

ACHIEVE AND MAINTAIN A ZERO-INCIDENT WORKPLACE

Safety shall encompass industrial safety, dam safety, together with physical security of our employees and the public. Every employee plays a role in this objective. By prioritizing safe work practices over job completion, speaking up when safety concerns exist, ceasing to proceed in the face of uncertainty together with a data-driven analytical approach to industrial safety, we will ensure all employees, contractors, and members of the public always remain free from harm.

STRATEGIES

- Employ a defense-in-depth approach to industrial safety.
- Ensure an industry leading Dam Safety Program exists with active engagement and awareness across all levels of the organization.
- Ensure rigorous root cause analysis and formal corrective action tracking programs exist.
- Develop a strong “see something, say something” culture with clear expectations that safety shall always preempt production.
- Employ a Lean / 6-Sigma management approach.

KEY METRICS

- Recordable incident rate.



OBJECTIVE 2

DESIGN AND SUSTAIN AN ENGAGING & FULFILLING GRANT PUD CULTURE

Workplace culture is the infrastructure that guides how we function. Business outcomes, such as safety, compliance, financial results, and operational excellence, all hinge on a healthy workplace culture that supports people. We continuously design our culture so every role has purpose and every employee has value. We make meaningful investments in our workforce. We encourage transparent and authentic communication, and engage our teammates with respect and empathy.

STRATEGIES

- Recruit, develop and retain a best-in-class workforce
- Translate organizational values into actionable behaviors
- Deliver a rigorous onboarding experience
- Sponsor a vibrant employee association
- Establish a deliberate, continuous learning strategy aligned to business outcomes
- Implement the ADDIE instructional systems design framework for training
- Articulate and reinforce our desired leadership culture
- Deliver industry-leading educational reimbursement programs

KEY METRICS

- Organizational Health Index
- Employee Engagement Assessment
- Educational Reimbursement Target
- Training Effectiveness Assessment



OBJECTIVE 3

MAINTAIN A STRONG FINANCIAL POSITION

Every employee plays a role in this objective. By making cost-conscious business decisions and watching out for our bottom line, we will maintain the funds necessary to get our work done and to keep the lights on for the people of Grant County at the lowest possible costs.

STRATEGIES

- Achieve cost efficiencies.
- Manage risk.
- Set retail rates that meet the retail revenue requirement.
- Enhance project prioritization.
- Increase process & method standardization.
- Optimize non-retail rate revenue.

KEY METRICS

- Liquidity threshold (liquid working capital + R&C fund balance).
- Consolidated return on net assets.
- Consolidated debt service coverage.
- Consolidated debt to plant ratio.



OBJECTIVE 4

PROVIDE LONG TERM LOW RATES

Our customers expect to receive high-quality service at the lowest possible costs. To do this, we monitor how we use power from our resources to maximize net revenue to the utility. We also encourage energy conservation to ensure that the low-cost energy from our hydropower projects meet the needs of our county for as long as possible. By planning for our energy needs, both now and in the future, we can achieve long-term low rates for our customers.

STRATEGIES

- Optimize Grant PUD's generating resources.
- Perform long-term integrated resource planning.
- Develop effective and efficient conservation programs.
- Build, operate and maintain T&D system to optimal levels.
- Develop, protect and enhance Grant PUD / Wanapum interests in local, state and national forums.

KEY METRICS

- Retail operating ratio (adjusted).
- Grant PUD retail rate index (ASC) vs. "Peer group of excellence" retail rate index.
- Grant PUD credit rating.

OBJECTIVE 5

PROVIDE OUTSTANDING SERVICE TO OUR CUSTOMERS

Every action we take at this utility is in service to our customers. We continually ask ourselves how our performance aids in improving service quality and reliability. The concerns of people we impact and our fellow employees are important to us and we act quickly to resolve issues to exceed customer expectations.

STRATEGIES

- Optimize Grant PUD's generating plant availability.
- Optimize critical spares inventory.
- Provide prompt response to customer inquiries and service requests.
- Provide convenient retail customer access to Grant PUD (physical & virtual).

KEY METRICS

- Electric system reliability indices – ASAI and CAIDI.
- Generating plant HLH availability.
- Retail customer satisfaction surveys.





OBJECTIVE 6

OPERATE RESPONSIBLY BY ATTAINING ENVIRONMENTAL, CULTURAL RESOURCE AND REGULATORY COMPLIANCE

We are one team with the same mission. We work together to find operational efficiencies and implement a common sense approach in our work. We care about the natural, cultural and financial resources that the public entrusts to us and diligently work to protect these resources in local, regional and national forums.

STRATEGIES

- Employ “defense in depth” philosophy in compliance arenas.
- Clearly define and communicate compliance requirements.
- Engage in active stakeholder collaboration.
- Employ process standardization and strong internal controls throughout Grant PUD.
- Actively engage in relevant industry issue forums.

KEY METRICS

- Internal and external audit outcomes.
- Compliance requirement satisfaction.
- Environmental and cultural goal achievement.

OBJECTIVE 7

DEVELOP A SUSTAINABLE FIBER OPTIC NETWORK

We are committed to expanding our wholesale fiber optic network to all the people of Grant County. We seek to identify and offer services that meet customers' needs and increase network revenue for the utility. As with all utility services, we make decisions that best serve present and future generations of customers.

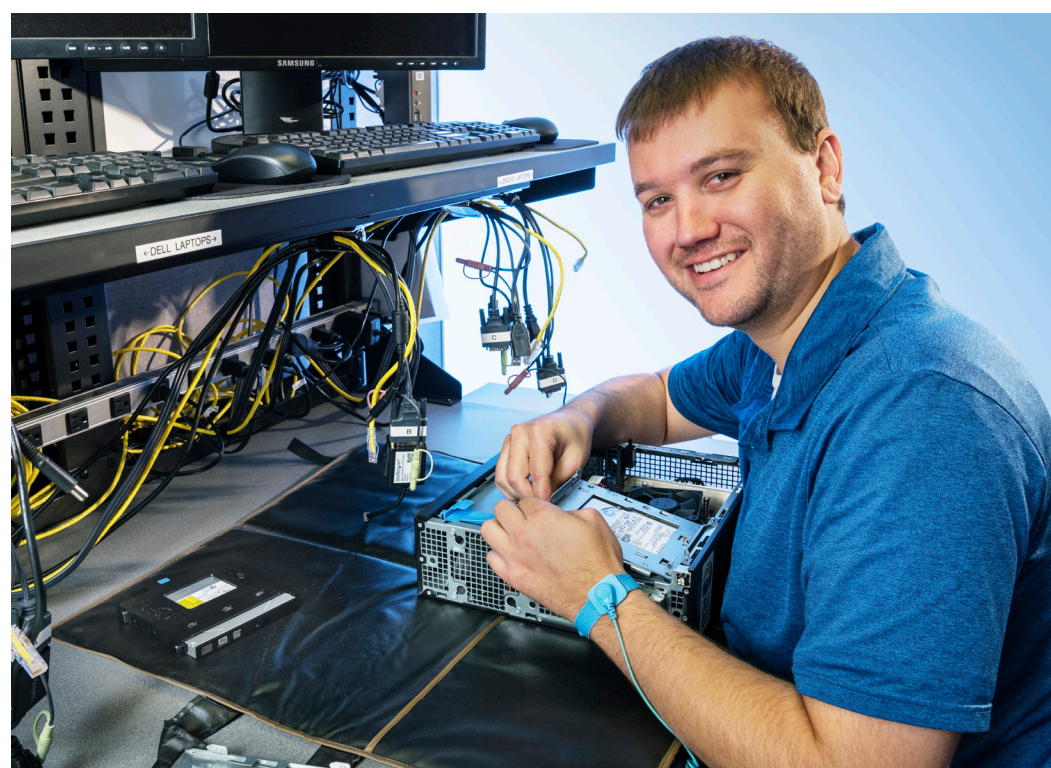
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- Optimize Grant PUD's wholesale fiber optic network expansion Grant PUD's product and service offering (within limits of existing legal limitations and authorizing resolution).
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KEY METRICS

- Achieve planned capital build for current year.
- Average system take rate.







Thank you for taking the time to familiarize yourself with our strategic plan. As Grant PUD continues to evolve, you will play a continuing role in our success. With that in mind, your feedback is essential. Please feel free to contact us with any questions or concerns.

KEVIN NORDT

General Manager

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509-754-5699

DAVE CHURCHMAN

Chief Customer Officer

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509-754-5069

JEFF BISHOP

Chief Financial Officer

jbishop@gcpud.org
509-754-6637

RICHARD WALLEN

Chief Operating Officer

rwallen@gcpud.org
509-754-6744

MITCHELL DELABARRE

General Counsel

mdelaba@gcpud.org
509-793-1565



**Grant
PUD**

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STRATEGIC PLAN 2020

May 25, 2021





OUR MISSION

To safely, efficiently, and reliably generate and deliver energy to our customers.

New Mission Statement:
To safely, efficiently, and reliably provide electric power and fiber optic broadband services to our customers

OUR VISION

EXCELLENCE IN SERVICE AND LEADERSHIP

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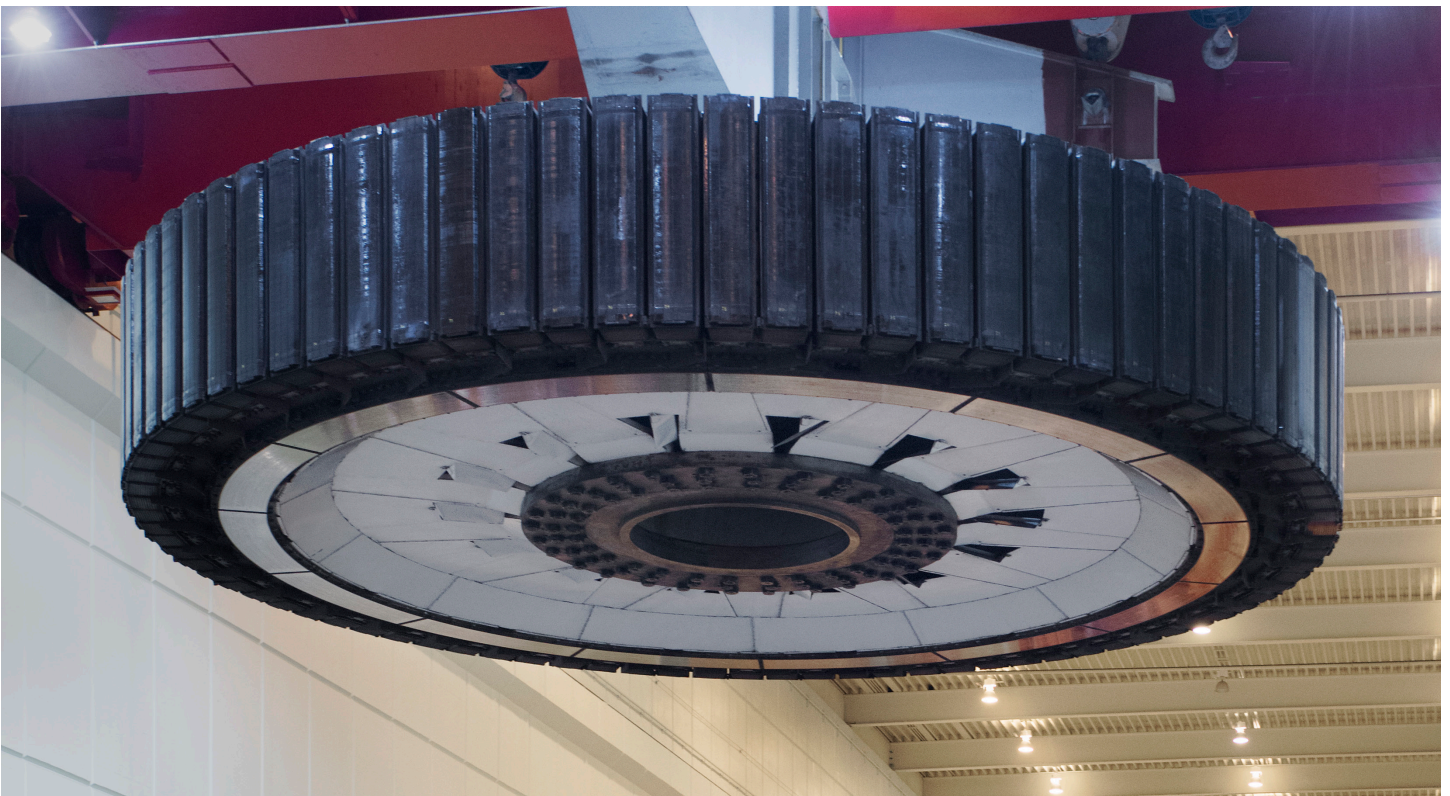
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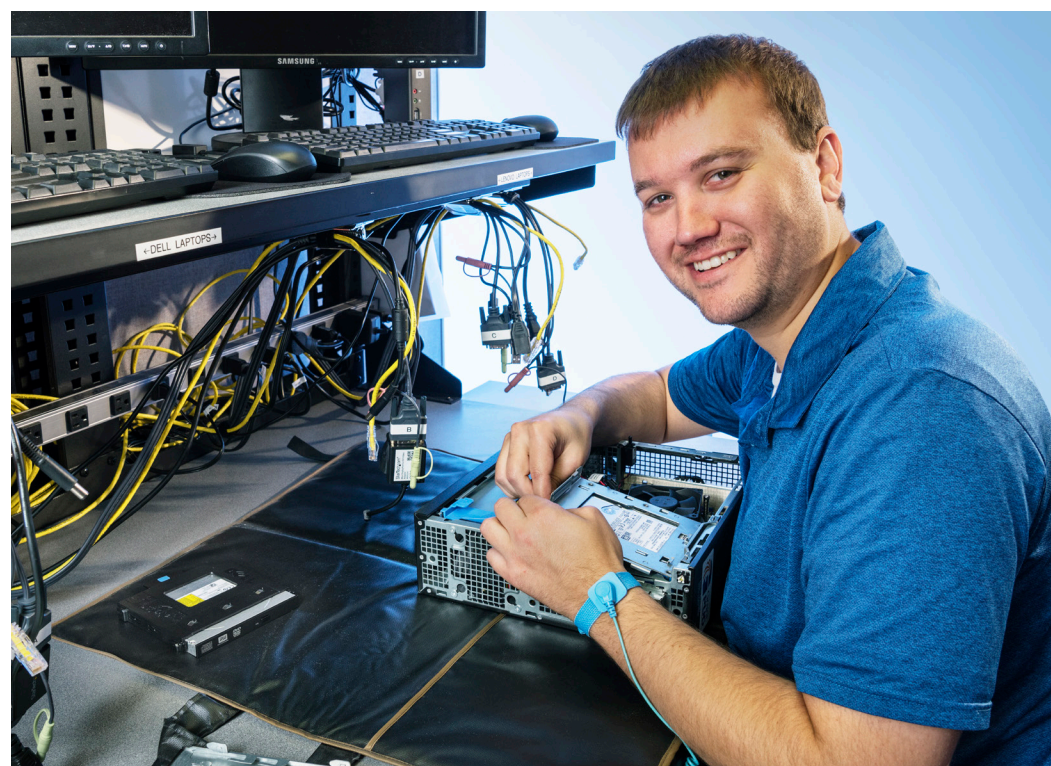
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MITCHELL DELABARRE

General Counsel

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Grant
PUD

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Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10921 with the Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$1,136,055.00 and with a contract completion date of June 30, 2024.

MEMORANDUM

April 23, 2021

TO: Kevin Nordt, General Manager

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

FROM: Tom Dresser, Fish and Wildlife Manager *Thomas J. Dresser*
Deanne Pavlik-Kunkel, Fisheries Program Supervisor

SUBJECT: New Contract – Priest Rapids Hatchery Monitoring and Evaluation

Purpose: To request Commission approval of a new 3-year \$1,136,055 Contract to provide services from the Washington Department of Fish and Wildlife (WDFW) for the Priest Rapids Hatchery Monitoring and Evaluation from July 1, 2021 through June 30, 2024.

Background: The Public Utility District No. 2 of Grant County, Washington (the District) 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 SSSA was adopted into the District's Federal Energy Regulatory Commission (FERC) License Order in April 2008.

Under Part IX, Section 9.5 "Fall Chinook Artificial Production Goals" of this agreement and in accordance with the Priest Rapids Hatchery Genetic Management Plan's Monitoring and Evaluation Plan, Grant PUD is required to conduct monitoring and evaluation (M&E) of the Priest Rapids Hatchery fall Chinook salmon program. The objective of the monitoring and evaluation plan is to evaluate the performance of the Priest Rapids Hatchery upper Columbia River fall Chinook program and its ability to meet the District's hatchery mitigation requirements.

This Contract provides a three-year (July 1, 2021 through June 30, 2024) scope of work and budget for M&E performed by the Washington Department of Fish and Wildlife (WDFW) for the Priest Rapids Hatchery's upper Columbia River fall Chinook hatchery mitigation program.

WDFW was selected to conduct M&E activities for fall Chinook mitigation program because of their scientific and research experience and expertise. They have been good partners in ensuring M&E of the District's fall Chinook program meets District obligations and PRCC Hatchery Subcommittee requirements. Additionally, working with WDFW has allowed us to partner with the United States Army Corp of Engineers (ACOE) and WDFW in sharing the cost of conducting fall Chinook monitoring in the Project Area and the Hanford Reach.

The current Professional Services Contract (430-3218) is set to expire on June 30, 2021.

Justification: In 2010, the District began monitoring the Priest Rapids fall Chinook program as required by the SSSA, Part IX. Although Priest Rapids Hatchery has been operated since 1963, no comprehensive M&E plan was associated with its operation. Prior to 2010, monitoring by WDFW provided basic information on the age structure and origin of fall Chinook both at the hatcheries and in the Hanford Reach but it was not sufficient to meet the tasks and objectives of the Priest Rapids Hatchery Monitoring and Evaluation Plan required by the District's FERC license. Contract 430-3218 and subsequent Change Orders, including the last Change Order No. 9, fulfilled the District M&E mitigation obligations for the fall Chinook salmon artificial propagation program and the associated Priest Rapids Hatchery Genetic and

Management Plan's Monitoring and Evaluation Plan as required under the Settlement Agreement for the contract period. This new three-year contract will continue the required work.

At this time, the FW Department does not have the biological staff or the expertise necessary to complete this work in-house. FW staff also believes that a contract with WDFW is the most cost effective and biologically prudent option in meeting the District's mitigation obligations for monitoring and evaluation of the upper Columbia River fall Chinook program, for the following reasons;

- ✓ WDFW has the biological staff with specific expertise in conducting the required monitoring and evaluation assessments present and available and;
- ✓ Through the WDFW M&E contract with the ACOE, the District will be able to share the cost of M&E activities for the Priest Rapids Hatchery fall Chinook program with the ACOE and WDFW. The ACOE is responsible for 37.08% of the total annual Priest Rapids Hatchery M&E cost (except for work associated with otoliths); for example, in the first year of the new contract the total cost of conducting monitoring and evaluation activities, including both ACOE and District expenses is budgeted at \$488,474 of which the ACOE share of the cost would be \$111,286. Additionally, the WDFW provides additional staffing that are paid for by the WDFW Coded Wire Tag program.

Financial Considerations: The District's FW staff went through a rigorous line item review and negotiation process in an effort to hold costs in check and ensure that proposed tasks and the associated budget were tied to the District's Priest Rapids Hatchery upper Columbia River fall Chinook program M&E requirements and aligned with the District's long-term strategic goals related to program monitoring and assessment.

FW staff reviewed all line item tasks and evaluated expected fish runs and potential workloads to ensure the number of crewmembers is necessary to complete tasks identified in the Statement of Work. Costs under the new contract increased \$47,569 (14.4%) compared with the previous contracted cost and are primarily a result in increased indirect rate and staff costs.

WDFW is anticipating its indirect rate to increase to 36.28% on July 31, 2021 for fiscal year 2022, which is a 4.46% increase from fiscal year 2021. This cost increase is driven by cost of living adjustments, benefit increases, higher central service costs and hiring staff to fill in gaps of needed service.

The District requires WDFW to budget the number of staff based on forecasted fish returns to the Priest Rapids Trap. These forecasts are very conservative and generally under predict actual returns. For example, in 2020 the forecast was for roughly 20,000 fish to return to the trap, with the actual return at 38,948, which resulted in WDFW being short staffed. The forecasted return for 2021 is 41,185 fish, which is similar to the actual return of 2020 (n=38,948). Therefore, WDFW has requested additional budget for staff support.

WDFW is uniquely qualified and positioned to perform the monitoring and evaluation tasks required under the fall Chinook program's M&E Plan, and despite minor increases, FW staff believe that a new contract with WDFW for Professional Services is the least-cost option. Additionally, using WDFW as the M&E contractor provides assurance to the PRCC Hatchery Subcommittee that M&E will be conducted without conflict-of-interest on behalf of the District. Other alternatives were contemplated but were not considered feasible or would result in increased cost to Grant PUD. Alternatives considered include:

1. Using Grant PUD staff to implement the fall Chinook program M&E activities. This option is not feasible at this time. The District does not have the biological staff necessary to complete this work nor the in-house expertise in monitoring and evaluating Chinook salmon populations. To implement the program, many staff would need to be hired and trained, at a likely higher cost than contracting with WDFW.

2. **Other Contractors.** This option does not make sense at this time. WDFW has extensive experience in meeting objectives in the Project Area and, as a fisheries resource co-manager, a vested interested in operating a quality M&E program. Further, the ACOE plans to contract with WDFW to complete their share of the monitoring and evaluation for fall Chinook reared in Priest Rapids Hatchery and Ringold Hatchery. Cost sharing of M&E activities reduces Grant PUD's overall M&E costs through collaboration and data sharing conducted through a multiple mitigation program in the Project Area and the Hanford Reach.
3. **No Contract Implemented.** By not entering into a new contract for this work, the District will be in violation of the terms and conditions of its FERC license.

If approved by the Commission, the new contract would be 3 years long and have a NTE amount of \$1,136,055. This item is allocated in the District's approved 2021 Operations and Maintenance budget and will be included in the proposed 2022 budget under P-2000, Cost Center EB4220, and Initiative Fall Chinook Mitigation Program. Todd Pearsons is the Program Manager.

Change Order History: Not Applicable.

Legal Review: See attached email.

Recommendation: Commission approval of a new 3-year \$1,136,055 Contract to provide services from the Washington Department of Fish and Wildlife (WDFW) for the Priest Rapids Hatchery Monitoring and Evaluation from July 1, 2021 through June 30, 2024.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective July 1, 2021, is by and between Public Utility District No. 2 of Grant County, Washington ("District" or "GCPUD") and Washington State Department of Fish and Wildlife ("Contractor" or "WDFW");

R e c i t a l s :

The District desires to obtain monitoring and evaluation (M&E) services for the Priest Rapids Hatchery Fall Chinook Mitigation Program; and

The District's Senior Manager of Environmental Affairs, Ross Hendrick, and staff believes this will fulfill the District's mitigation requirements under its FERC license and the 2006 Salmon and Steelhead Settlement Agreement related to monitoring and evaluation of its fall Chinook production program released from Priest Rapids Hatchery.

The undersigned Contractor is willing to perform professional services on the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

1. Scope of Services

- A. Contractor shall provide but not be limited to providing M&E services for the Priest Rapids Hatchery Fall Chinook Mitigation Program as described in detail in the Statement of Work and Budget for 2021-2024 Priest Rapids Hatchery Monitoring and Evaluation, attached hereto as Appendix "A".
- B. In the event that the District requires the Contractor to perform specific services in addition to the above detailed Scope of Services, the District will authorize the Contractor to perform such work by means of a Task Authorization for Professional Services (Appendix "D") to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative, and will define the scope of the task, any time requirements, and budget limitations.

The District reserves the right to suspend or terminate any authorized task at any time or to extend the Contract beyond the initial term by issuance of a Change Order in accordance with Section 5 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Independent Contractor

- A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor's activities will be conducted at its own risk and be in compliance with all federal, state and local laws.
- B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like

those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

This Agreement shall remain in full force and effect until June 30, 2024 or until terminated pursuant to Section 17.

4. Compensation and Payment

A. District shall reimburse Contractor for actual costs incurred under this Agreement, including overheads which are properly allocable in accordance with generally accepted accounting standards consistently applied. In no event however, shall the total amount paid to the Contractor exceed the sum of \$1,136,055.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

B. Contractor shall submit monthly invoices for completed work 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

C. Invoices shall include the Contract number and a detailed description of the work performed. This includes the number of samples processed and the cost per sample for laboratory work such as the processing of scales and otoliths.

D. Payment will be made by the District upon completion of work following District approval of Contractor's invoices. Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice.

5. Change Orders

Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy himself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by written agreement of the parties and shall be made on Change Order form as reflected on Appendix "C".

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including details on proposed cost. The District shall not be liable for any payment to Contractor, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix "C" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
 - 1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
 - 2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

To the fullest extent permitted by law, Contractor shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the Contractor or its subcontractors, excluding damages caused by the negligence of the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or its subcontractors. Contractor waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to a person or damage to property caused

by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

To the fullest extent permitted by law, Contractor acknowledges that by entering into this Contract with the District, it has mutually negotiated the above indemnity provision with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and shall remain in full force and effect until satisfied in full.

8. Insurance

- A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by the District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and Operations;
- b. Products and Completed Operations;
- c. Contractual Liability;
- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);
- e. Pollution Liability (sudden and accidental);

with the following **minimum limits:**

- f. \$1,000,000 Each Occurrence
- g. \$1,000,000 Personal Injury Liability
- h. \$2,000,000 General Aggregate (per project)
- i. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability:** Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **\$1,000,000 for Each Accident, Each Employee, and Policy Limit**. The Contractor expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

4. **Professional Liability:** Contractor shall provide professional liability insurance with a **minimum limit of \$1,000,000 per claim**.

If such policy is written on a claims made form, the retroactive date shall be prior to or coincident with the Effective Date of this Agreement. Claims made form coverage shall be maintained by the Contractor for a minimum of three years following the termination of this Agreement, and the Contractor shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Contractor shall purchase an Extended Reporting Period Tail or execute another form of guarantee acceptable to the District to assure financial responsibility for liability for services performed.

If Contractor shall hire subcontractor for all operations and risk involving professional services exposure, this requirement may be satisfied by subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

- B. Evidence of Insurance - Prior to performing any services, and within 10 days after receipt of the Contract Award, the Contractor shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming the District as an Additional Insured for each policy where indicated in Section A.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Subcontractors - Contractor shall ensure that each subcontractor meets the applicable insurance requirements and specifications of this Agreement. All coverage for subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each subcontractor upon request.
- D. Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, and 10 days advance written notice for cancellation due to non-payment. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

9. Assignment

Contractor may not assign this Agreement, in whole or in part, voluntarily or by operation of law, unless approved in writing by the District.

10. Records - Audit

- A. The results of all work and services performed by the Contractor hereunder shall become the property of the District upon completion of the work herein performed and shall be delivered to the District prior to final payment.
- B. The Contractor shall maintain books, records, documents and other evidence, which sufficiently and properly reflects all direct and indirect costs expended by it relating to this Agreement. These "records" shall be subject to inspection, review or audit by the District or its authorized representatives, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access and the rights to examine any of these materials during this period.

- C. Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Agreement in accordance with sound and generally accepted accounting principles applied on a consistent basis. Contractor will provide the District a full copy of the annual auditors' report, including all attachments and management letters within 30 days of receipt of the same.
- D. The Contractor's "records", referenced in this section, shall upon reasonable notice be open to inspection and subject to audit and/or reproduction during normal business hours. Such audits may be performed by the District Representative or an outside representative hired by the District throughout the term of this contract and for a period of six years after final payment.
- E. Contractor shall require all payees to comply with the provisions of this article by including the requirements hereof in a written contract agreement between Contractor and payee. Such requirements to include flow-down right of audit provisions in contracts with payees will also apply to subcontractors and sub-subcontractors, material suppliers, etc. Contractor will cooperate fully and cause all of Contractor's subcontractors to cooperate fully in furnishing or in making available to the District from time to time whenever requested, in an expeditious manner, any and all such information, materials and data.
- F. District's authorized representative or designee shall have reasonable access to the Contractor's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of this agreement and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article.
- G. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of District's findings to Contractor.

11. Nondisclosure

Contractor agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. Contractor further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Contractor in the performance of this Contract and, if requested by District, to require its employees and subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

- A. Information which is already in the Contractor's possession not subject to any existing confidentiality provisions,
- B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and
- C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

12. Public Records Act

The District and the Contractor are subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Contractor expressly acknowledges and agrees that any information Contractor submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Contractor's proposal and/or information at its sole discretion in accordance with its obligations under applicable law.

13. Applicable Law

Contractor shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they occur. All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for the Eastern District of Washington at the District's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

14. Subcontracts/Purchases

- A. The Contractor is authorized to make purchases of materials and equipment required for the work and is not authorized to enter into subcontracts. Any material purchases not included in the approved budget and greater than \$1,000.00 or any small and attractive asset greater than \$500.00 shall be approved in advance by the District Representative and Procurement Officer.
- B. Whenever the cost for any single item of material is estimated to exceed \$5,000.00, the Contractor shall obtain three quotes and submit to the Procurement Officer for approval. These quotes shall be submitted for approval prior to purchasing the material. Approved material shall be invoiced at cost. A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District. In addition, if prevailing wages apply to the material purchase, a copy of the associated Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be attached. In no event shall a material purchase of like items exceed \$15,000.00.

15. Notices

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either party may from time to time change such address by giving the other party notice of such change.

District
Todd Pearsons
Public Utility District No. 2
of Grant County, Washington

Contractor
Steven Richards
Washington State Department of Fish
and Wildlife

PO Box D4
14352 Highway 243 S Building 6
Beverly, WA 99321
(509) 859-2862
Tpearso@gcpud.org

2620 N Commercial Ave
Pasco, Washington 99301
(509)545-2284
Steven.Richards@dfw.wa.gov

For purposes of technical communications and work coordination only, the District designates Todd Pearsons as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section 5 to be valid and binding on the District.

16. Ownership of Work Product/Copyright

- A. All rights in the various work produced for or under this Agreement, including but not limited to study plans, results, drafts, charts, graphs, videos, summaries and any other forms of presentation, collectively referred to as "Work Product" shall belong to and be the exclusive property of the District. Contractor shall not use the Work Product outside the scope of this Contract without express written permission from the District.
- B. Contractor acknowledges and agrees that all services/work are specifically ordered under an agreement with Public Utility District No. 2 of Grant County, Washington, and shall be considered "work made for hire" and "Work Product" for purposes of copyright. All copyright interest in Work Product shall belong to and be the exclusive property of the District.
- C. Contractor shall attach and require each of its subcontractors to attach the following statement to all Work Product:

©. PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS RESERVED UNDER U.S. AND FOREIGN LAW, TREATIES AND CONVENTIONS.

THE ATTACHED WORK WAS SPECIFICALLY ORDERED UNDER AN AGREEMENT WITH PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS IN THE VARIOUS WORK PRODUCED FOR OR UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO STUDY PLANS AND STUDY RESULTS, DRAFTS, CHARTS, GRAPHS AND OTHER FORMS OF PRESENTATION, SUMMARIES AND FINAL WORK PRODUCTS, ARE THE EXCLUSIVE PROPERTY OF THE DISTRICT.

- D. Upon final acceptance or termination of this Agreement, Contractor shall immediately turn over to the District all Work Product. This does not prevent the Contractor from making a file copy for their records.

17. Termination

- A. District may, at any time, for any reason, terminate Contractor's services in connection with this Agreement, or any part thereof, by designating that portion of the services to be terminated. In case of termination pursuant to this Section A, District will make payment

at the rates specified in this Agreement for services properly performed up to the date of termination. However, in no event shall Contractor be entitled to any other payment to or any anticipated fee or profit on unperformed work.

- B. In the event of Contractor's breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

18. Non-Waiver

No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

19. Shared Services

The District will invoice the Contractor for services and facilities provided by the District, on behalf of any other entity participating in this program (except the Yakama Nation which will be billed directly by the District) based on fish produced at the Priest Rapids Hatchery.

20. Physical Security

It shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Contractor Security Plan Information as if fully set out herein a copy of which shall be provided to the Contractor at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the

fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.

- G. Not permit 'Tagging on' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.

The Contractor and any Subcontractors shall comply with the safety requirements of these Contract Documents, including the Contractor Safety Requirements (Appendix "B") and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted areas of District facilities or Confidential Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. The cost of such background checks shall be borne by the Contractor.

21. Security, Safety Awareness Training, and Dam Safety Awareness Training

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, subcontractors and subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Security and Safety Awareness training manual is available in three formats: CD, on-line, or hard copy, and includes step by step instructions for all formats to complete the training. The Security and Safety Awareness training manual shall be issued to the Contractor at the pre-work conference (if any). If a pre-work conference is not held for any reason, the District shall provide the Security and Safety Awareness training manual to the Contractor at such time when a Notice to Proceed is issued by the District. Contractor shall ensure that its employees, subcontractor's and subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

IN WITNESS WHEREOF, the Contractor and the District have executed this Agreement each by its proper respective officers and officials thereunto duly authorized the day and year first above written.

Public Utility District No. 2
of Grant County, Washington

Washington State Department of Fish and Wildlife

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX “A”
Statement of Work and Budget for
2021-2024 Priest Rapids Hatchery Monitoring and Evaluation

Introduction

The Public Utility District No. 2 of Grant County (GCPUD) has guiding principles and approaches for the monitoring and evaluation (M&E) of all of its hatchery programs that are provided in an overarching M&E plan that encompasses all of its programs (Pearsons and Langshaw 2009, Hillman et al. 2013, Hillman et al. 2017). The first comprehensive sampling for Monitoring and Evaluation of Priest Rapids Hatchery fall Chinook salmon production began in the fall of 2010. Though the comprehensive M&E programs are relatively recent, the Washington Department of Fish & Wildlife (WDFW) has been conducting monitoring and evaluation of Up River Bright (URB) fall Chinook in the Hanford Reach dating back to the early 1980's monitoring the sport fishery, hatchery returns, and escapement for run reconstruction which includes coded wire tag (CWT) returns. This statement of work summarizes the Tasks and Objectives specified in the M&E Plan for GCPUD hatchery programs. The M&E Plan approach is also included in Section 11 of the Priest Rapids Hatchery (PRH) Hatchery and Genetic Management Plan (HGMP). Meeting the Objectives as well as accomplishing the Tasks listed in the M&E Plan requires the assemblage of data and analysis from numerous Programs. This implementation plan identifies all Tasks that must be accomplished to meet the M&E Objectives as well as the Agency responsible for funding, staffing, supervision, and data collection.

Project Coordination

WDFW M&E staff dedicated to PRH will work in conjunction with fish culture staff from PRH, the Columbia River Coded Wire Tag Recovery Program (CRCWTP), Region 3 Fish Management, the WDFW District 4 Fish Biologist, UCR Steelhead Monitoring and Evaluation, and the GCPUD Hatchery and Science staff and the United States Army Corps of Engineers (USACE) to complete all tasks included in the M&E Plan. In addition, samples collected at PRH and in the field will be transported and analyzed by WDFW Labs including the WDFW Scale Reading Lab, and the WDFW Otolith Lab. PRH M&E staff will process all coded-wire tag samples. Data collection and analysis associated with the PRH M&E and Hanford Reach population monitoring is incorporated into the WDFW Traps, Weirs, and Spillways (TWS) database for use in M&E analyses, forecasting and managing fall Chinook salmon. WDFW will secure and hold all environmental permits necessary for work that is described in this statement of work. Data collection design, review, analysis, and reporting will be completed as a combined effort between GCPUD and WDFW Biologist(s). The performance period of this implementation plan is from July 1, 2021 – June 30, 2024.

Objectives

The objective of the PRH M&E plan is to evaluate the performance of the PRH program relative to the goals and objectives of the PRH program. The overarching goal of the PRH program is to meet GPUD's hatchery mitigation by producing fish for harvest while keeping genetic and ecological impacts within acceptable limits.

Objective 1: Determine if the PRH program has affected abundance and productivity of the Hanford Reach Population.

Objective 2: Determine if the run timing, spawn timing, and spawning distribution of both the natural and PRH components of the Hanford Reach population are similar.

- Objective 3:** Determine if genetic diversity, population structure, and effective population size have changed in natural spawning populations as a result of the PRH program. Additionally, determine if PRH programs have caused changes in phenotypic characteristics of the Hanford Reach population.
- Objective 4:** Determine if the PRH adult-to-adult survival (i.e., hatchery replacement rate) is greater than the Hanford Reach adult-to-adult survival (i.e., natural replacement rate) and equal to or greater than the program specific hatchery replacement rate (HRR) expected value based on survival rates listed in the BAMP (1998).
- Objective 5:** Determine if the stray rate of PRH fish is below the acceptable levels to maintain genetic variation between stocks.
- Objective 6:** Determine if PRH fish were released at the programmed size and number.
- Objective 7:** Determine if harvest opportunities have been provided using PRH returning adults.
- Objective 8:** Determine if the PRH has increased pathogen type and/or prevalence in the Hanford Reach population.
- Objective 9:** Determine if ecological interactions attributed to PRH fish affect the distribution, abundance, and/or size of non-target taxa of concern that were deemed to be at sufficient risk.

Methods

The PRH M&E plan is primarily organized in tables to facilitate review and provide clear direction for implementation. This plan was designed to be consistent with M&E plans that were designed and are currently being implemented by Chelan and Douglas Public Utility Districts. A variety of field methods will be used to collect the data necessary to achieve M&E objectives. Methods include redd surveys, carcass surveys, adult trapping, data collection at the hatchery during spawning, data collected at the hatchery during rearing, juvenile collection and tagging in the natural environment, disease monitoring, and NTTOC monitoring in the natural environment, if identified as necessary in a risk assessment.

Tagging and marking will be an essential component of apportioning hatchery and natural origin production and stray rate. All of the hatchery origin fish will be marked prior to release. Two mass marking techniques have been proposed, otolith marking and adipose fin clipping. Currently, all hatchery origin fish will continue to be otolith marked. Otolith marking was initiated during brood year 2007.

WDFW and GPUD will refine subsample size estimates for submission of otolith samples to the WDFW Otolith Lab after the ages of the fish sampled have been determined by the WDFW Scale Lab (typically during the winter). The size of the subsamples by age and gender is based on number of samples collected and the relationship between sample size and deviation of the estimated variable from the cumulative estimate of a variable.

Passive Integrated Transponder (PIT) tag observations will be inventoried at the PIT-tag arrays located at Bonneville, McNary, Ice Harbor, and Priest Rapids dams and the PRH discharge channel.

The following Tasks are necessary to meet the Objectives of the M&E Plan (some of these tasks are funded wholly or in part by other organizations):

- Task 1.** PRH sampling of adult returns at the trap.
- Task 2.** PRH sampling of adult returns during spawning.
- Task 3.** Compilation of PRH origin URB fall Chinook salmon in the sport harvest including the Hanford Reach, Yakima River, Wanapum Tribal Fishery, ocean, and lower Columbia commercial and tribal harvest.
- Task 4.** Redd surveys in the lower Yakima River.
- Task 5.** Adult counts at dams and hatcheries.
- Task 6.** Carcass surveys in the Hanford Reach, Hatchery Discharge Channel, Priest Rapids Dam Pool, and Yakima River.
- Task 7.** Pre-release sampling of juveniles at PRH.
- Task 8.** Juvenile marking and tagging of the Hanford Reach natural population.
- Task 9.** Operation and evaluation of PIT tag detections at the PRH discharge channel and derived estimates from dams.

Task 1. Sampling Information, Methods, and Metrics for Data Collected at the Priest Rapids Hatchery Volunteer Trap (Hatchery Genetic Management Plan (HGMP), Attachment 5, Table 7)

Objectives: 1, 2, 3, 4, & 5

Frame: Population of fish collected at the PRH trap.

Sample Unit: Fish surplused. Fish transported from the trap and ponded for broodstock are included in Task 2.

Sample Size: Sample all Chinook salmon regardless of external marks or fin clips that are not used for broodstock to identify the presence of CWT. The sample rate for detailed biological data collection will be set in September after WDFW updates the run forecast for fall Chinook salmon returns to PRH to accommodate a sample goal of 1,000 fish surplused from the PRH volunteer trap.

Schedule: September 1 through December 15.

Methods: All Chinook salmon surplused or found as a mortality will be scanned for the presence of a CWT.

All in-sample Chinook salmon will be sampled for age (scale sample), gender, fork length and post orbital hypural plate (POHP) length. In-sample fish will also be sampled for origin by either the collection of CWT if present or otoliths. The CWT fish from the in-sample group will have their snout removed, bagged and labeled for processing at either the PRH wet lab or the WDFW Pasco office. Non CWT fish will have their otoliths removed, placed in pre-labeled vials filled with a preservative, and cataloged for processing. Select otoliths will be sent to the WDFW Otolith Lab to determine if they are PRH origin.

The collection of scales from in-sample fish in conjunction with CWT recoveries is necessary to validate age reading and to provide a cross reference for data collections. To reduce the workload of processing “out-of-sample” CWT fish, scale samples will not be collected. These fish will still be sampled for gender, fork length, and the snout removed, bagged, and labeled for processing.

Data Collected: Scale (age), otolith (PRH origin), fork length, POHP length, gender, and CWT (origin).

Personnel and Equipment: A team of M&E technicians with oversight by a lead M&E technician and the M&E biologist, transport vehicles, and standard sampling gear. Staff will sample PRH returns from the volunteer trap. Staff will be responsible for biological sampling, data entry, and reading of CWT. These activities will occur at both the PRH wet lab and the WDFW Pasco office. The WDFW Otolith Lab will process otoliths to determine if they are PRH origin. The WDFW Scale Lab will read all scales to age including years in freshwater.

Task 2. Sampling Information, Methods, and Metrics for Data Collected at the Priest Rapids Hatchery during Holding and Spawning (HGMP, Attachment 5, Table 8)

Objectives: 1, 2, 3, 4, 5, & 8

Frame: Spawning population of PRH.

Sample Unit: PRH Broodstock.

Sample Size: Sample all Chinook salmon for CWT recovery. The sample rates (in-sample) for detailed biological data collection will be set in September after WDFW updates the run forecast for fall Chinook salmon returns to PRH to accommodate an in-sample goal of 1,000 ponded fish originating from the PRH volunteer trap. In-sample rates for other sources of broodstock (e.g., ABC fishery) will be set after the collection sizes are determined.

Schedule: October 26 through early December, two or more days per week.

Methods: All fish ponded, regardless of source will be scanned for the presence of CWTs after they are spawned, surplused, or found as a mortality. All in-sample Chinook salmon will be sampled for age (scale sample), gender, fork length and POHP length. In-sample fish will also be sampled for origin by either the collection of CWT if present or otoliths. The CWT fish from the in-sample group will have their snout removed, bagged and labeled for processing at either the PRH wet lab or the WDFW Pasco office. Non-CWT fish will have their otoliths removed, placed in pre-labeled vials filled with a preservative, and cataloged for processing. Select otoliths will be sent to the WDFW Otolith Lab to determine if they are PRH origin.

The collection of scales from in-sample fish in conjunction with CWT recoveries is necessary to validate age reading and to provide a cross reference for data collections. To reduce the workload of processing out-of-sample CWT fish, scales will not be collected. These fish will only be sampled for gender, fork length, and the snout removed, bagged, and labeled for processing. Fecundity will be collected during sampling of spawned fish. Ovarian fluid will be drained from the egg takes of females sub-sampled for fecundity, eggs will then be weighed, and the requisite number of eggs based on 2013 sampling (e.g., 100 eggs) will be collected and weighed to estimate fecundity for the female. Scales, otoliths, and fork length will be collected for each female in the fecundity sample. Attempts will be made to measure fecundity on presumptive hatchery origin (collected from volunteer trap) and natural origin fish (collected from fish captured in the ABC fishery possessing no marks or tags such as an adipose clip or CWT). The goal will be to get 100 samples from each of the two origins (total 200) and to cover the full range of female size.

Data Collected: Scale (age), otolith (PRH origin), fecundity, egg weight, fork length, POHP length, gender, and CWT (origin).

Personnel and Equipment: Up to six WDFW M&E technicians with M&E Biologist oversight, transport vehicles, and standard sampling gear. The WDFW Otolith Lab will process otoliths to determine if they are PRH origin. The PRH M&E staff will process CWT samples to determine origin. The WDFW Scale Lab will read all scales to age including years in freshwater. The WDFW Fish Health Specialist will follow disease testing protocols established for WDFW hatcheries.

Task 3. Sampling Information, Methods & Metrics for Harvest Sampling (HGMP, Attachment 5, Table 9)

Objectives: 1, 2, 4, 5, & 7

Frame: Harvest of natural origin Hanford Reach fall Chinook salmon and fall Chinook salmon released from PRH (e.g., Wanapum Tribal Harvest, Yakima River Fall Chinook salmon Sport Harvest, Hanford Reach fall Chinook salmon sport harvest).

Sample Unit: All Chinook salmon observed during the Hanford Reach salmon fishery.

Task 3.1. Hanford Reach Sport Fishery, Phenotypic Metrics

Sample size: All Chinook salmon sampled are scanned for the presence of CWTs. A minimum of 350 Chinook salmon from the sport harvest will be sub-sampled at the appropriate rate (e.g., every 10th carcass) to determine origin and other phenotypic metrics; age, gender, and length at age.

Schedule: Daily from August 16 through October 31.

Methods: Staff will be stationed at primitive boat launches throughout the Hanford Reach including Vernita Bridge, Waluke, and Ringold. All anglers encountered will be interviewed to determine catch and estimate harvest. Harvested Chinook salmon from these anglers will be sampled to determine origin (CWT), age (scales), gender, and length. Methods are fully described in the WDFW Annual Report (Hoffarth, 2008).

Data Collected: Species harvested and released, location, number of boats, number of anglers, effort (angler hours and trailer index counts), catch per unit effort, harvest per unit effort, incidental catch. Biological data will include age (scale), fork length, gender, and origin (CWT).

Personnel and Equipment: WDFW will provide four staff for monitoring the sport harvest. PRH M&E will provide one additional staff for sport harvest monitoring. Staff start dates are staggered to match angler effort and reduce costs. First staff member starts August 16, second staff member, funded by GCPUD, begins September 1, third staff member begins September 15, and the final staff member starts when the Hanford Reach opens for steelhead, typically October 1. All data collected during the sport fishery will be processed by WDFW staff. The WDFW District 4 Fish Biologist is responsible for analyzing the data, generating weekly harvest and ESA impact estimates, and evaluating if current harvest is within the harvest guidelines of the Hanford Reach Fall Chinook Harvest Management Plan. PRH M&E staff will process CWT samples to origin and age. The WDFW Scale Lab will read all scale to age including years in freshwater.

Task 3.2. Yakima River Fall Salmon Sport Fishery

Sample Size: All Chinook salmon observed in the harvest are scanned for the presence of a CWT and sampled for run reconstruction.

Schedule: Five days per week from September 1 through October 31.

Methods: Staff monitors bank and boat anglers from the Duportail Access Area upstream to Prosser. All anglers encountered will be interviewed to determine catch and estimate harvest. Harvested Chinook salmon from these anglers will be sampled to determine origin (CWT), age (scales), gender, and length. Methods are fully described in the WDFW Annual Report (Hoffarth, 2008).

Data Collected: Species harvested and released, numbers of boats, number of anglers (bank & boat), effort (angler hours), catch per unit effort, harvest per unit effort, incidental catch, scale (Chinook, coho, and steelhead), fork length, gender, and origin (CWT).

Personnel and Equipment: WDFW provides one technician for monitoring the sport. The WDFW District 4 Fish Biologist is responsible for entering all data, analyzing the data, and generating weekly harvest and ESA impact estimates. The PRH M&E staff will process CWT samples to origin and age. The WDFW Scale Lab will read all scale to age including years in freshwater.

Task 3.3. *Wanapum Tribal Fall Chinook Salmon Fishery*

Sample Size: All Chinook salmon harvested are sampled.

Schedule: September 1 through October 15.

Methods: All Chinook salmon and Coho harvested are sampled to determine origin (CWT), age (scales), gender, and length. All Chinook salmon and coho harvested will be scanned for the presence of a CWT. All snouts with a positive signal will be transported to the WDFW District 4 Office for processing. Methods are fully described in the WDFW Procedures for Sampling the Wanapum Fishery (Hoffarth, 2009).

Data Collected: Species harvested, incidental catch, number of nets, mesh size, age (scale), fork length, gender, and origin (CWT).

Personnel and Equipment: GCPUD Cultural staff will sample the fishery and provide the data and samples to the WDFW District 4 Fish Biologist. The WDFW District 4 Fish Biologist enter all data from the fishery. The PRH M&E staff will process CWT samples to origin and age. The WDFW Scale Lab will read all scale to age including years in freshwater.

Task 4. *Sampling Information, Methods, and Metrics for Redd Surveys (HGMP, Attachment 5, Table 4)*

Objectives: 1 & 4

Frame: Redds in the lower Yakima River.

Sample Unit: Visible redds located in the Yakima River below Prosser (Rkm 13 – 74). Sample unit is partitioned into four reaches:

- 1 – Chandler Powerplant to Prosser Dam
- 2 – Benton City Boat Launch to Chandler Dam
- 3 – Horn Rapids Park to Benton City Boat Launch
- 4 – Duportail St. Boat Launch to Snively Rd. Boat Launch

Sample size: Total count of visible redds.

Schedule: Weekly between October 22 and November 30.

Methods: Foot and boat surveys will be conducted as generally described by Gallagher et al. (2007) and Murdoch et al. (2008). Redds will be identified based upon their relatively clean substrate and a bowl and tail spill morphology. All four reaches of river surveyed weekly by boat (cataraft).

Data Collected: Counts of redds and live fish by reach.

Personnel and Equipment: Two WDFW staff persons funded by CRCWTRP, cataraft, two tow vehicles, and standard sampling gear.

Task 5. Sampling Information, Methods, and Metrics for Adult Counts at Dams and Hatcheries

Objectives: 1, 2, 3, 4

Frame: Fall Chinook salmon in the Hanford Reach.

Sample Unit: Fall Chinook salmon counted at dams or weirs (McNary, Priest Rapids, Ice Harbor, Prosser, PRH trap, Ringold Hatchery trap).

Sample Size: Total count or subsample.

Schedule: Daily from August 9 through November 15.

Methods: Dam counts using observers or video as generally described by Wagner (2007). All returns to hatchery volunteer traps will be enumerated prior to removal from the hatchery.

Data Collected: Fall Chinook salmon are recorded into two categories based on fork length, adults and jacks. Adults are all Chinook salmon greater than 22 inches in fork length.

Personnel and equipment: Counts of salmonid returns to PRH and Ringold Springs Hatchery (RSH) volunteer traps will be provided by M&E Staff. Adult salmonid passage counts at dams are provided by the United States Army Corp of Engineers (USACE), Yakama/Klickitat Fisheries Project (YKFP), and GCPUD.

Notes for Task 5.

Adult Chinook Salmon Counts at Mainstem Hydroelectric and Diversion Projects. Fish counts at mainstem Projects including the Columbia, Snake, and Yakima Rivers necessary to meet PRH M&E objectives are funded by non-related programs by GCPUD, WDFW, the USACE, and the Yakama Nation. These data are readily available on the internet and will be downloaded at frequent intervals by the WDFW District 4 Fish Biologist.

Adult Chinook Salmon Counts at Priest Rapids Hatchery. Hatchery returns to Priest Rapids are enumerated by hatchery staff in coordination with M&E staff.

Adult Chinook Salmon Counts at Ringold Springs Hatchery. Hatchery returns to Ringold Springs Hatchery are enumerated by hatchery staff in coordination with the Ringold Springs Hatchery M&E

Program.

Task 6. Sampling Information, Methods, and Metrics for Carcass Surveys in the Natural Environment (HGMP, Attachment 5, Table 6)

Objectives: 1, 2, 3, 4, & 5

Frame: Hanford Reach, Hatchery Discharge Channel, Priest Rapids Pool, and Yakima River

Task 6.1. Hanford Reach Stream Surveys

Sample Unit: Salmon carcasses partitioned by reach; five river reaches have been established in the Hanford Reach:

- 1 - Vernita Bridge to Priest Rapids Dam
- 2 - Island #2 to Vernita Bridge
- 3 - Wooden Powerline Towers to Island #2
- 4 - Wooded Island to Wooden Powerline Towers
- 5 - Richland to Wooded Island

Carcasses recovered in the Columbia River immediately downstream of the PRH discharge channel will be included with those Chinook salmon recovered in the discharge channel but will be tracked separately should additional analysis of these fish be necessary.

Sample Size: All carcasses observed in the surveys will be sampled for the presence of a CWT. Approximately 2,500 carcasses will be sampled in the Hanford Reach for origin based on CWT and otoliths. These sampled fish will be used to determine other phenotypic metrics; age, gender, fork length, egg retention, in addition to the determination of origin.

Schedule: October 27 through December 12.

Methods: All carcasses that are encountered will be collected with a gaff or by hand. Surveys will occur by boat or foot. Methods will generally follow Crawford et al. (2007), Murdoch et al. (2008); and Hoffarth et al. (2008). All Chinook salmon will be wanded for the presence of a CWT. All Chinook salmon with a CWT present will be sampled for age (scale sample), gender, fork length, and the snout will be bagged and labeled for processing by M&E staff at the PRH wet lab or WDFW Pasco office. Otoliths will be collected from in-sample fish, placed in a vial, and stored with an appropriate index number. Otoliths will be sent to the WDFW Otolith Lab for decoding to determine if they are PRH origin. Chinook salmon sub-sampled for run reconstruction will be sampled for age (scale samples), gender, fork length, and spawning success. Fish will be identified to gender based on morphology. Female Chinook salmon in the sub-sample will be dissected to determine spawn success based on the percentage of egg retention (e.g., 0.0-10%, 11-37%, 38-62%, 63-87%, 88-100%). The percent of egg retention will be first visually estimated and then calculated by dividing the count of eggs retained by an estimated fecundity based on length versus fecundity regressions. In addition, retained eggs will be quantified by counting in the field or bagged and later estimated in the office. Carcasses will be cut in half to avoid duplicate sampling in future surveys.

Data Collected: Scale (age), otolith (PRH origin), fork length, gender, spawn success, CWT (origin), location.

Personnel and Equipment: Three boat crews with a three-person crew operating seven days per week. PRH M&E staff, RSH M&E staff, and WDFW staff to perform field sampling, collect CWTs and otoliths,

and enter data into the data base. This will require a total of 13 (three WDFW staff, three RSH M&E staff, and seven PRH M&E staff), three boats, three vehicles and standard sampling equipment. The WDFW Otolith Lab will process otoliths to determine if they are PRH origin. The PRH M&E staff will process CWT samples to origin and age. The WDFW Scale Lab will read all scale to age including years in freshwater.

Task 6.2. *Priest Rapids Hatchery Discharge Channel Stream Surveys*

Sample Unit: PRH Discharge Channel, approximately one-quarter mile in length from the Columbia River to the PRH trap.

Sample Size: Sample all carcasses recovered in the survey for CWT. In addition, carcasses will be sub-sampled at the same rate as Chinook salmon in the Hanford Reach stream survey listed above to determine other demographic; age, gender, length, spawn success (including counts of retained eggs).

Schedule: October 25 through December 8.

Methods: All carcasses that are encountered will be collected with a gaff or by hand. Surveys will occur by foot. Methods will generally follow Crawford et al. (2007), Murdoch et al. (2008); and Hoffarth et al. (2008). All fish will be wanded for the presence of CWT.

All Chinook salmon with a CWT present will be sampled for age (scale sample), gender, fork length, and the snout will be bagged and labeled for processing at the WDFW CWT Lab. Chinook salmon sub-sampled for run reconstruction will be sampled for age (scale samples), gender, fork length, CWT, otoliths, and spawning success. Otoliths will be collected at the same sample rate as Hanford Reach natural origin otolith collections. Otoliths will be sent to the WDFW Otolith Lab for decoding to determine if they are PRH origin. Fish will be identified to gender based on morphology. Female Chinook salmon in the sub-sample will be dissected to determine spawn success based on the percentage of egg retention (i.e., 0.0-10%, 11-37%, 38-62%, 63-87%, 88-100%). The percent of egg retention will be first visually estimated and then calculated by dividing the count of eggs retained by an estimated fecundity based on length versus fecundity regressions. In addition, retained eggs will be quantified by counting in the field or bagged and later estimated in the office. Carcasses will be cut in half to avoid duplicate sampling in future surveys.

Data Collected: Scale (age), otolith (PRH origin), fork length, gender, spawn success, CWT (origin), otoliths (origin) and location.

Personnel and Equipment: Two PRH M&E staff and standard sampling equipment.

Task 6.3. *Priest Rapids Pool Stream Surveys*

Sample Unit: Priest Rapids Dam upstream to Wanapum Dam.

Sample Size: All Chinook salmon recovered in the survey will be sampled for a CWT. The in-sample rate for biological data collection will be set on October 31 based on escapement size.

Schedule: November 1 through December 12, two days per week.

Methods: All carcasses that are encountered will be collected with a gaff or by hand. Surveys will occur by boat and foot. All Chinook salmon will be wanded for the presence of a CWT. Chinook salmon with a CWT present will be sampled for age (scale sample), gender, fork length, and the snout will be bagged and labeled for processing at the PRH wet lab or WDFW Pasco Office. Biological data collected from in-

sample collections will include scale samples (age), gender, fork length, CWT or otoliths, and spawning success. Fish will be identified to gender based on morphology. Otoliths will be collected, placed in a vial, and stored with an appropriate index number. Otoliths will be sent to the WDFW Otolith Lab for decoding to determine if they are PRH origin. Female Chinook salmon in the sub-sample will be dissected to determine spawn success based on the percentage of egg retention (i.e., 0.0-10%, 11-37%, 38-62%, 63-87%, 88-100%). The percent of egg retention will be first visually estimated and then calculated by dividing the count of eggs retained by an estimated fecundity based on length versus fecundity regressions. In addition, retained eggs will be quantified by counting in the field or bagged and later estimated in the office. Carcasses will be cut in half to avoid duplicate sampling in future surveys.

Data Collected: Scale (age), otolith (PRH origin), fork length, gender, spawn success, CWT (origin), location.

Personnel and Equipment: Two field staff dedicated to the Hanford Reach stream surveys will accomplish this task as a component of the scope of work for technicians assigned to M&E for the natural environment funded by GCPUD and USACE (Listed in this Task above).

Task 6.4. Yakima River Stream Surveys

Sample Unit: Yakima River downstream of Prosser Dam. Sample unit is partitioned into four reaches:

- 1 – Chandler Powerplant to Prosser Dam
- 2 – Benton City Boat Launch to Chandler Dam
- 3 – Horn Rapids Park to Benton City Boat Launch
- 4 – Duportail St. Boat Launch to Snively Rd. Boat Launch

Sample Size: All Chinook salmon recovered in the survey will be sampled for CWT. The in-sample rate for biological data collection will be set on October 15 based on escapement size.

Schedule: October 22 through November 30, all four sections of river completed weekly, one section per day, boat survey (cataraft).

Methods: All carcasses that are encountered will be collected with a gaff or by hand. Surveys will occur by boat. Methods will generally follow Crawford et al. (2007), Murdoch et al. (2008); and Hoffarth et al. (2008). All Chinook salmon will be wanded for the presence of CWTs. Chinook salmon with a CWT present will be sampled for age (scale sample), gender, fork length, and the snout will be bagged and labeled for processing at the PRH wet lab or Pasco Office. Chinook salmon sub-sampled for run reconstruction will be sampled for age (scale samples), gender, fork length, and spawning success. Fish will be identified to gender based on morphology. Female Chinook salmon in the sub-sample will be dissected to determine spawn success based on the percentage of egg retention (e.g., 0.0-10%, 11-37%, 38-62%, 63-87%, 88-100%). The percent of egg retention will be first visually estimated and then calculated by dividing the count of eggs retained by an estimated fecundity based on length versus fecundity regressions. In addition, retained eggs will be quantified by counting in the field or bagged and later estimated in the office. Carcasses will be cut in half to avoid duplicate sampling in future surveys.

Data Collected: Scale (age), fork length, gender, spawn success, CWT (origin), location.

Personnel and Equipment: One boat (cataraft) with a two person crew funded by Columbia River Coded-Wire Tag Regional Program (CRCWTRP) standard sampling equipment (funded by CRCWTRP).

Task 7. Sampling Information, Methods, and Metrics for Data Collected to Monitor Fish Culture of Juveniles

Objectives: 6 & 8

Frame: Abundance, size, adipose clip rate, CWT rate, rate of precociousness, and disease occurrence of smolts at PRH at the time of release.

Task 7.1. *Abundance and Size at Release*

Sample Unit: Juveniles prior to release from PRH

Sample Size: Approximately 300 fish from each rearing vessel (five total) to determine size metrics.

Schedule: Prior to release in late May and mid-June.

Methods: Estimate abundance each life stage: egg, transfer to raceways, transfer to ponds, and release. Estimates of abundance will be generated by subtracting mortalities at subsequent life stages from estimates of green eggs. Use cast net to collect juveniles for each of the final rearing ponds (five total) Size and length data will be collected calculate CVs for both matrixes. Each fish will be weighed (grams) and measured to fork length (millimeters).

Data Collected: Abundance, fish per pound, length of individual fish, and weight of individual fish.

Personnel and Equipment: Two PRH M&E staff, cast nets, fish transport tank, holding vessels, scale, measuring board, and tally counter.

Task 7.2. *Determination of adipose clip rate and CWT rate*

Sample Unit: Juveniles prior to release from PRH.

Sample Size: Approximately 1,000 fish from each final rearing vessel (five total) to determine mark and tag rates.

Schedule: Prior to release in late May and mid-June.

Methods: Use cast net to collect juveniles from each final rearing pond. Estimate the proportions of juveniles that fall into one of four categories: (not adipose clipped and not CWT tagged), (adipose clipped and not CWT tagged) (not adipose clipped but possess CWT) and (adipose clipped and possess CWT). Estimates of these proportions by category will be obtained by visually inspecting individual fish for the presence or absence of an adipose fin and scanning it for a CWT using a V-detector (NW Marine Tech).

Data Collected: Adipose mark rate and CWT rates for each final rearing pond.

Personnel and Equipment: Two PRH M&E staff, cast nets, fish transport tank, holding vessels, CWT V-detector, tally counter.

Tasks 7.3. *Rate of precociousness*

Sample Unit: Juveniles prior to release from PRH.

Sample Size: Approximately 300 fish from each final rearing vessel (five total) to determine presence and absence of precocious juveniles.

Schedule: Prior to release in late May and mid-June.

Methods: Use cast net to collect juveniles from each final rearing pond. Estimate the presences of precocious of juveniles for each pond by non-lethal visual inspection of each juvenile for the presence of milt.

Data Collected: Number of precocious juveniles within the sample for each final rearing pond.

Personnel and Equipment: Two PRH M&E staff, cast nets, fish transport tank, holding vessels, and tally counter.

Tasks 7.4. *Monitoring of diseases outbreaks.*

Sample Unit: Specific life stages of fall Chinook Salmon at PRH.

Sample Size: Variable.

Schedule: September through late-June.

Methods: Summarize reports provided by WDFW Fish Health staff for inclusion into the annual M&E report.

Data Collected: Number of fish sampled and occurrence of diseases.

Personnel and Equipment: One PRH M&E staff for reporting.

Task 8. *Sampling Information, Methods, and Metrics to Monitor Natural Origin Juvenile Fish Abundance and Size*

Objective(s): 1

Frame: Naturally produced juveniles in the Hanford Reach.

Sample Unit: All Chinook salmon collected by beach seine in the Hanford Reach during the CWT tagging program.

Sample Size: Appropriate samples will be taken from both the marked and unmarked Chinook salmon.

Schedule: Late May to Early June (typically 10 day marking program).

Methods: Chinook salmon collected during the CWT marking program will be routinely sampled by length. Mark groups and tag codes will be enumerated. Goal of the marking program is to tag and adipose clip 200,000 of the natural production of fall Chinook salmon in the Hanford Reach.

Data Collected: Total numbers of Chinook salmon collected size at marking, mark numbers.

Personnel and Equipment: CWT trailer, technicians, supervision by both Columbia River Intertribal Fish

Commission (CRITFC) and WDFW, collection is conducted by the Yakama Indian Nation, Umatilla Indian Nation, and CRITFC. This project is funded by the Bonneville Power Administration. collection nets.

Task 9. Operation and Data Analysis of PIT tag Detections at the Priest Rapids Hatchery Discharge Channel

Frame: PRH Juvenile Releases and Adult Returns.

Sample Size: Up to 43,500 PIT juvenile fall Chinook salmon released from PRH. The number and origin of adult returns likely to be detected at the array is unknown.

Schedule: May 10 to December 15.

Methods: The PIT-tag antennae arrays provide PIT tag detection of juveniles at release as well as returning adults. The PRH M&E staff will monitor PIT detections and analyze results to determine the abundance of both juvenile and adult PRH fall Chinook salmon, travel time and speed of juvenile fish, re-ascension of mini-jacks, and identification of non-PRH origin fish. PIT tag detections will be compared against adult detections at hydroelectric projects in the Columbia and Snake rivers to estimate interdam loss, smolt to adult survival to the hatchery, juvenile downstream survival, as well as adult re-ascension and fall back rates at McNary, Ice Harbor and Priest Rapids dams. WDFW maintenance crews will conduct routine maintenance of the PIT tag arrays as needed. An in-depth inspection of the arrays will occur during May prior to the hatchery release of juvenile Chinook salmon and again during late August for preparation for the adult Chinook salmon return.

The volitional releases of juveniles from rearing ponds needs to be staggered by several days or the PIT-tag antennae array system will be overwhelmed by the high numbers of out-migrants and the data lost. The juvenile release strategy will be coordinated with hatchery staff.

Data Collected: Total numbers and timing of Chinook salmon PIT detections collected.

Personnel and Equipment: The PRH M&E staff.

Expected Results and Applicability

Data collected for each years return will be reviewed to determine if URB fall Chinook salmon production from PRH met all of the Objectives/Goals of the M&E Plan. For all years, all PRH brood year returns will possess an otolith mark which will allow for determination of pNOB, pHOS, and PNI at a high level of confidence.

Data Compilation and Analysis

Data will be maintained at the WDFW District office in Pasco and backed up on the WDFW Network (S:drive) and a dedicated thumb drive. The data is backed up weekly during the field season and each day the database is proofed. Data will be routinely entered into an Access or Excel data base in-season. The TWS Access database is the primary means of organizing and storing biological data. Some data associated with carcass recovery is entered into Excel spreadsheets. Age, CWT, and otolith information will be entered into the data base when it returns from the WDFW Labs. Scale cards are the primary means of recording data in the field. The scale cards will be proofed for obvious errors by staff at the end of each field day and again prior to entering data into the TWS which occurs routinely September through December. Staff will

proof the data entered into the TWS mid-December and again in early January as scale age and CWT results becomes available. The otolith data is entered into the TWS and proofed as results become available generally in March and April. Proofing the TWS generally requires two staff; one to read aloud the data on scale cards and data sheets while another verifies the data in the TWS.

The Historical data as well as current data will be incorporated into the analysis and reporting for the PRH M&E Program. Historical data will be mined and presented to the maximum extent possible so that the longest data set can be evaluated. This will include mining data from other WDFW sources and from Battelle.

Summary of New Activities

Brief descriptions of alterations to existing Tasks or new tasks associated with PRH M&E during 2021-24 are given in Table 1.

Table 1. New activities for Priest Rapids Monitoring and Evaluation for the period of July 2021 to June 2024.

Activity	Associated Task
None	

Table 2. Summary of project timelines for data entry, analysis, and reporting for the period of July 1, 2021 to June 30, 2024

Activity	Dates
Priest Rapids Hatchery	
Trapping, Broodstock Collection, and Surplus Operations	September 1 – December 15
Spawning	October 26 – December 10
Hatchery Discharge Channel Stream Surveys	October 15 – December 8
PIT tag Array Maintenance and Evaluation	July 1 – June 30
Hanford Reach	
Hanford Reach Fall Chinook salmon Fishery	August 1 – October 31
Hanford Reach Stream Survey	November 1 – December 12
Priest Rapids Pool	
Priest Pool Stream Surveys	November 1 – December 12
Yakima River	
Yakima stream surveys for redds and carcasses	October 22 – November 30
Data Entry & Analysis	
Data Entry Return Year	September 1 – March 31
Data Review and Analysis	January 1 – June 30
Reporting	
Draft Monitoring and Evaluation Report	May 15
Final Monitoring and Evaluation Report	June 30
Monthly reports during the field season	Due by the 10 th of each following month

Summary of Sample Sizes

Sample size of each Task associated with PRH M&E during the performance period is given in Table 3.

Table 3. Sample size goals by Task. The sample size for otolith decoding will be determined after the age distribution data is available.

Task	Sample Size
Task 1. Priest Rapids Hatchery sampling of adult returns at the trap	100% for CWT, 1,000 for other
Task 2. Priest Rapids Hatchery sampling of adult returns during spawning	100% for CWT, 1,000 for other
Task 3. Compilation of Priest Rapids Hatchery origin URB fall Chinook salmon in the sport harvest including the Hanford Reach, Yakima River, Wanapum Tribal Fishery, ocean, and lower Columbia commercial and tribal harvest	All Encountered
<i>Task 3.1</i> Hanford Reach Sport Fishery, Phenotypic Metrics	350
<i>Task 3.2.</i> Yakima River Fall Salmon Sport Fishery	All Encountered
<i>Task 3.3</i> Wanapum Tribal Fall Chinook Salmon Fishery	All Encountered
Task 4. Yakima River Redd Surveys (Rkm 13 – 74)	All Observed
Task 5. Adult counts at dams and hatcheries	
<i>Task 5.1. Adult Chinook Salmon Counts at Mainstem Hydroelectric and Diversion Projects</i>	All Returns
<i>Task 5.2 Adult Chinook Salmon Counts at Priest Rapids Hatchery</i>	All Returns
<i>Task 5.3. Adult Chinook Salmon Counts at Ringold Springs Hatchery</i>	All Returns
Task 6. Carcass surveys in the Hanford Reach, Hatchery Discharge Channel, and Yakima River	
<i>Task 6.1. Hanford Reach Stream Surveys</i>	100% for CWT, 2,500 for other demographic data.
<i>Task 6.2. Hatchery Discharge Channel Stream Surveys</i>	All Encountered
<i>Task 6.3. Priest Rapids Pool Stream Surveys</i>	All Encountered
<i>Task 6.4. Yakima River Stream Surveys</i>	All Encountered
Task 7. Sample Information, Methods, and Metrics for data collected to monitor fish culture of Juveniles	1,500 (300 x 5 Ponds) juveniles individually weighed and measured, and rate of precocious fish; 5,000 (1,000 x 5 ponds) juveniles for CWT tag rate, adipose clip rate
Task 8. Juvenile marking and tagging of the Hanford Reach natural population	200,000 natural origin juvenile fall Chinook
Task 9. Operation and evaluation of PIT tag detections at the Priest Rapids Hatchery discharge channel and derived estimates from dam observations.	43,000 PIT Juvenile Release All PIT Adult Returns

Budget

The GCPUD portion of total budget for performing work outlined in this SOW is \$1,136,055.00. The budget details are given in Table 4. This budget reflects an anticipated high workload associated with the Tasks 1, 2, 3, and 6. Considerable efforts were made to accurately set staffing levels and assignments to efficiently perform Tasks 1, 2, 3 and 6 during the each year of the 2021-2024 performance period. There is no overtime built into this budget. Staffing levels should be sufficient to meet the workload without paying staff to regularly work overtime.

Table 4, Statement of Work budget for Priest Rapids Hatchery M&E, for the next three fiscal years

				FY21-22	FY22-23	FY23-24
Position	Pos #		Staff Months	GPUD Costs	GPUD Costs	GPUD Costs
Research Scientist 2	0	Admin and Reporting	0.8	\$5,611	\$5,638	\$5,655
F&W Biologist 3	0	Task 1 - 12: Supervision/Reporting	8.0	\$48,084	\$48,329	\$48,487
Sci Technician 3	1	Tasks 1 - 2: Spawn/Surplus/Data Entry (Lead Tech)	6.0	\$26,212	\$26,367	\$26,477
Sci Technician 2	2	Task 1-2: Surplus/Spawn/CWT Proc	3.0	\$9,973	\$10,041	\$10,093
Sci Technician 2	3	Task 1-2: Surplus/Spawn/CWT Proc	3.0	\$9,973	\$10,041	\$10,093
Sci Technician 2	4 ^a	Task 1-2: Surplus/Spawn/CWT Proc	3.0	\$7,910	\$7,932	\$7,940
Sci Technician 2	5 ^a	Task 1-2: Surplus/Spawn/CWT Proc	3.0	\$7,910	\$7,932	\$7,940
Sci Technician 2	6 ^a	Task 1-2: Surplus/Spawn/CWT Proc	3.0	\$7,910	\$7,932	\$7,940
			Totals	29.8	\$123,583	\$124,212
Sci Technician 2	11	Tasks 3 HR Creel	2.0	\$10,585	\$10,639	\$10,694
Sci Technician 3	12	Tasks 6: HR Carcass (Lead Tech)	1.6	\$10,968	\$11,148	\$11,222
Sci Technician 2	11	Tasks 6: HR Carcass (previously Creel)	1.6	\$8,311	\$8,511	\$8,555
Sci Technician 2	13	Tasks 6: HR Carcass	1.6	\$8,311	\$8,511	\$8,555
Sci Technician 2	14 ^{a,b}	Tasks 6: HR Carcass	1.6	\$6,704	\$6,704	\$6,730
Sci Technician 2	15 ^{a,b}	Tasks 6: HR Carcass	1.6	\$6,704	\$6,704	\$6,730
Sci Technician 2	16 ^{a,b}	Tasks 6: HR Carcass	1.6	\$6,704	\$6,704	\$6,730
Sci Technician 2	17 ^{a,b}	Tasks 6: HR Carcass	1.6	\$6,704	\$6,704	\$6,730
			Totals	11.2	\$54,406	\$54,986
Sci Technician 3	18	Task 11: PIT Maintenance	0.2	\$863	\$879	\$883
^a Staff not budget for Health Benefits			Totals for FTE, Wages, and Benefits	43.2	\$189,437	\$190,716
^b Staff provided by GPCPUD perform Creel and Carcass Surveys						
Supplies & Equipment						
Office Fees	Includes utilities and supplies. Office lease and computer covered by indirect.			\$1,036	\$1,036	\$1,036
Staff Gear	10 staff at \$200 each for waders, boots, and or fresh rainwear			\$1,258	\$1,258	\$1,258
Sampling Gear	Knives, gloves, cleaning products, pencils, tweezers, tape			\$629	\$629	\$629
M&E Vehicles Lease	Multiple rigs: Months Vary			\$3,275	\$3,275	\$3,275
M&E Vehicles Mileage	27,400 Miles: Rates Vary			\$4,730	\$4,730	\$4,730
Creel Vehicle Lease	\$347 /Month - 2 Months			\$694	\$694	\$694
Creel Vehicle Mileage	\$0.21/mile for 7,600 miles between Pasco and Sites			\$1,596	\$1,596	\$1,596
Boat for Stream Survey	\$200 per day boat lease for 42 days			\$8,400	\$8,400	\$8,400
Carcass Vehicle Lease	\$276 per month for 2 months			\$694	\$694	\$694
Carcass Vehicle Mileage	\$0.21/mile for 4,200 miles between Pasco and Sites			\$882	\$882	\$882
PIT Array Maint. Vehicle Mileage	\$0.21/mile for 1312 miles between Wenatchee and PRH			\$173	\$173	\$173
WDFW Lab Fees						
Scale Processing	\$2/sample for 1,000 surplus and 1,000 spawn samples at PRH			\$3,020	\$3,020	\$3,020
	\$2/sample for 1,000 carcass and 200 sport harvest in Hanford Reach			\$2,400	\$2,400	\$2,400
	\$2/sample for 400 ABC spawn			\$800	\$800	\$800
Otolith Processing	\$13.75/sample for 4,200 samples			\$57,750	\$57,750	\$57,750
(600 trap, 400 Vol spawn, 400 ABC, 100 Fecundity, and 2,500 Hanford Reach carcass, 200 Priest Rapids Pool carcass)						
Totals for Supplies, Equipment, and Services				\$87,337	\$87,337	\$87,337
Expected Indirect July 1, 2021		36.28%	Direct GPUD Costs	\$276,774	\$278,053	\$278,791
			Indirect GPUD Costs	\$100,414	\$100,878	\$101,145
			Annual Total GPUD Costs	\$377,188	\$378,931	\$379,936
Line items are descriptions of activities but not limited to the activities described.				Total GPUD Cost for Program		\$1,136,055

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- Hillman, T., T. Kahler, G. Mackey, A. Murdoch, K. Murdoch, T. Pearsons, M. Tonseth, and C. Willard. 2017. Monitoring and evaluation plan for PUD hatchery programs: 2017 update. Report to the HCP and PRCC Hatchery Committees, Wenatchee and Ephrata, WA.
- Hoffarth, P.A. 2007. 2006 District Fish Management Annual Report. Annual Report to Washington Department of Fish and Wildlife, Region 3 Yakima.
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- Pearsons, T. N., and R. B. Langshaw. 2009. Monitoring and evaluation plan for Grant PUDs salmon and steelhead supplementation programs. Grant County Public Utility District, Ephrata, Washington.
- Pearsons, T. N., and R. B. Langshaw. 2009. Priest Rapids Hatchery Fall Chinook Salmon monitoring and evaluation plan. Grant County Public Utility District, Ephrata, Washington.
- Wagner, P.G., 2007. Fish counting at large hydroelectric projects. Pages 173-195 in Johnson, D. H. et al., Salmonid field protocols handbook: techniques for assessing status and trends in salmon and trout populations. American Fisheries Society, Bethesda, Maryland.

APPENDIX “B”
CONTRACTOR SAFETY REQUIREMENTS

CS-1. PURPOSE

To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

CS-2. GENERAL

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District’s notice.
- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
 - 1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor’s, Subcontractor’s, or supplier’s control.
 - 2. The District’s conduct does not alter or waive the Contractor’s safety and health obligations.
 - 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
 - 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.
 - 1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative

measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.

2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
 3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
 4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to the work being performed by the District that may impact the Contractor's work.
- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- G. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify,

locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.

2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

In lieu of the SSSP, the District Representative may, at their discretion, accept an Accident Prevention Program implemented and maintained in accordance with Washington state law (WAC 296-155-110).

- H. District Rescue Team and Relation to Contractor Emergencies and Back Shift Operations
When District Rescue Team is Not Present: Contractors shall be required to submit an Emergency Plan that covers first response and rescues. This is required to be submitted for approval by the District Representative prior to work starting. Contractors are encouraged to familiarize themselves with District First Responder and Rescue Team capabilities. District Response Teams may not be available during all work hours and typically are not available on off-shifts, weekends, and District holidays. Contractors choosing not to provide their own response personnel must include a process that does not rely on the District in the event District Response Teams are not available.

CS-3 SPECIALIZED WORK

- A. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs:
When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.

- B. Caution and Danger Barriers:

1. Caution Tape or Rope - Yellow will be used to demarcate areas with low safety hazards. Contractor employees may enter the barricade area only after identifying the hazard enclosed by the Caution barrier tape/rope.
2. Danger Tape or Rope – Red will be used to demarcate areas of imminent danger. An employee may not enter the area barricaded with Danger barrier tape/rope without consent of the barricade attendant or tape tag holder.

Contractors that will be introducing hazards as part of their work must barricade the hazardous area to prevent employees from entering the area in accordance with District Policy SA121200-POL. The above is a Code requirement.

C. Safety Procedures

1. Fire

- a. The Contractor shall exercise all reasonable caution to prevent fires. Flammable rubbish, especially accumulations of paper, excelsior, and oil-soaked materials, shall be removed from the premises and disposed of as soon as possible. Gasoline, alcohol, oil, solvents, and other flammable substances shall be kept in approved safety containers. All protective covers, drop cloths, and tarpaulins are to be flameproof.
- b. The Contractor shall supply and keep adequate fire extinguishing equipment on hand at all times, and in close proximity to the equipment being worked on.

2. Personal Protective Equipment

Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with proper protective clothing as required by OSHA, WISHA, and/or other regulatory agencies.

3. Working on, over or adjacent to water.

- a. All work that takes place on, over or adjacent to water regardless of type shall comply with the most recent version of WAC 296-155-235.
- b. All Contractors must wear a U.S. Coast Guard approved life saving device.

4. Emergencies

If an emergency situation is created or observed by the Contractor, the District's Dispatch Center should be contacted immediately. To contact the Dispatch Center from:

- a. A District telephone, dial ext. 2237 or 2238.
- b. An outside telephone line, dial 1-800-216-5226.

The Dispatch Center is manned 24 hours per day.

5. Security

The District's check-in/check-out procedure must be followed by the Contractor's employees and Subcontractor(s) whenever they are at the worksite. This procedure will be explained to the Contractor at the pre-work conference.

D. Forebay/Tailrace – Boat Use: Prior to performing any work on the water within the Priest Rapids Project, the Contractor will notify the appropriate Control Room (Wanapum 509-754-5007 or Priest Rapids 509-754-5006) whichever is closer. The check in procedure shall include the caller's name, company, number of people on the boat, and location of the work. Once the work is complete and the Contractor is ready to leave the reservoir, he/she must again notify the appropriate Control Room and check out. The above is a District requirement.

APPENDIX “C”
CHANGE ORDER
NO. ____

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

- A. Description of Change:
- B. Time of Completion: The revised completion date shall be _____.
 OR
 The completion date shall remain _____.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$_____ 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 \$_____, 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 and Wildlife

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX “D”
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-10921	Task Authorization No.:		Amendment No.:	
Project Name:					

The Scope of Services covered by this authorization shall be performed in accordance with all the terms and conditions in the above referenced Contract Documents which are incorporated herein by this reference.

The District hereby requests and authorizes the Contractor to perform the following services:

Sample Only

Compensation is to be paid in accordance with and subject to the limitations in Section 4.A of the Contract Documents. In addition, the total cost of the above described work shall not exceed \$_____ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2
of Grant County, Washington

Washington State Department of Fish and Wildlife

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

*Junior Lien Bond Resolution
Electric System Revenue Refunding Bond, Series 2021-T*

PUBLIC UTILITY DISTRICT NO. 2 OF

GRANT COUNTY, WASHINGTON

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF A SUBORDINATE LIEN ELECTRIC SYSTEM REVENUE REFUNDING BOND OF THE DISTRICT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000 TO REFINANCE CERTAIN CAPITAL IMPROVEMENTS TO THE ELECTRIC SYSTEM; PROVIDING THE FORM AND TERMS OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND APPROVING CERTAIN MATTERS RELATED THERETO.

PASSED June 8, 2021

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

Junior Lien Bond Resolution
Electric System Revenue Refunding Bond, Series 2021-T

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

Resolution No _____

	<u>Page</u>
Section 1. Definitions.....	2
Section 2. Findings.....	8
Section 3. Authorization of Bond; Payment; Registration and Transfer	8
Section 4. Prepayment.....	9
Section 5. Payment of the Bond; Security	9
Section 6. Revenue Fund	10
Section 7. Covenants.....	11
Section 8. Additional Debt and Obligations	14
Section 9. Tax Covenants.....	16
Section 10. Events of Default	16
Section 11. Remedies.....	18
Section 12. Sale of the Bond; Disposition of Proceeds	18
Section 13. Reporting Requirements	19
Section 14. Form of Bond.....	19
Section 15. Execution of Bond	19
Section 16. Sale of Bond; Fees	19
Section 17. Authorization to Officials and Agents.....	19
Section 18. Changes in Accounting	19
Section 19. Corrections.....	20
Section 20. Effective Date of Resolution.....	20

Exhibit A: Form of Bond

* This Table of Contents is provided for convenience only and is not a part of this resolution.

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF A SUBORDINATE LIEN ELECTRIC SYSTEM REVENUE REFUNDING BOND OF THE DISTRICT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000 TO REFINANCE CERTAIN CAPITAL IMPROVEMENTS TO THE ELECTRIC SYSTEM; PROVIDING THE FORM AND TERMS OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND APPROVING CERTAIN MATTERS RELATED THERETO.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the “District”) owns and operates an electric utility system (as further defined herein, the “Electric System”) for the transmission and distribution of electric energy; and

WHEREAS, RCW 54.16.070 provides that a public utility district may contract indebtedness or borrow money for any corporate purpose on its credit or on the revenues of its public utilities; and

WHEREAS, the District has issued and has outstanding certain senior parity lien obligations of the Electric System described as follows (the “Outstanding Parity Bonds”); and

<u>Series</u>	<u>Authorizing Resolution No.</u>
Electric System Revenue Refunding Bonds, Series 2017-O (the “2017-O Bonds”)	8866
Electric System Revenue Refunding Bonds, Series 2020-Q (Taxable) (the “2020-Q Bonds”)	8933
Electric System Revenue Refunding Bonds, Series 2020-R (Mandatory Put Bonds) (the “2020-R Bonds”)	8947
Electric System Revenue Refunding Bonds, Series 2020-S (Mandatory Put Bonds) (the “2020-S Bonds”)	8947

; and

WHEREAS, the resolutions authorizing the Outstanding Parity Bonds (the “Outstanding Parity Bond Resolutions”) authorize the District to issue, from time to time, bonds and notes payable from and secured by a lien on revenues of the Electric System junior and subordinate to the lien thereon of the Outstanding Parity Bonds; and

WHEREAS, by Resolution No. 8914, the District authorized the issuance of \$50,000,000 principal amount of its Electric System Revenue Refunding Bond, Series 2019-P (the “2019 Bond”); and

WHEREAS, the 2019 Bond matures on July 1, 2021, at which time all outstanding principal and accrued interest shall become due and payable; and

WHEREAS, Resolution No. 8914 and the related Bond Purchase Agreement provide that the 2019 Bond may be prepaid in whole or in part by the District on the first business day of each month upon three business days’ notice to the registered owner; and

WHEREAS, the Commission has determined that it is in the best interest of the District to issue and sell a subordinate lien electric system revenue refunding bond in the aggregate principal amount of not to exceed \$50,000,000 (the “Bond”) to provide funds to either prepay, in whole, or pay at maturity the 2019 Bond as provided herein; and

WHEREAS, the District has issued a request for proposals from financial institutions to purchase the Bond authorized herein; and

WHEREAS, the Commission has received a proposal from Bank of America, N.A. to purchase the Bond (the “Purchaser”) and now wishes to authorize the issuance and sale of the Bond to the Purchaser subject to the terms and conditions set forth in this resolution;

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

Section 1. Definitions. As used in this resolution the following words and phrases shall have the meanings herein set forth unless the context shall clearly indicate that another meaning is intended.

“Additional Bonds” means any subordinate lien debt issued on a parity with the Bond.

“Annual Debt Service” for Parity Bonds for any Fiscal Year means the sum of the amounts required to be paid into the bond funds for such Parity Bonds in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all outstanding Parity Bonds, excluding interest to be paid from the proceeds of the sale of bonds;
- (b) the principal of all outstanding serial Parity Bonds due in such Fiscal Year;
- (c) the sinking fund requirement, if any, for such Parity Bonds in such Fiscal Year; and
- (d) any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, during such Fiscal Year.

Any Parity Bonds which constitute “Balloon Indebtedness” shall be calculated as provided in the Outstanding Parity Bond Resolutions.

In calculating Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of any Parity Bonds for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

“Annual Debt Service-Junior Lien Bonds” for Junior Lien Bonds for any Fiscal Year means the sum of the amounts required to be paid into the Bond Fund, in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all outstanding Junior Lien Bonds, excluding interest to be paid from the proceeds of the sale of bonds;
- (b) the principal of all outstanding serial Junior Lien Bonds due in such Fiscal Year; and
- (c) the sinking fund requirement, if any, for such Junior Lien Bonds in such Fiscal Year.

Any Junior Lien Bonds which constitute “Balloon Indebtedness” shall be calculated as provided in the Outstanding Parity Bond Resolutions.

“Bond” means the Electric System Revenue Refunding Bond, Series 2021-T of the District issued pursuant to this resolution.

“Bond Counsel” means Pacifica Law Group LLP, Seattle, Washington, or any other attorney or firm of attorneys, which is admitted to practice law before the highest court of any state in the United States of America or the District of Columbia and nationally recognized and experienced in legal work relating to the issuance of municipal bonds who is or are selected by the District.

“Bond Fund” means the Junior Lien Electric System Revenue Bond Fund created by the District.

“Bond Purchase Agreement” means the purchase agreement, loan agreement or other contract between the District and the Purchaser and approved by a Designated Representative pursuant to Section 12 of this resolution.

“Bondowners’ Trustee” means a trustee appointed pursuant to the Outstanding Parity Bond Resolutions.

“Call Date” means the date specified by a Designated Representative for the refunding of the 2019 Bond.

“Code” means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

“Commission” means the governing body of the District as the same shall be duly and regularly constituted from time to time.

“Default” means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” has the meaning, if any, set forth in the Bond Purchase Agreement.

“Designated Representative” means any of the officers of the District appointed in Section 12. The signature of one Designated Representative shall be sufficient to bind the District.

“District” means Public Utility District No. 2 of Grant County Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State.

“District Payments” has the meaning given in the Outstanding Parity Bond Resolutions.

“Electric System” means the electric utility and telecommunications properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the District and used or useful in the generation, transmission, distribution and sale of electric energy, telecommunication services, and the business incidental thereto, and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the District as additions, betterments, improvements or extensions to said electric utility and telecommunications properties, rights and assets, including, but not limited to, the contract interest of the District in the P.E.C. Headworks Powerplant Project and in the Quincy Chute Project, but shall not include the Priest Rapids Project or any additions thereto, or any other generating, conservation, transmission or distribution facilities which heretofore have been or hereafter may be acquired or constructed by the District as a utility system that is declared by the Commission, at the time of financing thereof, to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand such separate utility system or are otherwise pledged to the payment of the bonds of another such separate utility system of the District other than the Electric System. The Electric System does not include any interest of the District in contracts for the sale to other parties of power and energy from the Priest Rapids Project, but does include the right of the District to receive power and energy from the Priest Rapids Project. The Commission may, by resolution, elect to combine with and include as a part of the Electric System any other separate utility system of the District, provided that full provision for the payment of any outstanding indebtedness of such separate system shall first be made in the manner set forth herein or such indebtedness shall be refunded with bonds issued in accordance with this resolution.

“Event of Default” has the meaning set forth in Section 10 hereof.

“Fiscal Year” means the Fiscal Year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the twelve-month period beginning January 1 of each year.

“Fitch” means Fitch, Inc., and any successor rating agency.

“Future Parity Bonds” means any note, bonds or other obligations for borrowed money of the District which will have a lien upon the Gross Revenue of the Electric System for the payment

of the principal thereof and interest thereon equal to the lien upon the Gross Revenue of the Electric System for the payment of the principal of and interest on the Outstanding Parity Bonds.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Revenue” means all income and revenues received by the District from the sale of electric energy through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the ownership or operation of the Electric System, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, and federal credit payments for interest on bonds, in connection with the ownership and operation of the Electric System (but exclusive of income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any bonds defeased, or the payment of which is provided for, under any similar provision of any other bond resolution of the District, exclusive of investment income earned on money in any arbitrage rebate account, grants for capital purposes, assessments in any local utility district, any Reciprocal Payments and any ad valorem tax revenues).

“Interest Rate” means the variable rate of interest on the Bond as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Interest Payment Date” means the date(s) on which the payment of interest on the Bond is due as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Issuance Date” means the date the Bond is initially delivered to the Purchaser.

“Junior Lien Bonds” means the Bond and any Additional Bonds.

“Maturity Date” means the final date of maturity of the Bond as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Net Revenue” means, for any period, the excess of Gross Revenue over Operating Expenses for such period, excluding from the computation of Gross Revenue (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System, or resulting from the early extinguishment of debt and (b) insurance proceeds other than proceeds to replace lost revenue.

“Operating Expenses” means the District’s expenses for operation and maintenance of the Electric System and shall include ordinary repairs, renewals, replacements and reconstruction of the Electric System, all costs of delivering electric power and energy and payments into reasonable reserves in the Revenue Fund for items of Operating Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power (including costs of power and energy required by any resolution or contract of the District to be taken by the District from the Priest Rapids Project for the account of the Electric System); costs of transmission and distribution operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Electric System; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization, any allowance for depreciation and District Payments.

“Outstanding Parity Bond Resolutions” mean the resolutions authorizing the issuance of the Outstanding Parity Bonds, as identified in the recitals to this resolution.

“Outstanding Parity Bonds” mean the outstanding 2017-O Bonds, 2020-Q Bonds, 2020-R Bonds and 2020-S Bonds, each as defined in the recitals to this resolution.

“Parity Bond Reserve Funds” mean the reserve funds and/or accounts created by the District to secure the payment of principal of and interest on one or more series of Parity Bonds.

“Parity Bonds” mean the Outstanding Parity Bonds and any Future Parity Bonds.

“Parity Lien Obligations” means all charges and obligations against Gross Revenue ranking on a parity of lien with the Parity Bonds, including but not limited to reimbursement agreement obligations so designated, any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, and Resource Obligations for any month such Resource Obligations are not eligible for payment as Operating Expenses. Parity Lien Obligations do not include Parity Bonds.

“Priest Rapids Development” means the utility system of the District acquired and constructed pursuant to the provisions of Resolution No. 313, adopted by the Commission on June 19, 1956, including a dam at the Priest Rapids Development, all generating and transmission facilities associated therewith, and all additions, betterments and improvements to and extensions of such system, but shall not include any additional generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“Priest Rapids Project” means the Priest Rapids Development and the Wanapum Development, which were consolidated pursuant to Resolution No. 8475.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with electric systems of

comparable size and character to the Electric System in such of the following as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“Purchaser” means Bank of America, N.A., and its successors and assigns.

“R&C Fund” means the Reserve and Contingency Fund of the District created by Resolution No. 4112.

“Rate Stabilization Account” means the account within the R&C Fund.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bond by the District to the United States of America in accordance with Section 148(f) of the Code.

“Reciprocal Payments” has the meaning given in the Outstanding Parity Bond Resolutions.

“Registrar” means the Treasurer of the District, the fiscal agent of the State and any other person or entity which may at any time be substituted. The prior written consent of the Purchaser shall be required for a substitution for any other person or entity that is not a District employee or the fiscal agent of the State.

“Resource Obligation” means an obligation of the District to pay the following costs associated with a resource from Gross Revenues as (a) Operating Expenses for any month in which any power and energy or other goods and services from such resource were made available to the Electric System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month) and (b) at all other times as an indebtedness of the Electric System payable from Gross Revenues on a parity of lien with Parity Bonds and any Parity Lien Obligation:

(1) costs associated with facilities or resources for the generation of power and energy or for the conservation, transformation, transmission or distribution of power and energy (including any common undivided interest therein) hereafter acquired, purchased or constructed by the District and declared by the Commission to be a separate system, which such costs shall include but are not limited to costs of normal operation and maintenance, renewals and replacements, additions and betterments and debt service on the bonds or other obligations of such separate system but shall exclude costs paid or to be paid from the proceeds of the sale of bonds or other obligations of such separate system, or

(2) costs associated with the purchase of energy, capacity, capability, reserves, conservation or services under a contract.

“Revenue Fund” means the Electric System revenue fund of the District.

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” means S&P Global Ratings, and any successor rating agency.

“SEC” means the Securities and Exchange Commission.

“SIFMA Index Rate” has the meaning set forth in the Bond Purchase Agreement.

“State” means the State of Washington.

“Tax Certificate” means the tax certificate executed by a Designated Representative pertaining to the Bond.

“Treasurer” means the duly appointed and acting Treasurer of the District or any successor in function.

“Wanapum Development” means the second stage of the Priest Rapids Hydroelectric Project (F.P.C. (or FERC) Project No. 2114), as more fully described in Section 2.2 of Resolution No. 474 adopted by the Commission on June 30, 1959, or as the same may be modified in accordance with Section 2.3 of Resolution No. 474, but shall not include any generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“2019 Bond” has the meaning set forth in the recitals hereto.

“2019 Bond Resolution” means District Resolution No. 8914.

Section 2. Findings.

(a) *Gross Revenue Sufficient.* The Commission hereby finds that the Gross Revenue to be derived by the District from the operation of the Electric System at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the Commission to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Gross Revenue and money in the Revenue Fund into the bond funds for the Junior Lien Bonds and Parity Bonds of such amounts as may be required to pay the principal of and interest on the Junior Lien Bonds and Parity Bonds as the same become due and payable.

(b) *Due Regard.* The Commission hereby finds that due regard has been given to the cost of the operation and maintenance of the Electric System and that it has not obligated the District to set aside into the bond funds for the account of the Parity Bonds and the Junior Lien Bonds a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such cost of operation and maintenance.

(c) *Best Interests of the District.* The Commission hereby finds and determines that it is in the best interests of the District and its customers that the District issue the Bond authorized herein for the purpose of refunding the 2019 Bond.

Section 3. Authorization of Bond; Payment, Registration and Transfer. For the purpose of providing funds to refund, on a current basis, the 2019 Bond, the District hereby

authorizes the issuance of its electric system revenue refunding bond in the principal amount of not to exceed \$50,000,000 (the “Bond”). The Bond shall be designated as “Public Utility District No. 2 of Grant County, Washington, Electric System Revenue Refunding Bond, 2021-T,” shall be dated as of the Issuance Date to the Purchaser and shall mature on the Maturity Date.

The Bond shall bear interest at the Interest Rate, subject to any Default Rate, taxable rate, or other interest rate changes provided for in the Bond Purchase Agreement and set forth in the Bond. Interest on the Bond shall be payable in arrears on each Interest Payment Date and principal of the Bond shall be payable at the Maturity Date. Interest on the Bond shall be computed on the basis of a 360-day year for the actual number of days elapsed, except as otherwise provided for in the Bond.

The Bond shall be issued in fully registered form. Both the principal of and interest on the Bond shall be payable in lawful money of the United States of America by check, warrant, wire transfer or automatic clearinghouse funds to the registered owner of the Bond at the address shown on the Bond Register, or by such other means as the Purchaser shall direct.

The Bond may only be transferred in whole to an institution that meets the criteria set forth in the Bond Purchase Agreement. The Purchaser shall have delivered to the District an investor letter in the form attached to the Bond Purchase Agreement executed by a duly authorized officer of such purchaser.

Section 4. Prepayment. The Bond may be prepaid in whole or in part by the District as provided in the Bond Purchase Agreement.

Section 5. Payment of the Bond; Security. The Bond is a special obligation of the District payable solely from Net Revenues, which are hereby pledged to the repayment of the Bond. The Bond is a special obligation of the District payable solely out of a special fund of the District previously established and designated the Junior Lien Electric System Revenue Bond Fund (the “Bond Fund”). Amounts on deposit in the Bond Fund shall be drawn upon only for the purpose of paying the principal of and interest on the Junior Lien Bonds on a ratable basis as such amounts become due and payable.

The District hereby covenants that on or before an installment of interest or principal on the Bond is due, it will deposit in the Bond Fund amounts out of the Revenue Fund as shall be necessary, when added to other amounts paid into the Bond Fund, to pay the interest and principal due on the Bond as the same becomes due. The Junior Lien Bonds shall have a lien on Net Revenues, which lien is junior solely to the outstanding Parity Bonds and Parity Lien Obligations.

The District agrees to use its best efforts to issue Parity Bonds or Additional Bonds and use the proceeds thereof, together with available Gross Revenues, to repay the Bond on or before the Maturity Date.

There is no debt service reserve, other reserve fund or credit enhancement securing repayment of the Bond. The Bond shall not constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State or any other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Electric System.

Section 6. Revenue Fund. The District covenants that it will pay all Gross Revenues into the Revenue Fund as promptly as practicable after receipt thereof. The District further covenants that for so long as the Bond shall be outstanding, all of such money shall be used only for the following purposes and in the following order of priority:

(a) to pay Operating Expenses and Resource Obligations (to the extent payable as Operating Expenses);

(b) to make all payments required to be made into the bond fund(s) for the Parity Bonds for the payment of accrued interest on such Parity Bonds on the next interest payment date and to make any District Payments;

(c) to make all payments required to be made into the bond fund(s) for the Parity Bonds for the payment of the principal amount of serial bonds next coming due, and for the optional or mandatory redemption of term bonds, for such Parity Bonds;

(d) to make all payments required to be made into the Parity Bond Reserve Funds for any Parity Bonds, or to meet a reimbursement obligation with respect to any qualified insurance or qualified letter of credit or other credit enhancement device, if so required by resolution of the Commission;

(e) to make all payments required to be made into the Bond Fund for the payment of accrued interest on the Junior Lien Bonds on the next interest payment date;

(f) to make all payments required to be made into the Bond Fund for the payment of the principal amount of the Junior Lien Bonds next coming due; and

(g) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds, warrants or other revenue obligations of the District having a lien upon Gross Revenue and money in the Revenue Fund, bond fund for the Parity Bonds and Bond Fund and accounts therein junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds and the Junior Lien Bonds, including any payments other than debt service owed.

After all of the above payments and credits have been made, amounts remaining in the Revenue Fund may be used for any other lawful purpose of the District.

Resource Obligations, not payable as Operating Expenses, shall be paid on a parity with the Parity Bonds as provided in subsections (b) and (c) above.

The District may from time to time deposit Net Revenues into the Rate Stabilization Account in the R&C Fund and may from time to time withdraw amounts therefrom to enhance rate stability or for other lawful purposes of the District related to the Electric System. Solely for purposes of calculating the coverage requirements set forth in Sections 7(b) and 8(d), there shall be added to the Net Revenue in any year any amount withdrawn from the Rate Stabilization Account in such calendar year and deposited in the Revenue Fund, and there shall be subtracted from Net Revenue in any year any amount withdrawn from the Revenue Fund and deposited in the Rate Stabilization Account.

Section 7. Covenants.

(a) *General Rate Covenant.* The District shall establish, maintain and collect rates or charges for electric energy sold through the ownership or operation of the Electric System, and all other commodities, services and facilities sold, furnished or supplied by the District in connection with the ownership or operation of the Electric System that shall be fair and nondiscriminatory and adequate to provide Gross Revenue, together with other available money, including without limitation transfers from the R&C Fund, sufficient for the payment of the principal of and interest on all outstanding Parity Bonds and Junior Lien Bonds, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, the working capital necessary for the operation thereof, and for the payment of all amounts that the District may now or hereafter become obligated to pay from Gross Revenue, including any indebtedness of the District issued on a basis subordinate to the Bond.

In the resolutions authorizing the bonds for the Priest Rapids Project, the District has covenanted to pay to the Priest Rapids Project from the Electric System that portion of the annual costs of the Priest Rapids Project for such Fiscal Year, including without limitation for operating expenses and annual debt service due on bonds issued for the Priest Rapids Project, that is not otherwise paid or provided for from payments received by the Priest Rapids Project from the sale of power and energy and related products from the Priest Rapids Project to purchasers other than the District and to establish, maintain and collect rates or charges for electric power and energy and related products sold through the Electric System sufficient to make any such payments to the Priest Rapids Project. To the extent the obligation of the Electric System to pay any costs of the Priest Rapids Project are not Operating Expenses, they shall rank as a lien and charge against the revenues of the Electric System junior in rank to all other obligations of the Electric System. Payments made by the Electric System for the costs of purchased power and energy shall be an Operating Expense of the Electric System.

(b) *Coverage Requirement.* Rates and charges collected by the District shall be sufficient to provide Net Revenue, taking into account any transfers to or from the R&C Fund pursuant to Section 6, in any Fiscal Year hereafter in an amount equal to at least

(1) 1.25 times the Annual Debt Service due in such Fiscal Year on the Parity Bonds, excluding any capitalized interest thereon in said Fiscal Year,

(2) 1.10 times the interest due in such Fiscal Year on any Junior Lien Bonds, that (A) mature in five years or less (not taking into account any term-out), (B) do not amortize and have principal that is all due on their maturity date, and (C) for which the District has agreed to issue debt to repay such bonds prior to their maturity date, and

(3) 1.10 times the Annual Debt Service – Junior Lien Bonds due in such Fiscal Year on all other Junior Lien Bonds.

The failure to collect Gross Revenue in any Fiscal Year sufficient to comply with the covenant contained in this section shall not constitute an Event of Default if the District, before the 90th day of the following Fiscal Year, both

(A) employs a Professional Utility Consultant to recommend changes in the District's rates which are estimated to produce Gross Revenue sufficient (once the rates recommended by the Professional Utility Consultant have been imposed by the District) to meet the requirements of this section; and

(B) imposes rates at least as high as those recommended by such Professional Utility Consultant at the time or times so recommended.

(c) *Operations of Electric System.* The District will at all times maintain, preserve and keep the Electric System and all additions and betterments thereto and extensions thereof and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and the District will at all times operate such properties and the business in connection therewith in an efficient manner and at reasonable cost.

(d) *Sale or Disposition.* The District will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Electric System properties, or permit the sale, mortgage, lease or other disposition thereof, except as hereinafter provided in this subsection (d).

(1) The District may sell, lease or otherwise dispose of all or substantially all of the Electric System, provided that simultaneously with such sale, lease or other disposition, the District shall cause the Bond to be, or deemed to be, no longer outstanding.

(2) Except as provided in the last paragraph of this subsection, the District will not sell, mortgage, lease or otherwise dispose of any part of the Electric System in excess of 5% of the value of the net utility plant of the Electric System in service unless prior to such sale, mortgage, lease or other disposition:

(A) there shall have been filed with the Secretary of the Commission a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition will not impair the ability of the District to comply with the covenants set forth in Sections 7(a) and (b) of this resolution; or

(B) the proceeds of such disposition are used to acquire new operating properties of the Electric System or provision is made for the payment, redemption or other retirement of a principal amount of the Junior Lien Bonds equal to the greater of the following amounts:

(I) an amount which will be in the same proportion to the net principal amount of the Junior Lien Bonds then outstanding (defined as the total principal amount of such bonds then outstanding less the amount of cash and investments in the Bond Fund) that the Gross Revenues attributable to the part of the Electric System sold or disposed of for the 12 preceding months bear to the total Gross Revenues for such period; or

(II) an amount which will be in the same proportion to the net principal amount of the Junior Lien Bonds then outstanding that the book value of the part of the

Electric System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

The District may sell or otherwise dispose of any part of the Electric System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation.

(e) *Insurance.* The District will keep the works, plants, properties and facilities comprising the Electric System insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties; provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks.

(f) *Books and Accounts.* The District shall keep proper books of account in accordance with generally accepted accounting principles as applied to governmental entities and with the rules and regulations prescribed by the Division of Municipal Corporations of the State Auditor's office of the State, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed as aforesaid, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agency having jurisdiction over electric public utility companies owning and operating properties similar to the properties of the District, whether or not the District is at the time required by law to use such system of accounts. The District shall cause its books of account to be audited annually by the State Auditor's office or other State department or agency as may be authorized and directed by law to make such audits, or if such an audit shall not be made for twelve months after the close of any Fiscal Year of the District, by independent certified public accountants. In keeping said books of account, the District shall accrue depreciation monthly thereon on its depreciable properties in accordance with the accounting practice prescribed by the public departments or agencies above mentioned. All calculations, classifications and other financial determinations required by this resolution shall be made in accordance with the accounting practices then being observed by the District. The District will permit any person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the District) to visit any of the offices of the District to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the District with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Purchaser may reasonably request.

(g) *Free Service.* Except as required by law or in an amount per year not exceeding 1/10 of 1% of annual Operating Expenses, the District will not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the Electric System, free of charge to any person, firm or corporation, public or private, so long as any Junior Lien Bonds are outstanding and unpaid, and to the extent permitted by law the District will promptly enforce the payment of any and all accounts owing to the District and delinquent; provided, that, to the extent permitted by law, the

District may lend money and may provide commodities, services or facilities free of charge or at a reduced charge in connection with a plan of conservation of electric energy adopted by the Commission.

(h) *FERC License.* The District will use its best efforts to retain the FERC License for the Priest Rapids Project.

(i) *Amendments.* The District will not amend this resolution without the Purchaser's prior written consent.

(j) *Refinance Covenant.* The District agrees to use its best efforts to issue Parity Bonds or Additional Bonds and use the proceeds thereof, together with available Gross Revenues, to repay the Bond on or before the Maturity Date.

Section 8. Additional Debt and Obligations.

(a) *Parity Bonds.* The District reserves the right to issue additional Parity Bonds if it meets the conditions to such issuance set forth in the Outstanding Parity Bond Resolutions. The resolutions authorizing the Parity Bonds and Junior Lien Bonds shall not permit acceleration or other event or circumstance whereby the principal of such obligations becomes immediately due and payable as a remedy upon an event of default.

(b) *Resource Obligation.* The District may enter into or incur a Resource Obligation pursuant to a resolution of the Commission provided that the requirements set forth in the resolutions authorizing the outstanding Parity Bonds shall be met at the time of adoption of such resolution.

The District shall not hereafter enter into any agreement, other than a Resource Obligation, obligating the District to pay to another person, entity or separate system of the District, from Gross Revenue, for (i) generating or transmission capacity or energy or the use or lease of generating or transmission facilities, under which agreement payment is not conditioned on the availability of such capacity, energy or facility, or (ii) the installment purchase or lease of property which, whether or not subject to annual appropriations, otherwise transfers to the District the burdens and benefits of ownership of such property, unless such agreement specifically states that the obligation of the District thereunder is junior to the obligation of the District to make payments from the Revenue Fund into the Bond Fund. This paragraph shall not be applicable to, and shall not restrict the District in entering into, any agreement relating to the Priest Rapids Project or any other hydroelectric facility owned and operated by the District.

(c) *Separate Systems.* Nothing in this resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness, including debt of the Priest Rapids Project, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system, provided that such contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable

solely from the revenues or other income derived from the ownership or operation of such separate system.

(d) *Additional Bonds on a Parity with the Bond.* The District covenants that debt on a parity with the Bond (“Additional Bonds”) shall be issued only upon compliance with the following conditions:

(1) That at the times of the issuance of such Additional Bonds there is no deficiency in the Bond Fund and no Event of Default has occurred and is continuing.

(2) That the Net Revenue of the Electric System for any 12 consecutive months out of the 24 months next preceding the issuance of the Additional Bonds (not including any transfer from the R&C Fund), will equal at least

(A) 1.10 times the interest due in such Fiscal Year and each Fiscal Year thereafter on the Junior Lien Bonds then outstanding and any proposed Additional Bonds that (i) mature in five years or less, (ii) do not amortize and have principal that is all due on their maturity date, and (iii) for which the District has agreed to issue debt to repay such bonds prior to their maturity date, and

(B) 1.10 times the Annual Debt Service – Junior Lien Bonds due in such Fiscal Year and each Fiscal Year thereafter on all other Junior Lien Bonds then outstanding and any proposed Additional Bonds.

In making the calculations for purposes of this subsection (2), if the interest rate on the outstanding Junior Lien Bonds and any Additional Bonds is other than a fixed rate, the rate used shall be any rate published as the Bond Buyer Revenue Bond Index for municipal revenue bonds within the 30-day period prior to the date of such calculation. If such index is no longer published, another nationally recognized index for municipal revenue bonds maturing in 20 to 30 years may be used. If on the date of such calculation the interest rate on any variable rate bonds shall then be fixed for a specified period, including pursuant to a derivative product, the interest rate used for such specified period for the purpose of the foregoing calculation shall be such actual interest rate.

For the purposes of this subsection (2), the “Net Revenue of the Electric System” may be adjusted as follows:

(A) To include a full 12 months of net revenue from any customers added during the 12-month period being considered.

(B) To include the annual estimated net revenue to be received as a result of any additions, betterments and improvements to and extensions of the Electric System to be acquired, constructed or installed by the District from the proceeds of the Additional Bonds to be issued or under construction at the time of such certificate.

(C) To include the additional net revenue which would have been received by the District if any rate change adopted prior to the delivery of the Additional Bonds, but subsequent to the beginning of the 12-month period being considered, had been in force during the full 12-month period.

(3) That at or prior to the time of the issuance of such Additional Bonds the District shall obtain and have on file a certificate from the Treasurer which shall certify full compliance with conditions (1) and (2) of this subsection, or in the alternative the District obtains a certificate from a Professional Utility Consultant stating that the projected annual Net Revenue for the Fiscal Years in which the Bond, and Additional Bonds that mature in five years or less and for which the District has pledged to issue debt to repay such bonds prior to their maturity are expected to at least equal 1.10 times the interest required to be paid in any Fiscal Year thereafter and that the projected annual Net Revenue for the Fiscal Years in which all other Additional Bonds are expected to at least equal 1.10 times the interest required to be paid in any Fiscal Year thereafter. Such certificate shall have attached thereto financial statements of the District for the period upon which the same is based and audits by the Division of Municipal Corporations of the State Auditor's Office of the State or from an independent certified public accountant for as many fiscal years within such period as such audits have been made and completed.

In the event that any Additional Bonds provided for in this section are issued for the sole purpose of exchanging with or providing funds to purchase or refund or redeem and retire at or prior to their maturity any or all of the outstanding Junior Lien Bonds and the issuance of such refunding Additional Bonds will not require a greater amount (except as necessary to round out maturities to the nearest \$5,000) to be paid in any Fiscal Year thereafter than would have been required to be paid in the same Fiscal Year for debt service on the bonds being refunded, then subsections (2) and (3) need not be complied with to permit such refunding Additional Bonds to be issued.

(c) *Obligations Subordinate to the Junior Lien Bonds.* The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien on the Gross Revenue and funds of the Electric System that is junior to the lien on such Gross Revenue as the Junior Lien Bonds as long as such debt is not subject to acceleration, mandatory tender or mandatory prepayment, and may create a special fund or funds for payment of such junior obligations.

(d) *Derivative Products.* To the extent permitted by state law, the District may enter into derivative products on a parity with the Parity Bonds subject to the conditions set forth in the resolutions authorizing the outstanding Parity Bonds.

Section 9. Tax Covenants. The District hereby covenants to comply with all applicable requirements set forth in the Code to the extent that such compliance shall be necessary to maintain the exclusion from gross income for federal income taxes of the interest on the Bond. The District hereby further covenants to observe all applicable requirements in any future federal tax legislation to the extent that such compliance is determined by the District to be legal and practicable and required for such exemption.

The District will pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the exclusion from gross income for federal income taxes of the interest on the Bond, in accordance with the Tax Certificate.

Section 10. Events of Default. The Commission of the District hereby finds and determines that the continuous operation of the Electric System and the collection, deposit and

disbursement of the Gross Revenue in the manner provided in this resolution are essential to the payment and security of the Bond, and the failure or refusal of the District to perform the covenants and obligations contained in this resolution will endanger the necessary continuous operation of the Electric System and the application of the Gross Revenue to the purposes set forth in this resolution.

The District hereby covenants and agrees with the owner of the Bond, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bond, that the following shall constitute "Events of Default":

(a) If default shall be made in the due and punctual payment of principal of or interest on the Junior Lien Bonds or any Parity Bonds when the same shall become due and payable;

(b) If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in this resolution or the Bond Purchase Agreement and such default or defaults shall remain unremedied for a period of 60 days after the earlier of (i) Bond owner providing written notice to the District of such default or (ii) the occurrence thereof;

(c) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (1) appointing a receiver, trustee or liquidator for the District or the whole or any substantial part of the Electric System; (2) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State; or (3) assuming custody or control of the District or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree;

(d) If the District shall: (1) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended (2) admit in writing its inability to pay its debts generally as they become due; (3) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (4) make an assignment for the benefit of its creditors; (5) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (6) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System;

(e) The District's obligations or the pledge of Net Revenues created under this resolution or the Bond shall not be, or shall cease to be, binding and enforceable in accordance with their respective terms, or the District shall challenge or otherwise contest any of the enforceability or validity of the same in writing or in a public statement;

(f) The District has defaulted on a legal judgment of more than \$10,000,000 and all appeal periods have run and no appeal has been filed;

(g) The District's rating on its Parity Bonds by Moody's, S&P or Fitch is downgraded to or below Baa1, BBB+, or BBB+, respectively, or the District does not maintain a rating on its Parity Bonds by at least one of Moody's, S&P or Fitch; or

(h) A moratorium shall have been declared or announced by the District (whether or not in writing) or any Governmental Authority with respect to the District's authority to repay any debt of the District.

Section 11. Remedies. Upon the happening of an Event of Default and during the continuance thereof, the Bond owner may institute such suits or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the owner of the Bond to collect any amounts due and owing to or from the District, or to obtain other appropriate relief.

Upon the happening of an Event of Default, the Bond shall bear interest at the Default Rate, if and to the extent provided for in the Bond Purchase Agreement.

In the Bond Purchase Agreement the Purchaser shall acknowledge that the resolutions authorizing the Parity Bonds govern the flow of funds in the event of a default by the District under those resolutions and provide for the appointment of a Bondowners' Trustee for the Parity Bonds.

Nothing contained in this resolution or the Bond Purchase Agreement shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Bond, and the remedy of acceleration is expressly denied to the owner of the Bond under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Section 12. Sale of the Bond; Disposition of Proceeds.

(a) *Sale of the Bond.* The Commission has determined that it is in the best interest of the District to delegate to the General Manager, Chief Financial Officer, and Treasurer (each a "Designated Representative") the authority to approve the final terms of the Bond subject to the provisions of this resolution.

Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized to approve the principal amount, dated date, Interest Payment Dates, Maturity Date, redemption/prepayment provisions, Interest Rate, Default Rate, taxable rate, term out provisions, tender provisions, and other terms of the Bond that are in the best interest of the District so long as: (1) the final Maturity Date is not later than three years from the Issuance Date of the Bond; (2) the principal amount of the Bond does not exceed \$50,000,000; (3) the Bond shall be dated as of the Issuance Date, which is not later than July 1, 2021; and (4) the initial Interest Rate on the Bond as of the Issuance Date shall not exceed 2.0%.

The Bond shall be sold by negotiated sale to the Purchaser. Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized to execute the Bond Purchase Agreement.

Upon the passage and approval of this resolution, the proper officials of the District including the Designated Representatives, are authorized and directed to undertake all action

necessary for the prompt execution and delivery of the Bond to the Purchaser and further to execute all closing certificates, agreements, loan agreement, and documents required to effect the closing and delivery of the Bond in accordance with the terms of the this resolution and the Bond Purchase Agreement.

(b) *Disposition of Bond Proceeds.* The District proposes to pay at maturity or the Call Date the 2019 Bond. All or a portion of the proceeds of the Bond, plus other available funds of the District, if any, in the amount necessary to pay at maturity or prepay the 2019 Bond, in whole, plus any prepayment premium, fee or penalty, shall be deposited into the Bond Fund (as defined in the 2019 Bond Resolution) for the 2019 Bond or another fund or account selected by a Designated Representative, and used within 30 days of the date of issuance of the Bond to either pay at maturity or prepay the 2019 Bond in whole.

Section 13. Reporting Requirements. The Bond is exempt from ongoing disclosure requirements of the Rule. The District shall furnish to the Purchaser certain information respecting the affairs, condition and/or operations, financial or otherwise, of the District as set forth in the Bond Purchase Agreement and/or as may be reasonably requested by the Purchaser from time to time.

Section 14. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative, consistent with the provisions of this resolution.

Section 15. Execution of Bond. The Bond shall be signed in the corporate name of the District with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission. The seal of the District shall be impressed on the Bond. In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the District before the Bond so signed shall have been issued by the District, the Bond may nevertheless be delivered and issued and upon such delivery and issuance shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bond may also be signed and attested on behalf of the District by such persons as at the actual date of execution of such Bond shall be the proper officers of the District although at the original date of such Bond any such person shall not have been such Officer of the District.

Section 16. Sale of Bond; Fees. The sale of the Bond to the Purchaser under the terms and conditions of this resolution is hereby approved and confirmed. Upon delivery of the Bond, the District is hereby authorized to pay fees associated with the issuance of the Bond, including reasonable fees of the Purchaser and Purchaser's counsel.

Section 17. Authorization to Officials and Agents. The appropriate District officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bond.

Section 18. Changes in Accounting. The calculation of certain covenants and compliance therewith may be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of

the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then a default relating to such covenants shall not be considered an Event of Default hereunder if such calculations would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

Section 19. Corrections. Upon approval of the District's General Counsel and Bond Counsel, the District Secretary is hereby authorized to make necessary corrections to this resolution, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; numbering and section/subsection numbering; and other similar necessary corrections.

Section 20 Effective Date of Resolution. This resolution shall be in effect from and after its adoption in accordance with law.

ADOPTED by the Commission of Public Utility District No. 2 of Grant County, Washington, at a regular meeting thereof this 8th day of June, 2021.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
COUNTY, WASHINGTON

By: _____
President and Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Title: _____

CERTIFICATION

I, the undersigned, Secretary of the Commission of Public Utility District No. 2 of Grant County, Washington (the "District"), and keeper of the records of the Commission (the "Commission") DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. ____ (the "Resolution") of the Commission, duly adopted at a regular meeting thereof held on the 8th day of June, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this 8th day of June, 2021.

Secretary of the Commission of
Public Utility District No. 2 of
Grant County, Washington

EXHIBIT A

FORM OF BOND

[TRANSFER RESTRICTIONS]

No. 1

\$ _____

UNITED STATES OF AMERICA

STATE OF WASHINGTON

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2021-T

Maturity Date: _____

Registered Owner: _____

Public Utility District No. 2 of Grant County, Washington, a municipal corporation of the State of Washington (the "District"), hereby acknowledges itself to owe and for value received promises to pay but solely from the Junior Lien Electric System Revenue Bond Fund (the "Bond Fund"), to the Registered Owner identified above the Principal Amount stated above. This bond shall bear interest at the SIFMA Index Rate, subject to the Default Rate upon the occurrence and during the continuation of an Event of Default until the date on which the Default (each as defined in the hereinafter defined Purchase Agreement) is cured or otherwise waived by the Registered Owner. Interest on this bond shall be payable in arrears on the first business day of each calendar month and the Maturity Date or the date of prior redemption in whole (each, an "Interest Payment Date"). Principal of this bond shall be payable at the Maturity Date, subject to prior redemption. Interest on this bond shall be computed on the basis of a 360-day year for the actual number of days elapsed.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington, District Resolution No. _____ adopted on June 8, 2021 (the "Bond Resolution"), and the Bond Purchase Agreement dated _____, 2021 between the District and Bank of America, N.A. (the "Purchase Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Resolution and/or the Purchase Agreement, as applicable.

This bond is a special obligation of the District and is payable solely from the Bond Fund. This bond has a lien on Gross Revenue junior to the payment of Operating Expenses of the Electric System and Parity Bonds of the Electric System and on a parity with any Additional Bonds. Reference to the Bond Resolution and the Purchase Agreement is hereby made for description of this bond, the funds applicable to the payment of this bond, the covenants and agreements of the District, including the conditions under which other obligations of the District may be issued.

This bond shall not be deemed to constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State of Washington or any

other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Electric System.

This bond may be prepaid in whole or in part by the District on any Interest Payment Date without penalty upon three (3) Business Days' notice to the Registered Owner as provided in the Purchase Agreement. Interest shall cease to accrue on the date this bond is prepaid in full.

This bond is transferable by the Registered Owner hereof, but only in the manner and subject to the limitations provided in the Purchase Agreement. Upon such transfer a new fully registered bond for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF Public Utility District No. 2 of Grant County Washington by its Commission has caused this bond to be signed with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary thereof, and the seal of the District to be impressed hereon, as of this ____ day of _____, 2021.

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON

(SEAL)

By /s/ manual or facsimile signature
President of the Commission

ATTEST:

/s/ manual or facsimile signature
Secretary of the Commission

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of the Treasurer of the District (the "Registrar"), as to both principal and interest, as shown in the registration blank below. All payments of principal of and interest on this bond shall be made by the District with full acquittance by the Registrar's wire transfer, made payable to the last Registered Owner as shown hereon and on the registration books of the Registrar at his/her address bonded hereon and on the registration books of the Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Registrar
_____, 2021		_____ Treasurer, Public Utility District No. 2 of Grant County, Washington

MEMORANDUM

May 7, 2021

TO: Kevin Nordt, General Manager

VIA: Jeff Bishop, Chief Financial Officer
Bonnie Overfield, Senior Manager of Treasurer
Angelina Johnson, Treasury Operations Supervisor

Bonnie Overfield
Angelina Johnson

FROM: Angie Smith, Treasury Accountant **AS**

SUBJECT: Resolution for the refunding of Electric System 2019-P Direct Placed Bond

Purpose: To submit to the Commission the bond resolution for the refunding of the Electric System 2021-T Bond during the 5/25/2021 commission meeting.

Discussion: The District's refunding of the Electric System 2019-P Direct Placed Variable Rate Bond requires board delegation to management to execute. Attached is the bond resolution to delegate authority to the District Representative to proceed with the remarketing transaction. The bond resolution provides for a not to exceed amount of \$50 million to remarket the existing Electric System 2019-P Direct Purchase Series (maturity date of 7/01/2021). The new series of bonds conforms to the District's variable rate, short term debt program to include the following:

- A final maturity date not to exceed three years from the issue date
- Within the parameters of a fixed or variable rate short term product
- In alignment with the District's asset/liability matching program to target total short-term issued debt in the program amount of \$150 million in total, aligning with liquid fund levels
- Maintain the program's staggering remarketing timings for dollar cost averaging that reduces risk associated with market volatility
- Conforms to established debt covenants for subordinate debt

The District's Financial Advisor, Public Financial Management, assisted the District in analyzing the options and costs associated with the refunding of this product. After extensive analysis of different scenarios to include fixed rate and variable rate products, historical market considerations and term structures, the most economical option indicates that a 3-year Direct Purchase product based on the SIFMA index is the preferred pricing index for this product and is the best option to meet the needs of the District.

District bond counsel, Pacifica Law Group LLC, and tax counsel, Nixon Peabody LLC, represents the District on legal matters in execution of the transaction, including the preparation of the delegating resolution.

Recommendation:

To request Commission review and approval of the bond resolution for refunding of the Electric System 2021-T Bond during the May 11th, 2021 meeting for approval at the May 25th meeting.

For Commission Review – 05/25/2021

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute an Interlocal Agreement, Contract 430-10913, between Grant PUD and Energy Northwest.

XXXX

MEMORANDUM

May 10, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Richard Wallen, Chief Operations Officer
Julie Pyper, Senior Manager of EPMO *JP*

FROM: Mindy Klingenberg, Project Coordinator *MK*

SUBJECT: Interlocal Agreement with Energy Northwest

Purpose:

To request Commission approval to execute an interlocal agreement between Grant PUD and Energy Northwest. The agreement would allow Grant PUD to procure technical services from Energy Northwest on an "as needed" basis to support the needs of the District.

Discussion:

Over the past several months, there have been many discussions throughout the District with regards to the benefits Grant PUD may incur working with Energy Northwest. The discussions have included the following:

- Sharing services through Energy Northwest's Volt Workforce Solutions contract
- Mobile Workforce Solution
- Calibration Services
- Environmental Testing Services
- Recruitment
- APPA Deed Program
- Training Services

Based on recent conversations, District personnel are interested in some of the services mentioned above. However, further discussions are needed to evaluate financial benefits, work release order specifications and negotiation of rates so any services support Grant PUD's business objectives.

Justification:

While District personnel have indicated their desire to go forward with a work release order (WRO) for certain services from Energy Northwest, more time is needed to evaluate specifics and finalize financial details. However, when they are prepared to finalize the WRO, they would like to have the ILA already in place to reduce the wait time for execution.

If not approved, there will be a delay in any procured services. Currently, there is no valid ILA with Energy Northwest and any needed services in the future would be required to wait until the ILA has been approved.

Here is a breakdown regarding current areas of interest to the District.

Volt Workforce Solutions: Energy Northwest is finalizing negotiations with Volt to allow third party sharing on the contract. This is anticipated to become effective in February 2021. This would allow Grant PUD to utilize Energy Northwest's negotiated staff augmentation rates. Energy Northwest negotiates rates for a variety of job titles. To get an estimate on what our savings could possibly be using Energy Northwest's Volt contract, we looked at potential savings for the Business Analyst and Project Manager contractor titles since we have current TAs in place for these job titles. The midpoint comparison was used as it is considered the market average. The potential savings are listed below:

Job Title	Grant PUD current Volt hourly rate	EN current Volt rate @ midpoint	Savings (%)	Annual Savings (2080 hours)
Business Analyst	\$98.00	\$55.86	43%	\$87,651
Project Manager	\$116.80	\$85.40	23%	\$62,733

Calibration Services: This District has expressed their interest in exploring potential cost savings by utilizing Energy Northwest's services for calibration. Energy Northwest provides onsite and offsite calibration. Once the District has time to evaluate the equipment for calibration, discussion can be had on the potential financial benefits of utilizing Energy Northwest for this service.

Financial Considerations:

While the topic of financial benefit has been at the core of the discussions with Energy Northwest, further discussion will need to occur before any WRO is finalized. The financial stipulations will be included in each WRO. Before committing to any of the services provided by Energy Northwest, there will be additional conversations and review of potential benefits to the District.

It should be noted, while Energy NW is providing us a service, they do not profit from rendered services. Any charges invoiced to the Grant PUD, will cover costs only.

Contract Specifics:

There is no specified expiration date within the ILA. This will allow services to be acquired on an "as needed" basis without having to consider any upcoming expiration to the ILA in place. The WRO is framed in a way to include expiration dates and/or not to exceed amounts to limit rendered services. While the services we are currently considering were previously mentioned, there may be additional services in the future the District may choose to pursue.

Recommendation:

Commission approval for Grant PUD to execute an interlocal agreement with Energy Northwest.

Legal Review:

See attached e-mail(s).



**INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN ENERGY NORTHWEST AND PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
COUNTY TO PROVIDE TECHNICAL SERVICES AS REQUESTED**

As provided under RCW Title 39, Chapter 39.34, this Agreement for Professional Services (the "Agreement") is by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington, with its principal office located at 30 C Street SW, Ephrata, WA 98823 (hereinafter referred to as "District"), and Energy Northwest, a municipal corporation and joint operating agency of the State of Washington and doing business by and through its Business Development Fund, with its principal office located at 3000 George Washington Way, Richland, WA 99352 (hereinafter referred to as "Energy Northwest" or "EN").

WHEREAS, the District desires to obtain cost effective technical services to support the needs of the District;

WHEREAS, Energy Northwest has the capacity and is willing to perform certain work for the District hereinafter described in accordance with the provisions of this Agreement; and

WHEREAS, the District finds that Energy Northwest is qualified to perform the work, all relevant factors considered, and that such performance will be in furtherance of the District's business; and

WHEREAS, the Interlocal Cooperation Act contained in RCW 39.34 authorizes local governments, such as the parties to this Agreement, to contract for joint conduct of activities which each of the parties is individually authorized to perform.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. AUTHORITY AND PURPOSE

This Agreement is executed pursuant to Chapter 39.34 RCW as a cooperative endeavor of the Parties. The purpose of this Agreement is to establish a contractual relationship under which the District can procure technical services from Energy Northwest and Energy Northwest can avail its employees for that purpose on an "as needed" basis to support needs of the District, and to set forth the Parties respective rights, obligations, costs, and liabilities for this undertaking. This Agreement shall be reasonably construed in furtherance of this purpose.

Energy Northwest shall utilize commercially reasonable efforts when providing Technical Services, as may be required by the District for the duration of this Agreement, as ordered by the District, as budget and schedule allow.

Technical Services provided by Energy Northwest shall not conflict or interfere with work conducted by the District's Employees. For this reason a working foreman shall be assigned at all times to coordinate work assignments directly through the District's Management and/or Supervision where applicable. All services provided under this Agreement shall be consistent with applicable and existing Energy Northwest union labor bargaining agreements, which remain unchanged and in effect.

Technical Services shall be requested by the District's General Manager by Work Release Orders (WRO) to Energy Northwest. WRO's will be issued using the form provided in Exhibit A to this Agreement.

The exact Statement of Work, Period of Performance, the District crafts and Labor Rates based on current local bargaining agreements (if applicable), will be established prior to completion of the WRO and agreed upon between the parties, once services have been requested by the District. These WRO's shall be incorporated as attachments to this Agreement when finalized, as provided in Exhibit A to this Agreement.

The Technical Services performed for the District as described herein shall be performed in compliance with RCW Title 54 and Title 39.

2. TERM

The duration of this Agreement, subject to its other provisions, shall be from its effective date when executed by both Parties, until terminated by either Party.

3. FILING

This Agreement shall be effective only upon execution by the parties and filing with the Benton County Auditor and/or posting an electronic copy of the Agreement on the parties' respective websites in compliance with RCW 39.34.040.

4. PAYMENT AND INVOICING TERMS

4.1 Payment for Services The District shall pay Energy Northwest as follows: Charges will be invoiced to the District by Energy Northwest and will provide detail on the number of hours chargeable, travel and subsistence charges, and any special services delivered as they are ordered/approved by the District.

4.2 Reimbursable Costs The District shall reimburse Energy Northwest all costs incurred in connection with the Services rendered, including, but not limited to, travel costs, subcontractors, materials (subcontract and materials costs include the

supplier's invoiced cost to Energy Northwest plus Energy Services & Development Overhead charge), computer costs, telephone, copies, delivery that are attributable to a project or Service (the "Reimbursable Costs"). Energy Northwest shall provide to the District substantiation of Reimbursable Costs incurred.

4.3 Invoicing Invoices will be submitted monthly by Energy Northwest for payment by the District. Payment is due upon receipt and is past due thirty (30) days from receipt of invoice. If the District has any valid reason for disputing any portion of an invoice, the District will so notify Energy Northwest within seven (7) calendar days of receipt of invoice by the District, and if no such notification is given, the invoice will be deemed valid. The portion of an invoice which is not in dispute shall be paid in accordance with the procedures set forth herein. That portion of the invoice in dispute shall be resolved in accordance with Section 6.7 of this Agreement within thirty (30) days of the receipt by Energy Northwest of the notice from the District as provided in this section.

Energy Northwest shall submit monthly invoices 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

Any attorney fees, court costs, or other costs incurred by Energy Northwest in collection of delinquent accounts shall be paid by the District.

4.4 Taxes The District shall pay all state, local sales and use taxes applicable to goods and services provided under this Agreement. Energy Northwest shall include sales tax charges, separately identified, in the Energy Northwest invoices to the District.

4.5 Prevailing Wages Where public work will be performed for the District, Energy Northwest shall pay the workers at least prevailing wages, as stated in RCW Title 39.

5. CHANGES

The District may, with the approval of Energy Northwest, issue written directions within the general scope of any Services to be ordered. Such changes (the "Change Order") may be for additional work or Energy Northwest may be directed to change the direction of the work covered by the WRO, but no change will be allowed unless agreed to by Energy Northwest in writing. Any such approved Change Order may result in an adjustment to Cost or Schedule or both for the Services.

6. STANDARD OF CARE -WARRANTY

Energy Northwest warrants that services shall be performed by personnel possessing competency consistent with applicable industry standards. Such warranty will be effective for a period of 30 days from the date of acceptance of the performance of such service. No other representation, express or implied, and no warranty or guarantee are included or intended in this Agreement, or in any report, opinion, deliverable, work product, document or otherwise. Furthermore, no guarantee is made as to the efficacy or value of any services performed.

The District's exclusive remedy for any claim relating to this Agreement will be for Energy Northwest, upon receipt of written notice, either (i) to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which Energy Northwest is at fault, or (ii) return to the District the fees paid by the District to Energy Northwest for the particular service provided that gave rise to the claim, subject to the limitation contained in Section 7.2. For the foregoing warranty and remedy to apply, written claim must be made to Energy Northwest as soon as reasonably practicable after the non-conformance is detected by the District and in no event later than the expiration of the aforesaid warranty period. The District agrees and hereby acknowledges that this remedy is adequate and serves its essential purpose.

THIS SECTION SETS FORTH THE SOLE AND EXCLUSIVE WARRANTY PROVIDED BY ENERGY NORTHWEST CONCERNING THE SERVICES AND RELATED WORK PRODUCT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE.

7. INDEMNIFICATION AND LIABILITY

7.1 Indemnification To the extent of its comparative liability, each party shall indemnify, defend, and hold the other party, its departments, elected and appointed officials, employees, and agents, harmless from and against any and all claims, demands, damages, losses, actions, liabilities, costs, and expenses, including attorney's fees, for any bodily injury, sickness, disease, or death, or any damage or destruction of property, including the loss of use therefrom, which are alleged or proven to be caused in whole or in part by a negligent act or omission of the other party, its officials (elected or appointed), officers, directors, employees and agents.

If the claim, suit or action for injuries, death or damages as provided for in the preceding paragraph is caused by or results from the concurrent negligence of the parties or their respective agents or employees, the indemnity provision shall be valid and enforceable only to the extent of the indemnitor's/indemnitee's negligence.

Industrial Insurance Act: The indemnification obligations contained in this Section 7.1 shall not be limited by any worker's compensation, benefit or disability laws, and

each indemnifying party hereby waives any immunity that said indemnifying party may have under the Washington Industrial Insurance Act, Title 51 RCW, and similar worker's compensation, benefit or disability laws. THE PARTIES ACKNOWLEDGE BY THEIR EXECUTION OF THIS AGREEMENT THAT EACH OF THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT (SPECIFICALLY INCLUDING BUT NOT LIMITED TO THOSE RELATING TO WORKER'S COMPENSATION BENEFITS AND LAWS) WERE SPECIFICALLY NEGOTIATED AND AGREED TO BY THE PARTIES.

7.2 Limitation of Liability. Except for the indemnifications set forth in Section 8.1, neither Party shall be liable for any special, indirect, consequential, lost profits or revenues, or punitive damages. The limitation of liability set forth herein is for any and all matters for which the Parties may otherwise have liability arising out of or in connection with this Agreement, whether the claim arises in contract, tort (negligence of whatever degree), strict liability, under any warranty, or under any other legal or equitable theory of law, of any nature arising at any time from any cause whatsoever.

The District hereby agrees that to the fullest extent permitted by law, Energy Northwest's total aggregate liability to the District for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the project or this Agreement from any causes or causes including Energy Northwest's negligence, errors, omissions, strict liability, breach of contract or breach of warranty, shall not exceed the total sum paid to Energy Northwest under the respective Work Release Order issued under this Agreement or the applicable insurance coverage available at the time of settlement or judgment, whichever is greater. If no such insurance coverage is provided with respect to the District's claims, then Energy Northwest's total liability to the District for any and all such uninsured District claims shall not exceed the total sum paid to Energy Northwest under the respective Work Release Order issued under this Agreement. Notwithstanding the foregoing, the provisions of this GP-7.2 shall not apply to Energy Northwest's obligations under GP 7.1 (Indemnification).

Energy Northwest's cumulative liability to the District under this Agreement is limited to the assets of the Business Development Fund of Energy Northwest. Obligations of the Energy Northwest Business Development Fund are not, nor shall they be construed as, general obligations of Energy Northwest or other Energy Northwest projects or funds.

7.3 Insurance. Each party shall secure and continuously carry in effect, with an insurance company or companies reasonably acceptable to the other, the following insurance policies:

Each party shall maintain insurance for bodily injury and property damage. Such insurance shall include: provisions or endorsements naming the other party and its elected officials, officers, agents, and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of each party,

and that any insurance maintained by the party is excess and not contributory insurance with insurance required hereunder; and provisions or endorsements to include broad form comprehensive liability and blanket contractual liability. Initial limits of liability for all required under this paragraph shall be \$1 Million (\$1,000,000) for each occurrence and \$2 Million (\$2,000,000) general aggregate. Anything in this Agreement notwithstanding, the parties to this Agreement mutually agree to limit the other party's liability for insurable events arising from the performance under this Agreement to the amount of the insurance proceeds available as provided in this Section 7.3.

If applicable, for each WRO Energy Northwest will provide to the District the following:

- Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable. Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.
- Energy Northwest shall provide professional liability insurance with a **minimum limit of \$1,000,000 per claim, if applicable per WRO.**

If such policy is written on a claims made form, the retroactive date shall be prior to or coincident with the Effective Date of this Agreement. Claims made form coverage shall be maintained by Energy Northwest for a minimum of three years following the termination of this Agreement, and Energy Northwest shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, Energy Northwest shall purchase an Extended Reporting Period Tail or execute another form of guarantee acceptable to the District to assure financial responsibility for liability for services performed.

If Energy Northwest shall hire subcontractor for all operations and risk involving professional services exposure, this requirement may be satisfied by subcontractor's policies. Energy Northwest shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

All insurance policies required hereunder shall contain provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior written notice to the other party. Each party shall provide the other with a Certificate of Liability Insurance naming the other, and its elected officials, officers, agents, and

employees as additional insureds. It is expressly understood and agreed that is the intention hereof to constitute a waiver and release of any and all subrogation rights which a party may have under any such insurance policies.

7.4 Survival Articles 6 and 7 shall survive the expiration or termination of this Agreement for any reason.

8. MISCELLANEOUS

8.1 Insecurity and Adequate Assurances If reasonable grounds for insecurity arise with respect to the District's ability to pay for the Services in a timely fashion, Energy Northwest may demand in writing adequate assurances of the District's ability to meet its payment obligations under this Agreement. Unless the District provides the assurances in a reasonable time and manner acceptable to Energy Northwest, in addition to any other rights and remedies available, Energy Northwest may partially or totally suspend its performance while awaiting assurances, without liability to the District.

8.2 Severability Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. Any provision shall nevertheless remain in full force and effect in all other circumstances.

8.3 Waiver Waiver or breach of this Agreement by either party shall not be considered a waiver of any other subsequent breach

8.4 Independent Contractor Energy Northwest is an independent contractor to the District; no personnel furnished by Energy Northwest shall be deemed under any circumstances to be the agent, employee or servant of the District.

8.5 Termination Any party shall have the right to terminate this Agreement with or without cause at any time during the initial or extended term of this Agreement by giving thirty (30) days' written notice of the termination to the other party by regular mail to the person identified in Section 9.6. Termination will be effective on the 31st day from the date the written notice was sent.

8.6 Notices All notices or other communications hereunder shall be in writing and shall be deemed given when delivered to the address specified below or such other address as may be specified in a written notice in accordance with this Section.

If to Energy Northwest:

Energy Northwest
Attn: Sherri Schwartz
P. O. Box 968, MD1035
Richland, WA 99352-0968
Telephone: (509) 372-5072
Fax: (509) 377-4357
Email: slschwartz@energy-northwest.com

If to District:

Public Utility District No. 2 of Grant County, Washington
Attn: Julie Pyper
PO Box 878
Ephrata, WA 98823
Office Phone: (509) 754-5058
Email: jpyper@gcpud.org

With a second copy, in the event of claimed breach, nonperformance, termination of this Agreement or other notice which affects the validity or integrity of this Agreement to:

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

Any party may, by notice given in accordance with this Section to the other parties, designate another address or person or entity for receipt of notices hereunder.

8.7 Assignment This Agreement is not assignable or transferable by either party without the written consent of the other party, which consent shall not be unreasonably withheld or delayed.

8.8 Disputes Energy Northwest and the District recognize that disputes arising under this Agreement are best resolved at the working level by the parties directly involved. Both parties are encouraged to be imaginative in designing mechanism and procedures to resolve disputes at this level. Such efforts shall include the referral of any remaining issues in dispute to higher authority within each participating party's organization for resolution. Failing resolution of conflicts at the organizational level, then the parties may take other appropriate action subject to the other terms of this Agreement.

8.9 Section Headings Title and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

8.10 Representations; Counterparts Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

8.11 Residuals Nothing in this Agreement or elsewhere will prohibit or limit Energy Northwest's ownership and use of ideas, concepts, know-how, methods, models, data, techniques, skill knowledge and experience that were used, developed or gained in connection with this Agreement. Energy Northwest and the District shall each have the right to use all data collected or generated under this Agreement.

8.12 Non-solicitation of Employees During and for one (1) year after the term of this Agreement, the District will not solicit the employment of, or employ Energy Northwest's personnel, without Energy Northwest's prior written consent.

8.13 Cooperation The District will cooperate with Energy Northwest in taking actions and executing documents, as appropriate, to achieve the objectives of this Agreement. The District agrees that the Energy Northwest's performance is dependent on the District's timely and effective cooperation with Energy Northwest. Accordingly, the District acknowledges that any delay by the District may result in Energy Northwest being released from an obligation or scheduled deadline or in the District having to pay extra fees for Energy Northwest's agreement to meet a specific obligation or deadline despite the delay.

8.14 Governing Law and Interpretation. This Agreement will be governed by and construed in accordance with the laws of Washington, without regard to the principles of conflicts of law. Each party agrees that any action arising out of or in connection with this Agreement shall be brought solely in courts of the State of Washington, in Benton County.

8.15 Entire Agreement; Survival This Agreement, including any Exhibits, states the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties respecting the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (whether oral or written) between the District and Energy Northwest respecting the subject matter hereof. This Agreement may only be amended by an agreement in writing executed by the parties hereto.

8.16 Force Majeure Energy Northwest shall not be responsible for delays or failures (including any delay by Energy Northwest to make progress in the prosecution of any Services) if such delay arises out of causes beyond its control. Such causes may include, but are not restricted to, acts of God or of the public enemy, fires, floods, epidemics, riots, quarantine restrictions, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts or omissions of subcontractors or third parties.

8.17 Use By Third Parties Work performed by Energy Northwest pursuant to this Agreement are only for the purpose intended and may be misleading if used in another context. The District agrees not to use any documents produced under this Agreement for anything other than the intended purpose without Energy Northwest's written permission. This Agreement shall, therefore, not create any rights or benefits to parties other than to the District and Energy Northwest.

8.18 Entity Status This Agreement shall not require formation of any new governance entity. No property will be acquired or held, and no joint board or administrator is necessary to accomplish the purpose of this Agreement.

8.19 Audits The District, shall, during the life of this Agreement, and for a period of three (3) years from the last day of the Agreement term, and at its sole expense, retain accurate books, records and original documentation (or to the extent approved by Energy Northwest, photographs, or other authentic reproductions) which shall be freely disclosed to Energy Northwest, its representatives, the Washington State Auditor, and the Bonneville Power Administration, to permit verification of performance and Energy Northwest's entitlement to payment under this Agreement, and to support any change requests, termination claims or any other claim submitted by Energy Northwest. A copy of these records shall be available to Energy Northwest upon Energy Northwest's request.

8.20 Public Records In the event public record act requests are received by either party for records associated with this Agreement, the parties shall cooperate for purposes of responding to such requests.

8.21 Non-Discrimination The parties agree not to discriminate in the performance of this Agreement on the basis of race, color, national origin, sex, age, religion, marital status, disabled or Vietnam era veteran status, or the presence of any physical, mental, or sensory handicap.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last below written:

ENERGY NORTHWEST	PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON
Name: Sherri Schwartz	Name:
Title: Procurement Specialist III	Title:
Date:	Date:



**EXHIBIT A
WORK RELEASE ORDER (WRO)
INTERLOCAL AGREEMENT
SAMPLE**

Agency: x
Attn: x
x
Office Phone: x

Agreement No.: X- x
WRO No.: x
WRO Date:

Under the provisions of Agreement No. X-x, you are hereby authorized to proceed with the Work outlined below. If further technical information is required, contact the Energy Northwest (EN) Technical Representative, x, (509) 377-x, xx@energy-northwest.com.

1. STATEMENT OF WORK

Energy Northwest shall provide x.

[DISTRICT] shall reimburse allowable travel and reimbursable expenses as defined by the Interlocal Agreement.

2. PERIOD OF PERFORMANCE

Estimated Start Date: X, 2021
Estimated Completion Date: X, 2021

3. CONSIDERATION

Compensation for the services provided shall be in accordance with this Agreement and under the terms of RCW 39.34.130. The Not to Exceed Cost for this WRO is \$X.00. Payment for satisfactory performance of the services shall not exceed this amount unless the parties mutually agree to a greater amount prior to the commencement of the services.

[DISTRICT] shall reimburse allowable travel and reimbursable expenses as defined by the Inter-Local Agreement, Appendix A

4. ENERGY NORTHWEST ADMINISTRATION

Procurement Specialist; Sherri Schwartz, (509) 372-5072, SLSchwartz@energy-northwest.com

Technical Representative; x, (509) 377-xx, xx@energy-northwest.com

5. EXECUTION

IN WITNESS WHEREOF, the District and Energy Northwest have executed this WRO No. XX to be included as part of Interlocal Agreement No. xx each by its proper respective officers and officials thereunto duly authorized the date written below.

**PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON**

ENERGY NORTHWEST

Accepted By: _____

Accepted By: _____

Name: _____

Sherri Schwartz, Procurement Specialist

III

Title: _____

Date: _____

Date: _____

For Commission Review – 05/25/2021

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 10 to Contract 230-08636 with IMCO General Construction, Inc., increasing the not-to-exceed contract amount by \$4,258,940.00 for a new contract total of \$39,584,485.46 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. 10.

230-08636

MEMORANDUM

May 10, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

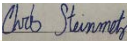
VIA: Richard Wallen, Chief Operations Officer

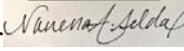
Ty Ehrman, P.E., Managing Director of Power Production 

Dale Campbell, P.E., Senior Manager of Power Production Engineering 

Brandon Little, P.E., Chief Dam Safety Engineer

Rebecca Simpson, Civil and Dam Safety Engineering Manager 

FROM: Chris Steinmetz, Dam Safety Engineer 

Vanessa Seldal, PMP, Project Manager 

SUBJECT: Contract 230-08636, Change Order No. 010

Purpose:

To request Commission approval of Change Order No. 10 to Contract 230-08636 to approve a not to exceed total of \$4,258,940.00 for an alternative rock source use and additional standby.

Discussion:

Contract 230-08636 was awarded to IMCO General Construction, Inc. on January 28, 2020. The Contract was executed to construct a replacement dam for the far right (West) embankment at Priest Rapids Dam that would withstand the anticipated ground motions resulting from the Maximum Credible Earthquake. At the time of Award, the District and Contractor anticipated issuing the Limited Notice to Proceed (LNTP) within 45 calendar days. Unfortunately, the Department of Energy (DOE) required the District to include the replacement of their roadway in the project Environmental Assessment (EA) resulting in an EA amendment that needed to be approved by FERC. The final EA amendment has been received however a land use agreement with the Army was needed to secure the rock quarry. The Army was not willing to provide permission until Grant PUD received Federal Energy Regulatory Commission (FERC) approval for the project. The Army had indicated that they would need 90 days after the FERC permission to provide a land use agreement. After Grant PUD received the EA, and final FERC approval for the project, the Army's timeline for providing permission changed drastically. The current estimate for permission to use the Army's rock quarry is now 16 months. Due to this unrealistic timeframe, the potential risk of not receiving permission from the Army and a FERC mandate to address known dam safety issues on the Priest Rapids Right Embankment which is already behind schedule, moving to a commercial rock source and starting the Right Embankment repairs is the only viable way to proceed.

Transitioning to a commercial rock will cost \$3,288,500. Additionally, standby for the contractor expires June 16, 2021 and cost negotiations for restarting a large contract are underway but not expected to be finalized by June 16. As a result, the Contractor will be unavoidably delayed and entitles IMCO to delay costs under the contract. The additional standby time for up to 6 months will not exceed \$970,440.

Justification:

Due to the updated estimate of 16 months for securing access to the Army's rock quarry, potential risk that we may not receive Army permission and a FERC mandate to address known dam safety issues on the Priest Rapids Right Embankment which is already behind schedule, it is prudent to transition to a commercial source to get the Priest Rapids Right Embankment improvements started on a more reasonable timeline in order to address the Dam Safety concerns regarding embankment stability during a seismic event, reduce continued delay costs paid to the contractor and reduce prolonged construction impacts on the Wanapum People.

Additionally, the District and IMCO have a need to extend delay cost to allow for restart planning and contract negotiations. The highest priority is securing the rock needed for 2021 and keeping IMCO under contract by extending delay cost.

Next the District will instruct IMCO to resume getting their subcontractors in place and the District and IMCO will negotiate costs. Due to potential escalation in commodities those costs may require Commission approval in another change order. Securing new subcontractors and negotiations will take 60-90 days.

After all required agreements are in place, construction is anticipated to start late in Quarter 3 of 2021.

In accordance with the Contract, the Contractor is due compensation during the delay. Since the length of the delay is currently unknown, the Contractor has provided weekly and monthly delay costs. These delay costs have been occurring since March 16, 2020. While the Contractor has been patient and cooperative, it is the responsibility of the District to promptly execute a Change Order allowing payment for delay. Failure to provide timely delay payments could increase the District claim liability and will damage the relationship with the Contractor. The District Representative has reviewed the delay payment and has found it to be fair and reasonable.

The Contractors performance to date on the contract has been excellent. The Contractor is collaboratively working with the District to mitigate the impacts of delay including continuing work on submittals and securing long lead items.

Financial Considerations:

While the costs associated with delay are large, they are far less than the likely increase from canceling and rebidding the contract. It is unlikely that the District would secure pricing at the current Contract value in the event of a rebid. The anticipated increase in cost of rebidding the contract is \$16,100,000. Rebidding would also result in additional delays. This project is intended to mitigate a dam safety risk and needs to remain a priority. This option is not recommended.

Pursuing the aggregate source through the Army would result in delay costs beyond those proposed in this change order. The estimated delay cost is \$2,911,300 higher than the delay costs under this proposed change order. In addition to increased delay costs for pursuing the Army aggregate source, cost increases with reengaging subcontractors are expected due to the

additional delays. FERC has expressed strong interest in this project starting soon and we will face scrutiny if we choose to further delay the project when we have a valid path forward. Approval to use the Army aggregate source is not certain and we will end up forced to use the commercial aggregate source if approval by the Army is not granted. The District will continue working to secure the aggregate source with the Army. If permission is granted sooner than expected and a cost savings will be realized, the project will revert back to using the Army aggregate for RCC production.

Change Order History:

CO#1 –Revise GC-3 and SR-6 to allow procurement of specific long lead items (materials and equipment) in advance of the Limited NTP and NTP. Cost Change \$0

CO#2 - Revise GC-3 to allow Contractor to continue to place orders and enter into subcontracts during suspended work periods with prior DR approval, compensate Contractor for Standby Time, replace section GC-12 to allow payment for DR approved materials and equipment stored off-site, revise section GC-18 to add insurance coverage under Builder's Risk policy for materials and equipment stored off-site. Cost Change \$661,685.40

CO#3 – Replace section SR-6 Part D in it's entirety to allow early procurement and delivery of RCC batch plant to District property and allow for remobilization costs to move RCC batch plant to project site after LNTP. Cost of Change \$70,131.00

CO#4 – Continued delay costs. Cost of Change \$330,842.70

CO#5 – Authorization for additional survey work to verify control monument elevations in NGVD 29'. Cost of Change \$5901.00

CO#6 – Continued delay costs. Cost of Change \$388,284.72.

CO#7 – Relocation of concrete batch plant. Cost of Change \$97,673.92.

CO#8 - Continued delay costs. Cost of Change \$388,284.72.

CO#9 – Removal of LNTP, Cost of Change \$0.

The total cost of this change order covers up to six additional months of standby time for IMCO. The costs include eight employees and vehicles dedicated to the PRREIP as well as dedicated office space, housing and insurance costs resulting from the delay. Three of the IMCO employees are full time. The other five employees are dedicated part time. Vehicle costs are charged proportionately to staff time and have been verified to be below blue book rates.

Delay costs can be paid at a Monthly rate and the District has the ability to pro-rate as appropriate.

Legal Review: See attached email.

Recommendation:

Commission approval of Change Order No. 10 for a not to exceed amount of \$4,258,940.00 to Contract 230-08636 in accordance with Letter from Contractor 26 dated 5/6/2021 and in response to District GC-3 Suspension of Work Letter issued 4/7/2020, and in accordance with Letter from Contractor 25A. Contractor and District negotiated the weekly and monthly delay costs and necessary contract changes to allow for reasonable contract items to continue during the delay.

CHANGE ORDER
NO. 10

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

A. Description of Change:

1. In accordance with GC-3, SUSPENSION OF WORK/TERMINATION OTHER THAN FOR DEFAULT, Part B.1, the Contractor shall continue to be compensated for Standby Time for a period of 40 hours per week, beginning June 17, 2021 and concluding December 16, 2021 or upon the issuance of the Notice to Proceed in an amount equal to \$161,740.00 per month. If work resumes prior to a full monthly interval, monthly standby rate shall be utilized to pro-rate the amount owed. The current change has been calculated at a six-month duration at the monthly standby rate set forth above and in accordance with Contractor proposal IMCO-GCPUD-SL025A, dated May 5, 2021. As a result of this change, the not to exceed Contract Price shall be increased by \$970,440.00.
2. Alternate Bid Item Nos. 1 and 2 shall be removed from the Contract Documents in their entirety. As a result of this change, the not to exceed Contract Price shall be reduced by \$2,082,000.00.
3. Contractor shall supply commercial aggregate at the following rates and in accordance with Contractor proposal IMCO-GCPUD-SL026, dated May 6, 2021:
 - a. 2021 Aggregate – Estimated quantity of 30,000 tons at a unit price of \$45.00/ton for an estimated total amount of \$1,350,000.00, provided the project commences with sufficient time to import materials.
 - b. 2022 Aggregate – Estimated quantity of 85,000 tons at a unit price of \$47.30/ton for an estimated total amount of \$4,020,500.00.

As a result of this change, the not to exceed Contract Price shall be increased by \$5,370,500.00. Payment shall be made based on the actual quantity of aggregate supplied up to the estimated amounts for Items 3.a and 3.b above.

- B. Time of Completion: The allowed time for construction shall remain unchanged at 837 calendar days from issuance of the Notice to Proceed.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$4,258,940.00 plus applicable sales tax. In accordance with Change Order No. 2, this Change Order shall not provide any basis for any other payments to or claims by the Contractor for standby costs which include staff, staff vehicles, office, information technology and insurance of these items as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$39,584,485.46, 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

IMCO General Construction, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Change Order Table

Contract Title: Preist Rapids Right Embankment Improvement Project

Contract No.	230-08636	Award Date:	1/28/2020
Project Manager:	Chris Steinmetz	Original Contract Amount:	\$33,382,742.00
District Representative (If Different):		Original Contract completion:	6/30/2022
Contractor:	IMCO General Construction	Total CO Cost Change Amt	\$6,201,743.46

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Revise GC-3 and SR-6 to allow procurement of specific long lead items (materials and equipment) in advance of the Limited NTP and NTP.	Senior/Plant Mgr	04/08/20	N/A	\$0.00	\$33,382,742.00	
2	Revise GC-3 to allow Contractor to continue to place orders and enter into subcontracts during suspended work periods with prior DR approval, compensate Contractor for Standby Time, replace section GC-12 to allow payment for DR approved materials and equipment stored off-site, revise section GC-18 to add insurance coverage under Builder's Risk policy for materials and equipment stored off-site.	Comm	06/12/20	N/A	\$661,685.40	\$34,044,427.40	\$661,685.40

3	Revise SR-6 to allow procurement of RCC Batch Plant in advance of the Limited NTP and compensate Contractor for mobilization of RCC Batch Plant from temporary on-site storage location to project site if required.	Senior/Plant Mgr	06/22/20	N/A	\$70,131.00	\$34,114,558.40	\$70,131.00
4	Compensate Contractor for Standby Time.	Managing Director	09/09/20	N/A	\$330,842.70	\$34,445,401.10	\$400,973.70
5	Compensate Contractor for the performance of a level loop survey to verify control monument elevations.	Senior/Plant Mgr	10/06/20	N/A	\$5,901.00	\$34,451,302.10	\$406,874.70
6	Compensate Contractor for Standby Time.	Comm	11/25/20	N/A	\$388,284.72	\$34,839,586.82	\$795,159.42
7	Compensate Contractor for relocation of RCC Batch Plant from temporary on-site storage location to temporary off-site storage location.	Senior/Plant Mgr	11/29/20	N/A	\$97,673.92	\$34,937,260.74	\$97,673.92
8	Compensate Contractor for Standby Time.	Managing Director	03/08/21	N/A	\$388,284.72	\$35,325,545.46	\$485,958.64
9	Revise Sections GC-3, GC-12, SR-2, SR-6, SR-20, SR-30, SR-34, Technical Specification Section 01 29 00, and delete Exhibit "S" to remove all references to the Limited Notice to Proceed from the Contract Documents.	Dept Mgr	05/05/21	N/A	\$0.00	\$35,325,545.46	\$485,958.64

10	Compensate Contractor for Standby Time, Remove Alternate Bid Item Nos. 1 and 2 from Contract Documents, and add rates to allow Contractor to supply commercial aggregate.	Comm		N/A	\$4,258,940.00	\$39,584,485.46	\$4,744,898.64
Total Change Order Cost Change Amount					6,201,743.46		

May 2021

May 2021							June 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4 10:30am GM Forum Live Event (Login details) 3:00pm 2020 Renewables SAO	5	6	7	8
9	10	11 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	12 1:30pm 2021 Recreation Season Coordination (Larry and Tom) (Teams Meeting) -	13	14	15
16	17	18	19 1:00pm WPUA Telecom Workshop (Judy) (Virtual - Log-in information to	20 8:00am WPUA Telecom Workshop (Judy) (Virtual - Log-in information to	21 8:30am Grant PUD / Grant County Joint Commissioner Crescent Bar Tour	22
23	24	25 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / 12:00pm Lunch with	26	27	28	29
30	31 8:00am HOLIDAY - Commission Meetings	Jun 1	2	3	4	5

June 2021

June 2021							July 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	4	5	6	7	1	2	3
13	14	8	9	10	11	12	11	12	13	14	8	9	10
20	21	15	16	17	18	19	18	19	20	21	22	23	24
27	28	22	23	24	25	26	25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	Jun 1 10:30am GM Forum Live Event (Login details are provided below) - Randalynn Hovland	2	3	4	5
6	7	8 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	9 8:00am Sign Bond Docs (Randi's EHQ Office) - Commission Meetings	10	11 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Larry (Microsoft Teams)	12
13	14	15 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Tom (Microsoft Teams)	16 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Judy (Microsoft Teams)	17	18	19
20	21	22 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County	23	24	25	26
27	28	29	30 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale (Microsoft Teams)	Jul 1	2	3

July 2021

July 2021							August 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
4	5	6	7	8	9	10	1	2	3	4	5	6	7
11	12	13	14	15	16	17	8	9	10	11	12	13	14
18	19	20	21	22	23	24	15	16	17	18	19	20	21
25	26	27	28	29	30	31	22	23	24	25	26	27	28
							29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2	3
4	5 8:00am HOLIDAY - Commission Meetings	6 12:00pm Melissa Leonard 1:1 GM/Commissioners Lunch with Kevin/Nelson	7	8	9	10
11	12	13 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	14	15 8:30am HOLD - Commission Strategic Planning Meeting (HQ-Conf E; / Teams Meeting) - Randalynn	16	17
18	19	20	21	22	23	24
25	26	27 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / Grant County 12:00pm Lunch with	28	29	30	31

August 2021

August 2021							September 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 1	2	3	4	5	6	7
8	9	10 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	11	12	13	14
15	16	17	18	19	20	21
22	23	24 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County	25	26	27	28
29	30	31	Sep 1	2	3	4