

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

March 8, 2022

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: 627 899 217# with the following Commissioners present: Judy Wilson, President; Nelson Cox, Vice-President; Tom Flint, Secretary; Terry Pyle, Commissioner and Larry Schaapman, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:05 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: recent Jericho outage due to vehicle hitting a power pole; COVID count update; plans to memorialize existing procurement procedures when paid costs exceed purchasing authority; call from customer regarding engineering designs for fiber install; appreciation expressed from a customer to Terry McKenzie regarding development of fiber buildout solution; clarification and apology from Commissioner Schaapman regarding misspoken statement in regard to review cycle of the purchasing authority and change order requirement; and acknowledgement of 2020 Outstanding Performance Award from the Washington State Department of Ecology recognizing Grant PUD for exemplary effort and work accomplished at the Crescent Bar Wastewater Treatment Facility.

John Mertlich, Senior Manager of FP&A; Angelina Johnson, Treasury Supervisor; Mark Buchta, Senior Financial Analyst; and Jennifer Sager, Senior Manager of Accounting, provided the Financial Statement Suite.

John Mertlich, Senior Manager of FP&A, presented the Strategic Plan Dashboard Review.

The Commission recessed at 11:20 a.m.

The Commission resumed at 11:30 a.m.

Brett Lenz, Cultural Resources Manager, presented the Cultural Resources Program Report.

Trade association and committee reports were reviewed.

Commissioners Flint and Cox provided a recap of a recent Facilities Master Plan (FMP) Steerco meeting.

A followup discussion was held regarding recent Quincy Transmission Extension Program (QTEP) and Mountain View 230-kV Transmission Line (W-MT) Project Public Outreach Meetings.

The Commission recessed at 12:00 p.m.

The Commission resumed at 1:00 p.m.

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

Payment Number	118992	through	119349	\$18,209,673.41
Payroll Direct Deposit	192651	through	193371	\$2,048,734.49
Payroll Tax and Garnishments	20220223A	through	20220223B	\$899,454.58

Meeting minutes of February 22, 2022.

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

Resolution No. 8988 relative to pre-qualifying contractors was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 8988. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8988

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

Recitals

1. RCW 54.04.085 requires that contractors be pre-qualified to do electrical work for Grant PUD, and pursuant thereto, contractors listed in Appendix A have filed applications for pre-qualification with Grant PUD;
2. Grant PUD's staff have reviewed all applications and their recommendations with respect to the same are set forth in Appendix A attached hereto;
3. Grant PUD's staff recommend rejection of certain contractor pre-qualification requests, and Grant PUD's General Manager concurs with those recommendations; and
4. The Commission has reviewed and considered the recommendations of Grant PUD's staff.

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

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

Section 2. For these contractors who are pre-qualified as set forth in Appendix A, they shall each designate their employees, and/or subcontractors with electrical contract licenses prior to performing any electrical work for Grant PUD requiring the same.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of March, 2022.

Motion was made by Mr. Cox and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 430-07424A with Gannett Fleming, Inc., increasing the not-to-exceed contract amount by \$225,000.00 for a new contract total of \$3,700,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 6 to Contract 430-07424C with Cornforth Consultants, Inc., increasing the not-to-exceed contract amount by \$1,200,000.00 for a new contract total of \$5,300,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 6. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

Resolution No. 8989 relative to adopting regulatory accounting for actuarial changes to pension expense was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Cox to approve Resolution No. 8989. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8989

A RESOLUTION ADOPTING REGULATORY ACCOUNTING FOR ACTUARIAL
CHANGES TO PENSION EXPENSE

Recitals

1. Grant PUD prepares financial statements in accordance to accounting principles generally accepted in the United States of America;
2. Generally accepted accounting principles are determined by the Governmental Accounting Standards Board (GASB);
3. Grant PUD's Board of Commissioners have the sole authority and responsibility to set electric rates;
4. Grant PUD's proportionate share of the pension liability/asset related to the Washington State Department of Retirement System's Public Employee's Retirement System pension plan varies widely from year to year and this impacts the recognition of the pension expense on the District's Statement of Revenues and Expenses and Changes in Net Position; and

- 5. GASB Statement No. 62 allows regulated entities, such as Grant PUD, that sets rates based on revenue requirements to defer the effects of revenues or expenses that are not expected to be recovered in current rates until such time as those revenues and expense are recovered in rates.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Public Utility District No. 2 of Grant County, Washington: Grant PUD invoke regulatory accounting, in accordance with GASB No. 62 *Codification of Accounting and Financial Reporting Guidance: Regulated Operations*, for the District's proportionate share of pension related accounts in connection with the Washington State Department of Retirement System's Public Employee's Retirement System pension plan.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of March, 2022.

The Commission calendar was reviewed.

Tom Dresser, Fish & Wildlife Manager, presented the Fish & Wildlife Report.

Brandon Little, Chief Dam Safety Engineer, provided the Priest Rapids Right Embankment Project Contract Update.

An executive session was announced at 3:15 p.m. to last until 4:00 p.m. to discuss legal risks of current practice or proposed action with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:00 p.m. and the regular session resumed.

An additional executive session was announced at 4:00 p.m. to last until 5:00 p.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 5:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 5:00 on March 8 and reconvened on Wednesday, March 9 at 1:00 p.m. at the Ephrata Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of attending training and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 3:00 p.m. on March 9 and reconvened on Tuesday, March 15 at 8:30 a.m. via conference call for the purpose of holding workshop and any other business that may come before the Commission with the following Commissioners present: Judy Wilson, Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

An executive session was announced at a 12:00 p.m. to last until 1:30 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 1:30 p.m. and the regular session resumed.

There being no further business to discuss, the March 8, 2022 meeting officially adjourned at 1:30 p.m. on March 15, 2022.

ATTEST:

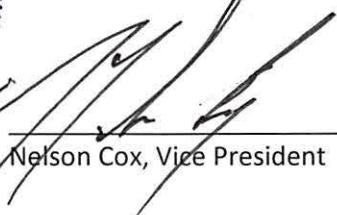




 Tom Flint, Secretary



 Judy Wilson, President



 Nelson Cox, Vice President



 Terry Pyle, Commissioner



 Larry Schaapman, Commissioner