

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, October 11, 2022

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

- 8:00 a.m.** Commission Convenes
Executive Session
- 9:00 a.m.** Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of September 27, 2022

2. Regular Agenda

8998 – Resolution Establishing New Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider and Amending Rate Schedule No. 15 – Large Industrial Service.

3. Review Items For Next Business Meeting

XXXX – Resolution Adopting Salaries for Commission Appointees.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2022-2023 property and liability policy renewals through Grant PUD’s insurance broker Beecher Carlson. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 430-11632 with Arch Staffing and Consulting for Enterprise Technology in an amount not-to-exceed \$1,500,000.00 and with a contract completion date of November 15, 2025. (xxxx)

4. Calendar

5. Reports from Staff (if applicable)

2:00 p.m. Commission President Wilson to announce the opening of public input period for the 2023 Proposed Budget.

2023 Proposed Budget Public Hearing – Ephrata Headquarters Commission Room
Video Option: [Teams Virtual Meeting Login](#)
Call-in Option: +1 509-703-5291 Conference ID: 596 502 173#

6. Reports from Staff (if applicable)

7. Budget Hearing

6:00 p.m. 2023 Proposed Budget Public Hearing – Microsoft Teams Virtual Meeting
Video Option: [Teams Virtual Meeting Login](#)
Call-in Option: +1 509-703-5291 Conference ID: 867 891 244#

Adjournment

Upcoming Budget Hearing Notice:

October 13, 2021 – 6:00 p.m.

In person only

Port of Quincy Board Room – 101 F Street SW, Quincy, Washington 98848

CONSENT AGENDA

Draft – Subject to Commission Review

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

September 27, 2022

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# 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.

A round table discussion was held regarding the following topics: American Legion follow-up; local office and call center scheduling update; customer service Kiosk update; brief report from September 26 semi-annual FERC Pro meeting; requested update from Kevin Nordt, CRO regarding alternative resource options as well as analysis of potential properties; request for update regarding transmission line evaluated options; request for additional rate discussion and rate policy; Arch contract question; and interest in information regarding potential state issued grant funding available for fish projects in the Methow Valley.

New employees Tyler Lawrence, Lands Specialist; James Smith, Electrical Engineer; Tim Taylor, Senior Biologist; and Diego Garcia, River Patrol, were introduced to the Commission

Craig Bressan, Senior Manager of Safety, provided the Safety Report.

Craig Bressan, Senior Manager of Safety, presented the Safety Health and Improvement Plan (SHIP) Programmatic Report.

John Mertlich, Senior Manager of FP&A, reviewed the 2023 Proposed Budget Public Hearing presentation materials.

The Commission continued their discussion from the September 13, 2022 meeting regarding a follow-up response to the Grant County Industrial Alliance (GCIA) and Open Public Meetings Act (OPMA) requirements.

Trade association and committee reports were reviewed.

An executive session was announced at 12:05 p.m. to last until 12:55 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 12:55 p.m. and the regular session resumed.

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

Payment Number	124684	through	125008	\$22,411,306.70
Payroll Direct Deposit	203867	through	204632	\$2,182,523.91
Payroll Tax and Garnishments	20220921A	through	20220921B	\$913,897.58

Meeting minutes of September 13, 2022.

After consideration, the above consent agenda items were approved 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. 5 to Contract 130-3922 with ARCOS Workbench, increasing the not-to-exceed contract amount by \$43,125.00 for a new contract total of \$1,010,229.76, extending the contract completion date to June 13, 2023, 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. 7 and furthermore, resetting the Change Order Authority for this agreement to permit the eventual extension of the ARCOS Callout System. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mr. Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11497 with Arch Staffing and Consulting (Arch), in an amount not to exceed \$10,369,000.00 and with a contract completion date of December 31, 2025. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-11527 with Volt Workforce Solutions (Volt), in an amount not to exceed \$8,620,260.00 and with a contract completion date of December 31, 2025. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Fallon Long, Senior Manager of Internal Services, provided the Internal Services Report.

Tod Ayers, HR Manager, and Scott Sundberg, Lead Employee Experience Specialist, presented the Organizational Development Report.

The Commission recessed at 2:30 p.m.

The Commission resumed at 2:40 p.m.

Chuck Allen, Senior Manager of External Affairs and Communication; Annette Lovitt, Public Affairs Officer; and Ryan Holterhoff, Senior Policy Analyst, presented the Public Power / Industry Outreach Activity Report.

Louis Szablya, Senior Manager of Large Public Power Solutions, and Baxter Gillette, Large Power Solutions Manager, provided review of Evolving Industry Rate Schedule No. 17.

An executive session was announced at 4:00 p.m. to last until 5:00 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 5:00 p.m. and the regular session resumed.

An additional executive session was announced at 5:00 p.m. to last until 6:00 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 6:00 p.m. and the regular session resumed.

There being no further business to discuss, the September 27, 2022 meeting officially adjourned at 6:00 p.m.

Judy Wilson, President

ATTEST:

Tom Flint, Secretary

Nelson Cox, Vice President

Terry Pyle, Commissioner

Larry Schaapman, Commissioner

REGULAR AGENDA

RESOLUTION NO. 8998

A RESOLUTION ESTABLISHING NEW RATE SCHEDULE NO. 18 – ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER AND AMENDING RATE SCHEDULE NO. 15 – LARGE INDUSTRIAL SERVICE

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. Resolution No. 8879 previously adopted Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, and 85;
3. Effective October 11, 2022, Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider, will determine the cost recovery and billing process for this mechanism, currently included in Rate Schedule No. 15 – Large Industrial Service. The proposed tariff includes new language pertaining to the allocation and the cost sharing of the Estimated Unmet District Load Cost Recovery Adjustment Clause, or EUDL CRAC. In particular, the revised language addresses the calculation of the EUDL CRAC mechanism in accordance with Section 5 of the Commission’s Resolution No. 8768, recognizing the “preferential access” of retail customers to the Priest Rapids Project power supply;
4. Effective October 11, 2022, Rate Schedule No. 15 – Large Industrial Service, will be modified to remove the existing language in the tariff addressing the EUDL CRAC, now included as part of the new Rate Schedule No. 18; and
5. The General Manager and Grant PUD staff recommend establishing the proposed new Rate Schedule No. 18 and amending Rate Schedule No. 15 as set forth in Exhibits A and B, respectively.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that effective October 11, 2022, Rate Schedule No. 18 and revised Rate Schedule No. 15 are hereby effective as set forth in Exhibits A and B, respectively.

BE IT FURTHER RESOLVED that as of October 11, 2022, Resolution No. 8879 as it relates to Rate Schedule No. 15 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 11th day of October, 2022.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

RATE SCHEDULE No. 18
ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

APPLICABILITY: To customers served under retail Rate Schedule No. 15 – Large Industrial Service

DEFINITIONS:

“Reasonable Portion (RP)” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“Reasonable Portion Proceeds (RPP)” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003.

“Estimated Unmet District Load (EUDL)” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District’s Power Sales Contract.

“Estimated District Power Cost (EDPC)” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract.

“Preferential Access Load” shall be equal to 10 aMW or 87,600,000 kWh annually per applicable customer, pursuant to Section 5 of the District’s Resolution 8768. This load is not cumulative every year.

“Non-Preferential Access Load” shall be equal to each applicable customer’s annual energy kWh usage in excess of the Preferential Access Load.

“Total EUDL CRAC” shall be calculated as the difference between the RPP and the EDPC.

“Test Period”: Calendar year used as the basis to calculate the Total EUDL CRAC

“Allocation Period”: Calendar year immediately preceding the Test Year.

EFFECTIVE: October 11, 2022.

APPLICATION: This rate schedule is designed to recover annually the Total EUDL CRAC. Customers’ electric usage is subject to the rules and regulations applicable to the otherwise applicable rate schedule from which they take retail service, including minimum charges or any other applicable rates.

BILLING AMOUNTS: For each Test Period the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL CRAC to be collected:

$$RPP - EDPC = Total EUDL CRAC$$

If the Total EUDL CRAC is greater than or equal to zero (0), then there will be no EUDL CRAC applied. If

Total EUDL CRAC is less than zero (0), then a EUDL CRAC will be applied as defined below.

If it is determined that a EUDL CRAC is to be applied (see above), starting on January 1 of the Test Period, the Total EUDL CRAC will be allocated among the applicable customers using their actual energy load from the Allocation Period if available, or a combination of actual and forecasted usage, but not including the Preferential Access Load. This will be done by dividing the Total EUDL CRAC by the Non-Preferential Access Load kWh used by all applicable customers' loads from the Allocation Period to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the aggregated Non-Preferential Access Load from the Allocation Period:

Total EUDL CRAC for the Test Period / kWh Non-Preferential Access Load for the Allocation Period from all applicable customers = \$/kWh for EUDL CRAC

Customer's billable Non-Preferential Access Load kWh for the Allocation Period x \$/kWh for EUDL CRAC = Annual Customer EUDL CRAC Amount

PAYMENT OPTIONS:

There are two options for the payment of this EUDL CRAC Amount:

- 1) Payment in full on the first billing cycle of the Test Period.
- 2) Equal monthly payments during the Test Period following the calculation of the EUDL CRAC (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

Any customer subject to this EUDL CRAC rider, who may terminate service, change their service agreement, or transfer service to a different rate schedule during the Test Period, shall also remain responsible for their share of the EUDL CRAC amount as calculated in the applicable Test Period in which they used and received electric service under the corresponding retail rate schedule.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

BILLING EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

RPP = \$ 10,000,000

EDPC = \$ 20,000,000

Total Annual kWh from customers subject to Rate Schedule No. 18 = 500,000,000 kWh

No. of Customers subject to Rate Schedule No. 18 = 4

Preferential Access Load per Customer/Year = 87,600,000 kWh

Total Preferential Access Load = 350,400,000 kWh

Total Non-Preferential Access Load kWh = 149,600,000 kWh

Customer A's annual kWh = 100,000,000 kWh

Customer A's Preferential Access Load kWh = 87,600,000 kWh

Customer A's Non-Preferential Access Load kWh = 12,400,000 kWh

Step 1 - Determine the Total EUDL CRAC in the Test Period:

$$\$ 10,000,000 - \$ 20,000,000 = \$ (10,000,000)$$

Step 2 – Determine \$ / kWh for EUDL CRAC in the Test Period:

$$\$10,000,000 / 149,600,000 \text{ kWh} = \$0.0668 / \text{kWh}$$

Step 3 – Determine Customer A's Annual EUDL CRAC Allocated Amount:

$$12,400,000 \text{ kWh} \times \$ 0.0668 / \text{kWh} = \$ 828,320$$

Step 4 – Billing(s) assessed to Customer A for \$828,320 during the Test Period

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings on and after *April 1, 2018*, usage will be prorated to the new rates based on number of days after March 31, 2018.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,000.00 per month
Energy Charge:	\$ 0.02552 per kWh for the first 10,950,000 kWh \$ 0.02909 per kWh for 10,950,001 to 21,900,000 kWh \$ 0.03044 per kWh greater than 21,900,000
Demand Charge:	\$ 5.68 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with Rate Schedule No. 18 – EUDL CRAC Rider.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

MEMORANDUM

September 14th, 2022

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Dave Churchman, Chief Customer Officer
Rich Flanigan, Senior Manager Wholesale Marketing and Supply

FROM: Julio Aguirre Carmona, Lead Financial Analyst
Amanpreet Singh, Principal Economist
Depree Standley, Financial Analyst

SUBJECT: Approval of new Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause (“EUDL CRAC”) Rider and Revised Rate Schedule No. 15 – Large Industrial Service.

Purpose: To request Commission approval to establish a new Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause Rider and a revised Rate Schedule No. 15 – Large Industrial Service.

Background: The Rates & Pricing Staff is recommending the approval of a new rate schedule, Rate Schedule No. 18 – Estimated Unmet District Load Cost Recovery Adjustment Clause Rider, to facilitate the administration and application of the EUDL CRAC mechanism going forward, as well as to add clarity and consistency in the cost allocation of this adjustment clause. The EUDL CRAC mechanism is intended to address the cost recovery of future incremental supply costs, currently only applicable to customers served under Rate Schedule No. 15. These costs are also referred to in the proposed Rate Schedule No. 18 as the Total EUDL CRAC.

The Total EUDL CRAC is currently calculated as the dollar difference between the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003 and the Estimated District Power Cost, which is the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract. The EUDL CRAC mechanism applies only if and when the proceeds derived from the sale of the Reasonable Portion are less than the Estimated District Power Cost.

Discussion:

Proposed Rate Schedule No. 18: The proposed Rate Schedule No. 18 will facilitate a more efficient administration of the EUDL CRAC mechanism by removing it from the existing Rate Schedule No. 15 retail tariff while at the same time providing a regulatory framework for its application to existing or future customers. Also, the proposed new Rate Schedule No. 18 provides clarifying language regarding the allocation of any present or future EUDL CRAC amounts among affected customer classes in place at the time the resolution was passed. Upon approval of Resolution 8768, the Commission granted “*preferential access*” to all retail customers for the first 7,300,000 kWh of monthly consumption, from the Priest Rapids Project power supply.¹ However, the current formula for the calculation of the EUDL CRAC mechanism included as Exhibit 1, in the current approved version of the Rate Schedule No. 15

¹ Please see Section 5 of Commission’s Resolution 8768 approved on May 12th, 2015. The preferential access amount is also equivalent to 10 average megawatts (“aMW”) per customer/year.

tariff, does not clearly explain how the preferential access energy granted to all retail customers is accounted for in the allocation of the annual EUDL CRAC amount.

Because customers served currently under Rate Schedule No. 15, were granted preferential access for at least a portion of their annual energy load, it is appropriate to recognize that the allocation of the EUDL CRAC should not impact these customers' allocated share of the Priest Rapid Project energy supply. Therefore, the EUDL CRAC amounts shall be allocated as a function of the excess energy above the applicable customers' preferential access amounts, also defined in the tariff as *non-preferential access load*. The new language added in this case to Rate Schedule No. 18, which was not previously included in Rate Schedule No. 15, addresses how the cost for the EUDL CRAC amounts will be allocated to all affected customers in proportion of their specific non-preferential access load compared to the aggregated non-preferential access load, in any given calendar year.

The proposed language in the new Rate Schedule No. 18 also introduces some additional terminology regarding the timing of the calculation and the recovery periods that more clearly explains the application of the EUDL CRAC mechanism in future years.

Finally, Staff is also proposing to add some clarifying language to describe that any customer subject to the EUDL CRAC, or in this case to the new Rate Schedule No. 18, will retain their cost responsibility for the EUDL CRAC for the year in which they received electric service under the applicable retail rate schedule, even after terminating or changing their electric service.

2. Revisions to Rate Schedule No. 15: The proposed revisions to Rate Schedule No. 15 are clerical language changes necessary to remove the language applicable to the EUCL CRAC mechanism, which is currently included as Exhibit 1 in the Rate Schedule No. 15 tariff.

Recommendation: To adopt via resolution the attached proposed Rate Schedule No. 18 – EUDL CRAC Rider and the proposed revised Rate Schedule No. 15 – Large Industrial Service as proposed with an effective date of October 11, 2022.

Legal Review: See attached e-mail(s).

Randalynn Hovland

To: Rich Flanigan
Subject: RE: Legal Review of Proposed RS18 and Changes to RS15

Sorry, Julio just catching up on emails today. I approve. Thanks!

Rich Flanigan

Sr. Manager

Wholesale Marketing and Supply

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EMAIL rflanig@gcpud.org



grantpud.org

RATE SCHEDULE No. 18
ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

APPLICABILITY: To customers served under retail Rate Schedule No. 15 – Large Industrial Service

DEFINITIONS:

“**Reasonable Portion (RP)**” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“**Reasonable Portion Proceeds (RPP)**” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003.

“**Estimated Unmet District Load (EUDL)**” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District’s Power Sales Contract.

“**Estimated District Power Cost (EDPC)**” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract.

“**Preferential Access Load**” shall be equal to 10 aMW or 87,600,000 kWh annually per applicable customer, pursuant to Section 5 of the District’s Resolution 8768. This load is not cumulative every year.

“**Non-Preferential Access Load**” shall be equal to each applicable customer’s annual energy kWh usage in excess of the Preferential Access Load.

“**Total EUDL CRAC**” shall be calculated as the difference between the RPP and the EDPC.

“**Test Period**”: Calendar year used as the basis to calculate the Total EUDL CRAC

“**Recovery Allocation Period**”: Calendar year immediately ~~following~~ preceding the Test Year.

EFFECTIVE: October 11, 2022.

APPLICATION: This rate schedule is designed to recover annually the Total EUDL CRAC. Customers’ electric usage is subject to the rules and regulations applicable to the otherwise applicable rate schedule from which they take retail service, including minimum charges or any other applicable rates.

BILLING AMOUNTS: ~~For~~ Each Test Period the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL CRAC to be collected ~~in the Recovery Period:~~

$$RPP - EDPC = Total EUDL CRAC$$

If the Total EUDL CRAC is greater than or equal to zero (0), then there will be no EUDL CRAC applied ~~for~~

~~the following Recovery Period~~. If Total EUDL CRAC is less than zero (0), then a EUDL CRAC will be applied ~~for the following Recovery Period~~ as defined below.

If it is determined that a EUDL CRAC is to be applied (see above), starting on January 1 of the ~~applicable Recovery Test~~ Period, the Total EUDL CRAC will be allocated among the applicable customers ~~using their actual energy~~ load from the ~~Allocation Test~~ Period ~~if available, or a combination of actual and forecasted usage~~, but not including the Preferential Access Load. This will be done by dividing the Total EUDL CRAC by the ~~actual~~ Non-Preferential Access Load kWh used by all applicable customers' loads from the ~~Allocation Test~~ Period to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the aggregated Non-Preferential Access Load ~~from~~ the ~~Test Allocation~~ Period:

$$\text{Total EUDL CRAC for the Test Period} / \text{Actual kWh Non-Preferential Access Load for the Test Allocation Period from all applicable customers} = \$/\text{kWh for EUDL CRAC}$$

$$\text{Customer's billable Non-Preferential Access Load kWh for the Test Allocation Period} \times \$/\text{kWh for EUDL CRAC} = \text{Annual Customer EUDL CRAC Amount}$$

PAYMENT OPTIONS:

There are two options for the payment of this EUDL CRAC Amount:

- 1) Payment in full on the first billing cycle of the ~~Recovery Test~~ Period.
- 2) Equal monthly payments during the ~~Recovery Test~~ Period following the calculation of the EUDL CRAC (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

Any customer subject to this EUDL CRAC rider, who may terminate service, change their service agreement, or transfer service to a different rate schedule during the Test Period, shall also remain responsible for their share of the EUDL CRAC amount as calculated in the applicable Test Period in which they used and received electric service under the corresponding retail rate schedule.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

BILLING EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

$$RPP = \$ 10,000,000$$

$$EDPC = \$ 20,000,000$$

$$\text{Total Annual kWh from customers subject to Rate Schedule No. 18} = 500,000,000 \text{ kWh}$$

$$\text{No. of Customers subject to Rate Schedule No. 18} = 4$$

$$\text{Preferential Access Load per Customer/Year} = 87,600,000 \text{ kWh}$$

Total Preferential Access Load = 350,400,000 kWh

Total Non-Preferential Access Load kWh = 149,600,000 kWh

Customer A's annual kWh = 100,000,000 kWh

Customer A's Preferential Access Load kWh = 87,600,000 kWh

Customer A's Non-Preferential Access Load kWh = 12,400,000 kWh

Step 1 - Determine the Total EUDL CRAC in the Test Period:

$\$ 10,000,000 - \$ 20,000,000 = \$ (10,000,000)$

Step 2 – Determine \$ / kWh for EUDL CRAC in the Test Period:

$\$10,000,000 / 149,600,000 \text{ kWh} = \$0.0668 / \text{kWh}$

Step 3 – Determine Customer A's Annual EUDL CRAC Allocated Amount:

$12,400,000 \text{ kWh} \times \$ 0.0668 / \text{kWh} = \$ 828,320$

Step 4 – Billing(s) assessed to Customer A for \$828,320 during the Recovery-Test Period

RATE SCHEDULE No. 18
ESTIMATED UNMET DISTRICT LOAD COST RECOVERY ADJUSTMENT CLAUSE (“EUDL CRAC”) RIDER

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

APPLICABILITY: To customers served under retail Rate Schedule No. 15 – Large Industrial Service

DEFINITIONS:

“**Reasonable Portion (RP)**” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“**Reasonable Portion Proceeds (RPP)**” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District’s Marketing Plan filed with FERC in August 2003.

“**Estimated Unmet District Load (EUDL)**” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District’s Power Sales Contract.

“**Estimated District Power Cost (EDPC)**” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District’s Power Sales Contract.

“**Preferential Access Load**” shall be equal to 10 aMW or 87,600,000 kWh annually per applicable customer, pursuant to Section 5 of the District’s Resolution 8768. This load is not cumulative every year.

“**Non-Preferential Access Load**” shall be equal to each applicable customer’s annual energy kWh usage in excess of the Preferential Access Load.

“**Total EUDL CRAC**” shall be calculated as the difference between the RPP and the EDPC.

“**Test Period**”: Calendar year used as the basis to calculate the Total EUDL CRAC

“**Allocation Period**”: Calendar year immediately preceding the Test Year.

EFFECTIVE: October 11, 2022.

APPLICATION: This rate schedule is designed to recover annually the Total EUDL CRAC. Customers’ electric usage is subject to the rules and regulations applicable to the otherwise applicable rate schedule from which they take retail service, including minimum charges or any other applicable rates.

BILLING AMOUNTS: For each Test Period the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL CRAC to be collected:

$$RPP - EDPC = Total EUDL CRAC$$

If the Total EUDL CRAC is greater than or equal to zero (0), then there will be no EUDL CRAC applied. If

Total EUDL CRAC is less than zero (0), then a EUDL CRAC will be applied as defined below.

If it is determined that a EUDL CRAC is to be applied (see above), starting on January 1 of the Test Period, the Total EUDL CRAC will be allocated among the applicable customers using their actual energy load from the Allocation Period if available, or a combination of actual and forecasted usage, but not including the Preferential Access Load. This will be done by dividing the Total EUDL CRAC by the Non-Preferential Access Load kWh used by all applicable customers' loads from the Allocation Period to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the aggregated Non-Preferential Access Load from the Allocation Period:

Total EUDL CRAC for the Test Period / kWh Non-Preferential Access Load for the Allocation Period from all applicable customers = \$/kWh for EUDL CRAC

Customer's billable Non-Preferential Access Load kWh for the Allocation Period x \$/kWh for EUDL CRAC = Annual Customer EUDL CRAC Amount

PAYMENT OPTIONS:

There are two options for the payment of this EUDL CRAC Amount:

- 1) Payment in full on the first billing cycle of the Test Period.
- 2) Equal monthly payments during the Test Period following the calculation of the EUDL CRAC (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

Any customer subject to this EUDL CRAC rider, who may terminate service, change their service agreement, or transfer service to a different rate schedule during the Test Period, shall also remain responsible for their share of the EUDL CRAC amount as calculated in the applicable Test Period in which they used and received electric service under the corresponding retail rate schedule.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

BILLING EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

RPP = \$ 10,000,000

EDPC = \$ 20,000,000

Total Annual kWh from customers subject to Rate Schedule No. 18 = 500,000,000 kWh

No. of Customers subject to Rate Schedule No. 18 = 4

Preferential Access Load per Customer/Year = 87,600,000 kWh

Total Preferential Access Load = 350,400,000 kWh

Total Non-Preferential Access Load kWh = 149,600,000 kWh

Customer A's annual kWh = 100,000,000 kWh

Customer A's Preferential Access Load kWh = 87,600,000 kWh

Customer A's Non-Preferential Access Load kWh = 12,400,000 kWh

Step 1 - Determine the Total EUDL CRAC in the Test Period:

$$\$ 10,000,000 - \$ 20,000,000 = \$ (10,000,000)$$

Step 2 – Determine \$ / kWh for EUDL CRAC in the Test Period:

$$\$10,000,000 / 149,600,000 \text{ kWh} = \$0.0668 / \text{kWh}$$

Step 3 – Determine Customer A's Annual EUDL CRAC Allocated Amount:

$$12,400,000 \text{ kWh} \times \$ 0.0668 / \text{kWh} = \$ 828,320$$

Step 4 – Billing(s) assessed to Customer A for \$828,320 during the Test Period

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings on and after *April 1, 2018*, usage will be prorated to the new rates based on number of days after March 31, 2018.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,000.00 per month
Energy Charge:	\$ 0.02552 per kWh for the first 10,950,000 kWh \$ 0.02909 per kWh for 10,950,001 to 21,900,000 kWh \$ 0.03044 per kWh greater than 21,900,000
Demand Charge:	\$ 5.68 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with ~~Exhibit Rate Schedule No. 18 – EUDL CRAC Rider~~ attached hereto and by this reference herein incorporated.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

EXHIBIT 1—Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL-CRAC)

DEFINITIONS:

“Reasonable Portion (RP)” shall mean that 30% portion of the Priest Rapids Project Output required by the Federal Energy Regulatory Commission (FERC) pursuant to Public Law 83-544 to be offered for sale by the District.

“Reasonable Portion Proceeds (RPP)” shall mean the proceeds derived from the sale of the Reasonable Portion pursuant to the District's Marketing Plan filed with FERC in August, 2003.

“Estimated Unmet District Load (EUDL)” shall mean all projected electric energy loads for the District as defined in Section 4 (c) (1) and determined in Section 4 (c) (3) of the District's Power Sales Contract.

“Estimated District Power Cost (EDPC)” shall equal the estimated cost of acquiring the monthly amount of capacity and energy for the EUDL as defined in Section 4 (c) (4) of the District's Power Sales Contract.

APPLICATION

Each year the District will determine both the EDPC and RPP and will apply the following formula to determine the Total EUDL-CRAC for the following calendar year:

$$\text{RPP} - \text{EDPC} = \text{Total EUDL-CRAC}$$

If the Total EUDL-CRAC is greater than or equal to zero (0), then there will be no EUDL-CRAC applied for the following year. If Total EUDL-CRAC is less than zero (0), then a EUDL-CRAC will be applied for the following calendar year as defined below.

If it is determined that a EUDL-CRAC is to be applied (see above), in January of the following year, the Total EUDL-CRAC will be allocated to the Schedule 15 load for the year. This will be done by dividing the Total EUDL-CRAC by the actual kWh used by all Schedule 15 loads for the previous year to get a dollar amount per kWh and then taking the dollar amount per kWh and allocating to each customer based on their share of the usage for the year, including any usage of previous Schedule 15 loads they have acquired:

$$\text{Total EUDL-CRAC for the year} / \text{Actual Schedule 15 kWh load for the year} = \$/\text{kWh for EUDL-CRAC}$$

$$\text{Customer's billable kWh} \times \$/\text{kWh for EUDL-CRAC} = \text{annual Customer EUDL-CRAC Amount}$$

There are two options for the payment of this EUDL-CRAC Amount:

- 1) Payment in full on the first billing cycle of the year
- 2) Equal monthly payments during the next calendar year (If a customer chooses this option and subsequently discontinues receiving service from the District, the balance owing is due and payable with the final bill)

EXHIBIT 1—Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC)
(Continued)

EXAMPLE:

Assumptions (numbers used do NOT represent actual amounts and are for example purposes only):

~~———— RPP ———= \$ 1,000,000~~

~~———— EDPC ———= \$ 2,000,000~~

~~———— Schedule 15 Total kWh ———= 20,000,000 kWh~~

~~———— Schedule 15 Customer A's billable kWh ———= 5,000,000 kWh~~

Step 1—Determine the Total EUDL CRAC:

~~———— \$ 1,000,000 — \$ 2,000,000 = \$ (1,000,000)~~

Step 2—Determine \$ / kWh for EUDL CRAC:

~~———— \$1,000,000 / 20,000,000 kWh = \$0.0500 / kWh~~

Step 3—Determine Customer A's annual EUDL CRAC:

~~———— 5,000,000 kWh * \$ 0.0500 / kWh = \$ 250,000~~

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings on and after *April 1, 2018*, usage will be prorated to the new rates based on number of days after March 31, 2018.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,000.00 per month
Energy Charge:	\$ 0.02552 per kWh for the first 10,950,000 kWh \$ 0.02909 per kWh for 10,950,001 to 21,900,000 kWh \$ 0.03044 per kWh greater than 21,900,000
Demand Charge:	\$ 5.68 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with Rate Schedule No. 18 – EUDL CRAC Rider.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

For Commission Review –10/11/2022

RESOLUTION NO. XXXX

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 January 6, 2023.

Section 2. The Commission adds a one-time contribution of _____ (xx) days at eight (8) hours per day to the personal leave (PL) bank of the General Manager/CEO.

Section 3. The Commission adds a one-time contribution of _____ (xx) days at eight (8) hours per day to the personal leave (PL) bank of the General Counsel/CLO.

Section 4. 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 Exhibit A.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of October, 2022.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

EXHIBIT A
Resolution No. XXXX

Commission Appointee Salaries
Effective January 6, 2023

General Manager / CEO

\$ _____ bi-weekly
\$11,778.40 current

General Counsel / CLO

\$ _____ bi-weekly
\$11,344.00 current

For Commission Review – 10/11/2022

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to bind 2022-2023 property and liability policy renewals through Grant PUD's insurance broker Beecher Carlson.

XXXX



Connecting Generations
Since 1938

DATE: Sept 26, 2022
 TO: Rich Wallen, CEO
 VIA: Bonnie Overfield, Chief Financial Officer
 FROM: Paul Dietz, Manager, Enterprise Risk Management *Paul Dietz*
 SUBJECT: 2022-2023 Insurance Renewals

Overview

Grant PUD renews its property and liability insurance coverages annually on November 1st. Its insurance broker, Beecher Carlson, is currently engaged in marketing for Grant PUD’s insurance coverage and will provide a proposal detailing quoted premiums for its various insurance policies. Several factors are discussed below that will influence the quoted premiums for insurance coverage based on current market trends. Significant changes to Grant PUD’s property values are noted below. We are recommending to Rich Wallen, CEO/General Manager, that we proceed with procuring the insurances outlined below (subject to pricing changes before final). Further, based upon Grant PUD’s Risk department recommendation and consideration of the compressed timeline to approve, bind, and pay for premiums a motion for the Commission’s delegation of authority approval to the CEO/General Manager to execute insurance coverages (on or before November 1, 2022). The purpose of this motion of delegation is that at least one of the individual policies exceed the delegation authority and require commission approval. This procedure is consistent with past practice and timing.

Discussion

The premiums for insurance coverage for our 2022-2023 insurance renewals are expected to total \$4,092,207(as estimated) to replace the 2021-2022 coverage. This represents an estimated 20.6% increase over last year’s premium total. The Risk department is reasonably confident that the final total premium will end up between \$3.8M and \$4.2M.

The largest factors affecting our estimated rate increases are increased property acquisitions and inflationary pressures on property replacement values. Additionally, there continues to be premium pressures related to wildfire risks and resulting from multiple large liability claim pay-outs due to natural disasters. Secondly, market conditions have tightened specifically in the global power industry due to continued loss in the sector, income constraints imposed on underwriters, and withdrawal of some insurers in our class. And lastly, Grant PUD’s loss history from the previous year’s continues to put pressure on our premiums as well. However, this pressure is lessening as our underwriters are made aware of our Enterprise Risk Management program’s activities.

The following table outlines the budgeted pricing for coverage for the 2022-2023 renewal (Carriers and values are *subject to change with further negotiation*):

Policy	Carrier(s)	Deductible	Coverage Limit	2022 Premium	Est 2023 Premium mid-range *Carrier undetermined**	**Estimated Difference	**Estimated Percent Change
Property	Multiple	\$2.5M	\$200M	\$1.874M	\$2.191M	\$317,057	16.9%

Directors & Officers	AEGIS	\$500K	\$10M	\$86,081	\$95,000	\$8,919	10.4%
*Excess Liability – 1 st Layer	AEGIS	\$2M	\$35M	\$1.0M	\$1.2M	\$200,000	20%
Excess Liability – 2 nd Layer	EIM	No additional SIR required	\$25M	\$150,671	\$230,804	\$80,133	53.2%

Fiduciary Liability	AEGIS	\$10K	\$10M	\$22,500	\$24,750	\$2,250	10%
Employment Practices Liability	OneBeacon	\$100K	\$2M	\$20,067	\$22,500	\$2,433	12.1%
Crime	Hiscox	\$15K	\$3M	\$9,688	\$10,500	\$812	8.4%
Special Coverage	Hiscox	\$0	\$2M	\$3,888	\$4,300	\$412	10.6%
Foreign Package	Hiscox	\$0	\$1M	\$2,500	\$2,500	\$0	0%
Non- Owned Aircraft	Allianz	\$0	\$10M	\$10,725	\$11,798	\$1,073	10%
Cyber	AEGIS	\$1M	\$10M	\$168,465	\$244,274	\$74,250	45%

Please note, premiums noted above are quoted figures and are subject to change prior to binding coverage.

Because Grant PUD uses replacement value insurance, its Statement of Values (SOV) must be reviewed, updated, and submitted annually. Risk contacted stakeholders for each of the listed classes of assets for review and updating. Asset replacement values have been applied using the guidance of our insurance broker. In many cases, annually updated factors (dependent on the asset class) have been applied to the prior year's value for each respective asset, with the factors sourced from Marshall Swift, BUREC, and Handy Whitman indices. This process is summarized in Table 1.

The largest portion of Grant PUD's coverage cost is in our property insurance premiums. The value of Grant PUD's property portfolio increased 9.23% from last year's reported values based on the changes detailed below. The most significant changes in this year's property values are caused by the recent upgrades and improvements to Grant PUD's Hydro facilities and substation buildouts (Design Build 2). This year also has seen dramatically higher rates of inflation (around 8-10%) for building materials and electrical components such as transformers, switches, and conductor.

Table 1. Changes to asset values, by class, for inclusion in Grant PUD's property coverage.

Location	Description of Changes	2022 Value	2023 Value	Change in Value	Percentage Change
Hydro/Dams	Wanapum and Priest Rapids Dams reflect the increased in replacement costs. Priest Rapids also saw increases for the continued improvements on the right embankment new control systems, and the continued replacement of the turbine/generators.	\$2.60B	\$2.73B	\$200M	7.88%
Substations	Values increased due to substation upgrades at multiple locations.	\$350M	\$418M	\$68.2M	19.51%
Service Centers/Warehouse	Increased valued reflect changes in replacement costs and increased inventory values.	\$119M	\$132M	\$12.3M	10.33%
Office Buildings	Modeled trend applied, no significant changes.	\$42.05M	\$44.88M	\$2.8M	6.73%
Residential	Values increased based on current housing price index values to reflect replacement value.	\$7.41M	\$7.97M	\$552k	7.44%
Recreation/Cultural	Modeled trend applied, no significant changes.	\$47.2M	\$50.3M	\$3.1M	6.5%
Hatcheries/Fish Acclimation	Modeled trend applied, no significant changes.	\$34.38M	\$38.4M	\$2.5M	6.99%
Fiber Huts	Based on thorough analysis, all fiber huts except those in flood zones were removed from property coverage. flood	\$1.036M	\$1.140M	\$104k	9.9%
Switchyards/Radio Sites	Modeled trend applied, no significant changes.	\$27.5M	\$30.3M	\$2.8M	10.08%
Mobile Equipment	All passenger vehicles removed and any vehicle under \$100,000 in value.	\$14.7M	\$16.2M	\$1.4M	9.66%
Mobile Substations	No changes.	\$3.25M	\$3.25M	\$0	0%
Fine Arts	Update of artifact replacement values	\$5M	\$5M	\$0	0%
Total Property Portfolio Changes:		\$3.24B	\$3.56B	\$300.1M	9.23%

Conclusion and Recommendations

We will not have final figures until the end of October; therefore, we are seeking the Commission's approval to delegate to Rich Wallen, CEO/General Manager, to make the final approval for binding insurance coverages for limits exceeding delegation in order to facilitate our November 1, 2022, deadline. The overall program will be reviewed and approved additionally by Bonnie Overfield, CFO. To the extent final costs would fall outside of the range detailed above, the CEO/General Manager shall consult the Board prior to executing binding coverages. The Commission will be notified of the final insurance renewal premiums after binding coverage is complete.

Randalynn Hovland

From: Bonnie Overfield
Sent: Monday, October 3, 2022 1:44 PM
To: Richard Wallen; Dave Churchman; Jeff Grizzel; Mitchell Delabarre
Cc: Randalynn Hovland
Subject: FW: FYI Memo Renewals to Commission_September_2022.docx
Attachments: FYI Memo Renewals to Commission_September_2022.pdf

FYI this memo has been updated and will be swapped out in the final packet for this week's materials being published for the Oct 11 meeting.

Randi, please let me know if you need anything else on this one.

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From: Paul Dietz <Pdietz@gcpud.org>
Sent: Monday, October 3, 2022 12:00 PM
To: Bonnie Overfield <Boverfi@gcpud.org>; Randalynn Hovland <Rhovla1@gcpud.org>
Subject: RE: FYI Memo Renewals to Commission_September_2022.docx

Memo signed and in PDF format

From: Paul Dietz
Sent: Monday, October 3, 2022 11:41 AM
To: Bonnie Overfield <Boverfi@gcpud.org>; Randalynn Hovland <Rhovla1@gcpud.org>
Subject: FYI Memo Renewals to Commission_September_2022.docx

Hi Bonnie and Randi,

Please find the updated Renewals memo attached to this e-mail. With Bonnie's approval, we would like this final document to replace the previous version in the upcoming Commission meeting packet.

Thank you kindly for your help with this Randi! Your assistance is greatly appreciated.

Regards,

Paul

For Commission Review – 10/11/2022

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract No. 430-11632 with Arch Staffing and Consulting for Enterprise Technology in an amount not-to-exceed \$1,500,000.00 and with a contract completion date of November 15, 2025.


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MEMORANDUM

Date: September 27, 2022

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Bonnie Overfield, Chief Financial Officer

FROM: Charles Meyer, Senior Manager Enterprise Technology 

SUBJECT: New Contract 430-11632 for Arch Staffing and Consulting for Enterprise Technology 2022 - 2025

Purpose:

To request Commission approval to award a new contract with Arch Staffing and Consulting (“Arch”), Contract No. 430-11632 for \$1,500,000 with an expiration date of November 15, 2025. Arch provides staff augmentation services. This contract is specific to Enterprise Technology needs and separate from the contract that the PMO department uses for their program needs. We expect to primarily use these services for staff augmentation when we have capacity and/or capability needs and is envisioned for short term duration.

Discussion:

Arch provides Grant PUD with contracted labor resources whose skills and capacity are needed to execute projects and run business activities that directly support Grant PUD’s business objectives and the strategic plan. This contract is an on-demand agreement utilizing statement of work task authorizations for each resource procured. Grant PUD cannot successfully execute its strategic plans and related project work without staff augmentation and specialized services.

Enterprise Technology currently has two contracts in place for contracted resources – Arch and Murphy & Associates. The current Arch contract is set to expire mid-November and the Murphy & Associates Change Order has a completion date of December 31, 2023.

- Murphy & Associates
 - Award date: 5/10/2019
 - Completion date: 12/31/2023
 - Current Contract Price: \$1,849,500
- Arch
 - Award date: 10/19/2020
 - Completion date: 11/15/2022
 - Current Contract Price: \$1,725,000

We are requesting Commission approval for one new contract for Arch to continue to provide these staff augmentation services.

Justification:

Each project and/or activity that will require staff augmentation to reduce risk and create a successful outcome will be independently justified and funded, either through capital or O&M budgets. Scaling our resources up and down quickly and efficiently via on demand staff augmentation is an effective long-term strategy for resourcing projects. Staff augmentation and resources required to execute projects will typically be included and justified in the budget and value statement for the project itself. This contract is merely a mechanism for acquiring those resources as efficiently as possible.

If not approved, project and other ongoing work will be unable to be executed in the desired time frame, with high quality results. Additionally, we will not be able to execute future projects or support individuals through change events until other work is concluded to create capacity with our own staff.

Financial Considerations:

Grant PUD has the ability to negotiate rates and accept or reject potential staff augmentation resources presented by Arch. Having this contract in place significantly lowers the administrative work required to onboard resources by maintaining a relationship with a proven partner and issuing task/work authorizations. Quickly scaling resources up and down per project demand and priority is more efficient than adding full-time resources which have a long-term impact to District finances. Grant PUD also has a staff augmentation contract in place with Murphy & Associates and can leverage that current and past agreement for competitive purposes.

The following is the breakdown of the funds being requested for this contract:

Arch - Named \$690,300
Arch - TBD \$ 1,500,000
Arch - TOTAL \$ 2,190,300

“Arch – Named” are resources that are currently performing work under existing Task Authorizations under the existing contract. The amount is our estimate for currently contracted resources through either the duration of assigned work or through the duration of the proposed contract (as the work is expected to extend past the current proposed contract expiration date). The following is a list of existing planned resources on a not to exceed basis via Task Authorization and the anticipated completion dates:

Arch Contract #430-10705:

TA #: 15.1

Contractor Name: Carey McGuire

Scope: GEN2 and Mobile Workforce Management

Committed Budget: \$412,800.00

Anticipated additional Budget: \$110,080.00

Projected End Date: Q2 2023 (To be continued under new contract #430-11632)

TA #: 18.1

Contractor Name: Paul Weisenberger

Scope: SharePoint and Power Platform

Committed Budget: \$240,000.00

Projected End Date: Q1 2023 (To be continued under new contract #430-11632)

TA #19

Contractor: Mick Conway

Scope: GEN2, Mobile Workforce Management and OSS/BSS

Committed Budget: \$37,500.00

Projected End Date: Q1 2023 (To be continued under new contract #430-11632)

TA #: 24*

Contractor: Sumit Ghai

Scope: MSGP Support

Committed Budget: \$307,200.00

Projected End Date: Q4 2023 (To be continued under new contract #430-11632)

*Note: This resource is currently committed under a different contract/cost center and is anticipated to be moved to FE0000 under new contract #430-11632.

“Arch – TBD” is placeholder for expected but unknown specific contracted resources. These funds will not be spent unless they are assigned to a specific effort.

Contract Specifics:

The current contract is proving to be effective for the nature of the services provided by this contract – staff augmentation, as well as providing a means for recruiting permanent positions. In addition, due to the contract structure, the rates of contracted resources are negotiated on a Task Authorization by Task Authorization basis ensuring that the District is strictly paying for the value of each contracted resource on an individual-by-individual basis (not a general rate schedule).

Recommendation: Commission approval of Contract No. 430-11632 with Arch Staffing and Consulting for \$1,500,000 to expire on November 15, 2025.

Legal Review:

See attached e-mail(s).

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington (“District”) and Arch Staffing and Consulting (“Staffing Firm”);

R e c i t a l s :

The District desires to obtain professional staff augmentation services for enterprise technology; and

The District's Senior Manager of Enterprise Technology recognizes the need for efficient sourcing of talent and personnel is necessary to achieve the organizations goals and timeframes; and

Utilizing outside recruiting firms specializing in sourcing technology skillsets will provide the technology skills and capacity required to execute the District's enterprise portfolio of technology projects.

The undersigned Staffing Firm 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. Staffing Firm will place one or more Contractors for temporary assignment (“Staffing Services”), Contractors for temporary assignment to permanent positions (“Conversion Fee”) or provide Candidates for permanent positions (“Permanent Placement”).

1. Staffing Firm will recruit, interview, screen and assign to the District Contractors who are deemed the best qualified Contractor to perform the work described in each task authorization. Staffing Firm will maintain personnel and payroll records; paying, withholding and transmitting payroll taxes; making unemployment compensation contributions; handling unemployment and workers' compensation claims involving Staffing Firm Contractors with respect to the compensation that Staffing Firm has agreed to pay; and removing any assigned Contractor at the District's request for any lawful reason.

2. Staffing Firm will interview, screen and assign to the District Contractors who have been referred by the District and are deemed the best qualified Contractor to perform the work described in each task authorization. Staffing Firm will maintain personnel and payroll records; paying, withholding and transmitting payroll taxes; making unemployment compensation contributions; handling unemployment and workers' compensation claims involving Staffing Firm Contractors with respect to the compensation that Staffing Firm has agreed to pay; and removing any assigned Contractor at the District's request for any lawful reason.

B. In the event specific assignments require background checks, drug screening or other testing, the District will not reimburse the Staffing Firm at the actual costs for the testing if performed by Staffing Firm or its agent. The District will also only request testing equivalent to what it would require of the District's own full-time employees in the respective position.

- C. Staffing Firm expects the District to take responsibility for directing and controlling the work performed by provided Contractors. Staffing Firm also expects the District to provide all Contractors with a safe worksite that is free from harassment and to provide information, training and safety equipment with respect to any hazardous substances or conditions to which associates may be exposed at the worksite.

If Contractor(s) works more than 50% of the time at any of the District's facilities, it is agreed that the District will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Contractors working at District facilities.

If Contractor(s) works less than 50% of the time at any of the District's facilities, it is agreed that the Staffing Firm will be primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations, to the extent those laws apply to provided Contractors working at non-District facilities.

Staffing Firm will, at the District's request, instruct its Contractors on general safety matters in accordance with information that the District provides to Staffing Firm. Staffing Firm is solely responsible for the compensation of its Contractors and must pay each Contractor for all hours worked. The District agrees to remit the negotiated Bill Rate for all hours worked, including negotiated overtime bill rates for hours worked in excess of 40 hours during an agreed pay period. In the event there is a governmental mandated requirement to increase wages or employer payroll burdens, District agrees to accept and remit payment for such additional costs incurred by Staffing Firm from the effective date to the expiration date of this Agreement.

- D. The District will authorize the Staffing Firm to perform specific tasks by means of a Task Authorization for Professional Services (Appendix "C") to be signed by both the District and the Staffing Firm. Such authorization may be issued by the District Representative. The authorization will define the scope of the task, any time requirements and budget limitations.

The District makes no guarantee as to the actual amount of work to be done. 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 Staffing Firm and its Contractors 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 Staffing Firm's activities will be conducted at its own risk and be in compliance with all federal, state and local laws.
- B. The Staffing Firm 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. Staffing Firm understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Staffing Firm hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

The term of this Agreement shall commence on November 16, 2022 and shall remain in full force and effect until November 15, 2025 or until terminated pursuant to Section 17.

4. Compensation and Payment

A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in each Task Authorization. Rates and costs shall not be subject to change until one year after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall be negotiated between the Staffing Firm, Contractor, and the District. The rate change shall be documented with a fully executed amendment to the Task Authorization prior to an such rate increase going into effect. If the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Staffing Firm for services and all reimbursable costs exceed the sum of \$1,500,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

B. Staffing Firm shall submit bi-weekly 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

C. Invoices shall include the Contract number and a detailed description of the work performed. Any fees or reimbursable expenses shall be included on the invoice (see Appendix "A").

D. Payment will be made by the District upon completion of work following District approval of Staffing Firm'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 Staffing Firm 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 Staffing Firm before proceeding with any change, to satisfy itself 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 "B".

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Staffing Firm before any Change Order work is performed. When requested, Staffing Firm 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 Staffing Firm, 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 "B" 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 Staffing Firm 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 Staffing Firm 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 Staffing Firm shall make payment of any Washington State retail sales and use taxes due and Staffing Firm shall be reimbursed by the District for the same. Staffing Firm shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
 - 2. If the Staffing Firm 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 Staffing Firm, 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

Staffing Firm 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 Staffing Firm 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 Staffing Firm or its subcontractors. Staffing Firm waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement.

Staffing Firm’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 Staffing Firm. 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 Staffing Firm or its agents or employees, the Staffing Firm’s indemnity obligation shall apply only to the extent of the Staffing Firm’s (including that of its agents and employees) negligence.

Staffing Firm acknowledges that by entering into this Contract with the District, it has mutually negotiated the above indemnity provision with the District. Staffing Firm’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, Staffing Firm 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 or A by S&P, as enumerated below. Any deductible, self-insured retention or coverage via captive \$25K or above 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 Staffing Firm and not recoverable under any part of this Contract.

Staffing Firm Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Staffing Firm 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. Such insurance shall not exclude coverage for action-over liability claims;

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. A waiver of subrogation will apply in favor of the District.

2. **Workers' Compensation and Stop Gap Employers Liability:** When applicable, 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 Staffing Firm 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, property damage, or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where 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. **Excess Insurance:** Excess (or Umbrella) Liability insurance with a **minimum limit of \$5,000,000 per occurrence and in the aggregate**. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 (Employer's Liability only) and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years or the statute of repose.

Umbrella/Excess 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.

5. **Professional Liability/Network Security Insurance:** Staffing Firm shall obtain professional errors and omissions liability insurance in an amount of **not less than \$5,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or Protected Information of the District or any employee, participant or beneficiary of the Services provided by Staffing Firm pursuant to this contract. In the event of a claim and upon the District's request, Staffing Firm shall provide a copy of its Professional Liability/Network Security Insurance policy. The Professional Liability Insurance retroactive coverage date shall be no later than the effective date of this agreement. Staffing Firm shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance

company within two years after termination of the Agreement will be deemed to have been made during the policy period.

If Staffing Firm shall hire subcontractor for all operations and risk involving professional network services exposure, this requirement may be satisfied by subcontractor's policies. Staffing Firm 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.

6. **Crime:** Staffing Firm shall provide crime 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 Staffing Firm for a minimum of three years following the termination of this Agreement, and the Staffing Firm shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Staffing Firm 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 Staffing Firm shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. Any exceptions must be mutually agreed in writing with the District.

7. **Employment Practices Liability:** Staffing Firm shall provide Employment Practices 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 Staffing Firm for a minimum of three years following the termination of this Agreement, and the Staffing Firm shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Staffing Firm 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 Staffing Firm shall hire subcontractor for any operations and risk involving professional services exposure, this requirement may not be satisfied by subcontractor's policies. 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, then annually thereafter, the Staffing Firm shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with copies of the endorsements or policy documents where policy terms required under Section A are met.

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 Staffing Firm'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 Staffing Firm 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 Staffing Firm fails to maintain insurance as set forth above, the District may purchase such insurance at the Staffing Firm's expense. The Staffing Firm's failure to maintain the required insurance may result in termination of this Contract at the District's option.

- C. Cancellation of Insurance - The Staffing Firm shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Staffing Firm shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, except 10 days advance written notice for cancellation due to non-payment of premium. Should the Staffing Firm receive any notice of cancellation or notice of nonrenewal from its insurer(s), Staffing Firm 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

Staffing Firm 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 Staffing Firm 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. Until the expiration of three years after final acceptance by District of all the work, Staffing Firm shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provided for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of the District, be useful in determining any amounts payable to Staffing Firm or District (e.g., the nature of a refund, credit or otherwise), Staffing Firm shall provide District access to all such records for examination, copying and audit.

11. Nondisclosure

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

13. Applicable Law

Staffing Firm 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 Staffing Firm 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

The Staffing Firm is not authorized to enter into any subcontracts or make any purchases of materials or equipment.

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
Charles Meyer
Public Utility District No. 2
of Grant County, Washington
PO Box 878
154 A Street SE
Ephrata, WA 98823
(760) 579-1171
cmeyer@gcpud.org

Staffing Firm
Rene' Wukich
Arch Staffing and Consulting
8123 N. Standard St.
Spokane, Washington 99208
(208) 682-6791

For purposes of technical communications and work coordination only, the District designates Charles Meyer as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Staffing Firm. 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. Staffing Firm shall not use the Work Product outside the scope of this Contract without express written permission from the District.

B. Staffing Firm 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. Staffing Firm 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, Staffing Firm shall immediately turn over to the District all Work Product. This does not prevent the Staffing Firm from making a file copy for their records.

17. Termination

- A. District may, at any time, for any reason, terminate Staffing Firm'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 Staffing Firm be entitled to any other payment to or any anticipated fee or profit on unperformed work.
- B. In the event of Staffing Firm'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 Staffing Firm 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 Staffing Firm'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. Physical Security

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Staffing Firm to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Staffing Firm by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Staffing Firm 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, Staffing Firm shall contact the District Representative.
- E. Immediately notify the District if any of Staffing Firm's employees or Contractors no longer need access or have left the Staffing Firm's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Staffing Firm 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 Staffing Firm is strictly prohibited from making copies of keys.

- G. Not permit 'tailgating' 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 Staffing Firm and any Subcontractors shall comply with the safety requirements of these Contract Documents and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>.

20. Security, Safety Awareness Training, Dam Safety Awareness Training, and Transmission and Distribution Access Training

Prior to receiving access to any District facilities, all Staffing Firm 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 Staffing Firm or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. All Staffing Firm contractors and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to SecurityTrainingCerts@gcpud.org.

District Representative shall ensure that Staffing Firm's employees, subcontractor's and subcontractor's employees have completed and submitted 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 before any security access badges will be issued.

If applicable, Dam Safety Awareness Training is required for Staffing Firm's employees and 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. Staffing Firm 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.

If applicable, Transmission and Distribution Access Training is required for Staffing Firm Employees, Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Staffing Firm 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.

If you are uncertain which of the above courses you or your employees must complete, please contact your District Representative.

21. 2008 Early Retirement Factors Acknowledgement

By executing this Contract, Staffing Firm acknowledges that they are in compliance with RCW 41.50.139 regarding the 2008 early retirement factors per WAC 415-02-325. Staffing Firm and Contractors found to be in non-compliance shall be responsible for all penalties incurred.

22. Protected Information

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Appendix "E". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Protected Information"). Because of the sensitive nature of certain District Protected Information that could be used in this Contract, Staffing Firm is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Appendix "D".

23. Background Checks

The District reserves the right to conduct or to require Staffing Firm to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or electronic access to Bulk Electric System Cyber Assets or Protected 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.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Staffing Firm to remove such individual from the job site and/or to exclude such individual from having any access to SSI, Bulk Electric System Cyber Assets, CEII, or BCSI.

24. Qualification of Contractor's Access and Personnel Change Approval

The District reserves the right to deny any Staffing Firm Contractor or employee thereof access to District facilities or Protected Information at the District's sole discretion. The District will be the sole judge of such effect. All Staffing Firm Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

The District reserves the right to conduct or to require Staffing Firm to conduct criminal background checks, provide an identity validation document (I-9, Social Security card, driver's license) and complete the District provided training for its employee(s) before the District will grant such individuals access to secure areas of District facilities. 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. Staffing Firm shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix "F". The cost of such background checks shall be borne by the Staffing Firm. For access to

Protected Information relating to Critical Infrastructure Protection, the District reserves the right to require a Non-Disclosure Agreement and a certificate of completion from the District-provided training for each employee before the District will grant access to such individuals.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Protected Information.

25. CIP Training

All persons receiving Protected Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted by the Reliability Compliance (RC) Department through a learning management system. The learning management system privileges will be coordinated between the District Representative and the RC Department.

26. Contractor Safety Requirements

The following applies if Staffing Firm, or any of its Contractors, sub-consultants, subcontractors, or suppliers of any tier, performs any activities on premises owned, leased, possessed, or controlled by the District. The Contractor Safety Requirements shall be required when applicable as determined by the District Representative based upon the scope of work. To the extent applicable, the Contractor shall ensure that all workers, sub-consultants, 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 in accordance with WAC 296-126-094 and this Agreement where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

A. General

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 for work within their scope. 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 three years after completion of all work.
- 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 other work being performed 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.

Specialized Work

- I. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
- J. Authorized Employee: For purposes of complying with Washington State law and the District's Electrical Safety Program, an Authorized Employee is defined according to the definition in WAC 296-45. The above is a Code requirement.

IN WITNESS WHEREOF, the Staffing Firm 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

Arch Staffing and Consulting

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**APPENDIX “A”
RATE SCHEDULE**

DIRECT EXPENSES:

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, faxes, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners, office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.

STAFFING SERVICES:

PERMANENT PLACEMENT

Staffing Firm shall only refer Candidates upon request. Any unsolicited Candidate referrals will be deemed rejected and such Candidates are not subject to any referral fees or restrictions. For absolute clarity, the intent is to ensure the pool of self-identifying Candidate applicants is not limited by unsolicited or excessive referrals by the Staffing Firm and to ensure District is not obligated to pay Staffing Firm any costs or fees related to direct applicants who may be included in an unsolicited referral.

Only upon request by District, Staffing Firm shall recruit and refer Candidates to District for permanent placement by providing resumes or Candidate profiles. All decisions concerning offers of employment are to be made by District according to District’s business needs and other lawful criteria.

District agrees to pay Staffing Firm permanent placement fee of 20% of the Candidate’s anticipated total first year’s gross annualized direct salary or if non-salaried, anticipated total first year’s compensation based on 2080 working hours a year. If District hires or retains a Candidate, in any capacity, referred by Staffing Firm within one year after that Candidate was presented to District, then the placement fee is due unless the Candidate had previously applied directly for that position. Staffing Firm shall provide a 90-day guarantee beginning on the employment start date, for any Candidate that terminates or is terminated from his or her position of employment for any reason, except for a company-initiated reduction in workforce, elimination of the position or insufficient work for the Candidate. The Candidate will be replaced at no cost, or a credit can be applied to future invoices. This is contingent upon receipt of payment for the placement, or the work already performed per the terms of Section 4 “Compensation and Payment”.

TEMPORARY RATES

- A. If Staffing Firm recruits and refers Candidates to the District for temporary placement, temporary rates shall be as follows:

Job Category	Staffing Firm Recruited Contractor Temporary Bill Rate	Staffing Firm Payroll Contractor Temporary (Discounted) Bill Rate
Information Technology	Quoted per Position	Quoted per Position
Telecommunications	Quoted per Position	Quoted per Position

Overtime will be billed at 1.50 times the straight time bill rate. All overtime must be pre-approved by the District Representative.

*The above Rates are comprised in part and subject to the following costs associated with Staffing Firm’s government mandated employer obligations: FICA, FUTA, SUTA, and Worker’s Compensation statutory minimums.

- B. If District recruits and refers Candidates to the Staffing Firm for temporary placement with the District, the Contractor Temporary Bill Rate shall be quoted per position and the Staffing Firm’s overhead/mark-up of temporary rates shall be discounted as follows:

District Referred Contractor Temporary Bill Rate Range	Staffing Firm Discounted Overhead/Mark-Up Rates for District Referred Contractor
\$100.00 per hour and above	27.5%
\$80.00 - \$99.00 per hour	28.5%
\$79.00 per hour and below	29.5%

Overtime will be billed at 1.50 times the straight time bill rate. All overtime must be pre-approved by the District Representative.

**CONVERSION FEE
(CONTRACTORS FOR TEMPORARY ASSIGNMENT TO PERMANENT POSITIONS)**

- A. If Staffing Firm recruits and refers Candidates to the District for temporary assignment that later lead to permanent placement, Staffing Firm will receive a scaled conversion fee calculated as the appropriate Conversion Fee % per the table below multiplied by the compensation to be paid to the Contractor as an employee of District during the first 12 months of hire by District. Compensation includes base gross salary, gross compensation for services, fees, wages, guaranteed and/or anticipated bonus and commission earnings.

Working Hours	% of Compensation
0-160 hours	20%
161-480 hours	16%
481-640 hours	12%
641-800 hours	8%
801-2080 hours	5%
2081+ hours	0%

- B. Staffing Firm shall not receive conversion fees for Candidates recruited and/or referred by the District to the Staffing Firm for temporary assignment under this Contract that later result in permanent placement.

REIMBURSABLE EXPENSES:

Reimbursable expenses are those reasonable and necessary costs incurred on or directly for the District's project, including necessary transportation costs, meals and lodging. Any actual expenses in non-US dollars will be converted using the conversion tables at www.x-rates.com for the applicable period. Reimbursement will be subject to the following limitations:

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. The current rate for all Grant County locations is \$59.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is \$98.00. The District Representative may increase this limit in writing when circumstances require.

Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Staffing Firm's personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Staffing Firm's insurance policies.**

Other: All other expenses will be based on actual costs and include appropriate documentation.

Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the District may require.

APPENDIX "B"
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 Staffing Firm 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

Arch Staffing and Consulting

Accepted By: _____

Accepted By: _____

Name of Authorized Signature
Title

Name of Authorized Signature
Title

Date: _____

Date: _____

APPENDIX "C"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-11632	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 Staffing Firm 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

Arch Staffing and Consulting

Approved for District

Accepted by Staffing Firm

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: District Representative

Title: _____

Date: _____

Date: _____

APPENDIX "D"
NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("NDA") is entered into on the date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and _____, ("Contractor"), sometimes collectively referred to as the "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this Agreement, "Protected Information" includes:

- District customer information protected under RCW 19.29A, Consumers of Electricity;
- District employee information;
- District vendor information;
- All technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District;
- All information and material provided by the District which is not an open public record subject to disclosure under RCW 42.56, Public Records Act;
- All information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Protected Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Critical Infrastructure Protection (CIP) Protected Information in accordance with the State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC), which have established regulations for the protection of sensitive plans, drawings, and records defined as SSI, CEII, and/or CIP Protected Information. SSI, CEII, and CIP Protected Information are further defined in Appendix "E".

Because of the sensitive nature of such information that may be provided to the Contractor, Contractor must execute and deliver this NDA to the District prior to receiving such Protected Information from the District.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation by Reference.** The recitals set forth above are incorporated herein as if fully set forth.
2. **Protected Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or CIP Protected Information, shall be protected hereunder as Protected Information.
3. **Non-Disclosure.** Subject to the provisions of Section 4 and unless the parties agree otherwise, this non-disclosure obligation shall survive the termination of this NDA. Contractor shall not disclose or disseminate Protected Information and shall:
 - A. Restrict disclosure of Protected Information solely to its agents and employees with a need to know and not disclose such Protected Information to any others; and

- B. Advise and require all of its officers, agents, employees, representatives, prospective and successful subcontractors, consultants and employees thereof with access to the Protected Information to execute an NDA in this same form with the District prior to allowing them access to the Protected Information; and
 - C. Use the Protected Information provided hereunder only for purposes directly related to performance of the work Contract 430-11632.
 - D. In the event third parties attempt to obtain the Protected Information by legal process, the Contractor agrees that it will not release or disclose any Protected Information until the District has received notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.
4. **Ownership and Return of Protected Information.** All Protected Information shall remain the property of the District. Contractor is responsible for safeguarding and returning all Protected Information or shall certify, by signed, statement delivered to the District, the destruction of all original Protected Information provided along with any copies made by the Contractor. Such delivery shall be to the District, Attention: Kristin Fleisher, PO Box 878, Ephrata, WA 98823.
5. **Compliance Audit.** The District may audit Contractor's compliance with this NDA.
6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.
7. **Assignment.** This NDA may not be assigned.
8. **Violations.** Contractor understands and agrees that the District is providing the Protected Information to Contractor in reliance upon this NDA, and Contractor will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Contractor or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Contractor acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Contractor. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the Agreement but shall be in addition to all other remedies available at law or in equity. In addition to injunctive relief, civil or criminal penalties may be imposed for each violation of this NDA.
9. **Attorney's Fees.** In the event it is necessary for the District to utilize the services of an attorney to enforce any of the terms of this NDA, it shall be entitled to compensation for its reasonable attorney's fees and costs. In the event any legal action becomes necessary to enforce the provisions of the NDA, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed, regardless of whether the dispute is settled by trial, trial and appeal, arbitration, mediation, negotiation or otherwise, and regardless of whether suit is formally filed.

- 10. **Corporate Authority; Binding Signatures.** The individual executing this NDA on behalf of Contractor warrants that he or she is an authorized signatory of the entity for which they are signing, and have sufficient institutional authority to execute this NDA.
- 11. **Electronic Signatures.** Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.
- 12. **Effective Date and Term.** This NDA shall become effective immediately and remain in full force and effect until Contractor has returned all Protected Information to the District provided, however, the obligations contained in Section 3 shall survive the termination of this NDA.

Sample Only

CONTRACTOR: Name: _____

Address: _____

Phone: _____

Email: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX “E”
DEFINITIONS OF PROTECTED INFORMATION

Definition of Critical Infrastructure Protection (CIP)

Pursuant to section 215 of the Federal Power Act (FPA), the Federal Energy Regulatory Commission (FERC) approved the Critical Infrastructure Protection (CIP) Reliability Standards. The CIP Reliability Standards require certain users, owners, and operators of the Bulk-Power System to comply with specific requirements (CIP-002 through CIP-014) to safeguard critical cyber assets. Penalties for non-compliance with NERC CIP can include fines, sanctions or other actions against covered entities.

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District’s electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District’s Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as “CIP Protected Information”). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

Bulk Electric System (BES)

Unless modified by the lists shown below, all Transmission Elements operated at 100 kV or higher and Real Power and Reactive Power resources connected at 100 kV or higher. This does not include facilities used in the local distribution of electric energy. Inclusions:

- I1 - Transformers with the primary terminal and at least one secondary terminal operated at 100 kV or higher unless excluded by application of Exclusion E1 or E3.
- I2 – Generating resource(s) including the generator terminals through the high-side of the step-up transformer(s) connected at a voltage of 100 kV or above with: a) Gross individual nameplate rating greater than 20 MVA. Or, b) Gross plant/facility aggregate nameplate rating greater than 75 MVA.
- I3 - Blackstart Resources identified in the Transmission Operator’s restoration plan
- I4 - Dispersed power producing resources that aggregate to a total capacity greater than 75 MVA (gross nameplate rating), and that are connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage of 100 kV or above. Thus, the facilities designated as BES are: a) The individual resources, and b) The system designed primarily for delivering capacity from the point where those resources aggregate to greater than 75 MVA to a common point of connection at a voltage of 100 kV or above.
- I5 –Static or dynamic devices (excluding generators) dedicated to supplying or absorbing Reactive Power that are connected at 100 kV or higher, or through a dedicated transformer with a high-side voltage of 100 kV or higher, or through a transformer that is designated in Inclusion I1 unless excluded by application of Exclusion E4.

Bulk Electric System (BES) Cyber Asset

A Cyber Asset that if rendered unavailable, degraded, or misused would, within 15 minutes of its required operation, misoperation, or non-operation, adversely impact one or more Facilities, systems, or equipment, which, if destroyed, degraded, or otherwise rendered unavailable when needed, would affect the reliable operation of the Bulk Electric System. Redundancy of affected Facilities, systems, and equipment shall not be considered when determining adverse impact. Each BES Cyber Asset is included in one or more BES Cyber Systems



APPENDIX "F"
BACKGROUND CHECK/IDENTITY VERIFICATION BY STAFFING FIRM

Staffing Firm Name: _____ Date: _____
Contract Number: _____ Procurement Officer: _____
Project Manager: _____

In accordance with NERC Reliability Standards CIP 002-011, we are providing Public Utility District No. 2 of Grant County, Washington certification of background checks performed on personnel who will require authorized Unescorted Physical Access and/or Electronic Access to District High or Medium Impact BES Cyber Systems, and their associated EACMS and PACS.

Accordingly, we certify that:

1. A background check has been conducted on the following employee(s) that includes a seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.
2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____

Title: _____

Phone No.: _____

Email: _____

Return this form to: CIPDocuments@gcpud.org

*****Access will not be granted until this Background Check has been completed and training taken*****

These are sub-sections of the “Grant County PUD Personnel Risk Assessment Program” relevant to Staffing Firm, Vendor(s) and/or Contractor(s). For the complete program please contact rcstaff@gcpud.org

Evaluation Criteria:

Contractors with physical or electronic access to District High or Medium Impact BES Cyber Systems and their associated EACMS and PACS, shall certify a background check was met using the following criteria:

Whether the individual has ever been convicted of any of the following FELONIES:

- Murder
- Kidnapping
- Manslaughter
- Fraud, theft, and/or robbery
- Criminal sexual conduct
- Arson

Whether the individual has ever been convicted of the following MISDEMEANORS:

- Violence related
- Honesty related

Whether the individual has ever been convicted of a single misdemeanor, other than minor traffic offenses, which are generally defined as traffic offenses that did not involve property damage and/or personal injury.

Individual is not currently awaiting adjudication on any criminal charge other than minor traffic offenses, which, again, are generally defined as traffic offenses that did not involve property damage and/or personal injury.

In the event the individual has been convicted of a felony or misdemeanor, the Staffing Firm shall not assign such individual to a District location without first discussing such conviction with the District and obtaining the approval of the District’s PRA Committee for such assignment in accordance with the District’s Personnel Risk Assessment Program. The District reserves the right to refuse the assignment of an individual who does not pass the above Evaluation Criteria after review and consideration of the extenuating circumstances by the District’s PRA Committee.

FOR GRANT PUD USE ONLY

If Background Check failed enter date of PRA Committee Review: _____ Pass ____ Fail ____
(Check one)

Signature of PRA Committee member: _____