

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

July 24, 2018

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington with the following Commissioners present: Bob Bernd, Vice-President; Dale Walker, Secretary; Tom Flint, Commissioner; and Larry Schaapman, Commissioner. Terry Brewer was absent due to Grant PUD related travel.

New employee, Mitchell Wall, Engineer I, was introduced to the Commission.

A round table discussion was held regarding the following topics: recent wildfire damage; July 31 Evolving Industry workshop; customer gateway issue; Graham Road root cause analysis report; a proposed memo to memorialize and clarify priority in regard to Resolution No. 8887 directing staff to proceed with construction of the proposed Red Rock Substation and associated transmission near the Port of Royal Slope; correspondence received from Port of Moses Lake and the concept of community benefit index; co-located data centers; and the semi-annual Commission strategic workshop / major project reports.

Tyler O'Brion, Safety Coordinator, provided a Safety report.

Jeremy Nolan, Financial Analyst II, provided a KwHr Sales report.

Steve Fisher, Managing Director of Power Delivery, and Russ Seiler, Manager of Power Delivery Projects, provided a Power Delivery Production Performance report.

Thomas Stredwick, Senior Manager of Wholesale Fiber and Russ Brethower, Senior Manager of Wholesale Fiber, provided a Wholesale Fiber Business report.

The Commission attended a lunch meeting with Grant County Commissioners.

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

Melissa McKnight, Ephrata, spoke in support of and requested fiber build out to the rural south Ephrata communities.

Tom Plampin and Gary Wirta, Crescent Bar, addressed the Commission regarding the proposed lease amendment on behalf of the Crescent Bar Condominium Master Association (CBCMA) in respect to repayment terms associated with the Crescent Bar water, sewer, and wastewater upgrade project.

Doug Sly, Moses Lake, spoke in opposition to the crypto currency industry and encouraged the Commission to adopt Rate Schedule No. 17 as proposed.

Jonathan Toomim, Moses Lake, spoke in support of the possible economic benefits resulting from crypto currency businesses in Grant County and encouraged instituting the new customer request application fee in order to help identify which new customer requests currently in the queue are valid. In addition, he proposed working together to develop increased electric system availability, modified rate structure models and viable cost strategies in favor of both Grant PUD and crypto currency customers.

Brittney Lancaster, Moses Lake, expressed appreciation for the employment provided to her as a result of the crypto currency industry.

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

Payment Numbers	83865	through	84296	\$10,875,740.83
Payroll Direct Deposit	126312	through	127008	\$ 1,615,384.59

Meeting minutes of July 10, 2018.

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 removing Resolution No. 8887 from the table. After consideration, the motion passed by unanimous vote of the Commission.

Resolution No. 8887 relative to construction of a substation was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 8887. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8887

A RESOLUTION DIRECTING THE GENERAL MANAGER AND STAFF TO PROCEED WITH
CONSTRUCTION OF THE PROPOSED RED ROCK SUBSTATION AND ASSOCIATED
TRANSMISSION NEAR THE PORT OF ROYAL SLOPE

Recitals

1. Grant PUD is responding to a request from the Port of Royal Slope seeking to accommodate potential load growth at or near property owned by the Port of Royal Slope;
2. Construction of the proposed Red Rock substation will serve some existing customers of Grant PUD and provide for load growth potential in and near the Port of Royal Slope industrial area; and
3. The Red Rock substation and transmission expansion will add to Grant PUD's system capacity and reliability in the vicinity of Royal City and the Port of Royal Slope industrial area.
4. This resolution addresses prior contemplated construction of the Red Rock substation that relates back to approximately 2004 and is not to be construed as precedent for future electric system improvements.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that the General Manager and Grant PUD staff are directed to develop and implement a plan for construction of the Red Rock substation and approximately four miles of transmission to serve load growth at or near the Port of Royal Slope as follows:

Section 1. The substation cost will be paid according to Grant PUD policies, as currently existing, or as subsequently revised by the Commission.

Section 2. Construction of the substation and associated transmission will be prioritized over existing customer service requests with any resource or customer conflicts being reported to the Commission by the General Manager.

Section 3. Begin right of way procurement and transmission construction with the cost being paid by Grant PUD as an electric system cost.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 24th day of July, 2018.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

An executive session was announced at 1:40 p.m. to last until 2:00 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 2:00 p.m. and the regular session resumed.

Rich Flanigan, Senior Manager of Wholesale Marketing and Supply, presented the 2018 Integrated Resource Plan (IRP).

The Commission held a public hearing in the Ephrata Headquarters Commission Room to discuss the 2018 Integrated Resource Plan (IRP). No public comments were received.

Thomas Stredwick, Senior Manager of Wholesale Fiber and Russ Brethower, Senior Manager of Wholesale Fiber, continued their Wholesale Fiber Business report.

There being no further business to discuss, the Commission adjourned at 3:10 p.m. on July 24 and reconvened on Monday, July 30 at 5:30 p.m. at Visconti's, 1737 N Wenatchee Avenue, Wenatchee, Washington, for the purpose of attending for the purpose of attending a Mid-C Manager / Commissioner dinner meeting and any other business that may come before the Commission with the following Commissioners present: Terry Brewer and Tom Flint. A copy of the notice of adjournment was posted near the door outside the Commission room.

There being no further business to discuss, the Commission adjourned at 8:30 p.m. on July 30 and reconvened on Tuesday, July 31 at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington, for the purpose of attending a Rate Schedule No. 17 – Evolving Industry workshop and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, Larry Schaapman, Dale Walker and Tom Flint. A copy of the notice of adjournment was posted near the door outside the Commission room.

There being no further business to discuss, the Commission adjourned at 11:15 a.m. on July 31 and reconvened on Wednesday, August 8 at 1:00 p.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington, for the purpose of attending an Integrated Resource Plan (IRP) workshop and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, Larry Schaapman, and Tom Flint. A copy of the notice of adjournment was posted near the door outside the Commission room.

The Commission recessed at 2:55 p.m.

The Commission resumed at 3:00 p.m.

An executive session was announced at 3:00 p.m. to last until 3:30 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 3:30 p.m. and the regular session resumed.

There being no further business to discuss, the July 24 meeting officially adjourned at 3:30 p.m. on August 8, 2018.

ATTEST:

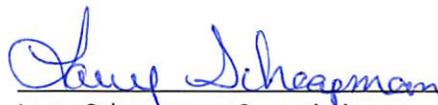

Dale Walker, Secretary




Tom Flint, Commissioner


Terry Brewer, President

Bob Bernd, Vice President


Larry Schaapman, Commissioner