

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

May 8, 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: Terry Brewer, President; Bob Bernd, Vice-President; Dale Walker, Secretary; Tom Flint, Commissioner; and Larry Schaapman, Commissioner.

A round table discussion was held regarding the following topics: payroll administered employee deductions and auto-payments; forecasted fiber program take-rate percentages; and ISP service level agreements.

Baxter Gillette, Project Specialist VIII, provided a current year budget to actual report.

Jeff Grizzel, Senior Manager of Environmental Affairs, highlighted 10 years of license requirement accomplishments since receiving new FERC License P-2114 for the Priest Rapids Project.

Jeff Grizzel, Safety Steering Team (SST) member, introduced Vanessa Seldal, Safety Continuous Improvement Team (CIT) #3 chair who led a CI Team 3 presentation highlighting recent team efforts associated with defining and simplifying the incident/close call reporting process District-wide, encouraging increased reporting, identifying trends, and communicating preventative action with a goal of preventing future injuries/incidents at Grant PUD. Other team members assisting in the presentation were: Josh VanHeusden, Tyler O'Brion, and Ryan Roeder. Full CI Team #3 membership includes: Seldal, O'Brion, Roeder, VanHeusden, Karrie Buescher, Chris Goe, Jose Luera, Jamie Bailes, Joe Farmer, Larry Moreno, Rene "Tito" Gonzalez, and Rodney Fronsman.

The Commission attended a lunch meeting with SST and CIT members.

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

Kim Foster, ASPI Group, commented on proposed Resolution No. 8885 relative to establishing a new customer class for evolving industry.

Davey Miller and Frank Miannecki, Jr., Port of Royal Slope, expressed frustration over lack of critical infrastructure in the Royal Slope area and also raised concerns with Grant PUD's ability to provide service to potential new customers in support of economic growth.

Glen Stockwell, Ritzville, Washington, provided a personal legislative activity update and requested support and Grant PUD engagement in economic development funding opportunities.

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

Payment Numbers	81725	through	82105	\$ 5,625,036.16
Payroll Direct Deposit	122169	through	122851	\$ 1,544,507.91

Meeting minutes of April 24, 2018.

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

Resolution No. 8885 relative to establishing a new customer class for evolving industry was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Flint to approve Resolution No. 8885. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8885

A RESOLUTION DIRECTING THE CREATION OF A NEW CUSTOMER CLASS FOR EVOLVING INDUSTRY
UTILIZING EMERGING TECHNOLOGIES AND OPERATING WITHIN THE GRANT PUD SERVICE
TERRITORY

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. Potential or existing customers of Grant PUD are seeking service for businesses engaged in evolving industry;
3. Businesses engaged in evolving industry may utilize different load characteristics, have higher energy consumption, require transmission and distribution upgrades, require substation upgrades or expansion and carry risks to Grant PUD that are different from historical business uses under Rate Schedules 7, 14 or 15; and
4. The General Manager and Grant PUD staff recommend adopting a Grant PUD customer class for evolving industry which mitigates the risk to Grant PUD of serving businesses engaged in emerging technologies.

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 a new Grant PUD customer class for evolving industry for subsequent review and approval by the Commission.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of May, 2018.

Motion was made by Mr. Bernd and seconded by Mr. Flint authorizing the General Manager, on behalf of Grant PUD, to approve Change Order No. 3 to Contract 130-4138 with North Sky Communications, Inc., increasing the not-to-exceed contract price by \$4,000,000.00 for a new contract total of \$5,900,000.00, and resetting the delegated authority levels to the authority granted to the General Manager per Resolution No. 8609 for charges incurred as a result of Change Order No. 3. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Bernd authorizing the General Manager, on behalf of Grant PUD, to approve Change Order No. 7 to Contract 430-3218 with Washington Department of Fish and Wildlife (DFW), increasing the not-to-exceed contract price by \$324,580.00 for a new contract total of \$2,338,584.00, extending the term of the Contract for an additional 365 days to June 30, 2019, and resetting the delegated authority levels to the authority granted to the General Manager per Resolution No. 8609 for charges incurred as a result of Change Order No. 7. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 1:55 p.m.

The Commission resumed at 2:00 p.m.

Brett Bergeson, Auditor, provided an Internal Audit Program report.

Andrew Munro, Senior Manager of External Affairs and Communications, provided a federal and state legislative update report.

The Commission recessed at 2:48 p.m.

The Commission resumed at 2:50 p.m.

An executive session was announced at 2:50 p.m. to last until 3:50 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:50 p.m. and the regular session resumed.

An additional executive session was announced at 3:50 p.m. to last until 4:15 p.m. to discuss performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:15 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:15 p.m. on May 8 and reconvened on Wednesday, May 9 at 1:00 p.m. at The Davenport Grand Hotel, 333 West Spokane Falls Boulevard, Spokane, Washington, for the purpose of attending the Washington Public Utility Districts Association (WPUDA) Telecom workshop and any other business that may come before the

Commission with the following Commissioners present: Terry Brewer, Bob Bernd, 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 8:00 p.m. on May 9 and reconvened on Thursday, May 10 at 7:00 a.m. at The Davenport Grand Hotel, 333 West Spokane Falls Boulevard, Spokane, Washington, for the purpose of attending the Washington Public Utility Districts Association (WPUA) Telecom workshop and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, 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 11:30 a.m. on May 10 and reconvened on Sunday, May 20 at 8:30 a.m. at the Boise Centre, 850 W. Front Street, Boise, Idaho, for the purpose of attending the Northwest Public Power Association (NWPPA) Annual Conference and Membership meeting and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, and Dale Walker. 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 7:00 p.m. on May 20 and reconvened on Monday, May 21 at 7:30 a.m. at the Boise Centre, 850 W. Front Street, Boise, Idaho, for the purpose of attending the Northwest Public Power Association (NWPPA) Annual Conference and Membership meeting and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, and Dale Walker. 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 4:00 p.m. on May 21 and reconvened on Tuesday, May 22 at 7:00 a.m. at the Boise Centre, 850 W. Front Street, Boise, Idaho, for the purpose of attending the Northwest Public Power Association (NWPPA) Annual Conference and Membership meeting and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, and Dale Walker. 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 9:00 p.m. on May 22 and reconvened on Wednesday, May 23 at 7:30 a.m. at the Boise Centre, 850 W. Front Street, Boise, Idaho, for the purpose of attending the Northwest Public Power Association (NWPPA) Annual Conference and Membership meeting and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Bob Bernd, and Dale Walker. A copy of the notice of adjournment was posted near the door outside the Commission room.

There being no further business to discuss, the May 8 meeting officially adjourned at 9:00 p.m. on May 23, 2018.

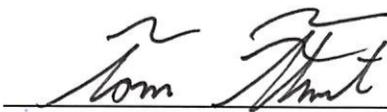
ATTEST:


Dale Walker, Secretary




Terry Brewer, President


Bob Bernd, Vice President


Tom Flint, Commissioner


Larry Schapman, Commissioner