

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

February 13, 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; Tom Flint, Commissioner; Dale Walker, Commissioner; and Larry Schaapman, Commissioner.

A round table discussion was held regarding the following topics: WPUDA committee representation, new customer service requests, APPA Legislative Rally, and questions in regard to Alstom Contract 230-3737 Change Order No. 16.

Jeff Bishop, CFO, and Baxter Gillette, Project Specialist VIII, provided a Current Year Budget to Actual report.

Chris Roseburg, Information Technology Manager, provided an IT report.

Andrew Munro, Senior Manager of External Affairs and Communications, provided a Federal and State Legislative Update report.

The Commission recessed at 12:00 p.m.

The Commission resumed at 1:00 p.m.

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

Marvin Price, Moses Lake, provided comment in response to and against proposed 2018 rate increases.

Sharon Hastings, Ephrata, and Deb Murphy, Royal City, presented a draft Citizen's Advisory Board – Grant County PUD Fiber Optic Network proposal.

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

Payment Numbers	79375	through	79863	\$ 9,128,173.52
Payroll Direct Deposit	118144	through	118813	\$ 1,571,098.43

Meeting minutes of January 23, 2018.

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

Resolution No. 8877 relative to awarding a contract was presented to the Commission. Motion was made by Mr. Walker and seconded by Mr. Schaapman to approve Resolution No. 8877. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8877

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-07303, FOR
SUPPLYING POWER TRANSFORMERS

Recitals

1. Bids were publicly opened on December 20, 2017 for Contract 170-07303, for Supplying Power Transformers;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;

• OTC Services	\$4,018,960.00
• Virginia Transformer Corp.	\$19,485,138.00
• Hyundai Power Transformer USA	\$21,147,512.00
• WEG Transformers USA	\$21,902,220.71
• ABB Inc.	\$22,764,474.00
• SPX Transformer Solutions, Inc.	\$25,749,730.00

• Delta Star, Inc.	\$25,611,914.00
• Howard Industries, Inc.	\$27,792,490.00
• PTI Manitoba, Inc.	\$35,409,988.00

3. Grant PUD's Power Delivery engineers, in accordance with the Bid Evaluation criteria contained in the contract documents, have applied evaluation factors for various energy efficiencies which were intended to compare the bids fairly:

Manufacturer/Bidder	Original Total Bid Price	Evaluated Total Bid Price
OTC Services, Inc.	\$4,018,960.00	\$5,426,272.00
Virginia Transformer Corp.	\$19,485,138.00	\$31,792,985.00
Hyundai Electric and Energy Systems	\$21,147,512.00	\$34,586,877.00
Delta Star, Inc.	\$25,611,914.00	\$37,893,679.00
Howard Industries, Inc.	\$27,792,490.00	\$39,349,970.00
SPX Transformer Solutions, Inc.	\$25,749,730.00	\$39,634,454.00
WEG Transformers USA	\$21,902,220.71	\$42,311,141.00
PTI Manitoba Inc.	\$35,409,988.00	\$48,096,311.00
ABB, Inc.	\$22,764,474.00	\$56,084,999.00

4. The bid submitted by OTC Services was commercially and technically non-compliant;
5. The second low bid, submitted by Virginia Transformer Corp. is both commercially and technically compliant with Grant PUD's contract requirements;
6. The bid is within 15% of the Engineer's Estimate of \$30,516,000.00; and
7. Grant PUD's Managing Director of Power Delivery and General Manager concur with staff and recommend award to Virginia Transformer Corp. as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-07303, for Supplying Power Transformers with Virginia Transformer Corp. of Roanoke, Virginia in the not to exceed amount of \$19,485,138.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13th day of February, 2018.

Resolution No. 8878 relative to awarding a contract was presented to the Commission. Motion was made by Mr. Walker and seconded by Mr. Flint to approve Resolution No. 8878. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8878

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-06845, FOR SUPPLYING 115KV AND 230KV HIGH VOLTAGE SF6 CIRCUIT BREAKER(S)

Recitals

8. Bids were publicly opened on December 14, 2017 for Contract 170-06845, for Supplying 115kv and 230kv High Voltage SF6 Circuit Breaker(s);
9. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
- | | |
|--|----------------|
| • Summit Electric, Inc. bidding ABB, Inc. | \$2,357,535.00 |
| • Mitsubishi Electric Power Products, Inc. | \$2,735,903.87 |
| • Anixter, Inc. bidding GE Grid Solutions, LLC | \$2,766,928.00 |
10. The low bid, submitted by Summit Electric, Inc. was commercially and technically non-compliant.
11. The bid submitted by Mitsubishi Electric Power Products, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
12. The bid is less than the Engineer's Estimate of \$7,859,000.00; and

13. Grant PUD's Manager of Power Delivery and General Manager concur with staff and recommend award to Mitsubishi Electric Power Products, Inc. as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-06845, for Supplying 115kV and 230kV High Voltage SF6 Circuit Breaker(s) with Mitsubishi Electric Power Products, Inc. of Warrendale, Pennsylvania in the not to exceed amount of \$2,735,903.87 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13th day of February, 2018.

Motion was made by Mr. Flint and seconded by Mr. Bernd approving Liability Claim for Damages, Claim No. 17-040, with regard to anticipated medical charges in excess of \$5,000.00 but not to exceed \$10,000.00 involving Martin Prudente Salinas. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Bernd and seconded by Mr. Walker authorizing the General Manager, on behalf of Grant PUD, to approve Change Order No. 10 to Contract 130-4106 with HDR Constructors, Inc. (HDR), increasing the not-to-exceed contract price by \$391,238.62 for a new maximum contract price of \$28,855,973.31, 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. 10, and extending the term of the contract for an additional 91 days to January 31, 2018. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Bernd and seconded by Mr. Walker authorizing the General Manager, on behalf of Grant PUD, to approve Change Order No. 4 to Contract 430-4318 with Central WA Management Group (CWMG), increasing the not-to-exceed contract price by \$900,028.80 for a new contract total of \$1,820,028.20, 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. 4, and modifying the completion date to December 31, 2018. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Glen Stockwell, Moses Lake, requested continued Grant PUD support of fast track completion for the Columbia Basin Project.

Kevin Nordt, General Manager, provided a WECC RC update.

An executive session was announced at 2:45 p.m. to last until 3:30 p.m. to discuss performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:30 p.m. and the regular session resumed.

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

There being no further business to discuss, the Commission adjourned at 3:45 p.m. on February 13 and reconvened on Thursday, February 15 at 11:30 a.m. at Washington PUD Association (WPUDA) Building, 212 Union Avenue SE, Suite 201, Olympia, Washington for the purpose of attending WPUDA meetings and any other business that may come before the Commission with the following Commissioners present: Terry Brewer, Tom Flint, and Bob Bernd. 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 2:30 p.m. on February 15 and reconvened on Monday, March 12 at 5:30 p.m. at Mai Lee Thai, 595 Grant Road, East Wenatchee, Washington 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: Larry Schaapman, Tom Flint, and Bob Bernd. A copy of the notice of adjournment was posted near the door outside the Commission room.

There being no further business to discuss, the February 13 meeting officially adjourned at 8:00 p.m. on March 12, 2018.



ATTEST:

Dale Walker
Dale Walker, Secretary

Tom Flint
Tom Flint, Commissioner

Terry L Brewer
Terry Brewer, President

Bob W. Bernd
Bob Bernd, Vice President

Larry Schapman
Larry Schapman, Commissioner