

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

August 14, 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, Dale Walker, Secretary; Tom Flint, Commissioner; and Larry Schaapman, Commissioner. Bob Bernd was absent due to personal business.

A round table discussion was held regarding the following topics: Grant County Fair; commission representation through the bond counsel RFP process; Newspapers in Education charity golf tournament; language correction needed in Rate Schedule No. 7; recent Grant County wildfires; and follow-up request from non-selected RFP candidate, EES Consulting, Inc.

Thomas Stredwick, Senior Manager of Wholesale Fiber and Russ Brethower, Senior Manager of Wholesale Fiber, reviewed the Wholesale Fiber Rate schedule.

Jeremy Nolan, Financial Analyst II, reviewed rate schedule proposals associated with Evolving Industry Rate Schedule No. 17.

The Commission recessed at 10:55 a.m.

The Commission resumed at 11:00 a.m.

Baxter Gillette, Project Specialist VIII, provided a Current Year Budget to Actual report.

Baxter Gillette, Project Specialist VIII, provided a Proposed Year Preliminary Budget report.

The Commission recessed at 11:55 a.m.

The Commission resumed at 1:00 p.m.

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

Emily Smith, Grant County Economic Development Council, encouraged Commission adoption of proposed Evolving Industry Rate Schedule No. 17.

Jonathan Toomim, Moses Lake, provided a high level review of various elements included in *The Toomim Proposal for Evolving Industry: Rate 18*.

Nancy Kinder, Moses Lake, addressed the Commission regarding concerns with the crypto currency industry.

Aydin Kilic, Vancouver, B.C. Canada, encouraged Commission consideration of proposal for accommodations from the Alliance of Grant County emerging industry customers.

Brian Snyder, Moses Lake, spoke in opposition to proposed Rate Schedule No. 17 and requested consideration of alternative evolving industry rate schedule proposals.

Kent Jones, Port of Moses Lake, Port of Moses Lake Commission President, and Jeff Bishop, Port of Moses Lake Executive Director, submitted formal written comments on behalf of the Port of Moses Lake in support of proposed revisions to Grant PUD Customer Service Policy and associated fee schedule (Resolution No. 8890), in support of Rate Schedule No. 17 as proposed by staff; and in opposition to grandfathering of existing evolving industry customers into current rate classes and schedules.

Motion was made by Mr. Flint and seconded by Mr. Walker to excuse the absence of Mr. Bernd. After consideration, the motion was approved by unanimous vote of the Commission.

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

Payment Numbers	84297	through	84735	\$13,023,430.42
Payroll Direct Deposit	127009	through	127708	\$ 1,606,553.70

Meeting minutes of July 24, 2018.

RESOLUTION NO. 8888A RESOLUTION AUTHORIZING ACCEPTANCE OF PERFORMANCE OF CONTRACT  
430-07390, ON-ISLAND IMPROVEMENTS CRESCENT BAR RECREATION AREA – STAGE 2Recitals

1. Grant PUD's Managing Director of Power Production is of the opinion, based on information presently available, that KRCI LLC has completed performance of Contract 430-07390, for On-Island Improvements Crescent Bar Recreation Area – Stage 2; and
2. The Contractor furnished, as required by RCW Chapter 60.28, a Bond in Lieu of Retainage in accordance with the terms of the Contract Documents.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that performance of Contract 430-07390 is hereby accepted.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that this resolution shall not constitute an acceptance by the District of any work performed or goods supplied pursuant to the aforementioned contract which are not in strict compliance with the terms and conditions. Grant PUD hereby expressly reserves the rights and remedies which may be available to it as a result of any such non-compliance.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that this resolution shall not constitute a release, waiver or relinquishment of any indemnity right Grant PUD may have against KRCI LLC with respect to any claim or claims arising from or related to the work performed by KRCI LLC.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 14<sup>th</sup> day of August, 2018.

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

Resolution No. 8889 relative to approving the 2018 IRP was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 8889. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8889A RESOLUTION AUTHORIZING AND APPROVING THE 2018 INTEGRATED  
RESOURCE PLAN (IRP)Recitals

1. RCW Chapter 19.280.010 was enacted by the Washington State Legislature in 2006 to encourage the development of new safe, clean, and reliable energy resources to meet future demand in Washington for affordable and reliable electricity;
2. The State Legislature has found that it is essential that electric utilities in Washington develop comprehensive resource plans that explain the mix of generation and demand-side resources (conservation) they plan to use to meet their customers' electricity needs in both the short term and the long term;
3. RCW 19.28.030 requires that by September 1, 2018, Grant PUD adopt an Integrated Resources Plan which includes:
  - (a) A range of forecasts, for at least the next ten years, of projected customer demand which takes into account econometric data and customer usage;
  - (b) An assessment of commercially available conservation and efficiency resources. Such assessment may include, as appropriate, high efficiency cogeneration, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;
  - (c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies;

(d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;

(e) The integration of the demand forecasts and resource evaluations into a long-range assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs at the lowest reasonable cost and risk to the utility and its ratepayers; and

(f) A short-term plan identifying the specific actions to be taken by the utility consistent with the long-range integrated resource plan.

4. RCW 19.280.050 requires that Grant PUD's Commission encourage participation of its consumers in development of the Integrated Resources Plan and approve the plan after it has provided public notice and hearing which occurred on July 24, 2018;
5. Grant PUD's staff has prepared and submitted an Integrated Resources plan which meets the requirements of RCW Chapter 19.280.010 et seq., a copy of which is attached hereto as Exhibit A; and
6. Grant PUD's General Manager has reviewed the proposed Integrated Resources Plan and it complies with the requirements of RCW Chapter 19.280.010 et seq. and recommends its adoption by the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the attached Integrated Resources Plan is hereby approved and Grant PUD's General Manager is directed to file the plan with the Washington Department of Commerce.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 14th day of August, 2018.

Resolution No. 8890 relative to amending customer service policies was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Flint to approve Resolution No. 8889. After consideration, the motion passed by unanimous vote of the Commission.

#### RESOLUTION NO. 8890

#### A RESOLUTION AMENDING GRANT PUD'S CUSTOMER SERVICE POLICY AND FEE SCHEDULE AND UPDATED SUPPORTING CHANGES OF LARGE SERVICES

#### Recitals

1. Grant PUD is authorized by RCW 54.16.040 to regulate and control the use, distribution, rates, service, charges and price of energy; and
2. Grant PUD's General Manager and staff are of the opinion that the Revised Customer Service Policies and fee schedule are in the best interest of Grant PUD.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the changes to Customer Service Policy and Fee Schedule and supporting information, as set forth in the attached Exhibit A are hereby approved and adopted and shall be effective August 14, 2018.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 14<sup>th</sup> day of August, 2018.

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.

Derin Bluhm, CTO, provided an IT report.

Andrew Munro, Senior Manager of External Affairs and Communications, and Cliff Sears, Project Specialist VI, provided a Federal and State Legislative Update report.

Jeff Grizzel, Senior Manager of Environmental Affairs, provided the Safety Perception Survey rollout.

Mitch Delabarre, General Counsel, reviewed general manager delegation as required by Resolution Nos. 8608 and 8609. Further discussion will be held at the August 28 meeting.

An executive session was announced at 3:30 p.m. to last until 4:00 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:00 p.m. and the regular session resumed.

An additional executive session was announced at 4:00 p.m. to last until 4:15 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:15 p.m. and the regular session resumed.

Motion was made by Mr. Brewer and seconded by Mr. Flint authorizing the General Manager to resolve a customer dispute regarding Claim No. 18-017. After consideration, the motion passed by unanimous vote of the Commission.

There being no further business to discuss, the August 14 meeting officially adjourned at 4:30 p.m.

ATTEST:

  
Dale Walker, Secretary



  
Tom Flint, Commissioner

  
Terry Brewer, President

ABSENT  
Bob Bernd, Vice President

  
Larry Schaapman, Commissioner