

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

October 09, 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.

An executive session was announced at 9:15 a.m. to last until 9:45 a.m. to discuss potential litigation with legal counsel present (via conference call) pursuant to RCW 42.30.110(1)(i) and performance of a public employee with legal counsel present (via conference call) pursuant to RCW 42.30.110(1)(g). The executive session concluded at 9:45 a.m. and the regular session resumed.

And additional executive was announced at 9:45 a.m. to last until 10:05 a.m. to discuss performance of a public employee with legal counsel present (via conference call) pursuant to RCW 42.30.110(1)(g). The executive session concluded at 10:05 a.m. and the regular session resumed.

A round table discussion was held regarding the following topics: squirrel management; recent Yakama Nation meeting and request between both parties for ongoing semi-annual meetings; after-hours outage calls and phone system improvement efforts; electric fleet vehicle pilot program; recent irrigation district meeting attended by Commissioner Schaapman; and future USBR meeting which will be attended by Commissioner Schaapman.

Rich Wallen, Managing Director of Power Production, provided a Production Performance Report.

Shannon Lowry, Manager of Lands and Recreation, provided a Lands and Recreation Program Report.

The Commission recessed at 11:00 a.m.

The Commission resumed at 11:05 a.m.

Dave Churchman, CCO, led a discussion between Grant PUD Commissioners, Rob Skordas, Deputy Regional Director, Pacific Northwest Region, Bureau of Reclamation (USBR), and Darvin Fales, QCBID, concerning a one year Memorandum of Agreement (MOA) regarding transfer of federal power to Reclamation loads on the Grant PUD electric system.

Brent Bischoff, Senior Manager of Power Delivery Engineering, presented a Transmission Standards report.

Dave Churchman, CCO, recognized the following employees for their efforts in development and implementation of the Customer Connect program: Diane Chestnut, Shane Lunderville, Casey Sprouse, Richard Cole, Jeremy Nolan, Devon Williams, Paul Dietz and Brent Bischoff.

The Commission attended an employee recognition luncheon.

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

Cheryl Walker, Moses Lake, spoke in opposition to amending lease and re-payment terms associated with payment of Crescent Bar's share of the water/wastewater system costs.

Chuck Allen, Public Affairs Supervisor, recognized Ryan Holterhoff, Public Affairs Officer, for his outstanding efforts and contributions resulting in a first place Northwest Public Power Association (NWPPA) 2018 Excellence in Communication Award for special publications. In addition, Mr. Allen noted that Grant PUD was also awarded second place recognition for both the Powering our Way of Life Campaign and the Grant PUD Annual Report.

Gary Wirta, North Park Crescent Bar HOA President, spoke in support of the July 23, 2018 Crescent Bar proposal to amend lease and re-payment terms associated with payment of Crescent Bar's share of the water/wastewater system costs. In addition, Mr. Wirta verbally committed to the payment terms as proposed as well as full payment of past due leasehold taxes.

Correspondence was noted from Donna Kreiter of Electric City regarding concerns with a bitcoin organization locating in Electric City and expressing appreciation to Grant PUD Commissioners for recent resolution in adopting Evolving Industry Rate Schedule No. 17.

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

Payment Numbers	85776	through	86220	\$ 9,372,667.03
Payroll Direct Deposit	129791	through	130478	\$ 1,630,993.93

Payment 129790 was a correction of prior payroll error and does not represent an actual disbursement to an employee.

Meeting minutes of September 25, 2018.

RESOLUTION NO. 8897

A RESOLUTION AUTHORIZING ACCEPTANCE OF PERFORMANCE OF
CONTRACT 130-06945H, LABOR TO CONSTRUCT THE ROCKY FORD - DOVER 115KV LINE
AND THE QUINCY PLAINS 230KV TAP

Recitals

1. Grant PUD’s Power Delivery Engineering Senior Manager is of the opinion, based on information presently available, that Summit Line Construction, Inc. has completed performance of Contract 130-06945H, for Labor to Construct the Rocky Ford - Dover 115kv Line and the Quincy Plains 230kv Tap; 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 130-06945H 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 Summit Line Construction, Inc. with respect to any claim or claims arising from or related to the work performed by Summit Line Construction, Inc.

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

Motion was made by Mr. Flint and seconded by Mr. Bernd authorizing the General Manager, on behalf of Grant PUD, to execute Change Order No. 4 to Contract 430-3217 with MacKay & Sposito, Inc., increasing the not-to-exceed contract amount by \$1,650,000.00 for a new contract total of \$8,257,636.00, extending the contract completion date to June 30, 2021 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. 4. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Bernd authorizing the General Manager, on behalf of Grant PUD, to execute Change Order No. 8 to Contract 430-3140 with Anchor QEA, LLC, increasing the not-to-exceed contract amount by \$100,000.00 for a new contract total of \$670,000.00, extending the contract completion date to December 31, 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. 8. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Bernd and seconded by Mr. Flint authorizing the General Manager, on behalf of Grant PUD, to execute Change Order No. 2 to Contract 130-4064 with Alstom Grid, LLC, increasing the not-to-exceed contract amount by \$408,242.00 for a new contract total of \$1,095,672.00, extending the contract completion date to August 31, 2020 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. 2. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Bernd and seconded by Mr. Flint approving the Memorandum of Agreement (MOA) between Grant PUD and United States Bureau of Reclamation (USBR) in the form attached as Exhibit A. After consideration, the motion passed by unanimous vote of the Commission.

Resolution No. 8898 relative to awarding a contract was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Flint to approve Resolution No. 8898. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8898

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 430-08631, FOR QUINCY CHUTE PENSTOCK & AIR VALVE COATING

Recitals

1. Bids were publicly opened on September 11, 2018 for Contract 430-08631, for Quincy Chute Penstock & Air Valve Coating;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;

Bidder Name	Total Bid Price
F.D. Thomas, Inc.	\$1,099,596.00
HCI Industrial & Marine Coatings, Inc.	\$1,266,872.00
Long Painting Company	\$1,425,000.00
Columbia Industrial Coatings	\$1,449,500.00

3. The low bid, submitted by F.D. Thomas, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$1,500,000.00; and
5. Grant PUD's Managing Director of Power Production and General Manager/Chief Executive Officer concur with staff and recommend award to F.D. Thomas, 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/Chief Executive Officer is authorized to enter into a contract, Contract 430-08631, for Quincy Chute Penstock & Air Valve Coating with F.D. Thomas, Inc. of Central Point, Oregon in the amount of \$1,099,596.00 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 9th day of October, 2018.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 1:40 p.m.

The Commission resumed at 2:00 p.m.

Commission President Brewer announced the opening of the public comment period for the proposed 2019 budget.

The Commission held a public budget hearing in the Ephrata Headquarters Commission Room to discuss the 2019 proposed budget. Public comments were received.

The Commission recessed at 3:35 p.m.

The Commission resumed at 3:45 p.m.

Devon Williams, Manager of Enterprise Risk Management, provided an Enterprise Risk report.

Nick Weber, Manager of Security, provided a NERC / WECC R&C Program report.

The Commission recessed at 4:15 p.m.

The Commission resumed at 6:00 p.m.

The Commission held a public Budget Hearing at the Moses Lake Fire Hall, to discuss the 2019 proposed budget. Public comment was received regarding fiber buildout.

There being no further business to discuss, the Commission adjourned at 6:30 p.m. on October 9 and reconvened on Thursday, October 11 at 6:00 p.m. at the Quincy Community Center, 115 F Street SW, Quincy, Washington for the purpose of attending a public budget hearing and any other business that may come before the Commission with the following Commissioners present: Dale Walker, Larry Schaapman, Terry Brewer, Tom Flint, and Bob Bernd. A copy of the notice of adjournment was posted near the door outside the Commission room.

The Commission held a public Budget Hearing at the Quincy Community Center, to discuss the 2019 proposed budget. No public comments were received.

There being no further business to discuss, the October 9 meeting officially adjourned at 6:30 p.m. on October 11, 2018.



ATTEST:

Dale Walker

Dale Walker, Secretary

Terry L Brewer

Terry Brewer, President

Robert W. Bernd

Bob Bernd, Vice President

Tom Flint

Tom Flint, Commissioner

Larry Schaapman

Larry Schaapman, Commissioner