

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

January 8, 2019

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: Dale Walker, President; Tom Flint, Vice-President; Larry Schaapman, Secretary; Judy Wilson, Commissioner; and Nelson Cox, Commissioner.

A round table discussion was held regarding the following topics: recent *60 Minutes* feature story on Grant County local business Xyleco, Inc.; Data Optimization Project update; announcement from OATH (formerly Yahoo!) regarding ongoing conservation efforts and their intent to donate back its energy efficiency payment to Grant PUD LED lighting and Share the Warmth programs; community outreach update; dispatch performance audit status update; recent Owners Dam Safety Program (ODSP) peer audit kick-off; vendor due diligence; and Rocky / Dover line energization update.

Rich Wallen, Managing Director Power Delivery, presented the Power Production Performance Report.

The Commission recessed at 10:55 a.m.

The Commission resumed at 11:05 a.m.

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

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

Honorable Judge Estudillo administered the Oath of Office to newly elected Commissioners Judy Wilson and Nelson Cox.

Sharon Hastings, Ephrata, spoke in support of continued fiber buildout.

Jeff Bishop, Port of Moses Lake Executive Director, extended an invitation from Port Commissioners to attend a briefing on Port related activities and initiatives as well as receive a tour of Port facilities.

Duane Unland, Yakima, provided written comment in response to the proposed Grant PUD resolution to condemn certain real property owned by S. Martinez Livestock, Inc.

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

Payment Numbers	88028	through	88726	\$81,977,522.23
Payroll Direct Deposit	133489	through	135165	\$ 3,489,971.49

Meeting minutes of December 11, 2018.

RESOLUTION NO. 8905

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE CENTRAL WASHINGTON POWER AGENCY

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Larry Schaapman is hereby appointed as representative of Grant PUD to the Board of Directors of the Central Washington Power Agency, effective January 8, 2019 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Dale Walker, Tom Flint, Judy Wilson and Nelson Cox, are appointed as alternate representatives to said Board to serve in the absence or disability of Commissioner Larry Schaapman

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution, appoint other members of the Board as representative or alternate in the place and stead of those above named.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of January, 2019.

RESOLUTION NO. 8906

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF ENERGY NORTHWEST

BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington, that Commissioner Tom Flint is hereby appointed as the representative of Grant PUD to the Board of Directors of Energy Northwest, effective January 8, 2019 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Dale Walker, Larry Schaapman, Judy Wilson and Nelson Cox are appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Tom Flint.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution, appoint other members of the Board as representative or alternate in the place and stead of those above named.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of January, 2019.

RESOLUTION NO. 8907

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Dale Walker is hereby appointed as representative of Grant PUD to the Board of Directors of the Washington Public Utility Districts' Association, effective January 8, 2019 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Tom Flint, Larry Schaapman, Judy Wilson and Nelson Cox are hereby appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Dale Walker. Other Commissioners will not be precluded.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 8th day of January, 2019.

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. Schaapman naming the following slate of officers effective January 8, 2019 and shall remain in effect until the next election of officers:

President	Dale Walker
Vice President	Tom Flint
Secretary	Larry Schaapman
Commissioner	Judy Wilson
Commissioner	Nelson Cox

After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 430-3050 with Stantec Consulting Services, Inc., increasing the not-to-exceed contract amount by \$2,100,000.00 for a new contract total of \$13,575,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5. After consideration, the motion passed by majority vote of the Commission with Commissioners Wilson and Cox abstaining from the vote.

Motion was made by Mr. Cox and seconded by Mrs. Wilson approving the defense and indemnification of the individuals named as defendants in the case captioned Blocktree Properties, LLC et al. v. Public Utility District No. 2 of Grant County, WA, et al., in the United States District Court for the

Eastern District of Washington, case no. 2:18-cv-00390-RMP, and specifically identified as Terry Brewer, Bob Bernd and Does 1-10, who are alleged to have acted in their official capacities as Commissioners, managers or employees of defendant Public Utility District No. 2 of Grant County, WA. Counsel for defendant Public Utility District No. 2 of Grant County, WA, namely Van Ness Feldman, LLP, is authorized and directed to defend the individual defendants in the pending litigation referenced above in accordance with law and applicable Rules of Professional Conduct. The costs to defend said claim, suit, and proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action shall be paid from the district's funds. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Cox and seconded by Mrs. Wilson approving the defense and indemnification of the individuals named as defendants in the case captioned Blocktree Properties, LLC et al. v. Public Utility District No. 2 of Grant County, WA, et al., in the United States District Court for the Eastern District of Washington, case no. 2:18-cv-00390-RMP, and specifically identified as Tom Flint who is alleged to have acted in his official capacity as Commissioner of defendant Public Utility District No. 2 of Grant County, WA. Counsel for defendant Public Utility District No. 2 of Grant County, WA, namely Van Ness Feldman, LLP, is authorized and directed to defend the individual defendant in the pending litigation referenced above in accordance with law and applicable Rules of Professional Conduct. The costs to defend said claim, suit, and proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action shall be paid from the district's funds. After consideration, the motion passed by majority vote of the Commission with Commissioner Flint abstaining from the vote.

Motion was made by Mr. Flint and seconded by Mrs. Wilson approving the defense and indemnification of the individuals named as defendants in the case captioned Blocktree Properties, LLC et al. v. Public Utility District No. 2 of Grant County, WA, et al., in the United States District Court for the Eastern District of Washington, case no. 2:18-cv-00390-RMP, and specifically identified as Larry Schapman who is alleged to have acted in his official capacity as Commissioner of defendant Public Utility District No. 2 of Grant County, WA. Counsel for defendant Public Utility District No. 2 of Grant County, WA, namely Van Ness Feldman, LLP, is authorized and directed to defend the individual defendant in the pending litigation referenced above in accordance with law and applicable Rules of Professional Conduct. The costs to defend said claim, suit, and proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action shall be paid from the district's funds. After consideration, the motion passed by majority vote of the Commission with Commissioner Schapman abstaining from the vote.

Motion was made by Mr. Flint and seconded by Mr. Schapman approving the defense and indemnification of the individuals named as defendants in the case captioned Blocktree Properties, LLC et al. v. Public Utility District No. 2 of Grant County, WA, et al., in the United States District Court for the Eastern District of Washington, case no. 2:18-cv-00390-RMP, and specifically identified as Dale Walker who is alleged to have acted in his official capacity as Commissioner of defendant Public Utility District No. 2 of Grant County, WA. Counsel for defendant Public Utility District No. 2 of Grant County, WA, namely Van Ness Feldman, LLP, is authorized and directed to defend the individual defendant in the pending litigation referenced above in accordance with law and applicable Rules of Professional Conduct. The costs to defend said claim, suit, and proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action shall be paid from the district's funds. After consideration, the motion passed by majority vote of the Commission with Commissioner Walker abstaining from the vote.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 1:45 p.m.

The Commission resumed at 1:55 p.m.

Devon Williams, Enterprise Risk Management Manager, provided the Enterprise Risk Report.

Alex Ybarra, Reliability Compliance Internal Auditor, provided a NERC/WECC and R&C Report.

Kevin Nordt, General Manager/CEO and Dave Churchman, Chief Customer Officer, held a retail rate discussion.

An executive session was announced at 3:20 p.m. to last until 3:40 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and performance of a public

employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:40 p.m. and the regular session resumed.

An additional executive session was announced at 3:40 p.m. to last until 4:40 p.m. to discuss performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:40 and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:40 p.m. on January 8 and reconvened on Wednesday, January 16 at 5:30 p.m. at the Red Lion Hotel, 2300 Evergreen Park Drive SW, Olympia, Washington for the purpose of attending WPUA sponsored legislative reception and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Dale Walker, Nelson Cox, and Judy Wilson. 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 January 16 and reconvened on Thursday, January 17 at 8:00 a.m. at the Washington PUD Headquarters Building, 212 Union Avenue SE, Suite 201, Olympia, Washington for the purpose of attending WPUA Meetings and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Dale Walker, Nelson Cox and Judy Wilson. 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 January 17 and reconvened on Friday, January 18 at 8:00 a.m. at the Washington PUD Headquarters Building, 212 Union Avenue SE, Suite 201, Olympia, Washington for the purpose of attending WPUA Meetings and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Dale Walker, Nelson Cox and Judy Wilson. A copy of the notice of adjournment was posted near the door outside the Commission room.

There being no further business to discuss, the January 8 meeting officially adjourned at 11:00 a.m. on January 18, 2019.



ATTEST:


Larry Schaapman, Secretary


Dale Walker, President


Tom Flint, Vice President


Judy Wilson, Commissioner


Nelson Cox, Commissioner