

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

January 22, 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: a Nespelem Valley Electric Cooperative, Inc. request to purchase a portion of the Grant PUD electric system in the Grand Coulee / Electric City area; damage to District property policy update; request for recap of former Mid-C agreement and current status update; proposed changes to management benefit policies; and notice of Claim No. 18-0113.

Ron Roth, Safety Coordinator, reviewed the January 2019 Safety Report.

Ian Hunter, Dam Safety Engineering Manager / Emergency Action Plan (EAP) Manager, provided an overview of the Our Dam Safety Program (ODSP).

Jeremy Nolan, Lead Financial Analyst, provided a Retail Load and Revenue Report.

Jeff Grizzel, Interim Managing Director of Power Delivery, provided a Power Delivery performance report.

New employee Shaun Harrington, Data Analyst, was introduced to the Commission.

The Commission attended a lunch meeting with Grant County Commissioners.

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

Sharon Hastings, Ephrata, encouraged continued effort in marketing of the fiber buildout program.

Correspondence was noted by Commissioner Schaapman regarding irrigation customer connections.

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

Payment Numbers	88728	through	89218	\$9,198,662.31
Payroll Direct Deposit	135166	through	135831	\$ 1,531,703.63

Meeting minutes of January 8, 2019.

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

Resolution No. 8908 relative to acquisition by condemnation of certain real property was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Flint to approve Resolution No. 8908. After consideration, the motion passed by unanimous vote of the Commission.

**RESOLUTION NO. 8908**

A RESOLUTION AUTHORIZING THE ACQUISITION BY CONDEMNATION OF CERTAIN REAL  
PROPERTY

**Recitals**

1. Public Utility District No. 2 of Grant County, Washington, a duly established municipal corporation of the State of Washington, hereinafter referred to as "Grant PUD", is authorized under RCW 54.16.020 and RCW 54.16.040 as amended, to condemn and acquire land and other property rights and privileges within and without its limits necessary for the purpose of furnishing itself, and its

inhabitants, and any other persons with electric current for all uses and to construct facilities for the distribution thereof;

2. Grant PUD is constructing safety-related improvements to Priest Rapids Dam to comply with requirements of the Federal Energy Regulatory Commission;
3. Grant PUD's Board of Commissioners has determined that it is necessary and advisable and in the best interests of Grant PUD and its electrical users that Grant PUD acquire through purchase or condemnation the real property described in Exhibit A, hereinafter referred to as the "Real Property";
4. Grant PUD has obtained an appraisal of the property sought to be acquired and has offered the property owner an amount which is equal to or greater than the appraised amount for said property rights; and
5. Grant PUD has been unable to purchase said property through negotiation.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington as follows:

Section 1. The public interest, welfare, convenience, and necessity require the acquisition by Grant PUD of the Real Property described in Exhibit A.

Section 2. That the object and use for which the Real Property is sought to be taken is a public object and a public use, to-wit: The operating of works, plants, and facilities for generating electric current and furnishing Grant PUD and the inhabitants of Grant PUD, and any persons including public and private corporations within or without the limit of Grant PUD, with electric current and energy and to construct facilities for the transmission and distribution thereof.

Section 3. That the name of the owner and occupant of the Real Property and of all persons having any interest therein, known to Grant PUD, is S. Martinez Livestock, Inc.

Section 4. Grant PUD's attorneys are hereby authorized and directed to institute forthwith and prosecute to a conclusion in the Superior Court of the State of Washington for Grant County, or such other court or courts as may be appropriate, an action or actions in the name of Grant PUD, for the acquisition by condemnation of the Real Property.

Section 5. That just compensation for the taking or damaging of said property shall be made from Grant PUD funds.

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. 3 to Contract 430-06804 with AVANTech, Inc. increasing the not-to-exceed contract amount by \$1,500,000.00 for a new contract total of \$2,000,000.00 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. 3. 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 Contract 430-08384 with Central Washington Management Group, LLC (CWMG) in an amount not to exceed \$3,970,000.00 and with a contract term of three years. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint approving Employment Agreement with Kevin Nordt, General Manager/CEO. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Cox that in light of the challenge to Rate Schedule 17 in 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, District staff are instructed (a) to maintain an interest bearing account, separate from general District funds, identified for Rate Schedule 17 Deposits, and (b) to deposit into the account funds collected by the District for services provided by the District to all customers taking service under Rate Schedule 17 in an amount equal to the difference between the rates collected under Rate Schedule 17 and the rates that would have been collected from the same customers under Rate Schedule 7, which equals the amounts disputed by plaintiffs. These funds shall be available to the District to pay any refunds, with interest, in the event plaintiffs prevail in legal challenges to the adoption Rate Schedule 17. After the litigation is resolved, funds remaining in this account after refunds, if any, are paid may be

deposited into the District's general funds. After consideration, the motion passed by unanimous vote of the Commission.

The Commission recessed at 1:45 p.m.

The Commission resumed at 1:50 p.m.

Thomas Stredwick and Russ Brethower, Senior Managers Wholesale Fiber, provided a Wholesale Fiber Business Report.

The Commission recessed at 2:50 p.m.

The Commission resumed at 2:55 p.m.

An executive session was announced at 2:55 p.m. to last until 4:15 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and 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.

An additional executive session was announced at 4:15 p.m. to last until 4:30 p.m. to discuss performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:30 p.m. on January 22 and reconvened on Thursday, January 31 at 1:00 p.m. at the Main Headquarters Building, 30 C St. SW, Ephrata, Washington for the purpose of attending a Rates Workshop and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Dale Walker, Tom Flint, 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 22 meeting officially adjourned at 3:00 p.m. on January 31, 2019.

Dale Walker, President

ATTEST:

Larry Schaapman, Secretary

Tom Flint, Vice President

Judy Wilson, Commissioner

Nelson Cox, Commissioner