

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

August 11, 2020

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 678 050 #6 with the following Commissioners present: Tom Flint, President; Larry Schaapman, Vice-President; Judy Wilson, Secretary; Dale Walker, Commissioner; and Nelson Cox, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:34 a.m.

The Commission resumed at 9:50 a.m.

A round table discussion was held regarding the following topics: system reliability update; Elliot Mainzer's announced departure as BPA Administrator to take position as CEO of the California ISO; Incident Criticality Level (ICL) status; P08 status update; and customer site visit made by Commissioners Wilson and Flint.

John Mertlich, Senior Manager of FP&A, and Jeremy Nolan, Lead Financial Analyst, provided the Current Year Budget to Actual Report.

John Mertlich, Senior Manger of FP&A, reviewed the 2021 Preliminary Budget Report.

Ron Alexander, Senior Manager of Power Delivery Construction and Maintenance; Jacob Johnson, Electric Shop Supervisor; Will Coe, Engineer V Power Delivery Construction and Maintenance; and Chris Heimbigner, Line Superintendent; provided a Construction and Maintenance Program Report.

An executive session was announced at 11:35 a.m. to last until 12:00 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:00 p.m. and the regular session resumed.

The executive session was extended from 12:00 p.m. to last until 12:30 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:30 p.m. and the regular session resumed.

The Commission recessed at 12:30 p.m.

The Commission resumed at 1:00 p.m.

Public comment was received by Washington State Representative Tom Dent, 13th Legislative District; Washington State Senator Judy Warnick, 13th Legislative District; Cory Wright, Kittitas County Commissioner; Bryan Stockdale, Riverstone Resort; Mark Ricky, Kittitas County Sheriff Deputy and Kittitas County Marine Program member; and Russ Jenkins, recreator; in support of continued operations of Riverstone Resort in Vantage, Washington. In addition, each encouraged the Board to speak with Bryan Stockdale about the continued operation of Riverstone Marina.

Roger Sonnichsen, Quincy Columbia Basin Irrigation District, inquired about status of the transmission rate proposal submitted on behalf of the Bureau of Reclamation and Irrigation Districts and requested a meeting of attorneys for the parties to discuss FERC jurisdiction.

Correspondence was noted from Lake Wenatchee Fire & Rescue regarding interest in PUD property located in Leavenworth, Washington; Roger Sonnichsen of Quincy Columbia Basin Irrigation District regarding request for meeting of Counsel to discuss FERC Jurisdiction; and Dan Casler regarding concerns with costs and circumstances associated with a contracted Crescent Bar towing company.

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

Payment Number	104103	through	104375	\$8,328,431.09
Payroll Direct Deposit	162721	through	163432	\$1,964,085.45
Payroll Tax and Garnishments	20200730A	through	20200730B	\$816,617.99

Meeting minutes of July 28, 2020.

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

Resolution No. 8945 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Cox to approve Resolution No. 8945. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8945

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-10049, FOR SUPPLYING POWER TRANSFORMERS – ALTERNATE SOURCE

Recitals

1. Bids were publicly opened on May 21, 2020 for Contract 170-10049, for Supplying Power Transformers – Alternate Source;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

- Delta Star Inc. (Quebec factory) \$25,761,358.00
- WEG Transformers USA LLC \$28,276,871.00
- Delta Star, Inc. (California factory) \$28,429,866.00
- Pennsylvania Transformer Technology \$31,125,135.00
- SPX Transformer Solutions \$35,219,080.00

3. The District’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	Original Total Bid Price	Evaluated Total Bid Price
Delta Star QC	\$25,761,358	\$37,352,305
WEG Transformers USA	\$28,276,871	\$53,569,494
Delta Star CA	\$28,429,866	\$37,995,833
Pennsylvania Transformer Technologies	\$31,125,135	\$43,396,988
SPX	\$35,219,080	\$46,462,457

4. The Bid submitted by Delta Star, Inc. (Quebec factory) is commercially non-compliant;
5. The second low bid, submitted by WEG Transformers USA LLC is both commercially and technically compliant with Grant PUD’s contract requirements;
6. The bid is less than the Engineer’s Estimate of \$31,033,442.86; and
7. Grant PUD’s Senior Manager of Power Delivery and Managing Director of Power Delivery concur with staff and recommend award to WEG Transformers USA LLC 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 170-10049, for Supplying Power Transformers – Alternate Source with WEG Transformers USA LLC of Washington, Missouri in the amount of \$28,276,871.00 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 11th day of August, 2020.

Resolution No. 8946 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Cox to approve Resolution No. 8946. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8946

**A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 230-10377, FOR PRIEST
RAPIDS DAM TURBINE AND GENERATOR REHABILITATION LEAD ABATEMENT
AND COATINGS**

Recitals

1. Bids were publicly opened on July 8, 2020 for Contract 230-10377, for Priest Rapids Dam Turbine and Generator Rehabilitation Lead Abatement and Coatings;
2. Bid proposals were received from the following contractors and evaluated by Grant PUD's staff;
 - Hancock Sandblast & Paint LLC
 - Champion Liberty JV
3. The low bid, submitted by Hancock Sandblast & Paint LLC is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$5,051,758.00 plus 15%; and
5. Grant PUD's Senior Manager of Power Production Engineering and Managing Director of Power Production concur with staff and recommend award to Hancock Sandblast & Paint LLC 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 230-10377, for Priest Rapids Dam Turbine and Generator Rehabilitation Lead Abatement and Coatings with Hancock Sandblast & Paint LLC of Pasco, Washington in the amount of \$5,554,796.00 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 11th day of August, 2020.

Resolution No. 8947 relative to issuing bonds was presented to the Commission. Motion was made by Mrs. Wilson and seconded by Mr. Cox to approve Resolution No. 8947. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8947

**A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE
AND REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF
NOT TO EXCEED \$175,000,000 FOR THE PURPOSE OF FINANCING CAPITAL
IMPROVEMENTS TO THE ELECTRIC SYSTEM AND REFUNDING CERTAIN OUTSTANDING
ELECTRIC SYSTEM BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL
TERMS OF THE BONDS**

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Derin Bluhm, Chief Technology Officer, provided the IT Report.

Andrew Munro, Senior Manager of External Affairs and Communications, and Cliff Sears, Senior Policy Analyst, provided a Federal & State Legislative Update Report.

Mitch Delabarre, General Counsel, updated the Commission on District Real Estate and the need for condemnation in support of the PRREIP.

Kevin Nordt, General Manager / CEO informed the Board of a staff recommendation to extend terms of the existing Memorandum of Agreement (MOA) between Grant PUD and the Bureau of Reclamation for supply transfer service of federal power to Reclamation loads on the Grant PUD electric system through end of calendar year 2021. A formal proposal will be presented to Board for action at a

future meeting. In addition, Mr. Nordt noted that the proposed staff recommendation would be communicated to both the Bureau of Reclamation and Irrigation Districts.

Trade Association / Committee Reports were reviewed.

An executive session was announced at 3:15 p.m. to last until 3:45 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 3:45 p.m. and the regular session resumed.

The executive session was extended from 3:45 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.

There being no further business to discuss, the August 11, 2020 meeting officially adjourned at 4:15 p.m.

ATTEST:



Judy Wilson, Secretary

/s/
Tom Flint, President

/s/
Larry Schaapman, Vice President

/s/
Dale Walker, Commissioner

/s/
Nelson Cox, Commissioner