

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

August 25, 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. Commissioner Walker was absent from the a.m. session.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:07 a.m.

The Commission resumed at 9:10 a.m.

The Commission discussed the need for an afternoon executive session to be held during the afternoon portion of the meeting.

The Commission recessed at 9:12 a.m.

The Commission resumed at 9:55 a.m.

A round table discussion was held regarding the following topics: small, non-material wording change to the Morgan Stanley contract at the request of Bond Counsel; Northwest Power Pool Resource adequacy and Grant’s commitment to participate in Phase 2 efforts; CAISO Energy Emergency – Level 3 and recent rolling blackouts; high volume of use at Grant PUD recreation sites; virtual Employee Appreciation Event scheduled for September 24; request for follow-up from Commissioner Flint on both the Bryan Stockdale and Wade King issues; a voucher review inquiry from Commissioner Wilson; request from Commissioner Schaapman for Grant’s response to recent notification of a bio hazard conditional use permit submitted for the Baird Springs area; and offer to provide list of approved trading partners to the Commission.

Ron Roth, Senior Safety Coordinator, presented the Safety Report.

John Mertlich, Senior Manager of FP&A; Bonnie Overfield, Senior Manager of Treasury; and Michael Facey, Senior Manager of Accounting; provided the Financial Statement Suite Report.

Thomas Stredwick, Senior Manager of Organizational Development, and Scott Sundberg, Employee Experience Specialist, provided a status update on the Educational Reimbursement Policy.

Julie Pyper, Senior Manager of PMO, presented the PMO Report.

The Commission recessed at 12:10 p.m.

The Commission resumed at 1:00 p.m.

Debra Doebler, Mattawa, Washington, made a presentation on the operation of the Doebler Family Farm. The presentation was to support their request to extend their leasehold interest for an additional fifteen years.

Larry Lewis, Sunland Estates, Quincy, Washington, expressed dissatisfaction with shoreline amenities allowed and permitted at Columbia Cliffs. In addition, he expressed interest in further exploring renewed shoreline permitting opportunities for Sunland Estates.

Correspondence was noted from Vincent McGowan, Water Quality Program Manager, Washington State Department of Ecology, providing notice to Grant PUD Board of Commission that the Crescent Bar Wastewater Treatment Facility had been chosen as a recipient of the 2019 Wastewater Treatment Plant Outstanding Performance Award, and from a Crescent Bar resident expressing concerns over plans to build a fence in the south park area along the golf course.

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

Payment Number	104376	through	104738	\$12,874,426.36
Payroll Direct Deposit	163433	through	164148	\$1,874,799.58
Payroll Tax and Garnishments	20200813A	through	20200813B	\$798,331.85

Meeting minutes of August 11, 2020.

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

Resolution No. 8948 relative to approving the 2020 Integrated Resource Plan (IRP) was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mrs. Wilson to approve Resolution No. 8948. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8948

A RESOLUTION AUTHORIZING AND APPROVING THE
2020 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, 2020, 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, as informed, as applicable, by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with (a) of this subsection. Such assessment may include, as appropriate, opportunities for development of combined heat and power as an energy and capacity resource, 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 including a comparison of the benefits and risks of purchasing power or building new resources;
 - (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) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, including but not limited to battery storage and pumped storage, and addressing overgeneration events, if applicable for the utility's resource portfolio;
 - (f) An assessment and ten-year forecast of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers;
 - (g) A determination of resource adequacy metrics for the resource plan consistent with the forecasts;
 - (h) A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations;
 - (i) An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing RCW 19.405.030 through 19.405.050;
 - (j) The integration of the demand forecasts, resource evaluations, and resource adequacy requirement 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, including mitigating overgeneration events and implementing

RCW 19.405.030 through 19.405.050, at the lowest reasonable cost and risk to the utility and its customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system;

(k) An assessment, informed by the cumulative impact analysis conducted under RCW 19.405.140, of: Energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk; and

(l) A ten-year clean energy action plan for implementing RCW 19.405.030 through 19.405.050 at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies 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 28, 2020;
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 25th day of August, 2020.

Resolution No. 8949 relative to entering into a nearly five-year exchange of capacity for energy was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Schaapman to approve Resolution No. 8949. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8949

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON TO ENTER INTO A NEARLY FIVE-YEAR EXCHANGE OF CAPACITY FOR ENERGY WITH MORGAN STANLEY CAPITAL GROUP

Recitals

1. Grant PUD has sought to increase certainty surrounding its wholesale sales revenues in support of various Strategic Plan goals while maximizing the value of customer hydro generation assets;
2. An Exchange of 33.31 percent Grant PUD generating capacity in the Priest Rapids Project for energy to serve load was found through analysis to best meet these goals of the Strategic Plan;
3. The process of selection of the proposed contract counterparty and transaction structure was a combination of market surveys and quantitative analysis of multiple scenarios. The selected proposal is reasonably anticipated to produce the best financial and risk outcomes for customers, and represent a fair, market based value for the product sold; and
4. The proposed transaction represents a diversification of Grant PUD resources and risk; the value of the anticipated energy volumes exchanged are expected to be roughly equal.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the Commission authorizes the General Manager to execute an exchange contract containing terms that are materially similar to those reviewed with this Commission.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of August, 2020.

Resolution No. 8950 relative to filing of a proposed budget for the year 2021 was presented to the Commission. Motion was made by Mrs. Wilson and seconded by Mr. Cox to approve Resolution No. 8950. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8950

A RESOLUTION PROVIDING FOR THE FILING OF A PROPOSED BUDGET FOR THE YEAR 2021, SETTING A DATE FOR PUBLIC HEARING THEREON AND AUTHORIZING NOTICE OF SUCH MEETING

Recitals

1. Pursuant to RCW 54.16.080, Grant PUD is required to prepare a proposed budget and file it in its records on or before the first Monday in September.

WHEREAS, the preliminary proposed Budget of Revenue and Expenditures for Grant PUD for the year 2021 is attached hereto as Exhibits A and B.

WHEREAS, public comment on the proposed budget will be officially open October 8th during the regular scheduled Commission Meeting and the District is planning to schedule public hearings regarding the proposed 2021 budget in the month of October at which any rate payer may appear and be heard for or against the whole or any part thereof.

NOW, THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the preliminary 2021 budget is hereby made a part of the District’s official records and public comment regarding the proposed 2021 budget shall open October 8th, 2020 during the regular scheduled Commission Meeting and conclude upon adoption of the budget. Notice of scheduled public hearings shall be published at least two consecutive weeks prior to the public hearing in a newspaper printed and of general circulation in Grant County.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of August, 2020.

Motion was made by Mr. Schaapman and seconded by Mr. Cox to move review item related to Contract No. 170-10397 for supply of fiber gateway equipment forward for action. After discussion, the motion passed by unanimous vote of the Commission.

Resolution No. 8951 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Mr. Cox and seconded by Mr. Schaapman to approve Resolution No. 8951. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8951

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-10397, FOR SUPPLYING ALLIED TELESIS MULTISERVICE GATEWAY ELECTRONICS FOR FIBER TERMINATION

Recitals

1. Bids were publicly opened on July 14, 2020 for Contract 170-10397, for Supplying Allied Telesis Multiservice Gateway Electronics for Fiber Termination;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD’s staff;

• Graybar Electric Company, Inc.	\$2,999,997.00
• Wesco Distribution, Inc.	\$3,196,800.00
• Anixter, Inc.	\$3,235,650.00
• World Wide Technology, LLC.	\$3,257,184.00

3. The low bid, submitted by Graybar Electric Company, Inc. is both commercially and technically compliant with Grant PUD’s contract requirements;
4. The bid is less than the Engineer’s Estimate of \$3,100,000.00; and
5. Grant PUD’s Senior Manager of Wholesale Fiber and Chief Technology Officer concur with staff and recommend award to Graybar Electric Company, 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 is authorized to enter into a contract, Contract 170-10397, for Supplying Allied Telesis Multiservice Gateway Electronics for Fiber Termination with Graybar Electric Company, Inc. of Seattle, Washington in the not to exceed amount of \$2,999,997.00 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 25th day of August, 2020.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

A discussion was held regarding 2020 wellness program requirements.

Commissioners were reminded to submit Employee Appreciation Event videos no later than August 31.

Commissioner Flint requested a status update on the facilities master plan as well as long term planning for Grant PUD local offices. In addition, he requested a re-review of the most recent customer satisfaction survey.

A follow-up discussion was held regarding public comment received by Debra Doebler.

The Commission recessed at 2:08 p.m.

The Commission resumed at 2:30 p.m.

An executive session was announced at 2:30 p.m. to last until 6:00 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 6:00 p.m. and the regular session resumed.

There being no further business to discuss, the August 25, 2020 meeting officially adjourned at 6:00 p.m.

ATTEST:

_____/s/
Judy Wilson, Secretary



_____/s/
Dale Walker, Commissioner

_____/s/
Tom Flint, President

_____/s/
Larry Schaapman, Vice President

_____/s/
Nelson Cox, Commissioner