



June 23, 2026

2nd/3rd Tuesday - Workshop

8:30 a.m.	Executive Session
9:00 a.m.	Presentation Period
12:00 p.m.	Lunch
1:00 p.m.	Internal Recognition
1:30 p.m.	Presentation Period
3:30 p.m.	Business Review a. Review of Agenda items



Materials

Grantpud.org/commission-meetings

4th Tuesday – Business Meeting

8:30 a.m.	Executive Session
9:00 a.m.	Administration Voucher Calendar
9:30 a.m.	Reporting
11:00 a.m.	Business Review
12:00 p.m.	Lunch
1:00 p.m.	Business Meeting: SAFETY BRIEF a. Pledge of Allegiance, Attendance b. Round Table-Trade Association, Correspondence, Public Comment Period c. Consent Agenda d. Approval of Vouchers e. Meeting minutes f. Agenda Items
2:30 p.m.	Commission Period
3:30 p.m.	Commission Planning Period

Workshop – Business Review

Business Meeting – Agenda Items

9126 – Resolution Adopting Revised SEPA Policies and Procedures and Superseding Resolution 8590.

HOLD – Resolution XXXX Energy Risk Policy (July 2026).

HOLD – Resolution XXXX Integrated Resource Planning (IRP) (August 2026).

Motion authorizing the General Manager/CEO to execute contract with Shell Energy North America (US)(“Shell”), for the purpose of entering an energy exchange agreement. The agreement shall be for a 3-year Wholesale Energy Exchange Transaction with Shell Energy. (3563)

Motion authorizing the General Manager/CEO to execute Contract No. 130-13111 with North Harris Computer Corporation (Harris) as Grant PUD’s new Customer Information System (CIS) in the amount not to exceed \$7,717,927.43 for a contract term of 5 years. (3564)

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

May 26, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 464734098# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission convened to review vouchers, correspondence and calendar.

The Commission recessed at 9:10 a.m.

The Commission resumed at 9:30 a.m.

Bryndon Ecklund, Manager of Forecasting and Planning, and Michael Jenkins, Financial Analyst presented the Financial/Treasury Report.

Julie Pyper, Vice President of Business Advancement and Strategy, presented the Balanced Scorecard/Organization Performance Report.

The Commission engaged in a Business Review period.

Commission participated in a lunch meeting with Grant County Commission.

The Commission resumed at 1:03 p.m. and opened the public comment period. No members of the public were present in person or online.

A round table of trade association and committee reports were reviewed regarding the following topics:

- July WPUA Association Meeting in Okanogan, Washington

Consent agenda motion was made Commissioner Cox and seconded by Commissioner Wilson to approve the following consent agenda items:

Payment Number	166119	through	166845	\$47,804,743.81
Payroll Direct Deposit	34889	through	36780	\$6,759,328.26
Payroll Tax and Garnishments	20260429A	through	20260513B	\$3,019,759.34

Business Minutes from:

- April 28, 2026 Commission Meeting
- May 12, 2026 Commission Workshop
- May 19, 2026 Commission Workshop

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

The Commission approved a walk on review item on May 19, 2026, to move forward for Action at the May 26, 2026 Business Meeting for the topic of Appointee Salary. Then,

Resolution No. 9124 relative to adopting a salary was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Cox to approve Resolution No. 9124. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9124

A RESOLUTION ADOPTING SALARY FOR CHIEF EXECUTIVE OFFICER / GENERAL MANAGER

Recitals

1. The Commission desires to establish the salaries for its Chief Executive Officer / General Manager as set forth herein.

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

Section 1. The adjusted salary for the Chief Executive Officer / General Manager is set forth in Exhibit A and shall be effective March 12, 2025. ***No updates to this section*

Section 2. The Commission adds a one-time contribution of fifteen 15 days at eight 8 hours per day to the personal leave (PL) bank of the General Manager/CEO. ***No updates to this section*

Section 3. This resolution supersedes any prior resolution relating to Commission Appointee salaries to the extent of any conflict or inconsistency with the salary adjustments set forth in Exhibit A.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 26th day of May, 2026.

Resolution No. 9123 relative to authorizing the acquisition was presented to the Commission. Motion was made by Commissioner Wilson and seconded by Commissioner Cox to approve Resolution No. 9123. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9123

A RESOLUTION AUTHORIZING THE ACQUISITION BY CONDEMNATION
OF AN EASEMENT ON 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 called the "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 a 230 kV transmission line from Wanapum Dam to the Mountain View Substation to serve customer load in Grant County;
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 an easement through purchase or condemnation on the real property described in Exhibits A and B, hereinafter referred to as "Real Property";
4. Grant PUD has obtained an appraisal of the property sought to be acquired; however, the property has not had identified ownership since 1950 and is not on the Grant County Assessor's tax roll; and
5. Grant PUD has been unable to locate an owner to purchase said easement 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 of an easement by Grant PUD on the Real Property described in Exhibits A and B.

Section 2. That the object and use for which the easement on the Real Property is sought 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 names of the owners and occupants of the Real Property and of all persons having any interest therein are unknown to Grant PUD. Prior to final action, constructive notice will be published and addressed to the following:

- The heirs and devisees of Rose Anna George, deceased, and all persons claiming an interest.

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 an easement on the Real Property.

Section 5. That just compensation for the acquisition of the easement or damaging of said property shall be made from funds of Grant PUD's Electric System.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County this 26th day of May, 2026.

Motion was approved by Commissioner Flint and seconded by Commissioner Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to approve agreement in Grant PUD Participation in the Mid-C Geothermal Interlocal Cooperative Agreement authorizing up to \$7.3 million for Phases 1-3. After consideration, the motion passed by unanimous vote of the Commission.

Motion was approved by Commissioner Wilson and seconded by Commissioner Flint authorizing payment of non-compliant purchase from NWPPA, invoice number 142058 dated March 31, 2026, in the amount of \$6,521.95. After consideration, the motion passed by unanimous vote of the Commission.

Ryan Holterhoff, Manager of Government Affairs and Matt Harris, Senior Policy Analyst provided the Government Affairs Update.

An executive session was announced at 2:35 p.m. to last until 3:00 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 3:00 p.m.

There being no further business to discuss, the Commission adjourned at 3:00 p.m. on May 26 and reconvened on Tuesday, June 2 at 10:30 a.m. at Grant PUD's Main Headquarters Building, Commission Room, 30 C Street SW, Ephrata, Washington for the purpose of attending the All Employee Meeting and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

The Commission recessed at 12:00 p.m.

The Commission resumed at 1:00 p.m.

There being no further business to discuss, the Commission reconvened on Tuesday, June 2 at 1:00 p.m. at Grant PUD's Main Headquarters Building, Commission Conference Room, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Work Day and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 3:35 p.m. on June 2 reconvened on June 9 at 8:30 a.m. at Grant PUD's Main Headquarters Building, Commission Room, 30 C

Street SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 2:54 p.m. on June 9 and reconvened at 8:00 a.m. at Ephrata Middle School, 384 A ST SE, Ephrata, Washington for the purpose of holding attending the Together In Excellence Day and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission adjourned at 3:30 p.m. on June 11 and reconvened at 8:30 a.m. on June 16 2:45 p.m. at Grant PUD’s Main Headquarters Building, Commission Room, 30 C Street SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the May 26, 2026 meeting officially adjourned at 2:45 p.m. on June 23, 2026.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

Draft – Subject to Commission Review

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

June 9, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 464734098# with the following Commissioners present: Larry Schaapman, President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner. Commissioner Judy Wilson was absent due to personal business.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss current or potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

Jeremy Stewart, Manager of Rates and Pricing; Cary West, Senior Manager of Customer Service; and Baxter Gillette, Senior Product Strategist, gave the Rates and Pricing Timeline that included Bill Rounding and Rate Schedule 17/Evolving Industries.

Mike Bradshaw, Senior Manager of Commercial and Trading Operations; Sue Wiersma, Lead Financial Analyst, gave the Bulk Power System update on the Wholesale Exchange Transaction and the Energy Risk Policy.

Mike Franz, Senior Manager Power Portfolio; and Lisa Stites, Lead Financial Analyst, gave the Integrated Resources Plan presentation.

The Commission recessed at 11:00 a.m.

The Commission resumed at 11:07 p.m.

Ross Hendrick, Director of Environmental Affairs; and Larry Lehman, Environmental Compliance Supervisor shared the State Environmental Policy Act (*SEPA*).

An executive session was announced at 11:37 a.m. to last until 12:55 p.m. to discuss current or potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 8:55 a.m. and the regular session resumed.

An internal recognition presentation was brought before the Commission to recognize years of service to the following individuals:

- Erin Harris, Administrative Assistant II, 20 years
- Ryan Roeder, Fleet Maintenance Manager, 20 years
- Mike Allen, Hydro Mechanic, 20 years
- Trevor Kristensen, Hydro Mechanic, 20 years
- Wade Hartbarger, Line Patrolman, 25 years

Rey Pulido, Vice President of Power Production gave the Power Production Operations quarterly business report.

Glen Pruitt, Vice President of Legal Regulatory and Government Affairs presented the Legal, Regulatory and Government Affairs quarterly business report.

There being no further business to discuss, the June 9, 2026 workshop officially recessed at 2:54 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

Draft – Subject to Commission Review

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

June 16, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 464734098# with the following Commissioners present: Larry Schaapman, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner. Commissioner Judy Wilson was absent due to personal business.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

Kent Jones, Commissioner, Richard Hanover, Director of Business Development and Shannon Souza, Engineer from the Port of Moses Lake presented the proposal for the Energy Park project plan.

Ryan Holterhoff, Manager of Government Affairs; and Matt Harris, Senior Policy Analyst gave the Government Affairs update report.

The Commission recessed at 11:30 a.m.

The Commission resumed at 12:45 p.m.

An executive session was announced at 12:45 p.m. to last until 1:30 p.m. discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 1:30 p.m. and the regular session resumed.

Andy Wendell, Vice President of Customer Experience provided the Customer Experience quarterly business report.

Terry Mckenzie, Director of Fiber and Telecom provided the Telecom & Fiber Services quarterly business report.

The Commission engaged in a Business Review period.

There being no further business to discuss, the June 16, 2026 Workshop adjourned at 2:45 p.m.

Larry Schaapman, President

ATTEST:

Nelson Cox, Secretary

Judy Wilson, Vice President

Tom Flint, Commissioner

Terry Pyle, Commissioner

REGULAR AGENDA

For Commission Review – 6/9/2026

RESOLUTION NO. 9126

A RESOLUTION ADOPTING REVISED SEPA POLICIES AND PROCEDURES AND SUPERSEDING RESOLUTION 8590

Recitals

- 1. Pursuant to WAC 197-11, Grant PUD, as a State Environmental Policy Act (SEPA) lead agency, is required to develop and adopt policies and procedures; and
- 2. Grant PUD’s SEPA policies and procedures were last updated on December 19, 2011, via Resolution 8590; and
- 3. Grant PUD desires to update the SEPA policies and procedures to maintain compliance with state law; and
- 4. Grant PUD’s executive leadership and staff have reviewed the updated SEPA policies and procedures attached hereto and recommend that they be adopted.

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

Section 1. The attached “Public Utility District No. 2 of Grant County Lead Agency State Environmental Policy Act Policies and Procedures” is hereby approved and adopted and shall be effective upon the date this resolution is passed and approved by the Commission.

Section 2. Resolution 8590 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of June, 2026.

President

ATTEST:

Secretary

Vice President


Commissioner


Commissioner

MEMORANDUM

6/1/2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Sr. Vice President Power and Marketing Operations  06/03/202

FROM: Ross Hendrick, Director of Environmental Affairs  06/04/2

SUBJECT: Grant PUD State Environmental Policy Act Policies and Procedures

Purpose:

Request Commission approval of updates to Grant PUD's policies and procedures as lead agency under the State Environmental Policy Act (SEPA). As a SEPA lead agency, Grant PUD is required to develop and adopt policies and procedures, and update as needed, pursuant to WAC 197-11-050, WAC 197-11-922, WAC 197-11-902, and WAC 197-11-904.

Discussion:

SEPA is Washington State's foundational environmental review law that requires agencies to identify, evaluate, and address the probable environmental impacts associated with a proposed action as part of the permitting process and decisions. Grant PUD serves as a SEPA lead agency for Grant PUD project to ensure projects minimize environmental impacts while maintaining control over the timing, review, and content of SEPA determinations that are then submitted to the Washington Department of Ecology and other interested agencies and parties. Public utility districts are allowed to serve as SEPA lead agencies because Washington's SEPA rules permit any local or state government agency—including port, school, and utility districts—to act as the lead agency responsible for conducting environmental review, so long as they have jurisdiction or are the agency proposing the action.

The Grant PUD SEPA Policies and Procedures document summarizes how Grant PUD carries out environmental review for its projects under Washington's SEPA law. It defines our role, decision-making process, responsibilities for identifying and addressing environmental impacts, coordinating with agencies, and public notification process, while ensuring compliance with state requirements.

Grant PUD is updating its SEPA policies and procedures in accordance with WAC 197-11-904, which requires each lead agency to adopt and periodically revise its own SEPA policies and procedures to ensure compliance with state law. As a SEPA lead agency, Grant PUD must maintain policies and procedures consistent with WAC 197-11-902 and related codes, enabling the Grant PUD to condition or deny proposals based on formally adopted environmental policies.

Grant PUD last updated its SEPA policies and procedures in 2011. This current update is necessary to consolidate the document by incorporating by reference certain sections of SEPA rules, updating the Responsible Official (person in charge of SEPA determinations for Grant PUD), required external notifications, and other minor formatting and clarification edits for ease of reference and use and therefore reducing risk of non-compliance.

Justification:

As a SEPA Lead Agency, Grant PUD can ensure its projects minimize environmental impacts while maintaining control over the timing, review, response to comments, and content of SEPA determinations. This provides regulatory certainty.

Financial Considerations: Not applicable.

Contract Specifics: Not applicable.

Recommendation:

Approve updates to Grant PUD's policies and procedures as lead agency under the State Environmental Policy Act (SEPA).

Legal Review:

See attached.

Signature: 
Jeffrey Grizzel (Jun 3, 2026 19:49:58 PDT)

Email: Jgrizzel@gcpud.org

Signature: *Ross Hendrick*

Email: rhendr1@gcpud.org









MEMORANDUM

Final Audit Report

2026-06-04

Created:	2026-06-04
By:	Erin Harris (eharris@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-srrh1b8BoDarsHg-VjdmJaE1rP6Tg3

"MEMORANDUM" History

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Powering our way of life.

**Public Utility District No. 2 of Grant County Lead Agency
State Environmental Policy Act
Policies and Procedures**

Updated June 2026

Overview

This document contains the policies and procedures for Public Utility District No. 2 of Grant County, Washington (Grant PUD) as lead agency under the State Environmental Policy Act (SEPA). As a SEPA lead agency, Grant PUD is required to develop and adopt policies and procedures pursuant to WAC [197-11-050](#), WAC [197-11-922](#), WAC 197-11-902, and WAC 197-11-904.

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1.0 INTRODUCTION

1.1 Purpose

Per WAC [197-11-904](#), each lead agency is required to adopt the State Environmental Policy Act (SEPA) procedures. This document is an update to the original lead agency SEPA procedures approved for Public Utility District No. 2 of Grant County, Washington (Grant PUD). Grant PUD has conducted a periodic review of the state SEPA policies in order to update the Grant PUD policies to meet the WAC 197-11. As a SEPA lead agency, Grant PUD is required to adopt its own rules and procedures to manage SEPA and ensure that lead agency rules and procedures enforce the law according to the following Washington Administrative Codes (WAC):

WAC 197-11-902 Agency SEPA policies

- (1) The act and the rules allow agencies to condition or deny proposals if such action is based upon policies identified by the appropriate government authority. These policies must be incorporated into regulations, plans, or codes formally designated by the agency (or appropriate legislative body, in the case of local government) as possible basis for the exercise of substantive authority under SEPA.*

WAC 197-11-904 Agency SEPA procedures

- (1) Each agency is required by the act and this section to adopt its own rules and procedures for implementing SEPA. Agencies may revise or add to their SEPA procedures at any time.*

1.2 Overview of SEPA

SEPA was adopted in 1971 by the Washington Legislature to ensure that environmental values were considered during decision making by state and local agencies. The environmental review process in SEPA is designed to work with other regulations to provide a comprehensive review of a proposal. Most regulations focus on particular aspects of a proposal while SEPA requires the identification and evaluation of probable impacts to all elements of the environment. Combining the review processes of SEPA and other laws reduces duplication and delay by combining study needs, combining comment periods and public notices, and allowing agencies, applicants, and the public to consider all aspects of a proposal at the same time. SEPA gives the lead agency the tools to both consider and mitigate for significant adverse environmental impacts of proposals.

Implementation of the act requires that SEPA guidelines found in WAC [197-11](#) and [RCW 43.21C](#) be followed in evaluating the environmental impacts of an action, unless the action is exempt from SEPA requirements. An action can be either a project-action, such as a construction project, or a non-project action such implementation of comprehensive plans, zoning and regulations.

The Washington Department of Ecology (WDOE) manages SEPA in the state of Washington. All SEPA determination are sent to the WDOE SEPA Register during the 14-day comment period required for most determinations. WDOE may review a determination completed by Grant PUD when Grant PUD acts as a SEPA lead agency.

1.3 Summary of Lead Agency Responsibilities

Per WAC [197-11-030](#)(2) lead agencies will to the fullest extent possible

(a) Interpret and administer the policies, regulations, and laws of the state of Washington in accordance with the policies set forth in SEPA and these rules.

(b) Find ways to make the SEPA process more useful to decision makers and the public, promote certainty regarding the requirements of the act, reduce paperwork and the accumulation of extraneous background data, and emphasize important environmental impacts and alternatives.

(c) Prepare environmental documents that are concise, clear, and to the point, and are supported by evidence that the necessary environmental analyses have been made.

(d) Initiate the SEPA process early in conjunction with other agency operations to avoid delay and duplication.

(e) Integrate the requirements of SEPA with existing agency planning and licensing procedures and practices, so that such procedures run concurrently rather than consecutively.

(f) Encourage public involvement in decisions that significantly affect environmental quality.

(g) Identify, evaluate, and require or implement, where required by the act and these rules, reasonable alternatives that would mitigate adverse effects of proposed actions on the environment.

1.4 History of Grant PUD as Lead Agency

The following resolutions summarize Grant PUD’s adoption history of SEPA policies and procedures.

Date	Resolution Number	Action
May 21, 1973	2945	Set forth early utility objectives and procedures as set forth under SEPA of 1971.
April 5, 1976	3388	Provided for adoption of certain interim administrative SEPA Code Provisions until final Grant PUD SEPA guidelines were approved.
July 6, 1976	3426	Set forth the final guidelines for implementation of SEPA. It repealed and made resolutions 2945 and 3388 obsolete with the adoption of this resolution.
July 10, 1978	3686	Amended guidelines for implementation of the amended SEPA. This resolution superseded resolution 3426.

Date	Resolution Number	Action
September 24, 1984	4724	A Resolution Adopting the District’s Rules and Procedures by SEPA and Implementing Rules. This resolution did not state that it superseded resolution 3686 passed on July 10, 1978.
December 19, 2011	8590	A Resolution Adopting Revised District SEPA Policies. The resolution supersedes any and all previous resolutions associated with the District SEPA policies including Resolution Numbers 2945, 3388, 3686 and 4724.
2026		A Resolution Adopting Revised District SEPA Policies. The resolution supersedes any and all previous resolutions associated with the District SEPA policies including Resolution Numbers 2945, 3388, 3686, 4724, and 8590.

A copy of these resolutions have been retained in SEPA policy folder on Sharepoint. The Grant PUD Commission passed and approved a resolution adopting this document as the current Grant PUD SEPA Policies and Procedures on June 23, 2026 and is included in Attachment A.

1.5 Why Grant PUD is a SEPA Lead Agency

Grant PUD recognized at the time the Washington Legislature enacted SEPA that it was appropriate for Grant PUD to be a SEPA Lead Agency, as authorized under SEPA. By accepting and fulfilling this responsibility, Grant PUD can ensure that its projects minimize environmental impacts while at the same manage the timing for review and determinations, execution and content of the materials submitted to WDOE and other federal, state and local agencies as well as interested parties.

1.6 When does SEPA Apply

SEPA applies to

- State agencies, counties and municipal corporations, including public utility districts.
- Project actions or non-project actions proposed by Grant PUD (collectively, “proposals”), unless the proposal is exempt.

2.0 AUTHORITY

Grant PUD adopts these policies and procedures under State Environmental Policy Act (SEPA), RCW 43.21C.120 and the SEPA rules, Washington Administrative Code (WAC) [197-11](#). This document contains Grant PUD’s SEPA procedures and policies.

SEPA rules, chapter [197-11](#) Washington Administrative Code (WAC), must be used in conjunction with these policies and procedures as applicable.

3.0 GENERAL REQUIREMENTS

3.1 Adoption by Reference

This section contains the basic requirements that apply to the SEPA process. Grant PUD adopts the following sections of chapter [197-11](#) of the WAC by reference:

WAC	Title
197-11-040	Definitions
197-11-050	Lead Agency
197-11-055	Timing of SEPA process
197-11-060	Content of environmental review
197-11-070	Limitations on actions during SEPA process
197-11-080	Incomplete or unavailable information
197-11-090	Supporting documents
197-11-100	Information required of applicants

Grant PUD does NOT adopt the following sections of chapter 197-11 of the WAC by reference as they are not applicable to the Grant PUD activities and authorities.

WAC	Title
197-11-158	GMA project review – Reliance on existing plans, laws and regulations
197-11-210	SEPA/GMA integration
197-11-220	SEPA/GMA definitions
197-11-230	Timing of an integrated GMA/SEPA process
197-11-232	SEPA/GMA integration procedures for preliminary planning, environmental analysis, and expanding scoping
197-11-235	SEPA/GMA integration documents
197-11-238	SEPA/ GMA Monitoring
197-11-250	SEPA/Model Toxics Control Act Integration (MTCA)
197-11-253	SEPA lead agency for MTCA actions

WAC	Title
197-11-256	Preliminary evaluation
197-11-259	Determination of non-significance for MTCA remedial actions
197-11-262	Determination of significance and EIS for MTCA remedial actions
197-11-265	Early scoping for MTCA remedial actions
197-11-268	MTCA interim actions

3.2 Additional Definitions

In addition to those definitions contained in WAC 197-11-700 through 197-11-799 (see section 8 of this document) and [197-11-220](#), when used in these policies and procedures, the following terms will have the following meaning, unless context indicates otherwise:

“SEPA rules” means chapter 197-11 WAC adopted by WDOE.

“Ordinance” means the ordinance, resolution, or other procedure used by Grant PUD to adopt regulatory requirements.

3.3 Designation of Responsible Official

For all proposals that Grant PUD is lead agency, the responsible official will be Grant PUD’s Director of Environmental Affairs. The Director of Environmental Affairs may authorized to appoint a designee to fulfill this responsibility, if this occurs it will be documented in writing. To avoid any conflict of interest, under no circumstance will the responsible official be the signatory of the SEPA checklist. The responsible official represents the lead agency, and is responsible for ensuring adequate environmental analysis is done and the SEPA procedural requirements are met.

For all proposals that Grant PUD is lead agency, the responsible official will make the threshold determination, supervise scoping and preparation of any required environmental impact statement (EIS), and perform any other functions assigned to Grant PUD, the lead agency or the responsible official by these policies and procedures.

Grant PUD will retain all documents required by these policies and procedures and make them available in accordance with applicable law.

3.4 Lead Agency Determination and Responsibilities

When the Grant PUD responsible official receives a proposal involving a nonexempt action, the responsible official will determine the lead agency for the proposal under applicable law unless the lead agency has been previously determined or Grant PUD is aware that another agency is in the process of determining the lead agency.

When Grant PUD is the lead agency for a proposal, the Grant PUD responsible official will supervise compliance with the preparation of a checklist and will make a threshold

determination. If an EIS is necessary, the responsible official will supervise preparation of the EIS.

When Grant PUD is not the lead agency for a proposal, Grant PUD will use and consider, as appropriate, the environmental documents of the lead agency when making decisions on the proposal. Grant PUD will not prepare or require preparation of environmental documents in addition to those prepared by the lead agency, unless Grant PUD is otherwise authorized or required to do so under applicable law. Grant PUD may, but is not required to, conduct supplemental environmental review if it is authorized to do so under WAC [197-11-600](#)(3).

If Grant PUD receives a lead agency determination made by another agency that appears inconsistent with the criteria established by applicable law for making such determinations, it may take action as authorized by the SEPA rules. Any objection must be made to the agency originally making the determination and resolved within 15 days of receipt of the determination or Grant PUD must petition WDOE for a lead agency determination under WAC [197-11-946](#) within the 15 day time period. Any petition on behalf of Grant PUD will be initiated by the Manager.

Grant PUD is authorized to make agreements as to lead agency status or shared lead agency duties for a proposal under WAC 197-11-926, [197-11-942](#), and [197-11-944](#) provided that the responsible official and Manager (if different) approves the agreement.

3.5 Transfer of Lead Agency Status to a State Agency

If Grant PUD would be the lead agency because Grant PUD initiated the proposal, and for which one or more state agencies have jurisdiction, Grant PUD's responsible official may elect to transfer the lead agency duties to a state agency upon mutual agreement between Grant PUD and the state agency. WAC 197-11-926. To transfer lead agency duties, Grant PUD's responsible official must transmit a notice of the transfer together with any relevant information available on the proposal to the appropriate state agency with jurisdiction. Grant PUD's responsible official will also give notice of the transfer to the private applicant and any other agencies with jurisdiction over the proposal, as applicable.

3.6 Timing of the SEPA process

The timing of the SEPA process will be consistent with that defined in WAC [197-11-055](#).

4.0 CATEGORICAL EXEMPTIONS AND THRESHOLD DETERMINATIONS

4.1 Adoption by Reference

This section contains the rules for deciding whether a proposal has a "probable significant, adverse environmental impact" requiring an EIS to be prepared. This section also contains rules for evaluation impacts of proposals not requiring an EIS. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-300	Purpose of this part
197-11-305	Categorical exemptions
197-11-310	Threshold determination required
197-11-315	Environmental checklist
197-11-330	Threshold determination process
197-11-335	Additional information
197-11-340	Determination of nonsignificance (DNS)
197-11-350	Mitigated DNS
197-11-355	Optional DNS process
197-11-360	Determination of significance (DS/initiation of scoping
197-11-390	Effect of threshold determination

4.2 Use of Exemptions

Once the Grant PUD responsible official receives an application for a proposal it will determine whether the proposal is exempt. Exemptions may be identified in the WAC 197-11, or in statute, RCW 43.21C.

Grant PUD adopts by reference the following rules for categorical exemptions, as supplemented in this ordinance, including WAC 173-806-070 (Flexible thresholds), WAC 197-806-080 (Use of exemptions), and WAC 173-806-190 (Critical areas):

WAC	Title
197-11-800	Categorical exemptions
197-11-880	Emergencies
197-11-890	Petitioning DOE to change exemptions

The responsible official's determination that a proposal is exempt will be final and not subject to administrative review. If a proposal is exempt, none of the procedural requirements of these policies and procedures apply to this proposal. Grant PUD will not require completion of an environmental checklist for an exempt proposal. However, the Grant PUD responsible official will place a memo in the file or permit application (if applicable) to indicate that SEPA compliance has been satisfied or did not apply.

In determining whether or not a proposal is exempt, Grant PUD will make certain the proposal is properly defined pursuant to WAC [197-11-060](#). If a proposal includes exempt and non-exempt actions, Grant PUD will determine the lead agency, even if the application triggers Grant PUD's consideration is exempt. Proposals exempt under WAC 197-11 do not require further review under SEPA unless Grant PUD determines that the circumstances in WAC 197-11-305 apply. Proposals exempt by statute, RCW 43.21C, are not subject to WAC 197-11-305 unless the applicable statutory exemption provides otherwise.

4.3 Environmental Checklist and Threshold Determination

The environmental checklist is a standard form used by all agencies to obtain information about a proposal. It includes questions about the proposal, its location, possible future activities, and questions about potential impacts of the proposal on each element of the environment. A completed environmental checklist will be filed at the same time as an application for a permit, license, certificate, or other approval not specifically exempted in this document. A copy of the current SEPA checklist and guidance can be located on the Department of Ecology's website or checklist, and guidance can be provided by the responsible official.

An environmental checklist is not needed if Grant PUD and the applicant agree an EIS is required, SEPA compliance has been completed, or SEPA compliance has been initiated by another agency. Grant PUD will use the environmental checklist to determine the lead agency. If Grant PUD is the lead agency, the responsible official will make the threshold determination. A SEPA threshold determination is the formal decision as to whether the proposal is likely to cause a significant adverse environmental impact for which mitigation cannot be easily identified. If significant, adverse environmental impacts are likely, a determination of significance (DS) is issued, and the environmental impact process is started. If there are no likely significant adverse environmental impacts, a determination of non-significance (DNS) is issued. Under SEPA, "significant" means a "reasonable likelihood of more than a moderate adverse impact on environmental quality" (WAC 197-11-794).

The applicant shall prepare the initial environmental checklist, unless the responsible official specifically elects to prepare the checklist. The responsible official shall make a reasonable effort to verify the information in the checklist and supporting documentation and shall have the authority to determine final content of the checklist. A "reasonable effort" may include ensuring all necessary permits have been identified, the proposal location is adequately identified, and that descriptions of the environment are complete and accurate.

Grant PUD expects that it will only be lead agency for proposals initiated by Grant PUD. Grant PUD does not expect to be the lead agency for private proposals.

4.4 Determination of Non-Significance (DNS)

A DNS is issued when the responsible official has determined there will be no probable significant adverse environmental impacts from a proposal. The lead agency shall prepare and issue a DNS substantially in the form provided in WAC [197-11-970](#). If Grant PUD adopts another environmental document in support of a threshold determination, the notice of adoption (WAC [197-11-965](#)) and the DNS shall be combined or attached to each other.

The DNS will require a public notice period and circulation to other agencies (WAC [197-11-340](#)) along with the submittal of the DNS and checklist to the SEPA registry. See Section 5.2 for further instructions on public notice periods for a DNS. An agency with jurisdiction may assume lead agency status within this fourteen-day period (WAC [197-11-948](#)).

Based on comments received, the responsible official shall reconsider the DNS and may retain, modify, or withdraw the DNS. The responsible official may modify or withdraw the DNS if comments provided significant new information indicating that significant adverse environmental impacts would occur and / or information provided in the checklist to make the determination was inaccurate and/or there are substantial changes to the proposal or significant new information (WAC [197-11-340](#)). When a DNS is modified or withdrawn, the lead agency shall send the modified DNS to agencies with jurisdiction.

4.5 Mitigated Determination of Non-Significance (MDNS)

A primary goal of SEPA is to reduce or eliminate environmental impacts. If probable, significant impacts are identified that may require the preparation of an EIS, those impacts can be reduced either by making changes to the proposal or by requiring mitigation measures. When changes to the proposal or mitigation measures are identified that will reduce likely significant adverse environmental impacts down to a nonsignificant level, a mitigated DNS or MDNS is issued (WAC [197-11-350](#)). The mitigation measures are typically shown on the face of the MDNS or as an attachment. Mitigation measures incorporated in the MDNS will be deemed conditions of approval of the permit decision or government action and may be enforced in the same manner as any term or condition of the permit, or enforced in any manner specifically prescribed by Grant PUD. Project proponents may clarify or change parts of the proposal in response to comments by agencies, Grant PUD, or the public, to mitigate probable, significant impacts.

The revisions to the project may occur prior to issuance of a DNS or following public notice period on the DNS. If MDNS is issued prior to public notice, the MDNS will require a public notice period and circulation to other agencies (WAC [197-11-340](#)) as outlined for the DNS. MDNS and checklist will be submitted to the SEPA registry. A fourteen-day comment period, distribution, public notice are required for MDNS. See Section 5.2 for further instructions on public notice.

5.0 ENVIRONMENTAL IMPACT STATEMENTS (EIS)

5.1 Adoption by Reference

An EIS is prepared when Grant PUD has determined a proposal is likely to result in significant adverse environmental impacts. This section contains the rules for preparing environmental impact statements. Grant PUD adopts the following sections by reference, as supplemented by this section.

WAC	Title
197-11-400	Purpose of EIS
197-11-402	General requirements
197-11-405	EIS types
197-11-406	EIS timing
197-11-408	Scoping
197-11-410	Expanded scoping (Optional)
197-11-420	EIS preparation
197-11-425	Style and size
197-11-430	Format
197-11-435	Cover letter and memo
197-11-440	EIS content
197-11-442	Contents of EIS on non-project proposals
197-11-443	EIS contents when prior non-project EIS
197-11-444	Elements of the environment
197-11-448	Relationship of EIS to other considerations
197-11-450	Cost benefit analysis
197-11-455	Issuance of DEIS
197-11-460	Issuance of FEIS

5.2 Preparation of EIS – Additional Considerations

Preparation of draft and final EISs (DEIS and FEIS) and draft and final supplemental EISs (SEIS) is the responsibility of Grant PUD under the direction of the responsible official. Before Grant PUD issues an EIS, the responsible official will satisfy that it complies with chapter [197-11-WAC](#).

The DEIS and FEIS or draft and final SEIS will be prepared by Grant PUD staff or by a consultant selected by Grant PUD or the project proponent. If the responsible official requires an EIS for a proposal and determines that someone other than Grant PUD will prepare the EIS, the responsible official provide notification to staff or consultant immediately upon completion of

the threshold determination. The responsible official will provide Grant PUD’s procedures for EIS preparation including approval of the DEIS and FEIS prior to distribution.

Grant PUD may require staff or consultant to provide information Grant PUD does not possess, including specific investigations; however, staff or consultant are not required to supply information that is not required under this ordinance or that is being required from another agency. (This does not apply to information Grant PUD may request under ordinance or statute).

6.0 COMMENTING

6.1 Adoption by Reference

This section contains rules for consulting, commenting, and responding on all environmental documents under SEPA, including rules for public notice and hearings. Grant PUD adopts all the following sections by reference, as supplemented in this part:

WAC	Title
197-11-500	Purpose of this part
197-11-502	Inviting comment
197-11-504	Availability and cost of environmental documents
197-11-508	SEPA register
197-11-510	Public notice
197-11-535	Public hearings and meetings
197-11-545	Effect of no comments
197-11-550	Specificity of comments
197-11-560	FEIS response to comments
197-11-570	Consulted agency costs to assist lead agency

6.2 Public Notice

Whenever Grant PUD issues a DNS or MDNS under WAC 197-11-340 and 350 or a DS under WAC 197-11-360(3), Grant PUD will give public notice per WAC 197-11-510, and WAC 197-11-502 if applicable. Grant PUD public notice procedure is as follows:

- When a DNS is issued, Grant PUD will upload the DNS and environmental checklist to Ecology’s SEPA registry.
- Grant PUD will notify (through email) agencies with jurisdiction, affected tribes, and each local agency or political subdivision whose public services would be affected as a result of implementation of the proposal. Notification will include the SEPA determination and SEPA checklist along with information on requesting additional

information. Grant PUD responsible official will maintain a distribution list for each local jurisdiction.

- Grant PUD will also publish the notice in a newspaper of general circulation in the county, city, or general area where the proposal is located.
- Public notice will allow for a fourteen-day (14) comment period from the date of issuance of the determination and Grant PUD will not act on the project within this period.

Whenever Grant PUD issues a Determination of Significance and proceeds to develop an EIS, it will give public notice under the following procedures:

- Grant PUD will notify (through email) agencies with jurisdiction, affected tribes, and each local agency or political subdivision whose public services would be affected as a result of implementation of the proposal. Notification will include the SEPA threshold determination and SEPA checklist along with information on requesting additional information. Grant PUD responsible official will maintain a distribution list for each local jurisdiction. Grant PUD shall include a scoping notice and invite comment on the scoping of the EIS as part of this notification under WAC 197-11-408.
- Grant PUD will also publish the notice in a newspaper of general circulation in the county, city, or general area where the proposal is located.
- Public notice will allow for a twenty-one (21) day comment period from the date of issuance of the determination of significance and Grant PUD will not act on the project within this period.
- Grant PUD will subsequently allow for a thirty-day comment period on the issuance of the Draft Environmental Impact Statement (DEIS) and, if applicable, any Supplemental Environmental Impact Statement (SEIS), using the above public notice process.
- Grant PUD will hold a public hearing on the DEIS if two agencies with jurisdiction or fifty (50) or more members of the public request such a hearing in writing within 30 days of issuance of a DEIS under WAC 197-11-535.

6.3 Designation of Official to Perform Consulted Agency Responsibilities for Grant PUD

The responsible official will be responsible for preparation of written comments for Grant PUD in response to consultation request prior to a threshold determination, participation in scoping, and reviewing a DEIS.

The responsible official will be responsible for Grant PUD's compliance with WAC 197-11-550 whenever Grant PUD is a consulted agency and is authorized to develop operating procedures that will ensure that responses to consultation requests are prepared in a timely fashion and include data from appropriate departments of Grant PUD.

7.0 USING ENVIRONMENTAL DOCUMENTS

7.1 Adoption by Reference

This section contains rules for using and supplementing existing environmental documents prepared under SEPA or the National Environmental Policy Act (NEPA) for Grant PUD’s own environmental compliance. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-164	Planned actions – Definitions and criteria
197-11-168	Ordinances or resolutions designating planned actions – Procedure for adoption
197-11-172	Planned actions – Project review
197-11-600	When to use existing environmental documents
197-11-610	Use of NEPA documents
197-11-620	Supplemental environmental impact statement – Procedures
197-11-625	Addenda – Procedures
197-11-630	Adoption – Procedures
197-11-635	Incorporation by reference – Procedures
197-11-640	Combining documents

8.0 SEPA AND AGENCY DECISIONS

8.1 Adoption by Reference

This section contains rules (and policies) for SEPA’s substantive authority, such as decisions to mitigate or reject proposals as a result of SEPA. This part also contains procedures for appealing SEPA determinations to agencies or the courts. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-650	Purpose of part
197-11-655	Implementation
197-11-660	Substantive authority and mitigation
197-11-680	Appeals

8.2 Appeals

Grant PUD does not have a SEPA administrative appeal process.

Appeals to Grant PUD decision making in regard to the SEPA process must occur judicially by filing such appeal with Grant County Superior Court in Ephrata, Washington, unless jurisdiction over the underlying action is expressly vested in a different Superior Court by law.

Per WAC 43.21C.080:

“Except as otherwise provided in RCW 43.21C.075 (a), any action to set aside, enjoin, review, or otherwise challenge any such governmental action or subsequent governmental action for which notice is given is subsection (1) of this section on grounds of noncompliance with the provisions of this chapter will be commenced within 21 days from the date of the last newspaper publication of the notice pursuant to subsection (1) of this section, or be barred.”

Grant PUD will give official notice under WAC [197-11-680](#)(5) whenever it issues a permit or approval for which a statute or ordinance establishes a time for commencing judicial appeal.

8.3 Notice / Statute of Limitations

The form of the notice will be substantially in the form provided in WAC [197-11-990](#). The notice will be published by Grant PUD pursuant to RCW 43.21C.080.

9.0 DEFINITIONS

9.1 Adoption by Reference

This section contains uniform usage and definitions of terms used under SEPA. Grant PUD adopts the following sections by reference, as supplemented by WAC 173-806-030.

WAC	Title
197-11-700	Definitions
197-11-702	Act
197-11-704	Action
197-11-706	Addendum
197-11-708	Adoption
197-11-710	Affected tribe
197-11-712	Affecting
197-11-714	Agency
197-11-716	Applicant

WAC	Title
197-11-718	Built environment
197-11-720	Categorical exemption
197-11-721	Closed record appeal
197-11-722	Consolidated appeal
197-11-724	Consulted agency
197-11-726	Cost benefit analysis
197-11-728	County/City
197-11-730	Decision maker
197-11-732	Department
197-11-734	Determination of non-significance (DNS)
197-11-736	Determination of significance (DS)
197-11-738	EIS
197-11-740	Environment
197-11-742	Environmental checklist
197-11-744	Environmental document
197-11-746	Environmental review
197-11-750	Expanded scoping
197-11-752	Impacts
197-11-754	Incorporation by reference
197-11-756	Lands covered by water
197-11-758	Lead agency
197-11-760	License
197-11-762	Local agency

WAC	Title
197-11-764	Major action
197-11-766	Mitigated DNS
197-11-768	Mitigation
197-11-770	Natural environment
197-11-772	NEPA
197-11-774	Non-project
197-11-775	Open record hearing
197-11-776	Phased review
197-11-778	Preparation
197-11-780	Private project
197-11-782	Probable
197-11-784	Proposal
197-11-786	Reasonable alternative
197-11-788	Responsible official
197-11-790	SEPA
197-11-792	Scope
197-11-793	Scoping
197-11-794	Significant
197-11-796	State agency
197-11-797	Threshold determination
197-11-799	Underlying governmental action

10.0 AGENCY COMPLIANCE

10.1 Adoption by Reference

This section contains rules for agency compliance with SEPA, including rules for charging fees under the SEPA process, designating categorical exemptions that do not apply within critical areas, listing agencies with environmental expertise, selecting the lead agency, and applying these rules to the current agency activities. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-900	Purpose of this part
197-11-902	Agency SEPA policies
197-11-916	Application to ongoing actions
197-11-920	Agencies with environmental expertise
197-11-922	Lead agency rules
197-11-924	Determining the lead agency
197-11-926	Lead agency for governmental proposals
197-11-928	Lead agency for public and private proposals
197-11-930	Lead agency for private projects with one agency with jurisdiction
197-11-932	Lead agency for private projects requiring licenses from more than one agency, when one of the agencies is a county/city
197-11-934	Lead agency for private projects requiring licenses from a local agency, not a county/city, and one or more state agencies
197-11-936	Lead agency for private projects requiring licenses from more than one state agency
197-11-938	Lead agencies for specific purposes
197-11-940	Transfer of lead agency status to state agency
197-11-942	Agreements on lead agency status
197-11-944	Agreements on division of lead agency duties
197-11-946	DOE resolution of lead agency disputes
197-11-948	Assumption of lead agency status

10.2 Agencies with Environmental Expertise

Per WAC [197-11-714\(2\)](#):

“Agency with environmental expertise” means an agency with special expertise on the environmental impacts involved in a proposal or alternative significantly affecting the environment. These agencies are listed in WAC [197-11-920](#), the list may be expanded in agency procedures (WAC [197-11-906](#)). The appropriate agencies must be consulted in the environmental impact statement process, as required by WAC [197-11-502](#).

In addition to those agencies with environmental expertise per WAC [197-11-920](#), as allowed for in WAC [197-11-906](#), Grant PUD includes itself as an agency with environmental expertise.

Grant PUD has professional qualified employees that possess special expertise relating to the categories of air quality, water resources and water quality, hazardous and toxic substances, solid and hazardous waste, fish and wildlife, natural resource development, energy production, transmission and consumption, land use and management, noise, recreation, archaeological/historical, and transportation.

10.3 Fees

Grant PUD will not require any fees since it is only the lead agency for Grant PUD projects.

Grant PUD will not collect a fee for performing its duties as a consulted agency.

Grant PUD may charge any person for copies of any document prepared under this ordinance, and for mailing the document, in a manner provided by RCW Chapter 42.56.

10.4 Severability

If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance, or the application of the provision to other persons or circumstances will not be affected.

11.0 FORMS

11.1 Adoption by Reference

Grant PUD adopts the following forms and sections by reference:

WAC	Title
197-11-960	Environmental checklist
197-11-965	Adoption notice
197-11-970	Determination of non-significance (DNS)
197-11-980	Determination of significance and scoping notice (DS)
197-11-985	Notice of assumption of lead agency status
197-11-990	Notice of action

12.0 UPDATED PROCESS

Grant PUD will review and update this policy every five (5) years/as necessary commencing from the date of adoption. Except that, in instances where there have been changes affected by the law. If so, Grant PUD may update this policy to reflect such a change.

13.0 COMPLIANCE WITH SEPA PROCEDURE REQUIREMENTS

Much of the content within this document is derived from Chapter [173-806](#) WAC Model Ordinance.

14.0 ATTACHMENTS

The following is a list and brief description of attachments to this policy. In the event of a conflict, the policies supersede any guidance or direction provided in the attachments:

14.1 Attachment A – Resolutions

A copy of previous SEPA related resolutions and the current Grant PUD Commission resolution can be found in the attachment.

14.2 Attachment B – Example Determination of Non-Significance

This attachment contains an example DNS that can be modified for projects requiring a DNS or MDNS.

15.0 LINKS TO SEPA GUIDANCE

15.1 SEPA Guide for Project Applications

<https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance>

15.2 State Environmental Policy Act (SEPA) Handbook

<https://fortress.wa.gov/ecy/publications/documents/98114.pdf>

[2018 SEPA Handbook Updates](#)

15.3 Washington Administrative Code (WAC) 197-11

<http://apps.leg.wa.gov/WAC/default.aspx?cite=197-11>

15.4 Chapter 43.21c Revised Code of Washington (RCW)

<http://apps.leg.wa.gov/rcw/default.aspx?cite=43.21c>

**Attachment A
Resolution**

Attachment B
Example Determination of Non-significance



STATE ENVIRONMENTAL POLICY ACT
Determination of Non-Significance

November 12, 2025

Lead Agency: Public Utility District No. 2 of Grant County, Washington (Grant PUD)

Agency Contact: Larry Lehman (SEPA Responsible Official)
Llehman@gcpud.org
509-630-7916

Agency File Name: Quincy Transmission Expansion Plan (QTEP) Monument Hill Switchyard

Description of Proposal:

The Monument Hill Switchyard site will be approximately 14 acres inside a District owned 87.1-acre site. The existing Quincy Foothills Substation will be adjacent on the west side of Monument Hill Switchyard and additional land to the south is available for future site expansion. The switchyard will be arranged as a 6-bay breaker-and-a-half formation and includes 230kV capacitor banks with provisions for future use including 3 spare line positions. Three of the six new transmissions lines that QTEP is building will tie into this new switchyard and improve reliability to the system.

Location of proposal: The proposed substation will be installed within the northeast portion of the 88-acre parcel located at 3301 NE M St (Parcel 040414050). Section 03, Township 20, Range 24.

Proponent: Grant PUD

Proponent Contact Information:

Evelyn Zepeda: Regulatory Specialist, Grant PUD
ezepeda@grantpud.org (509) 754-7074

Grant PUD has determined that this proposal will not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). We have reviewed the attached Environmental Checklist and other information on file with the lead agency. This information is available on request.

In reaching this determination, the lead agency made the following findings and conclusions.

The project site is inside the city limits of Quincy and has minimal ground disturbances, there are no known or probable historic properties or cultural resources located within the boundaries of the proposed project, and there is no surface water body on or in the

SEPA DNS 2025 QTEP; Monument Hill Switchyard

immediate vicinity of the construction area. The proposed location is within a larger parcel that has historically been used for agriculture and as a result is providing no significant habitat functions and values. The proposed switchyard is being constructed on a parcel with an existing substation and industrial uses on adjacent parcels in the City of Quincy. habitat functions and values. The proposed switchyard is being constructed on a parcel with an existing substation and industrial uses on adjacent parcels in the City of Quincy.

This DNS is issued pursuant to WAC 197-11-340(2); the Lead Agency will not act on this proposal for 14 days from the date below.

Comments must be submitted by November 26, 2025

Responsible Official: Larry Lehman

Environmental Compliance Supervisor – Environmental Affairs
(509) 630-7916
Llehman@gcpud.org
PO Box 878
Ephrata, WA 98823

Signature _____ Date: 11/12/2025

Appeal: There is no agency appeal per WAC 197-11-970.



Powering our way of life.

**Public Utility District No. 2 of Grant County Lead Agency
State Environmental Policy Act
Policies and Procedures**

Updated June 2026

Overview

This document contains the policies and procedures for Public Utility District No. 2 of Grant County, Washington (Grant PUD) as lead agency under the State Environmental Policy Act (SEPA). As a SEPA lead agency, Grant PUD is required to develop and adopt policies and procedures pursuant to WAC [197-11-050](#), WAC [197-11-922](#), WAC 197-11-902, and WAC 197-11-904.

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Appendix A - Resolution

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1.0 INTRODUCTION

1.1 Purpose

Per WAC [197-11-904](#), each lead agency is required to adopt the State Environmental Policy Act (SEPA) procedures. This document is an update to the original lead agency SEPA procedures approved for Public Utility District No. 2 of Grant County, Washington (Grant PUD). Grant PUD has conducted a periodic review of the state SEPA policies in order to update the Grant PUD policies to meet the WAC 197-11. As a SEPA lead agency, Grant PUD is required to adopt its own rules and procedures to manage SEPA and ensure that lead agency rules and procedures enforce the law according to the following Washington Administrative Codes (WAC):

WAC 197-11-902 Agency SEPA policies

- (1) The act and the rules allow agencies to condition or deny proposals if such action is based upon policies identified by the appropriate government authority. These policies must be incorporated into regulations, plans, or codes formally designated by the agency (or appropriate legislative body, in the case of local government) as possible basis for the exercise of substantive authority under SEPA.*

WAC 197-11-904 Agency SEPA procedures

- (1) Each agency is required by the act and this section to adopt its own rules and procedures for implementing SEPA. Agencies may revise or add to their SEPA procedures at any time.*

1.2 Overview of SEPA

SEPA was adopted in 1971 by the Washington Legislature to ensure that environmental values were considered during decision making by state and local agencies. The environmental review process in SEPA is designed to work with other regulations to provide a comprehensive review of a proposal. Most regulations focus on particular aspects of a proposal while SEPA requires the identification and evaluation of probable impacts to all elements of the environment. Combining the review processes of SEPA and other laws reduces duplication and delay by combining study needs, combining comment periods and public notices, and allowing agencies, applicants, and the public to consider all aspects of a proposal at the same time. SEPA gives the lead agency the tools to both consider and mitigate for significant adverse environmental impacts of proposals.

Implementation of the act requires that SEPA guidelines found in WAC [197-11](#) and [RCW 43.21C](#) be followed in evaluating the environmental impacts of an action, unless the action is exempt from SEPA requirements. An action can be either a project-action, such as a construction project, or a non-project action such implementation of comprehensive plans, zoning and regulations.

The Washington Department of Ecology (WDOE) manages SEPA in the state of Washington. All SEPA determination are sent to the WDOE SEPA Register during the 14-day comment period required for most determinations. WDOE may review a determination completed by Grant PUD when Grant PUD acts as a SEPA lead agency.

1.3 Summary of Lead Agency Responsibilities

Per WAC [197-11-030](#)(2) lead agencies will to the fullest extent possible

(a) Interpret and administer the policies, regulations, and laws of the state of Washington in accordance with the policies set forth in SEPA and these rules.

(b) Find ways to make the SEPA process more useful to decision makers and the public, promote certainty regarding the requirements of the act, reduce paperwork and the accumulation of extraneous background data, and emphasize important environmental impacts and alternatives.

(c) Prepare environmental documents that are concise, clear, and to the point, and are supported by evidence that the necessary environmental analyses have been made.

(d) Initiate the SEPA process early in conjunction with other agency operations to avoid delay and duplication.

(e) Integrate the requirements of SEPA with existing agency planning and licensing procedures and practices, so that such procedures run concurrently rather than consecutively.

(f) Encourage public involvement in decisions that significantly affect environmental quality.

(g) Identify, evaluate, and require or implement, where required by the act and these rules, reasonable alternatives that would mitigate adverse effects of proposed actions on the environment.

1.4 History of Grant PUD as Lead Agency

The following resolutions summarize Grant PUD's adoption history of SEPA policies and procedures.

Date	Resolution Number	Action
May 21, 1973	2945	Set forth early utility objectives and procedures as set forth under SEPA of 1971.
April 5, 1976	3388	Provided for adoption of certain interim administrative SEPA Code Provisions until final Grant PUD SEPA guidelines were approved.
July 6, 1976	3426	Set forth the final guidelines for implementation of SEPA. It repealed and made resolutions 2945 and 3388 obsolete with the adoption of this resolution.
July 10, 1978	3686	Amended guidelines for implementation of the amended SEPA. This resolution superseded resolution 3426.

Date	Resolution Number	Action
September 24, 1984	4724	A Resolution Adopting the District’s Rules and Procedures by SEPA and Implementing Rules. This resolution did not state that it superseded resolution 3686 passed on July 10, 1978.
December 19, 2011	8590	A Resolution Adopting Revised District SEPA Policies. The resolution supersedes any and all previous resolutions associated with the District SEPA policies including Resolution Numbers 2945, 3388, 3686 and 4724.
2026		A Resolution Adopting Revised District SEPA Policies. The resolution supersedes any and all previous resolutions associated with the District SEPA policies including Resolution Numbers 2945, 3388, 3686, 4724, and 8590.

A copy of these resolutions have been retained in SEPA policy folder on Sharepoint. The Grant PUD Commission passed and approved a resolution adopting this document as the current Grant PUD SEPA Policies and Procedures on June XX, 2026 and is included in Attachment A.

1.5 Why Grant PUD is a SEPA Lead Agency

Grant PUD recognized at the time the Washington Legislature enacted SEPA that it was appropriate for Grant PUD to be a SEPA Lead Agency, as authorized under SEPA. By accepting and fulfilling this responsibility, Grant PUD can ensure that its projects minimize environmental impacts while at the same manage the timing for review and determinations, execution and content of the materials submitted to WDOE and other federal, state and local agencies as well as interested parties.

1.6 When does SEPA Apply

SEPA applies to

- State agencies, counties and municipal corporations, including public utility districts.
- Project actions or non-project actions proposed by Grant PUD (collectively, “proposals”), unless the proposal is exempt.

2.0 AUTHORITY

Grant PUD adopts these policies and procedures under State Environmental Policy Act (SEPA), RCW 43.21C.120 and the SEPA rules, Washington Administrative Code (WAC) [197-11](#). This document contains Grant PUD’s SEPA procedures and policies.

SEPA rules, chapter [197-11](#) Washington Administrative Code (WAC), must be used in conjunction with these policies and procedures as applicable.

3.0 GENERAL REQUIREMENTS

3.1 Adoption by Reference

This section contains the basic requirements that apply to the SEPA process. Grant PUD adopts the following sections of chapter [197-11](#) of the WAC by reference:

WAC	Title
197-11-040	Definitions
197-11-050	Lead Agency
197-11-055	Timing of SEPA process
197-11-060	Content of environmental review
197-11-070	Limitations on actions during SEPA process
197-11-080	Incomplete or unavailable information
197-11-090	Supporting documents
197-11-100	Information required of applicants

Grant PUD does NOT adopt the following sections of chapter 197-11 of the WAC by reference as they are not applicable to the Grant PUD activities and authorities.

WAC	Title
197-11-158	GMA project review – Reliance on existing plans, laws and regulations
197-11-210	SEPA/GMA integration
197-11-220	SEPA/GMA definitions
197-11-230	Timing of an integrated GMA/SEPA process
197-11-232	SEPA/GMA integration procedures for preliminary planning, environmental analysis, and expanding scoping
197-11-235	SEPA/GMA integration documents
197-11-238	SEPA/ GMA Monitoring
197-11-250	SEPA/Model Toxics Control Act Integration (MTCA)
197-11-253	SEPA lead agency for MTCA actions

WAC	Title
197-11-256	Preliminary evaluation
197-11-259	Determination of non-significance for MTCA remedial actions
197-11-262	Determination of significance and EIS for MTCA remedial actions
197-11-265	Early scoping for MTCA remedial actions
197-11-268	MTCA interim actions

3.2 Additional Definitions

In addition to those definitions contained in WAC 197-11-700 through 197-11-799 (see section 8 of this document) and [197-11-220](#), when used in these policies and procedures, the following terms will have the following meaning, unless context indicates otherwise:

“SEPA rules” means chapter 197-11 WAC adopted by WDOE.

“Ordinance” means the ordinance, resolution, or other procedure used by Grant PUD to adopt regulatory requirements.

3.3 Designation of Responsible Official

For all proposals that Grant PUD is lead agency, the responsible official will be Grant PUD’s Environmental Compliance Supervisor. The Director of Environmental Affairs may authorized to appoint a designee to fulfill this responsibility, if this occurs it will be documented in writing. To avoid any conflict of interest, under no circumstance will the responsible official be the signatory of the SEPA checklist. The responsible official represents the lead agency, and is responsible for ensuring adequate environmental analysis is done and the SEPA procedural requirements are met.

For all proposals that Grant PUD is lead agency, the responsible official will make the threshold determination, supervise scoping and preparation of any required environmental impact statement (EIS), and perform any other functions assigned to Grant PUD, the lead agency or the responsible official by these policies and procedures.

Grant PUD will retain all documents required by these policies and procedures and make them available in accordance with applicable law.

3.4 Lead Agency Determination and Responsibilities

When the Grant PUD responsible official receives a proposal involving a nonexempt action, the responsible official will determine the lead agency for the proposal under applicable law unless the lead agency has been previously determined or Grant PUD is aware that another agency is in the process of determining the lead agency.

When Grant PUD is the lead agency for a proposal, the Grant PUD responsible official will supervise compliance with the preparation of a checklist and will make a threshold

determination. If an EIS is necessary, the responsible official will supervise preparation of the EIS.

When Grant PUD is not the lead agency for a proposal, Grant PUD will use and consider, as appropriate, the environmental documents of the lead agency when making decisions on the proposal. Grant PUD will not prepare or require preparation of environmental documents in addition to those prepared by the lead agency, unless Grant PUD is otherwise authorized or required to do so under applicable law. Grant PUD may, but is not required to, conduct supplemental environmental review if it is authorized to do so under WAC [197-11-600](#)(3).

If Grant PUD receives a lead agency determination made by another agency that appears inconsistent with the criteria established by applicable law for making such determinations, it may take action as authorized by the SEPA rules. Any objection must be made to the agency originally making the determination and resolved within 15 days of receipt of the determination or Grant PUD must petition WDOE for a lead agency determination under WAC [197-11-946](#) within the 15 day time period. Any petition on behalf of Grant PUD will be initiated by the Manager.

Grant PUD is authorized to make agreements as to lead agency status or shared lead agency duties for a proposal under WAC 197-11-926, [197-11-942](#), and [197-11-944](#) provided that the responsible official and Manager (if different) approves the agreement.

3.5 Transfer of Lead Agency Status to a State Agency

If Grant PUD would be the lead agency because Grant PUD initiated the proposal, and for which one or more state agencies have jurisdiction, Grant PUD's responsible official may elect to transfer the lead agency duties to a state agency upon mutual agreement between Grant PUD and the state agency. WAC 197-11-926. To transfer lead agency duties, Grant PUD's responsible official must transmit a notice of the transfer together with any relevant information available on the proposal to the appropriate state agency with jurisdiction. Grant PUD's responsible official will also give notice of the transfer to the private applicant and any other agencies with jurisdiction over the proposal, as applicable.

3.6 Timing of the SEPA process

The timing of the SEPA process will be consistent with that defined in WAC [197-11-055](#).

4.0 CATEGORICAL EXEMPTIONS AND THRESHOLD DETERMINATIONS

4.1 Adoption by Reference

This section contains the rules for deciding whether a proposal has a "probable significant, adverse environmental impact" requiring an EIS to be prepared. This section also contains rules for evaluation impacts of proposals not requiring an EIS. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-300	Purpose of this part
197-11-305	Categorical exemptions
197-11-310	Threshold determination required
197-11-315	Environmental checklist
197-11-330	Threshold determination process
197-11-335	Additional information
197-11-340	Determination of nonsignificance (DNS)
197-11-350	Mitigated DNS
197-11-355	Optional DNS process
197-11-360	Determination of significance (DS/initiation of scoping)
197-11-390	Effect of threshold determination

4.2 Use of Exemptions

Once the Grant PUD responsible official receives an application for a proposal it will determine whether the proposal is exempt. Exemptions may be identified in the WAC 197-11, or in statute, RCW 43.21C.

Grant PUD adopts by reference the following rules for categorical exemptions, as supplemented in this ordinance, including WAC 173-806-070 (Flexible thresholds), WAC 197-806-080 (Use of exemptions), and WAC 173-806-190 (Critical areas):

WAC	Title
197-11-800	Categorical exemptions
197-11-880	Emergencies
197-11-890	Petitioning DOE to change exemptions

The responsible official's determination that a proposal is exempt will be final and not subject to administrative review. If a proposal is exempt, none of the procedural requirements of these policies and procedures apply to this proposal. Grant PUD will not require completion of an environmental checklist for an exempt proposal. However, the Grant PUD responsible official will place a memo in the file or permit application (if applicable) to indicate that SEPA compliance has been satisfied or did not apply.

In determining whether or not a proposal is exempt, Grant PUD will make certain the proposal is properly defined pursuant to WAC [197-11-060](#). If a proposal includes exempt and non-exempt actions, Grant PUD will determine the lead agency, even if the application triggers Grant PUD's consideration is exempt. Proposals exempt under WAC 197-11 do not require further review under SEPA unless Grant PUD determines that the circumstances in WAC 197-11-305 apply. Proposals exempt by statute, RCW 43.21C, are not subject to WAC 197-11-305 unless the applicable statutory exemption provides otherwise.

4.3 Environmental Checklist and Threshold Determination

The environmental checklist is a standard form used by all agencies to obtain information about a proposal. It includes questions about the proposal, its location, possible future activities, and questions about potential impacts of the proposal on each element of the environment. A completed environmental checklist will be filed at the same time as an application for a permit, license, certificate, or other approval not specifically exempted in this document. A copy of the current SEPA checklist and guidance can be located on the Department of Ecology's website or checklist and guidance can be provided by the responsible official.

An environmental checklist is not needed if Grant PUD and the applicant agree an EIS is required, SEPA compliance has been completed, or SEPA compliance has been initiated by another agency. Grant PUD will use the environmental checklist to determine the lead agency. If Grant PUD is the lead agency, the responsible official will make the threshold determination. A SEPA threshold determination is the formal decision as to whether the proposal is likely to cause a significant adverse environmental impact for which mitigation cannot be easily identified. If significant, adverse environmental impacts are likely, a determination of significance (DS) is issued and the environmental impact process is started. If there are no likely significant adverse environmental impacts, a determination of non-significance (DNS) is issued. Under SEPA, "significant" means a "reasonable likelihood of more than a moderate adverse impact on environmental quality" (WAC 197-11-794).

The applicant shall prepare the initial environmental checklist, unless the responsible official specifically elects to prepare the checklist. The responsible official shall make a reasonable effort to verify the information in the checklist and supporting documentation and shall have the authority to determine final content of the checklist. A "reasonable effort" may include ensuring all necessary permits have been identified, the proposal location is adequately identified, and that descriptions of the environment are complete and accurate.

Grant PUD expects that it will only be lead agency for proposals initiated by Grant PUD. Grant PUD does not expect to be the lead agency for private proposals.

4.4 Determination of Non-Significance (DNS)

A DNS is issued when the responsible official has determined there will be no probable significant adverse environmental impacts from a proposal. The lead agency shall prepare and issue a DNS substantially in the form provided in WAC [197-11-970](#). If Grant PUD adopts another environmental document in support of a threshold determination, the notice of adoption (WAC [197-11-965](#)) and the DNS shall be combined or attached to each other.

The DNS will require a public notice period and circulation to other agencies (WAC [197-11-340](#)) along with the submittal of the DNS and checklist to the SEPA registry. See Section 5.2 for further instructions on public notice periods for a DNS. An agency with jurisdiction may assume lead agency status within this fourteen-day period (WAC [197-11-948](#)).

Based on comments received, the responsible official shall reconsider the DNS and may retain, modify, or withdraw the DNS. The responsible official may modify or withdraw the DNS if comments provided significant new information indicating that significant adverse environmental impacts would occur and / or information provided in the checklist to make the determination was inaccurate and/or there are substantial changes to the proposal or significant new information (WAC [197-11-340](#)). When a DNS is modified or withdrawn, the lead agency shall send the modified DNS to agencies with jurisdiction.

4.5 Mitigated Determination of Non-Significance (MDNS)

A primary goal of SEPA is to reduce or eliminate environmental impacts. If probable, significant impacts are identified that may require the preparation of an EIS, those impacts can be reduced either by making changes to the proposal or by requiring mitigation measures. When changes to the proposal or mitigation measures are identified that will reduce likely significant adverse environmental impacts down to a nonsignificant level, a mitigated DNS or MDNS is issued (WAC [197-11-350](#)). The mitigation measures are typically shown on the face of the MDNS or as an attachment. Mitigation measures incorporated in the MDNS will be deemed conditions of approval of the permit decision or government action and may be enforced in the same manner as any term or condition of the permit, or enforced in any manner specifically prescribed by Grant PUD. Project proponents may clarify or change parts of the proposal in response to comments by agencies, Grant PUD, or the public, to mitigate probable, significant impacts.

The revisions to the project may occur prior to issuance of a DNS or following public notice period on the DNS. If MDNS is issued prior to public notice, the MDNS will require a public notice period and circulation to other agencies (WAC [197-11-340](#)) as outlined for the DNS. MDNS and checklist will be submitted to the SEPA registry. A fourteen day comment period, distribution, public notice are required for MDNS. See Section 5.2 for further instructions on public notice.

5.0 ENVIRONMENTAL IMPACT STATEMENTS (EIS)

5.1 Adoption by Reference

An EIS is prepared when Grant PUD has determined a proposal is likely to result in significant adverse environmental impacts. This section contains the rules for preparing environmental impact statements. Grant PUD adopts the following sections by reference, as supplemented by this section.

WAC	Title
197-11-400	Purpose of EIS
197-11-402	General requirements
197-11-405	EIS types
197-11-406	EIS timing
197-11-408	Scoping
197-11-410	Expanded scoping (Optional)
197-11-420	EIS preparation
197-11-425	Style and size
197-11-430	Format
197-11-435	Cover letter and memo
197-11-440	EIS content
197-11-442	Contents of EIS on non-project proposals
197-11-443	EIS contents when prior non-project EIS
197-11-444	Elements of the environment
197-11-448	Relationship of EIS to other considerations
197-11-450	Cost benefit analysis
197-11-455	Issuance of DEIS
197-11-460	Issuance of FEIS

5.2 Preparation of EIS – Additional Considerations

Preparation of draft and final EISs (DEIS and FEIS) and draft and final supplemental EISs (SEIS) is the responsibility of Grant PUD under the direction of the responsible official. Before Grant PUD issues an EIS, the responsible official will satisfy that it complies with chapter [197-11-WAC](#).

The DEIS and FEIS or draft and final SEIS will be prepared by Grant PUD staff or by a consultant selected by Grant PUD or the project proponent. If the responsible official requires an EIS for a proposal and determines that someone other than Grant PUD will prepare the EIS, the responsible official provide notification to staff or consultant immediately upon completion of

the threshold determination. The responsible official will provide Grant PUD’s procedures for EIS preparation including approval of the DEIS and FEIS prior to distribution.

Grant PUD may require staff or consultant to provide information Grant PUD does not possess, including specific investigations; however, staff or consultant are not required to supply information that is not required under this ordinance or that is being required from another agency. (This does not apply to information Grant PUD may request under ordinance or statute).

6.0 COMMENTING

6.1 Adoption by Reference

This section contains rules for consulting, commenting, and responding on all environmental documents under SEPA, including rules for public notice and hearings. Grant PUD adopts all the following sections by reference, as supplemented in this part:

WAC	Title
197-11-500	Purpose of this part
197-11-502	Inviting comment
197-11-504	Availability and cost of environmental documents
197-11-508	SEPA register
197-11-510	Public notice
197-11-535	Public hearings and meetings
197-11-545	Effect of no comments
197-11-550	Specificity of comments
197-11-560	FEIS response to comments
197-11-570	Consulted agency costs to assist lead agency

6.2 Public Notice

Whenever Grant PUD issues a DNS or MDNS under WAC 197-11-340 and 350 or a DS under WAC 197-11-360(3), Grant PUD will give public notice per WAC 197-11-510, and WAC 197-11-502 if applicable. Grant PUD public notice procedure is as follows:

- When a DNS is issued, Grant PUD will upload the DNS and environmental checklist to Ecology’s SEPA registry.
- Grant PUD will notify (through email) agencies with jurisdiction, affected tribes, and each local agency or political subdivision whose public services would be affected as a result of implementation of the proposal. Notification will include the SEPA determination and SEPA checklist along with information on requesting additional

information. Grant PUD responsible official will maintain a distribution list for each local jurisdiction.

- Grant PUD will also publish the notice in a newspaper of general circulation in the county, city, or general area where the proposal is located.
- Public notice will allow for a fourteen day (14) comment period from the date of issuance of the determination and Grant PUD will not act on the project within this period.

Whenever Grant PUD issues a Determination of Significance and proceeds to develop an EIS, , it will give public notice under the following procedures:

- Grant PUD will notify (through email) agencies with jurisdiction, affected tribes, and each local agency or political subdivision whose public services would be affected as a result of implementation of the proposal. Notification will include the SEPA threshold determination and SEPA checklist along with information on requesting additional information. Grant PUD responsible official will maintain a distribution list for each local jurisdiction. Grant PUD shall include a scoping notice and invite comment on the scoping of the EIS as part of this notification under WAC 197-11-408.
- Grant PUD will also publish the notice in a newspaper of general circulation in the county, city, or general area where the proposal is located.
- Public notice will allow for a twenty-one (21) day comment period from the date of issuance of the determination of significance and Grant PUD will not act on the project within this period.
- Grant PUD will subsequently allow for a thirty-day comment period on the issuance of the Draft Environmental Impact Statement (DEIS) and, if applicable, any Supplemental Environmental Impact Statement (SEIS), using the above public notice process.
- Grant PUD will hold a public hearing on the DEIS if two agencies with jurisdiction or fifty (50) or more members of the public request such a hearing in writing within 30 days of issuance of a DEIS under WAC 197-11-535.

6.3 Designation of Official to Perform Consulted Agency Responsibilities for Grant PUD

The responsible official will be responsible for preparation of written comments for Grant PUD in response to consultation request prior to a threshold determination, participation in scoping, and reviewing a DEIS.

The responsible official will be responsible for Grant PUD's compliance with WAC 197-11-550 whenever Grant PUD is a consulted agency and is authorized to develop operating procedures that will ensure that responses to consultation requests are prepared in a timely fashion and include data from appropriate departments of Grant PUD.

7.0 USING ENVIRONMENTAL DOCUMENTS

7.1 Adoption by Reference

This section contains rules for using and supplementing existing environmental documents prepared under SEPA or the National Environmental Policy Act (NEPA) for Grant PUD’s own environmental compliance. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-164	Planned actions – Definitions and criteria
197-11-168	Ordinances or resolutions designating planned actions – Procedure for adoption
197-11-172	Planned actions – Project review
197-11-600	When to use existing environmental documents
197-11-610	Use of NEPA documents
197-11-620	Supplemental environmental impact statement – Procedures
197-11-625	Addenda – Procedures
197-11-630	Adoption – Procedures
197-11-635	Incorporation by reference – Procedures
197-11-640	Combining documents

8.0 SEPA AND AGENCY DECISIONS

8.1 Adoption by Reference

This section contains rules (and policies) for SEPA’s substantive authority, such as decisions to mitigate or reject proposals as a result of SEPA. This part also contains procedures for appealing SEPA determinations to agencies or the courts. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-650	Purpose of part
197-11-655	Implementation
197-11-660	Substantive authority and mitigation
197-11-680	Appeals

8.2 Appeals

Grant PUD does not have a SEPA administrative appeal process.

Appeals to Grant PUD decision making in regard to the SEPA process must occur judicially by filing such appeal with Grant County Superior Court in Ephrata, Washington, unless jurisdiction over the underlying action is expressly vested in a different Superior Court by law.

Per WAC 43.21C.080:

“Except as otherwise provided in RCW 43.21C.075 (a), any action to set aside, enjoin, review, or otherwise challenge any such governmental action or subsequent governmental action for which notice is given is subsection (1) of this section on grounds of noncompliance with the provisions of this chapter will be commenced within 21 days from the date of the last newspaper publication of the notice pursuant to subsection (1) of this section, or be barred.”

Grant PUD will give official notice under WAC [197-11-680](#)(5) whenever it issues a permit or approval for which a statute or ordinance establishes a time for commencing judicial appeal.

8.3 Notice / Statute of Limitations

The form of the notice will be substantially in the form provided in WAC [197-11-990](#). The notice will be published by Grant PUD pursuant to RCW 43.21C.080.

9.0 DEFINITIONS

9.1 Adoption by Reference

This section contains uniform usage and definitions of terms used under SEPA. Grant PUD adopts the following sections by reference, as supplemented by WAC 173-806-030.

WAC	Title
197-11-700	Definitions
197-11-702	Act
197-11-704	Action
197-11-706	Addendum
197-11-708	Adoption
197-11-710	Affected tribe
197-11-712	Affecting
197-11-714	Agency
197-11-716	Applicant

WAC	Title
197-11-718	Built environment
197-11-720	Categorical exemption
197-11-721	Closed record appeal
197-11-722	Consolidated appeal
197-11-724	Consulted agency
197-11-726	Cost benefit analysis
197-11-728	County/City
197-11-730	Decision maker
197-11-732	Department
197-11-734	Determination of non-significance (DNS)
197-11-736	Determination of significance (DS)
197-11-738	EIS
197-11-740	Environment
197-11-742	Environmental checklist
197-11-744	Environmental document
197-11-746	Environmental review
197-11-750	Expanded scoping
197-11-752	Impacts
197-11-754	Incorporation by reference
197-11-756	Lands covered by water
197-11-758	Lead agency
197-11-760	License
197-11-762	Local agency

WAC	Title
197-11-764	Major action
197-11-766	Mitigated DNS
197-11-768	Mitigation
197-11-770	Natural environment
197-11-772	NEPA
197-11-774	Non-project
197-11-775	Open record hearing
197-11-776	Phased review
197-11-778	Preparation
197-11-780	Private project
197-11-782	Probable
197-11-784	Proposal
197-11-786	Reasonable alternative
197-11-788	Responsible official
197-11-790	SEPA
197-11-792	Scope
197-11-793	Scoping
197-11-794	Significant
197-11-796	State agency
197-11-797	Threshold determination
197-11-799	Underlying governmental action

10.0 AGENCY COMPLIANCE

10.1 Adoption by Reference

This section contains rules for agency compliance with SEPA, including rules for charging fees under the SEPA process, designating categorical exemptions that do not apply within critical areas, listing agencies with environmental expertise, selecting the lead agency, and applying these rules to the current agency activities. Grant PUD adopts the following sections by reference:

WAC	Title
197-11-900	Purpose of this part
197-11-902	Agency SEPA policies
197-11-916	Application to ongoing actions
197-11-920	Agencies with environmental expertise
197-11-922	Lead agency rules
197-11-924	Determining the lead agency
197-11-926	Lead agency for governmental proposals
197-11-928	Lead agency for public and private proposals
197-11-930	Lead agency for private projects with one agency with jurisdiction
197-11-932	Lead agency for private projects requiring licenses from more than one agency, when one of the agencies is a county/city
197-11-934	Lead agency for private projects requiring licenses from a local agency, not a county/city, and one or more state agencies
197-11-936	Lead agency for private projects requiring licenses from more than one state agency
197-11-938	Lead agencies for specific purposes
197-11-940	Transfer of lead agency status to state agency
197-11-942	Agreements on lead agency status
197-11-944	Agreements on division of lead agency duties
197-11-946	DOE resolution of lead agency disputes
197-11-948	Assumption of lead agency status

10.2 Agencies with Environmental Expertise

Per WAC [197-11-714\(2\)](#):

“Agency with environmental expertise” means an agency with special expertise on the environmental impacts involved in a proposal or alternative significantly affecting the environment. These agencies are listed in WAC [197-11-920](#), the list may be expanded in agency procedures (WAC [197-11-906](#)). The appropriate agencies must be consulted in the environmental impact statement process, as required by WAC [197-11-502](#).

In addition to those agencies with environmental expertise per WAC [197-11-920](#), as allowed for in WAC [197-11-906](#), Grant PUD includes itself as an agency with environmental expertise.

Grant PUD has professional qualified employees that possess special expertise relating to the categories of air quality, water resources and water quality, hazardous and toxic substances, solid and hazardous waste, fish and wildlife, natural resource development, energy production, transmission and consumption, land use and management, noise, recreation, archaeological/historical, and transportation.

10.3 Fees

Grant PUD will not require any fees since it is only the lead agency for Grant PUD projects.

Grant PUD will not collect a fee for performing its duties as a consulted agency.

Grant PUD may charge any person for copies of any document prepared under this ordinance, and for mailing the document, in a manner provided by RCW Chapter 42.56.

10.4 Severability

If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance, or the application of the provision to other persons or circumstances will not be affected.

11.0 FORMS

11.1 Adoption by Reference

Grant PUD adopts the following forms and sections by reference:

WAC	Title
197-11-960	Environmental checklist
197-11-965	Adoption notice
197-11-970	Determination of non-significance (DNS)
197-11-980	Determination of significance and scoping notice (DS)
197-11-985	Notice of assumption of lead agency status
197-11-990	Notice of action

12.0 UPDATED PROCESS

Grant PUD will review and update this policy every five (5) years/as necessary commencing from the date of adoption. Except that, in instances where there have been changes affected by the law. If so, Grant PUD may update this policy to reflect such a change.

13.0 COMPLIANCE WITH SEPA PROCEDURE REQUIREMENTS

Much of the content within this document is derived from Chapter [173-806](#) WAC Model Ordinance.

14.0 ATTACHMENTS

The following is a list and brief description of attachments to this policy. In the event of a conflict, the policies supersede any guidance or direction provided in the attachments:

14.1 Attachment A – Resolutions

A copy of previous SEPA related resolutions and the current Grant PUD Commission resolution can be found in the attachment.

14.2 Attachment B – Example Determination of Non-Significance

This attachment contains an example DNS that can be modified for projects requiring a DNS or MDNS.

15.0 LINKS TO SEPA GUIDANCE

15.1 SEPA Guide for Project Applications

<https://ecology.wa.gov/Regulations-Permits/SEPA/Environmental-review/SEPA-guidance>

15.2 State Environmental Policy Act (SEPA) Handbook

<https://fortress.wa.gov/ecy/publications/documents/98114.pdf>

[2018 SEPA Handbook Updates](#)

15.3 Washington Administrative Code (WAC) 197-11

<http://apps.leg.wa.gov/WAC/default.aspx?cite=197-11>

15.4 Chapter 43.21c Revised Code of Washington (RCW)

<http://apps.leg.wa.gov/rcw/default.aspx?cite=43.21c>

**Attachment A
Resolution**

Attachment B
Example Determination of Non-significance



STATE ENVIRONMENTAL POLICY ACT
Determination of Non-Significance

November 12, 2025

Lead Agency: Public Utility District No. 2 of Grant County, Washington (Grant PUD)

Agency Contact: Larry Lehman (SEPA Responsible Official)
Llehman@gcpud.org
509-630-7916

Agency File Name: Quincy Transmission Expansion Plan (QTEP) Monument Hill Switchyard

Description of Proposal:

The Monument Hill Switchyard site will be approximately 14 acres inside a District owned 87.1-acre site. The existing Quincy Foothills Substation will be adjacent on the west side of Monument Hill Switchyard and additional land to the south is available for future site expansion. The switchyard will be arranged as a 6-bay breaker-and-a-half formation and includes 230kV capacitor banks with provisions for future use including 3 spare line positions. Three of the six new transmissions lines that QTEP is building will tie into this new switchyard and improve reliability to the system

Location of proposal: The proposed substation will be installed within the northeast portion of the 88-acre parcel located at 3301 NE M St (Parcel 040414050). Section 03, Township 20, Range 24.

Proponent: Grant PUD

Proponent Contact Information:

Evelyn Zepeda: Regulatory Specialist, Grant PUD
ezepeda@grantpud.org (509) 754-7074

Grant PUD has determined that this proposal will not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). We have reviewed the attached Environmental Checklist and other information on file with the lead agency. This information is available on request.

In reaching this determination, the lead agency made the following findings and conclusions.

The project site is inside the city limits of Quincy and has minimal ground disturbances, there are no known or probable historic properties or cultural resources located within the boundaries of the proposed project, and there is no surface water body on or in the

SEPA DNS 2025 QTEP; Monument Hill Switchyard

immediate vicinity of the construction area. The proposed location is within a larger parcel that has historically been used for agriculture and as a result is providing no significant habitat functions and values. The proposed switchyard is being constructed on a parcel with an existing substation and industrial uses on adjacent parcels in the City of Quincy. habitat functions and values. The proposed switchyard is being constructed on a parcel with an existing substation and industrial uses on adjacent parcels in the City of Quincy.

This DNS is issued pursuant to WAC 197-11-340(2); the Lead Agency will not act on this proposal for 14 days from the date below.

Comments must be submitted by November 26, 2025

Responsible Official: Larry Lehman

Environmental Compliance Supervisor – Environmental Affairs
(509) 630-7916
Llehman@gcpud.org
PO Box 878
Ephrata, WA 98823

Signature _____ Date: 11/12/2025

Appeal: There is no agency appeal per WAC 197-11-970.

For Commission Review – 6/9/2026

Motion authorizing the General Manager/CEO to execute contract with Shell Energy North America (US) (“Shell”), for the purpose of entering an energy exchange agreement. The agreement shall be for 3-year Wholesale Energy Exchange Transaction with Shell Energy.

xxxx

MEMORANDUM

6/1/2026

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Sr. Vice President Power and Marketing Operations ^{JG}/_{JG} Jun 4, 2026
Rich Flanigan, Vice President of Energy Supply and Markets ^{RF} Jun 4, 2026

FROM: Mike Bradshaw, Senior Manager of Trading and Commercial Operations ^{MB}/_{MB} Jun 4, 2026

SUBJECT: 3-year Wholesale Energy Exchange Transactions with Shell Energy

Purpose:

To request Commission approval to enter into two (2), 3-year contracts (Number 420-13472 & 420-13469) with Shell Energy North America (US) (“Shell”) for an energy exchange agreement. This transaction allows Grant PUD to collect a premium for energy delivered from Grant’s system, with an option to collect an additional premium for energy allocated as carbon-free, to Shell. In return, Shell will provide Grant PUD market energy in the same volumes and periods.

Discussion:

The negotiations for this transaction commenced in late 2025 and were conducted with continuous oversight from both risk and legal teams. Additionally, the transaction was reviewed by external legal counsel and a consultant specializing in wholesale transactions. Grant staff has a long history of contracting and working with Shell and does not believe this transaction will affect Grant’s ability to serve load during the term of the deal.

Justification:

In this transaction, Grant provides system power and balancing authority services that give Shell greater flexibility thus allowing Grant to capture a premium over standard market power. It also enables Grant to assign carbon-free attributes after delivery, capturing additional value from surplus clean generation. On the return side, Shell provides equivalent market energy back to Grant, covers carbon compliance costs, and includes safeguards to limit exposure to higher-emission sources.

Financial Considerations:

The expected incremental revenue (revenue above generic market energy) from this transaction is between \$15.8M and \$23.7M, depending on how much of the energy is allocated as carbon-free.

Contract Specifics:

Term:	Jan 2027 – Dec 2029
Energy Quantity:	150 aMW, around the clock
Carbon-free Quantity:	Up to 60aMW, at Grant's option
Premium:	\$4.00/MWh or \$9.00 - \$10.50/MWh if carbon-free
Estimated total Premium:	\$7,800,000 per year


Recommendation:

Commission approval for the GM/CEO to execute the Wholesale Exchange Agreement with Shell Energy North America.

Legal Review:

This transaction has been reviewed by internal legal and outside counsel.

Signature: 
[Jeffrey Grizzel \(Jan 4, 2026 16:21:39 PDT\)](#)
Email: Jgrizzel@gcpud.org

Signature: 
Email: rflanig@gcpud.org

Signature: *Mike Bradshaw*
Email: mbradshaw@gcpud.org












Shell Transaction Memo

Final Audit Report

2026-06-04

Created:	2026-06-04
By:	Anna Hirz (ahirz@gcpud.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAiVwSBo4cXj4EY7XEuSDbOb9-EwrctcZix

"Shell Transaction Memo" History

-  Document created by Anna Hirz (ahirz@gcpud.org)
2026-06-04 - 9:30:11 PM GMT
-  Document emailed to Jeffrey Grizzel (Jgrizzel@gcpud.org) for signature
2026-06-04 - 9:32:10 PM GMT
-  Document emailed to Richard Flanigan (rflanig@gcpud.org) for signature
2026-06-04 - 9:32:10 PM GMT
-  Document emailed to Mike Bradshaw (mbradshaw@gcpud.org) for signature
2026-06-04 - 9:32:10 PM GMT
-  Email viewed by Richard Flanigan (rflanig@gcpud.org)
2026-06-04 - 9:32:35 PM GMT
-  Document e-signed by Richard Flanigan (rflanig@gcpud.org)
Signature Date: 2026-06-04 - 9:32:55 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE
-  Email viewed by Jeffrey Grizzel (Jgrizzel@gcpud.org)
2026-06-04 - 9:36:27 PM GMT
-  Document e-signed by Jeffrey Grizzel (Jgrizzel@gcpud.org)
Signature Date: 2026-06-04 - 11:21:39 PM GMT - Time Source: server - Signature Appearance Selected: DRAW
-  Email viewed by Mike Bradshaw (mbradshaw@gcpud.org)
2026-06-04 - 11:34:33 PM GMT
-  Document e-signed by Mike Bradshaw (mbradshaw@gcpud.org)
Signature Date: 2026-06-04 - 11:34:53 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE
-  Agreement completed.
2026-06-04 - 11:34:53 PM GMT



-Shell Energy North America (US), L.P.
1000 Main St., Level 12
Houston, TX 77002-6367
Attn: Ian White
E-mail: ian.d.white@shell.com

Public Utility District No. 2
of Grant County, Washington
Attn: Mike Bradshaw
E-Mail: mbradshaw@gcpud.org
Phone: 509-630-4999

CONFIRMATION AGREEMENT – WSPP SCHEDULE C FIRM SPECIFIED SOURCE ENERGY

This confirmation agreement (this "Confirmation") shall confirm the agreement reached on _____, 2026 ("Effective Date"), between Shell Energy North America (US), L.P. ("Shell Energy" or "Purchaser") and Public Utility District No. 2 of Grant County, Washington ("GCPUD" or "Seller") (each herein sometimes referred to as a "Party" and together as the "Parties") in which Seller agrees to sell and deliver to Purchaser and Purchaser agrees to purchase and receive the Product, as such term is defined below, on the terms and conditions specified herein and in the WSPP Agreement (defined below).

This Confirmation is governed by the WSPP Agreement (version dated effective October 31, 2025) and the exhibits and schedules thereto (as amended from time to time, the "WSPP Agreement"). The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement, and if the same term is defined differently in this Confirmation than in the WSPP Agreement, then the definition herein supersedes and replaces that in the WSPP Agreement. In the event of any other conflict between the terms of this Confirmation and the WSPP Agreement, the terms of this Confirmation shall control.

PURCHASER:	Shell Energy North America (US), L.P.
SELLER:	Public Utility District No. 2 of Grant County, Washington
PRODUCT:	WSPP Schedule C Firm Energy, and shall be either System Generated, Specified Source, or Advance Notice Specified Source, each as described below.
SYSTEM GENERATED	As used herein, "System Generated" means energy provided exclusively from the GCPUD System, which may include GCPUD system generation resources and/or market purchases by GCPUD. System Generated under this transaction shall be E-tagged as source of: "GCPD" or other applicable source name for Grant System Generation. System Generated used herein does not include carbon free attributes unless GCPUD expressly designates Product as "Specified Source" or "Advanced Notice Specified Source."



SPECIFIED SOURCE

As used herein, "Specified Source" means GCPUD's Priest Rapids Project, which includes Priest Rapids hydro and the Wanapum hydro electricity generation facilities. Seller shall provide written notice of delivery from a Specified Source as described in the Special Conditions below.

<i>SS Resource</i>	<i>EIA IDs</i>	<i>CARB ID</i>	<i>OR DEQ ID</i>
Mid-C Hydro – Priest Rapids and Wanapum Dams (Grant County PUD)	3887, 3888	500054	111501, 111504

ADVANCED NOTICE SPECIFIED SOURCE

As used herein, "Advanced Notice Specified Source" (or "ANSS") means energy generation from a Specified Source where Seller notifies Purchaser in writing, at least five (5) Business Days in advance of the month of delivery, that Product will be Specified Source, including the quantities and hours of delivery from such Specified Source for the applicable period. The scheduling quantities for ANSS must be equal hourly amounts within each On-Peak hour period in each day, and in equal hourly amounts within each Off-Peak hour period in each day (hourly profiling is not permitted and shall not constitute ANSS Product). The equal hourly quantities of On-Peak and Off-Peak may differ from each other in each month, and from month to month. For the avoidance of doubt, 7x24 deliveries are allowed for ANSS Product.

<i>ANSS Resource</i>	<i>EIA IDs</i>	<i>CARB ID</i>	<i>OR DEQ ID</i>
Mid-C Hydro – Priest Rapids and Wanapum Dams (Grant County PUD)	3887, 3888	500054	111501, 111504

DELIVERY TERM:

HE1 January 1, 2027 – HE24 December 31, 2029, as may be terminated earlier pursuant to the terms hereof ("Delivery Term")

CONTRACT QUANTITY:

150 MWs

DELIVERY RATE:

7x24

CONTRACT PRICE:



DELIVERY POINT:

BPAT.GCPD



Shell
ENERGY *for discussion purposes only*

TIME ZONE: Pacific Prevailing Time
TOTAL MWH: 3,945,600 MWh from all sources.

SPECIAL CONDITIONS:

1. Term Commensurate with Related Transaction. Notwithstanding anything to the contrary herein or in the WSPP Agreement:
 - a) but without prejudice to a Party's rights pursuant to Section 22 of the WSPP Agreement, this Confirmation shall automatically terminate upon any expiration or termination of that certain Confirmation Agreement between the Parties of even date herewith for the purchase and sale of WSPP Schedule C Firm Energy having a delivery term commensurate with the Delivery Term hereunder; and
 - b) As of the Effective Date, GCPUD has committed to enter the Southwest Power Pools Markets+ market, to be effective on or after September 30, 2028 (referred to herein as a "Market Change"). If (i) such Market Change has, or is reasonably expected to have, a material adverse effect on the rights or obligations of either Party under this Confirmation, and (ii) the Parties are unable or unwilling to amend this Confirmation to mitigate such adverse impact, then either Party may elect by written notice to the other Party to terminate this Confirmation, effective as of September 30, 2028, provided such notice is given on or before June 30, 2028. Any such termination pursuant to this Special Condition 1(b) shall be without further liability or obligation on the part of either Party to the other, but shall not relieve either Party of any liability or obligation accrued prior to and through the effective date of such termination.
2. Terms and Conditions Regarding Energy from Specified Sources. Without limiting Seller's obligation to deliver all Product hereunder from a System Generated source, Seller may, but is not required to, deliver any portion of the Contract Quantity of Product from Specified Sources, including on an Advanced Notice Specified Source basis (subject to the maximum quantities in Section 4 below). In the event Seller delivers Product from a Specified Source in any given month of the Delivery Term, then the following shall apply.
 - a) No Product scheduled under this Agreement will be deemed Specified Source unless Seller provides Purchaser with an allocated generation report after each month of delivery indicating the quantity of Specified Source energy generated and allocated for each hour. Seller shall use commercially reasonable efforts to provide an allocated generation report to Purchaser by the 10th business day of the month following delivery.
 - (i) With respect to any delivery of Specified Source energy, Seller may but is not required (except to the extent specified in subsection (ii) immediately below) to provide advance written notice that deliveries in an upcoming month will be from a Specified Source and, to the extent such notice meets the requirements in the definition of Advance Notice Specified Source, Seller shall receive the increased Contract Price specified in subsection (c) below.
 - (ii) To the extent Seller desires to deliver any quantity of Specified Source energy during the months of November and December in any year of the Delivery Term, Seller must provide written notice at least five (5) Business Days prior to November 1st of such year specifying the total quantity of Specified Source energy for such two-month period (in addition to substantiating the Specified Source of such quantities subsequent to delivery) in order to receive the Contract Price specified in subsection (b) below and, if such notice meets the more specific requirements in the definition of Advance Notice Specified Source, then Seller



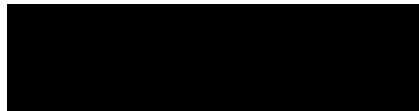
shall receive the further increased Contract Price specified in subsection (c) below.

- b) The Contract Price for all Product delivered by Seller from a Specified Source for which Seller has met the substantiation (and, with respect to November and December deliveries, advance notice) requirements shall be the [REDACTED]
 - c) To the extent Seller provides Purchaser advance written notice as specified in the definition of Advance Notice Specified Source that a specified portion of the Contract Quantity for such period will be generated by a Specified Source and such portion is scheduled according to the definition of ANSS, the Contract Price for such specified portion shall be the [REDACTED]
 - d) Notwithstanding anything herein to the contrary, the Contract Price for any portion of the Contract Quantity that is not validated or otherwise substantiated as being generated by a Specified Source or that is ultimately disallowed by an applicable governmental authority as having been generated by a Specified Source shall be the Base Price. To the extent Seller provides Purchaser advance written notice of ANSS as specified in the definition of Advance Notice Specified Source and such quantities are not substantiated as being generated by a Specified Source or that is ultimately disallowed by an applicable governmental authority as having been generated by a Specified Source, then the Contract Price shall be the Base Price. If and to the extent that Purchaser has actually paid an adder to the Base Price pursuant to Special Conditions 2(b) or (c) with respect to any portion of the Contract Quantity that is subsequently determined not to be eligible for such adder pursuant to this Special Condition 2(d), then Seller shall credit back to Purchaser on the next monthly invoice or invoices under this Confirmation any portion of the adder for Specified Source or ANSS that was actually paid by Purchaser to Seller with respect to such ineligible Contract Quantity. Further, to the extent Seller provides Purchaser advance written notice of ANSS as specified in the definition of Advance Notice Specified Source and such quantities are, on a persistent and ongoing basis, not substantiated as being generated by a Specified Source, then the Parties shall promptly engage in good faith discussions to resolve such persistent and ongoing issue. If after such discussion Seller continues to fail substantiation of Specified Source or otherwise meeting the requirements for ANSS, then Purchaser shall have the right to require, on written notice, that the entirety of the Contract Quantity of Product, subsequent to such notice, be either System Generated or Specified Source, until such time as Purchaser is not incurring penalties or has otherwise resolved adverse economic consequences, at which such time Purchaser shall provide prompt notice to Seller and Seller's optionality referenced in this Section 2 shall be restored.
3. Scheduling. Arranging transmission service and associated costs from the Delivery Point is the responsibility of the Purchaser. All E-tags and schedules shall be created and implemented by Purchaser by the close of the applicable prescheduling day in accordance with prevailing WECC standards. Seller's notice regarding delivery of ANSS Product shall specify only standard scheduling blocks (On-Peak, Off-Peak and 7x24) so as to enable Purchaser to schedule such Product accordingly. Without prejudice to the firm nature of the Contract Quantity, Purchaser has the right to re-direct Product to alternate sink points in real-time in one (1) MW increments for durations equal to one or more whole hours, provided:
- a) such re-direction is exclusively for Purchaser's contractual load management purposes



and not for other purposes such as integration of variable resources; and

- b) any applicable E-tag creation or adjustments shall be implemented no later than 60 minutes prior to beginning of the hour of flow (e.g., by 10:00am for HE12 or one hour in advance); and
 - c) the portion of the Contract Quantity subject to such re-direction shall not exceed 50 MW per hour and utilize no more than 3 E-tags per hour to minimize administrative burden of Seller.
 - d) While Purchaser may re-direct Product pursuant to 3 (a)-(c) above, Purchaser shall not cause schedules to deviate from Contract Quantity unless for reasonable cause due to reliability event(s), including but not limited to transmission derates or outages, distribution system disruptions, scheduling software or IT-related outages, curtailments or declared system emergencies.
4. As used herein:
- “On-Peak” means Monday through Saturday, Hours ending 0700 through 2200 excluding NERC Holidays
 - “Off Peak” means Monday through Saturday, Hours ending 0100 through 0600 and Hours ending 2300 through 2400 excluding NERC Holidays; and for Sundays and NERC Holidays, Hours ending 0100 through 2400
5. Annual Limitation on Product Delivery from Specified Source. The maximum quantity of Specified Source Product Seller may deliver, whether from Specified Source and/or Advance Notice Specified Source, is as below, and any amount delivered by Seller in excess of such amounts shall be paid at the Base Price:



6. Change in Law. In the event that, after the Effective Date, there occurs an adoption, taking effect, repeal or other elimination of any applicable law, statute, regulation, rule, action, order, code or ordinance or any change in any of the foregoing or in the administration, interpretation or application thereof by any governmental authority that has a material adverse effect on wholesale energy transactions for Products in the State of Washington, including but not limited to any of the foregoing with respect to the Washington Cap and Invest Program codified at Chapter 70A.65 of the Revised Code of Washington, as amended, or other carbon legislation, other than either Party entering an organized market as set forth in Section 1(b), then the Parties shall promptly confer regarding such commercially reasonable changes to this Confirmation as necessary or appropriate to mitigate such material adverse effects and enable the Parties to continue or otherwise address such change, while attempting to preserve to the maximum extent possible the relative benefits, burdens and obligations set forth in this Confirmation as of the Effective Date.
7. Western Resource Adequacy Program (“WRAP”). Neither Party shall have any obligation to the other Party under or related to WRAP in connection with this Confirmation. For the avoidance of doubt, this transaction is energy only and does not include or imply resource adequacy capacity for use in the WRAP or any other capacity counting scheme.
8. Special Entity Status: GCPUD represents that it is a Special Entity as defined in Section 4s(h)(2)(C) of the U.S. Commodity Exchange Act and the U.S. Commodity Futures Trading



Commission Regulation 23.401(c).

9. Data Privacy: In the course of the performance of this Confirmation, the Parties may provide each other with information related to an identified or directly or indirectly identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law and this Confirmation and the WSPP Agreement.

For avoidance of doubt the Parties may not process, sell, retain, use or disclose the Personal Data for any purpose other than for the specific purpose specified in this Confirmation and the WSPP Agreement or as required or permitted by applicable data protection law. By signing this Confirmation, Parties certify that they understand this condition and will comply with it. Each Party is a data controller in respect of any Personal Data.

Personal Data processed by Shell Energy is governed by the terms of the Privacy Notice – Business Customer, Supplier, Partner or Investors, available at <https://www.shell.com/privacy/b2b-notice.html> and from the relevant Shell website in each location.

Notwithstanding anything herein to the contrary, Shell Energy hereby acknowledges and agrees that GCPUD is subject to the Washington Public Records Act and that GCPUD’s disclosure of information in compliance with the Washington Public Records Laws, as determined by GCPUD in its sole discretion, shall not be a breach of this Agreement.

10. Anti-Corruption: Each Party represents, warrants and covenants to the other that: (i) it will comply with any Anti-Corruption Laws (as defined herein) specifically applicable to it and to this Confirmation; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out any transaction hereunder which would violate any applicable Anti-Corruption Laws; (iii) it will promptly notify the other Party if it becomes aware of any violation of any applicable Anti-Corruption Laws in connection with any transaction hereunder, subject to the preservation of legal privilege; and (iv) except as the other Party may agree in writing, all payments payable to a Party pursuant to this Agreement shall be made only to the account of such Party, and not to the account of any other person. “Anti-Corruption Laws” mean (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion.

11. The billing, payment and notices addresses and information for the Parties for the purposes of this Confirmation shall be as follows:

Name: Public Utility District No. 2 of Grant County, Washington	Name: Shell Energy North America (US), L.P.
All Notices:	All Notices:
Street: _____	Street: 1000 Main Street, Level 12
City: _____ Zip: _____	City: Houston, Texas Zip: 77002



Attn: Contract Administration Phone: ____-____-____; Fax: ____-____-____ Email _____ Duns: _____ Federal Tax ID Number: _____	Attn: Contracts North America Phone: 877-504-2491 Email: TR-Contract-Coordinators@shell.com Duns: 83-756-5548 Federal Tax ID Number: 76-0480645
Invoices: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Invoices: Attn: Power Accounting Phone: 713-767-5500; Fax: 713-767-5414
Commercial Contact: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Commercial Contact: Attn: Ian D. White Phone: 858-526-2151 Mobile: 509-964-1186 Email: ian.d.white@shell.com
Scheduling: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Scheduling: Preschedule: Marissa McCoy Phone: 858-526-2134 Email: gxtrSENAsandiegopreschedulers@shell.com Trading: Doug Meeuwsen or Steven Ross Phone: 858-678-2335 or 858-678-2327 Email: Doug.Meeuwsen@shell.com or Steven.Ross@shell.com Attn: 24 Hour Operations (San Diego, California) Phone: 1-858-320-1500; Fax: 858-320-1550
Confirmations: Attn: _____ Phone: ____-____-____; Fax: ____-____-____	Confirmations: Attn: Power Confirmations Phone: 877-504-2491; Fax: 713-767-5414
Option Exercise Line: Phone: ____-____-____; Fax: ____-____-____	Option Exercise Line: (Houston, Texas) Phone: 713-767-5398
Payments: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Payments: Attn: Power Accounting Phone: 713-767-5500; Fax: 713-767-5414
Wire Transfer: BNK: _____ ABA: _____ ACCT: _____	Wire Transfer: Bank Citibank, N. A. ABA: 021000089 ACCT: 30603873



<p>Credit and Collections: Attn: _____ Phone: ___-___-____; Fax: ___-___-____ _____</p>	<p>Credit and Collections: Attn: Director – Credit Risk Management Phone: 713-767-5500; Fax: 713-230-7925</p>
<p>With additional Notices of an Event of Default to: Attn: _____ Phone: ___-___-____; Fax: ___-___-____ _____</p>	<p>With additional Notices of an Event of Default to: Attn: General Counsel Phone: 713-767-5500; Fax: 713-230-2900</p>

The above information for either Party may be changed by such Party upon written notice to the other Party.

12. Restriction on Use of Energy. Purchaser represents that, commencing as of January 1, 2027, it has obligations to sink energy in the Pacific Northwest that, on a planning basis, exceed the expected quantity of Product that may be sourced from Seller hydroelectric facilities. Purchaser further agrees that it will use all Product delivered to it pursuant to this Confirmation in compliance with any law, order, regulation, or policy applicable to the use, sale, or resale of such Product. If any governmental agency or entity having jurisdiction over the matter determines that any use, sale, or resale of the Product does or would violate any applicable law, order, regulation, or policy, then Purchaser agrees not to engage in such use, sale, or resale, as soon as practicable but no later than thirty (30) days after receiving notice of such actual or potential violation.

13. Modifications to WSPP Agreement. For purposes of this Confirmation and the transaction entered into hereunder, the WSPP Agreement is hereby amended as follows:
 - a) The definition of the term “Business Day(s)” in Section 4 of the WSPP Agreement is amended by adding “or the Friday after the United States Thanksgiving holiday” before the period at the end of the first sentence.
 - b) Section 10 of the WSPP Agreement is amended by deleting items (i) and (ii) in the second paragraph of such section after the words “The following shall not be considered “Uncontrollable Forces:.” and replacing such items as follows:

 “(i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the product purchased hereunder; (iii) the loss or failure of Seller’s supply, except due to an event that otherwise qualifies as an Uncontrollable Force; or (iv) Seller’s ability to sell the product at a price greater than the Contract Price.”
 - c) Section 11 of the WSPP Agreement is amended by adding the following at the end of such section:

 “No waiver shall be deemed to have been given unless it is in writing.”
 - d) Section 12.1 of the WSPP Agreement is amended by (i) replacing the word “fax” with the words “, email or other mutually agreeable electronic means”; and (ii) adding the following at the end of such section: “Notice by email or other electronic means or hand



delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent.”

- e) The second sentence of Section 14 of the WSPP Agreement is amended by deleting the text “(a)” and by deleting the phrase “; or (b) the assignment is to a Successor in Operation which provides reasonable creditworthiness assurances (see Sec. 27 for examples of such assurances) if required by the non-assigning Party based upon its reasonably exercised discretion.”

- f) The sentence "ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED." in Section 21.1 of the WSPP Agreement is deleted in its entirety and replaced with the following:

"LIMITATION OF DAMAGES. FOR BREACH OF ANY PROVISION OF THIS CONFIRMATION AGREEMENT FOR WHICH AN EXPRESS REMEDY, MEASURE, OR METHODOLOGY OF CALCULATING DAMAGES IS PROVIDED, INCLUDING WITHOUT LIMITATION SECTIONS 21.3 AND 22 OF THE WSPP AGREEMENT, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES IS THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY FOR THE BREACH SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT FOR A PARTICULAR BREACH, LIABILITY FOR THE BREACH IS LIMITED TO DIRECT DAMAGES ONLY, SUCH DIRECT DAMAGES ARE THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT FOR THE BREACH, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY IS LIABLE FOR ANY OTHER TYPE OF DAMAGE, INCLUDING INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OF ANY NATURE (INCLUDING DAMAGES ASSOCIATED WITH LOST PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOODWILL) ARISING AT ANY TIME, WHETHER IN TORT (INCLUDING THE SOLE OR CONTRIBUTORY NEGLIGENCE OF EITHER PARTY OR ANY RELATED PERSON), WARRANTY, STRICT LIABILITY, CONTRACT OR STATUTE, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE."

- g) Section 21 of the WSPP Agreement is amended as follows:

- (i) Section 21.3(a)(1)(b) shall be amended by deleting the words “, if any, for firm transmission service upstream of the delivery point,”.
- (ii) Section 21.3(a)(2)(b) shall be amended by deleting the words “, if any, for firm transmission service downstream of the delivery point,”.
- (iii) Section 21.3(d) shall be amended by deleting the second sentence of the section in its entirety.

- h) Section 24 of the WSPP Agreement is deleted and replaced with the following:

"The WSPP Agreement and any Confirmation shall be governed by and construed, enforced and performed in accordance with the laws of the State of Washington, without regard to principles of conflicts of law or contrary provisions of the WSPP Agreement, if any."



- i) Section 33 of the WSPP Agreement is amended by deleting the last sentence and replacing it with the following: "EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN, (A) SELLER HEREBY NEGATES ALL EXPRESS, IMPLIED, OR STATUTORY REPRESENTATIONS AND WARRANTIES OF ANY KIND, INCLUDING THOSE RELATING TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, AND (B) PURCHASER ACKNOWLEDGES THAT IT IS RELYING ON ITS OWN JUDGMENT IN ENTERING INTO THIS AGREEMENT AND IS NOT RELYING ON ANY STATEMENT OR REPRESENTATION OF SELLER OR OF ANY AGENT OR EMPLOYEE OF SELLER."
- a) Section 34. Dispute Resolution, and Exhibit D WSPP Mediation and Arbitration Procedures, shall not be applicable and Section 34 shall be replaced with the following:

"34.1 Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT."
- j) Section 35 of the WSPP Agreement is hereby deleted and replaced with the following:

"The Parties intend that (i) all Transactions constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" with in the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute "settlement payments" within the meaning of the Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code; and (iv) this Agreement constitutes a "master netting agreement" within the meaning of the Bankruptcy Code."
- k) Section 41 "Witness" of the WSPP Agreement shall become Section 42 and the following "Standard of Review" Section shall be inserted as Section 41:
 - (i) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Confirmation, whether proposed by a Party (to the extent that any waiver in subsection (ii) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527, 128 S.Ct. 2733 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010). (the "Mobile-Sierra" doctrine).

This Confirmation sets forth the terms of the transaction into which the Parties have entered into and, together with the exhibits hereto and the WSPP Agreement, shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the product specified herein.



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Public Utility District No. 2 of Grant County, Washington
L.P.

Shell Energy North America (US),

By: DRAFT – NOT FOR EXECUTION

By: DRAFT – NOT FOR EXECUTION

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



**Shell
ENERGY**

- for discussion purposes only

Shell Energy North America (US), L.P.
1000 Main St., Level 12
Houston, TX 77002-6367
Attn: Ian White
E-mail: ian.d.white@shell.com

Public Utility District No. 2
of Grant County, Washington
Attn: Mike Bradshaw
E-Mail: mbradshaw@gcpud.org
Phone: 509-630-4999

CONFIRMATION AGREEMENT

This confirmation agreement (this "Confirmation") shall confirm the agreement reached on _____, 2026 ("Effective Date"), between Shell Energy North America (US), L.P. ("Seller") and Public Utility District No. 2 of Grant County, Washington ("Purchaser") (each herein sometimes referred to as a "Party" and together as the "Parties") in which Seller agrees to sell and deliver to Purchaser and Purchaser agrees to purchase and receive the Product, as such term is defined below, on the terms and conditions specified herein and in the WSPP Agreement (defined below).

This Confirmation is governed by the WSPP Agreement (version dated effective October 31, 2025) and the exhibits and schedules thereto (as amended from time to time, the "WSPP Agreement"). The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement, and if the same term is defined differently in this Confirmation than in in the WSPP Agreement, then the definition herein supersedes and replaces that in the WSPP Agreement. In the event of any other conflict between the terms of this Confirmation and the WSPP Agreement, the terms of this Confirmation shall control.

PURCHASER:	Public Utility District No. 2 of Grant County, Washington
SELLER:	Shell Energy North America (US), L.P.
PRODUCT:	WSPP Schedule C Firm Energy
DELIVERY TERM:	January 1, 2027 – December 31, 2029, as may be terminated earlier pursuant to the terms hereof ("Delivery Term")
CONTRACT QUANTITY:	150 MWs
DELIVERY RATE:	7x24
CONTRACT PRICE:	[REDACTED]
DELIVERY POINT:	BPAT.GCPD
TIME ZONE:	Pacific Prevailing Time



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TOTAL MWH: 3,945,600 MWh

SPECIAL CONDITIONS:

1. Term Commensurate with Related Transaction. Notwithstanding anything to the contrary herein or in the WSPP Agreement:
 - (a) but without prejudice to a Party's rights pursuant to Section 22 of the WSPP Agreement, this Confirmation shall automatically terminate upon any expiration or termination of that certain Confirmation Agreement for the purchase and sale of WSPP Schedule C Firm Energy - Specified Source Energy between the Parties dated as of the same date herewith and having a delivery term commensurate with the Delivery Term hereunder; and
 - (b) As of the Effective Date, GCPUD has committed to enter the Southwest Power Pools Markets+ market, to be effective on or after September 30, 2028 (referred to herein as a "Market Change"). If (i) such Market Change has, or is reasonably expected to have, a material adverse effect on the rights or obligations of either Party under this Confirmation, and (ii) the Parties are unable or unwilling to amend this Confirmation to mitigate such adverse impact, then either Party may elect by written notice to the other Party to terminate this Confirmation, effective as of September 30, 2028, provided such notice is given on or before June 30, 2028. Any such termination pursuant to this Special Condition 1(b) shall be without further liability or obligation on the part of either Party to the other, but shall not relieve either Party of any liability or obligation accrued prior to and through the effective date of such termination.
2. Washington Cap and Invest Program Carbon Compliance Costs.
 - a) *No Obligation Intended.* The Parties acknowledge that the sale and purchase of Product under this Confirmation are not intended to constitute a transaction that results in any compliance obligation under Washington's Cap and Invest Program, codified at Chapter 70A.65 of the Revised Code of Washington, as amended (the "Cap and Invest Program"), including any obligation imposed on a "first jurisdictional deliverer" as that term is defined under the Cap and Invest Program.
 - b) *Allocation of Compliance Costs if Purchaser Is Determined to Be a Covered Party.* Notwithstanding subsection 2(a), if, as a result of any determination by the Washington State Department of Ecology ("Ecology") or any other governmental authority with jurisdiction under the Cap and Invest Program, Purchaser is deemed to be a "first jurisdictional deliverer" or otherwise becomes subject to a compliance obligation under the Cap and Invest Program arising solely from the purchase and delivery of Product under this Confirmation as a result of the generation source of such Product, then Seller shall reimburse Purchaser for any Carbon Compliance Costs (as defined in Exhibit A) incurred by Purchaser in connection with such determination, in an amount calculated in accordance with Exhibit A attached hereto and incorporated herein.
 - c) *Seller's Reimbursement Timing.* Seller shall reimburse Purchaser for any amounts due under subsection (b) by applying it as a credit on Purchaser's next monthly invoice or invoices. Alternatively, Purchaser may off-set such reimbursement amount from its next payment or payments, as applicable. Supporting documentation shall be provided by Purchaser not later than the end of the calendar quarter following the quarter in which such Carbon Compliance Costs were incurred by Purchaser.
 - d) *Cooperation.* The Parties shall reasonably cooperate, including by sharing relevant information, to mitigate the risk that any Party is deemed a covered entity or "first



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jurisdictional deliverer” under the Cap and Invest Program with respect to the transactions contemplated by this Agreement.

3. Scheduling. Arranging firm transmission service and associated costs to the Delivery Point is the responsibility of the Seller. All Product E-tags and schedules shall be created and implemented by Seller by the close of the applicable prescheduling day, in accordance with prevailing WECC standards. To reduce administrative burden on the Purchaser, E-tag changes to the Product in real-time are not permitted. The Product shall be firm and not interruptible for reasons of economics. Seller shall not cause schedules to deviate from Contract Quantity unless due to an “Uncontrollable Force,” as such term is defined in the WSPP Agreement. In the case of qualified reliability events as described herein, Seller shall not be liable for damages pursuant to the WSPP Agreement.
4. Western Resource Adequacy Reserve (“WRAP”). Neither Party shall have any obligation to the other Party under or related to WRAP in connection with this Confirmation. For the avoidance of doubt, this transaction is energy only and does not include or imply resource adequacy capacity for use in the WRAP or any other capacity counting scheme.
5. Washington Clean Energy Transformation Act. The provisions regarding energy deliveries from Coal-Fired Resources pursuant to the Washington Clean Energy Transformation Act attached hereto as Exhibit B are applicable to this Confirmation and incorporated herein.
6. Special Entity Status: Purchaser represents that it is a Special Entity as defined in Section 4s(h)(2)(C) of the U.S. Commodity Exchange Act and the U.S. Commodity Futures Trading Commission Regulation 23.401(c).
7. Data Privacy: In the course of the performance of this Confirmation, the Parties may provide each other with information related to an identified or directly or indirectly identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law and this Confirmation and the WSPP Agreement.

For avoidance of doubt the Parties may not process, sell, retain, use or disclose the Personal Data for any purpose other than for the specific purpose specified in this Confirmation and the WSPP Agreement or as required or permitted by applicable data protection law. By signing this Confirmation, Parties certify that they understand this condition and will comply with it. Each Party is a data controller in respect of any Personal Data.

Personal Data processed by Seller is governed by the terms of the Privacy Notice – Business Customer, Supplier, Partner or Investors, available at <https://www.shell.com/privacy/b2b-notice.html> and from the relevant Shell website in each location.

Notwithstanding anything herein to the contrary, Shell Energy hereby acknowledges and agrees that GCPUD is subject to the Washington Public Records Act and that GCPUD’s disclosure of information in compliance with the Washington Public Records Laws, as determined by GCPUD in its sole discretion, shall not be a breach of this agreement.

8. Anti-Corruption: Each Party represents, warrants and covenants to the other that: (i) it will comply with any Anti-Corruption Laws (as defined herein) specifically applicable to it and to this Confirmation; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out any transaction hereunder which would violate any applicable Anti-Corruption Laws; (iii) it will promptly notify the other Party if it becomes aware of any violation of the Anti-Corruption Laws in connection with any transaction hereunder, subject to the preservation of legal privilege; and (iv) except as the other Party may agree in writing, all payments payable to a Party pursuant to this Confirmation and the WSPP Agreement shall be made only to the account of such Party, and not to the account of any other person. “Anti-



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Corruption Laws” mean (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion.

9. The billing, payment and notices addresses and information for the Parties for the purposes of this Confirmation shall be as follows:

Name: Public Utility District No. 2 of Grant County, Washington	Name: Shell Energy North America (US), L.P.
All Notices:	All Notices:
Street: _____	Street: 1000 Main Street, Level 12
City: _____ Zip: _____	City: Houston, Texas Zip: 77002
Attn: Contract Administration Phone: ____-____-____; Fax: ____-____-____ Email _____ Duns: _____ Federal Tax ID Number: _____	Attn: Contracts North America Phone: 877-504-2491 Email: TR-Contract-Coordinators@shell.com Duns: 83-756-5548 Federal Tax ID Number: 76-0480645
Invoices: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Invoices: Attn: Power Accounting Phone: 713-767-5500; Fax: 713-767-5414
Commercial Contact: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Commercial Contact: Attn: Ian D. White Phone: 858-526-2151 Mobile: 509-964-1186 Email: ian.d.white@shell.com
Scheduling: Attn: _____ Phone: ____-____-____; Fax: ____-____-____ _____	Scheduling: Preschedule: Marissa McCoy Phone: 858-526-2134 Email: gxtrSENASandiegopreschedulers@shell.com Trading: Doug Meeuwsen or Steven Ross Phone: 858-678-2335 or 858-678-2327 Email: Doug.Meeuwsen@shell.com or Steven.Ross@shell.com Attn: 24 Hour Operations (San Diego, California) Phone: 1-858-320-1500; Fax: 858-320-1550
Confirmations: Attn: _____ Phone: ____-____-____; Fax: ____-____-____	Confirmations: Attn: Power Confirmations Phone: 877-504-2491; Fax: 713-767-5414



Option Exercise Line: Phone: ___-___-____; Fax: ___-___-____	Option Exercise Line: (Houston, Texas) Phone: 713-767-5398
Payments: Attn: _____ Phone: ___-___-____; Fax: ___-___-____	Payments: Attn: Power Accounting Phone: 713-767-5500; Fax: 713-767-5414
Wire Transfer: BNK: _____ ABA: _____ ACCT: _____	Wire Transfer: Bank Citibank, N. A. ABA: 021000089 ACCT: 30603873
Credit and Collections: Attn: _____ Phone: ___-___-____; Fax: ___-___-____	Credit and Collections: Attn: Director – Credit Risk Management Phone: 713-767-5500; Fax: 713-230-7925
With additional Notices of an Event of Default to: Attn: _____ Phone: ___-___-____; Fax: ___-___-____	With additional Notices of an Event of Default to: Attn: General Counsel Phone: 713-767-5500; Fax: 713-230-2900

The above information for either Party may be changed by such Party upon written notice to the other Party.

10. Modifications to WSPP Agreement. For purposes of this Confirmation and the transaction entered into hereunder, the WSPP Agreement is hereby amended as follows:
- a) The definition of the term “Business Day(s)” in Section 4 of the WSPP Agreement is amended by adding “or the Friday after the United States Thanksgiving holiday” before the period at the end of the first sentence.
 - b) Section 10 of the WSPP Agreement is amended by deleting items (i) and (ii) in the second paragraph of such section after the words “The following shall not be considered “Uncontrollable Forces”.” and replacing such items as follows:

“(i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the product purchased hereunder; (iii) the loss or failure of Seller’s supply, except due to an event that otherwise qualifies as an Uncontrollable Force; or (iv) Seller’s ability to sell the product at a price greater than the Contract Price.”
 - c) Section 11 of the WSPP Agreement is amended by adding the following at the end of such section:

“No waiver shall be deemed to have been given unless it is in writing.”
 - d) Section 12.1 of the WSPP Agreement is amended by (i) replacing the word “fax” with the words “, electronic mail or other mutually agreeable electronic means” after the word “fax”;



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and (ii) adding the following at the end of such section: "Notice by email or other electronic means or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent."

- e) The second sentence of Section 14 of the WSPP Agreement is amended by deleting the text "(a)" and by deleting the phrase "; or (b) the assignment is to a Successor in Operation which provides reasonable creditworthiness assurances (see Sec. 27 for examples of such assurances) if required by the non-assigning Party based upon its reasonably exercised discretion."
- f) The sentence "ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED." in Section 21.1 of the WSPP Agreement is deleted in its entirety and replaced with the following:

"LIMITATION OF DAMAGES. FOR BREACH OF ANY PROVISION OF THIS CONFIRMATION AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE, OR METHODOLOGY OF CALCULATING DAMAGES IS PROVIDED, INCLUDING WITHOUT LIMITATION SECTIONS 21.3 AND 22 OF THE WSPP AGREEMENT, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES IS THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY FOR THE BREACH SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT FOR A PARTICULAR BREACH, LIABILITY FOR THE BREACH IS LIMITED TO DIRECT DAMAGES ONLY, SUCH DIRECT DAMAGES ARE THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT FOR THE BREACH, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY IS LIABLE FOR ANY OTHER TYPE OF DAMAGE, INCLUDING INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OF ANY NATURE (INCLUDING DAMAGES ASSOCIATED WITH LOST PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOODWILL) ARISING AT ANY TIME, WHETHER IN TORT (INCLUDING THE SOLE OR CONTRIBUTORY NEGLIGENCE OF EITHER PARTY OR ANY RELATED PERSON), WARRANTY, STRICT LIABILITY, CONTRACT OR STATUTE, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE."

- g) Section 21 of the WSPP Agreement is amended as follows:
 - (i) Section 21.3(a)(1)(b) shall be amended by deleting the words ", if any, for firm transmission service upstream of the delivery point,".
 - (ii) Section 21.3(a)(2)(b) shall be amended by deleting the words ", if any, for firm transmission service downstream of the delivery point,".
 - (iii) Section 21.3(d) shall be amended by deleting the second sentence of the section in its entirety.

- h) Section 24 of the WSPP Agreement is deleted and replaced with the following:

"The WSPP Agreement and any Confirmation shall be governed by and construed, enforced and performed in accordance with the laws of the State of Washington, without regard to principles of conflicts of law or contrary provisions of the WSPP Agreement, if any."



- i) Section 33 of the WSPP Agreement is amended by deleting the last sentence and replacing it with the following: "EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN, (A) SELLER HEREBY NEGATES ALL EXPRESS, IMPLIED, OR STATUTORY REPRESENTATIONS AND WARRANTIES OF ANY KIND, INCLUDING THOSE RELATING TO MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, AND (B) PURCHASER ACKNOWLEDGES THAT IT IS RELYING ON ITS OWN JUDGMENT IN ENTERING INTO THIS AGREEMENT AND IS NOT RELYING ON ANY STATEMENT OR REPRESENTATION OF SELLER OR OF ANY AGENT OR EMPLOYEE OF SELLER."

- j) Section 34. Dispute Resolution, and Exhibit D WSPP Mediation and Arbitration Procedures, shall not be applicable and Section 34 shall be replaced with the following:

"34 Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT."

- k) Section 35 of the WSPP Agreement is hereby deleted and replaced with the following:

"The Parties intend that (i) all Transactions constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute "settlement payments" within the meaning of the Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute "margin payments" within the meaning of the Bankruptcy Code; and (iv) this Agreement constitutes a "master netting agreement" within the meaning of the Bankruptcy Code."

- l) Section 41 "Witness" of the WSPP Agreement shall become Section 42 and the following "Standard of Review" Section shall be inserted as Section 41:

- (i) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Confirmation, whether proposed by a Party (to the extent that any waiver in subsection (ii) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527, 128 S.Ct. 2733 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010). (the "Mobile-Sierra" doctrine).

Public Utility District No. 2 of Grant County, Washington

Shell Energy North America (US), L.P.

By: DRAFT – NOT FOR EXECUTION

By: DRAFT – NOT FOR EXECUTION



Shell
ENERGY

- for discussion purposes only

Name: _____

Title: _____

Date: _____

Name: _____

Title: _____

Date: _____



Exhibit A

For purposes of Section 2 of the Special Conditions of this Confirmation, the following shall apply in determining the amount of any Carbon Compliance Costs owed by Seller to Purchaser in respect of a calendar quarter.

“Carbon Compliance Costs” means

[REDACTED]

“Quarterly WA Unspecified Energy” means the quantity of energy delivered over all settlement intervals (hourly or, if applicable, sub-hourly) in the applicable calendar quarter of the Delivery Term in respect of which Purchaser is assessed a Carbon Compliance Cost that is reimbursable by Seller pursuant to Section 2 of the Special Conditions of this Confirmation. For avoidance of doubt, energy delivered by Seller to Purchaser under this agreement may be indistinguishable from energy delivered under other agreements between the parties. As such, the Quarterly WA Unspecified Energy amount shall be calculated by dividing i) sum of all energy delivered by Seller to Purchaser across all agreements between parties where Purchaser is deemed to be a “first jurisdictional deliverer” by ii) sum of all energy delivered by Seller to Purchaser across all agreements between parties and multiplying that amount by the Contract Quantity, rounded to the nearest whole MW.

Seller shall not allocate, via e-tags, energy to this or other agreements between the Parties to minimize Carbon Compliance Cost under this Confirmation if doing so would result in a net increase in Carbon Compliance Costs to Purchaser under this or other agreements between Seller and Purchaser.

“Allowance Price” means,

[REDACTED]

“Unspecified Emission Factor” means the then-assigned emission factor, expressed in total metric tons of CO₂ equivalent per MWh of unspecified electricity, that is identified as “UCO₂e” in Equation 4 under Wash. Admin. Code Section 173-444-040(4), which as of the Confirmation Effective Date is .437 metric tons of CO₂ equivalent per MWh, as such number may be updated from time to time under the Cap-and-Invest Program.

“ACS Emission Factor” means the then-assigned emission factor published on the Ecology website, expressed in total metric tons of CO₂ equivalent per MWh of unspecified electricity. Ecology will assign the system emission factors for all asset-controlling suppliers based on a previously verified GHG report submitted to Ecology pursuant to WAC [173-441-070\(3\)](#). The supplier-specific system emission factor is



calculated annually by Ecology. For 2026, pursuant to publication Ecology Pub No.25-14-079 (1 October 2025), the applicable ACS Emission Factors are as follows:

Table 1: Asset-Controlling Supplier (ACS) System Emission Factor (EF) for data year 2026 (reported in 2027)

Asset Controlling Supplier	Assigned Emission Factor
Bonneville Power Administration (BPA)	0.0497 MT CO ₂ e per MWh

Exhibit B

Provisions regarding energy deliveries from Coal-Fired Resources pursuant to the Washington Clean Energy Transformation Act

(a) Acknowledgements of the Parties. The Parties acknowledge that:

- 1) Purchaser is subject to the requirements of the Washington Clean Energy Transformation Act (Wash. Rev. Code § 19.405.900 (2019)) and its implementing regulations (as amended or supplemented, collectively referred to herein as “CETA”) that prohibit a utility’s allocation of electricity for Washington retail electric load from including any electricity generated at a coal-fired resource (as that term is defined in RCW 19.405.020(7), a “Coal-Fired Resource”), except as otherwise permitted therein, the failure to comply with which may result in monetary penalties being assessed to the utility; and
- 2) absent an electronic tag designating the specific generation source for a quantity of energy delivered (“E-tag”), or a definitive agreement that states coal as the generation source, as of the effective date of this transaction there is no mechanism specified in CETA or otherwise implemented in the ordinary course of business by participants in the power market in the State of Washington to track or otherwise attribute a source or method of generation to a quantity of System Generated Energy, some portion of which may have been generated by a Coal-Fired Resource, but is impossible to discern at the time of delivery.
- 3) Resources that currently qualify as Coal-Fired Resource include, but are not limited to, those resources shown in Schedule 3 to Exhibit B below.

(b) Agreements of the parties with respect to energy delivery relative to CETA compliance. The Parties therefore agree that:

- 1) In connection with deliveries of energy from Seller to Purchaser pursuant to this transaction, Seller shall pay Purchaser a Coal-Fired Resource Adjustment Payment (as defined below) for energy delivered under the following circumstances:

(i)





(ii)



- 2) In connection with the foregoing, Seller will provide an attestation, substantially in the form set forth in Schedule 2 to this Exhibit B or as otherwise agreed by the parties, to Purchaser no later than March 31 of the year following the year the energy to which such attestation relates was delivered, representing the generation sources (if known) and entities from which it purchased System Generated Energy; the Parties acknowledge the source of any energy that has a specific source E-tag will already be known by the Parties.
 - 3) Seller agrees to make commercially reasonable efforts to provide additional information in Seller's possession, subject to any applicable confidentiality restrictions, as may be reasonably requested by Purchaser to assist Purchaser in its compliance with the Coal-Fired Resources requirement under CETA and its implementing regulations solely with respect to deliveries of energy by Seller.
 - 4) Notwithstanding anything to the contrary herein, (a) in the event the State of Washington or applicable regulatory authority that administers CETA assesses Purchaser a penalty under CETA in respect of any quantity of Product delivered under this Confirmation, then either party may terminate this Confirmation effective ten (10) days after delivery of written notice to the other Party and without further liability to such other Party as a result of such termination, except for any liabilities or obligations accruing prior to and through such termination; and (b) in the event either Party, in its reasonable determination, believes this Confirmation will result in penalties being assessed against it by an authority with competent jurisdiction, then such Party may notify the other Party of such belief after which the Parties shall discuss such concern in good faith to determine whether amendments to this Confirmation may be advisable to avoid or mitigate such penalties, provided that neither Party shall be obligated to agree to such amendments. If the Parties cannot mutually agree on an adjustment or amendment to the Confirmation, then either Party may terminate this Confirmation effective immediately upon delivery of written notice to the other Party and without further liability to such other Party as a result of such termination, except for any liabilities or obligations accruing prior to and through such termination.
- (c) Payment by Seller of a Coal-Fired Resource Adjustment Payment. If the State of Washington, or any other applicable regulatory body having jurisdiction over Purchaser with respect to CETA, assess Purchaser a penalty pursuant to RCW 19.405.090 based on a definitive determination by the State of Washington or such other regulatory body that Purchaser received energy delivered by Seller from a generating entity or source specified in subsection (b)(1) above that resulted in



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Purchaser's failure to comply with its obligations under CETA, then Purchaser shall promptly notify Seller (and include supporting documentation and information substantiating such determination) and, at Seller's request, reasonably cooperate with Seller to challenge such determination (including through Purchaser as the obligated entity under CETA) provided there is a reasonable, good faith basis for such challenge. If Seller determines not to challenge a determination that Purchaser received energy from Seller from a generating entity or source specified in subsection (b)(1) above, or if a challenge to such determination is unsuccessful, then Seller shall reimburse Purchaser the amount calculated pursuant to Schedule 1 attached hereto (the "Coal-Fired Resource Adjustment Payment") for each MWh of energy determined to have been supplied by a generating entity or source specified in subsection (b)(1) above. Seller shall reflect such Coal-Fired Resource Adjustment Payment as a credit on Seller's next monthly invoice for Product under this Confirmation following receipt of Purchaser's written notice in respect thereof issued subsequent to and only to the extent of Purchaser's payment obligation to the applicable regulatory authority of such penalty assessed to it under CETA as described herein. Except as specifically set forth herein with respect to Seller's payment of a Coal-Fired Resource Adjustment Payment under the limited circumstances specified herein, Seller shall have no obligation or liability to Purchaser or any third party with respect to Purchaser or such third party's compliance or non-compliance with CETA or any other regulatory requirement.

(d) Record Retention Requirements. The Parties will take the following actions to track and keep record of the generation source of energy: (1) with respect to energy other than System Generated Energy, the Parties will use E-tags to document the source of energy delivered by Seller pursuant to such transactions as having been generated by other than Coal-Fired Resources, and (2) Seller will keep in its ordinary course of business and pursuant to existing record keeping policies records (including commercial agreements) documenting the generation or procurement source of energy delivered to Purchaser under any transaction (including with respect to System Generated Energy) and, if applicable, documenting the acquisition and ultimate disposition of any energy purchased by Seller specifically known by Seller to have been generated from a Coal-Fired Resource and delivered to third parties other than Purchaser or otherwise used or disposed of by Seller. To the extent additional ways of tracking the generation source of energy delivered by Seller to Purchaser become available that would further the parties' efforts to document the fact that such energy was not generated by a Coal-Fired Resource, the parties will discuss whether and how to implement any such methodologies, but shall not be under an obligation to do so.

(e) Definitions: As used herein:

- 1) "System Generated Energy" means an aggregation of a supplier's resource generating portfolio, whether on system or off system which is not E-tagged from a specific generator(s), whereby the individual dispatch of certain generating resources and fuel types for dispatch, both hourly and sub hourly, cannot be known in advance. System Generated Energy may or may not include market purchases by that utility from other systems or individual generating sources accordingly. These transactions are E-tagged as an amalgamation of a system in its entirety.

As an example, "GCPD System" means generation provided through market purchases (GCPD import interchange), Priest Rapids Hydro Project output, and other generation source(s) interconnected to Grant's transmission system. This is E-tagged as "GCPD" as the Source on E-tags.



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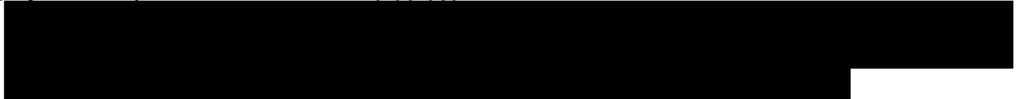
– for discussion purposes only

Schedule 1 to Exhibit B
Calculation of Coal-Fired Resource Adjustment Payment

Any Coal-Fired Resource Adjustment Payment that may become due and payable by Seller to Purchaser pursuant to Section (c) of Exhibit B as a result of deliveries of energy by Seller described in Section (b)(1) of Exhibit B shall be calculated as follows:

1. If such payment is pursuant to Section (b)(1)(i):

a.



2. If such payment is pursuant to Section (b)(1)(ii):

a.



Where:

"Coal-Fired Resource Penalty" means the product of \$100, multiplied by the coal-fired resource multiplier of 1.5, as adjusted per RCW 19.405.090



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Schedule 2 to Exhibit B
Form of Attestation

In accordance with Section (b)(3) to Exhibit B of that certain Confirmation to WSPP Agreement dated {execution date} (the "Confirmation"), between Seller North America (US), L.P. and Public Utility District No. 2 of Grant County, Washington, Seller hereby provides notice to Purchaser that the sources of any System Generated Energy purchased by Seller and delivered to Purchaser during the period of [] are:

1. []
2. []

Such sources [do][do not] have any Coal-Fired Resources in their portfolio of owned generation assets as of the transaction date. To the extent Purchaser is assessed and pays a penalty under CETA in respect of a quantity of energy delivered by Seller to Purchaser hereunder in respect of which a Coal-Fired Resource Adjustment Payment is owed as specified in the Confirmation, the quantity of energy (in MWhs) in respect of which a Coal-Fired Resource Adjustment Payment is owed is [].

Capitalized terms not defined herein are defined in the referenced WSPP Agreement or the Confirmation.



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Schedule 3 to Exhibit B
Partial List of Coal-Fired Resource and or Systems


- Amalgamated Sugar, located in Southern Idaho.
- Hardin Generating Station, located in Eastern Montana.
- Colstrip, located in Eastern Montana.
- Sidney Sugars, located in Eastern Montana.
- Valmy, located in Northern Nevada.
- Lewis and Clark, located in Eastern Montana.
- Sydney, located in Eastern Montana.
- TS Power Plant located in Northern Nevada.
- Intermountain Power Project, located in Western Utah.
- Huntington, located in Central Utah.
- Hunter, located in Central Utah.
- Sunnyside Cogen Associates, located in Eastern Utah.
- Bonanza, located in Eastern Utah.
- Naughton, located in Southwestern Wyoming.
- Genesis Alkali, located in Southwestern Wyoming.
- General Chemical, located in Southwestern Wyoming.
- Jim Bridger, located in Southwestern Wyoming.
- Dry Fork Station, located in Northwest Wyoming.
- Wyodak, located in Northwest Wyoming.
- Dave Johnston, located in Eastern Wyoming.
- Laramie River Station, located in Eastern Wyoming.
- Craig, located in Northwestern Colorado.
- Hayden, located in Northwestern Colorado.
- Montana System (NWMT.Sys)
- PACE System (PACE.Sys)
- PSCO (PSCO.Sys) – Comanche
- Tri-State Generator And Transmission Cooperative System (CO, WY)
- Salt River Project System (AZ)
- Arizona Public Service Company System (AZ)
- Tucson Electric Power Company (AZ)
- NV Energy and Sierra Pacific Power Company (Nevada) – North Valmy
- Idaho Power Company – Valmay
- (AESO no longer has coal fired generation operating) Black Hills Energy
- PSEI.SYS – if Centralia is dispatched and is considered a Coal Fired Resource



For Commission Review – 6/9/2026


Motion authorizing the General Manager/CEO to execute Contract No. 130-13111 with North Harris Computer Corporation (Harris) as Grant PUD's new Customer Information System (CIS) in the amount not to exceed \$7,717, 927.43 for a contract term of 5 years.

MEMORANDUM

June 01, 2026

TO: John Mertlich, General Manager/Chief Executive Officer 

VIA: Andy Wendell, VP of Customer Experience
Cary West, Senior Manager Customer Solutions 
Julie Pyper, Vice President of Business Advancement & Strategy 

FROM: Aaron Kuntz, Senior Manager EPMO 

SUBJECT: Approval of Contract No. 130-13111 with N. Harris Computer Corporation

Purpose: To request Commission approval to enter into Contract No. 130-13111 with N. Harris Computer Corporation (Harris) for the implementation, licensing, hosting, support, and maintenance of Grant PUD's new Customer Information System (CIS) and associated platforms for a not to exceed amount of \$7,717,927.43 and a contract term of 5 years.

Discussion: Grant PUD is undertaking a multi-year modernization effort to replace its legacy Customer Information System (Oracle) and related customer and operational systems. The Harris solution provides an integrated platform to support meter-to-cash operations, outage management, workforce management, and customer engagement.

Following discovery and a structured vendor evaluation process, the project team selected N. Harris Computer Corporation (Harris) and its NorthStar Customer Information System (CIS) and associated platforms after evaluating qualified vendors and broader market options. Solutions reviewed included the current Oracle platform and National Information Solutions Cooperative (NISC), along with additional market alternatives. Beyond Oracle and NISC, other solutions were generally more fragmented or specialized, resulting in higher costs and requiring increased integration effort, higher costs, and long-term support to deliver a unified customer platform.

Oracle represents a highly configurable, enterprise-grade platform; however, it introduces a higher level of cost, complexity, and implementation overhead than is typically required for a municipal utility of Grant PUD's size. The current environment relies on multiple systems and manual processes, resulting in inefficiencies, data inconsistencies, and increased reliance on customer support channels. Limited self-service capabilities and delayed payment processing contribute to higher call volumes and reduced customer satisfaction. NISC provides a more standardized, integrated solution aligned to cooperative utilities, but with less flexibility for phased implementation and customization.

Harris was selected as the best-fit solution for Grant PUD, aligning with Grant PUD's broader ERP+ strategy, including integration with Microsoft-based platforms (e.g., D365) and a consolidated vendor ecosystem. Harris provides a right-sized, integrated platform aligned to municipal utility needs, avoiding the higher cost and complexity of enterprise solutions such as Oracle, while offering greater flexibility and phased delivery capability than more standardized platforms like NISC.

The following solutions will be implemented under this agreement:

- NorthStar

- Customer Information System (CIS) - The core software platform that manages the "meter-to-cash" process. It acts as the central hub for storing customer data, calculating usage-based bills, handling payments, and managing service orders.
- DataVoice
 - Interactive Voice Response (IVR) – Integrates with the OMS to provide customers with a channel to call in and report outages and check the status of an outage. The IVR may also be used to make calls to customers to notify them of important information from Grant PUD.
 - Outage Management System (OMS) – Identifies the source of outages quickly and disseminates accurate information to crew, customers, managers, and social media outlets.
- ServiceLink
 - Mobile Workforce Management (MWM) – A back office and field mobile solution for orders such as (connect, disconnect, meter exchange, investigation, general orders). Crews can receive and complete work orders directly in the field with full tracking in the dispatch console.
 - Fiber - This addition centralizes service management, reduces the need for separate systems, and streamlines scheduling and reporting across all service types.
- SmartWorks
 - Meter Data Management (MDM) – A data intelligence platform that collects, validates, stores, analyzes and manages, vast amounts of data from smart meters.
- SmartVX
 - Video Engagement – A platform enabling personalized, multi-channel video communication solutions to enhance customer engagement and increase customer experience.

Work is scheduled to begin upon contract execution and will be delivered through a phased implementation approach. The project will be implemented in four phases, allowing for staged delivery, risk reduction, and alignment with operational readiness.

- Phase 1: Initial SmartVX Portal Intro Video to Support Customer Portal
- Phase 2: Core CIS, MDM, MWM, IVR and Video Engagement
- Phase 3: OMS, Fiber and expanded functionality
- Phase 4: Post-go-live business process optimization

Based on the current planning assumptions reflected in the timeline, the majority of core system implementations are expected to be delivered during Phase 2, with targeted completion and initial go-lives occurring by approximately November 2027.

Phases 3 and 4 extend beyond initial deployment and focus on additional functionality, system enhancements, and post-go-live optimization activities, including expanded modules, advanced capabilities, and formal business process review.

The timeline provided is preliminary and subject to refinement during the Planning and Discovery phases, including confirmation of sequencing, dependencies, resource availability, and integration readiness.

Justification: Approval of this contract enables Grant PUD to:

- Enhances customer experience through expanded self-service and real-time payment capabilities
- Improves operational efficiency by reducing manual processes and system fragmentation
- Enables consistent, data-driven reporting across business functions
- Aligns with Grant PUD's ERP+ strategy and integration with enterprise platforms
- Replace an aging legacy CIS with a modern, cloud-hosted platform
- Reduces long-term cost and support burden through a consolidated, integrated platform
- Improve customer experience through enhanced digital services and communications
- Strengthen outage response and operational visibility through integrated OMS and IVR capabilities
- Increase operational efficiency through automation, mobile workforce tools, and data-driven processes
- Integrates core billing, field services, meter data, financial systems, and third-party platforms
- Support long-term CIS and AMI modernization initiatives across the utility

The Harris solution provides a fully integrated ecosystem, reducing reliance on multiple vendors and minimizing long-term integration complexity.

Delaying contract execution would:

- Extend reliance on unsupported legacy systems
- Increase implementation risk due to compressed timelines
- Impact alignment with other dependency systems (e.g., Paymentus, AMI, GIS integrations)

Financial Considerations: The total cost to Grant PUD for the 5-year contract is a not-to-exceed amount of \$7,717,927.43, which consists of the following:

- Fixed Professional Services Fees: \$2,143,328.00
- Fixed Software and License Fees: \$5,274,599.43
- Not to exceed travel expenses: \$150,000
- Not to exceed transaction fees: \$150,000 (phone, email, and text notifications to Grant and Grant customers)

In reviewing available options, Harris provided the most cost-effective overall solution among qualified vendors. Other vendors evaluated, including enterprise and cooperative platforms, presented higher total cost of ownership, increased implementation complexity, and greater long-term support requirements.

The Harris solution reduces overall cost exposure through a consolidated, single-vendor platform, minimizing integration overhead, ongoing system maintenance, and reliance on multiple support agreements.

The projected 5-year cost savings of the annual software associated with replacing the current CIS are expected to be \$19,151.71 as well as additional savings realized through reduced system maintenance, lower support fees, improved operational efficiencies, and decreased reliance on manual processes. Final savings estimates will be refined as implementation planning and operational baselines are confirmed.

Contract Specifics: The agreement includes the following deviations from Grant PUD's standard contract language, which have been accepted by the business owners:

- The contract requires payment of software, licensing, hosting fees, and potentially some maintenance fees before the various applications are configured and tested to ensure our business requirements have been met.
- The contract requires the services of third parties (AWS, Azure) to host our data. Harris warrants the performance of third-party software and hosting, but there's still some ambiguity around third parties in terms of liability and cyber risk. This will likely be an ongoing risk in most IT contracts these days due to the structure (cloud-based) and required integrations. Our mitigation strategies for this risk include:
 - Review Harris's annual SOC 2 type 2 report, which includes hosting controls.
 - Review Harris's penetration testing results on an annual basis.
 - Run an annual vendor assessment on Harris through our insurance provider.
 - Future state would be for Grant PUD to audit these systems on demand. We are not currently staffed for this.
- The contract limits Harris's liability to \$6M, with the exception of gross negligence, willful misconduct, fraudulent acts, Harris IP indemnity, injury or death to persons or tangible property, which are uncapped. Typically, Grant does not accept a limit lower than the minimum required insurance coverage, which in this case is \$10M (cyber/technology). This means Grant cannot collect insurance proceeds in excess of \$6M unless the related claim is found to be due to gross negligence, willful misconduct, and/or fraudulent acts, or is related to Harris IP indemnity, or injury or death to persons or tangible property.

Recommendation: Commission approval to enter into Contract No. 130-13111 with N. Harris Computer Corporation ("Harris") for the implementation, licensing, hosting, support, and maintenance of Grant PUD's new Customer Information System (CIS) and associated customer solution platforms for a not to exceed amount of \$7,717,927.43 and a contract term of 5 years.

Legal Review: Legal review has been completed. See attached e-mail(s).



Master Agreement
Software License, Subscription, Services, Support and Maintenance, and
Hosting Services Agreement No. 130-13111

Public Utility District No. 2 of Grant County, Washington

N. Harris Computer Corp.
1 Antares Drive, Ottawa,
Ontario, Canada, K2E 8C4

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THIS SOFTWARE LICENSE, SERVICES, SUPPORT AND MAINTENANCE, AND HOSTING SERVICES AGREEMENT (the "Agreement") made as of the ____ day of _____ (the "Effective Date").

BETWEEN: **N. HARRIS COMPUTER CORPORATION ("Harris")**

- and -

Public Utility District No. 2 of Grant County, Washington ("Organization" or "Grant")

WHEREAS, Harris wishes to grant the Organization a license to utilize certain Software; to provide certain Services related to said Software; and to enter into an agreement for the Support and Maintenance of said Software; and to provide certain Hosting Services to Organization; and

WHEREAS, the Organization wishes to acquire a license to utilize the Software; to obtain Services related to said Software; to acquire ongoing Support and Maintenance for said Software; and to obtain Hosting Services for said Software and its system;

NOW THEREFORE, in consideration of the mutual covenants set out in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

ARTICLE I: INTERPRETATION

Section 1.1 Definitions

- 1.1.1 **"Annual Hosting Fees"** means any Annual Hosting Fees included in Schedule "B" to this Agreement.
- 1.1.2 **"Annual Subscription Fees"** means any annual subscription fees for Software licensed on a subscription basis as set out in Schedule "B" to this Agreement.
- 1.1.3 **"Completion of Services"** means that Software is operational and performing in material conformity with the specifications set out in the applicable Statement of Work. For each Statement of Work, Completion of Services will be deemed to have occurred on the earlier of: (i) the date the Organization accepts the final implementation milestone; or (ii) thirty (30) days after Harris notifies the Organization that the final milestone is complete, unless the Organization provides written notice of specific material non-conformities prior to such date; or (iii) the date the Organization uses the Software in a production environment.
- 1.1.4 **"Confidential Information"** means the Software and all information or material that either party treats as confidential which: is (A) marked "Confidential," "Restricted," or "Proprietary Information" or other similar marking, (B) known by the parties to be considered confidential or proprietary, or (C) which should be known or understood to be confidential or proprietary by an individual exercising reasonable commercial judgment in the circumstances. Confidential Information does not include information to the extent that such information: (i) is or becomes generally known to the public by any means other than a breach of the obligations of a receiving party hereunder; (ii) was previously known to the receiving party as evidenced by its written records; (iii) is rightly received by the receiving party from a third party who is not under an obligation of confidentiality; or (iv) is independently developed by the receiving party without reference to or use of the other party's Confidential Information which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction. Confidential Information of Harris shall include, without limitation,

the Hosting Services, the technical services, and any information with respect to the Hosting Services that Harris or its third-party service provider may provide to Organization from time to time, including without limitation, the terms and conditions of this Agreement and all information disclosed by Harris relating to its facilities, computer systems and product. Confidential Information of Organization shall include, without limitation, Customer Data and Data as defined below, and all technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the Organization. It is specifically understood that the WA State Public Records Act may apply to limit the confidentiality provision of this Agreement.

- 1.1.5 **“Customer Data”** means any and all data arising from or related to the customers of Organization, including customer information protected under Chapter 19.29A RCW, Consumers of Electricity, and Personal Information protected under Chapter 19.255 RCW. As between Organization and Harris, all Customer Data will remain the sole and exclusive property of Organization. Organization is solely responsible for ensuring the accuracy, quality, integrity, reliability, appropriateness and right to view and use the Customer Data and shall ensure that the Customer Data will not violate any applicable law or the terms of this Agreement. Organization consents to the storage of Customer Data in, and transfer of Customer Data into, the United States if Organization is located in the United States and in Canada if Organization is located in Canada.
- 1.1.6 **“Data”** means Customer Data and any and all software (including machine images) text, audio, video, or images that are transmitted, transferred, or created through Organization’s use of the Solution or Hosting Services [for processing, storage or hosting by the Hosting Services] or otherwise provided by Organization to Harris.
- 1.1.7 **“Deliverable”** is as defined in accordance with the provisions of a Statement of Work. It is specifically understood that Harris’s Solution is licensed, not sold, and that no transfer of underlying Intellectual Property rights will be provided hereunder.
- 1.1.8 **“Documentation”** means user guides, operating manuals, educational materials, product descriptions and specifications, technical manuals, supporting materials, and other information regarding the Software regardless of the media on which it is provided.
- 1.1.9 **“Hosting Services”** means the services to be provided by or on behalf of Harris under this Agreement that includes hosting, monitoring, operating, and maintaining the Software on hardware and related equipment and will permit Organization to use and access the Software via a method as determined mutually agreed upon by the parties. The Hosting Services shall also include storing all data entered and maintained by Users through use of the Hosting Services and the provision of updates, upgrades, and bug fixes related to support and maintenance of the Software.
- 1.1.10 **“License”** means the license rights granted to the Organization pursuant to Article II hereof and includes both a Named User License and a Site License.
- 1.1.11 **“Named User License”** means a license that restricts the total number of Users who can access the Software at any one time to the number detailed in a Statement of Work.
- 1.1.12 **“Named Users”** means the total number of Users who can access the Software at any one time as detailed in a Statement of Work and further described in Article II.
- 1.1.13 **“Release”** means an Update and an Upgrade.
- 1.1.14 **“Service Provider Content”** means content such as software (including machine images), data, text, audio, video or images that Harris’s service provider or any of its affiliates make available in connection with the Hosting Services to allow access to and use of the Hosting Services, including APIs; WSDLs; documentation; sample code; software libraries; command line tools; proofs of concept; templates; and other related technology (including any of the

foregoing that are provided by our personnel). Service Provider Content does not include the Hosting Services or other third-party software, data, text, audio, video, or images made available to Organization in conjunction with the Hosting Services. Some Service Provider Content may be provided to Organization under a separate license, such as the Apache License, Version 2.0, or other open-source license.

- 1.1.15 **"Site"** means solely at the production environment described in a Statement of Work.
- 1.1.16 **"Site License"** means a license that restricts the Software such that it can reside in one production environment and a reasonable number of non-production environments.
- 1.1.17 **"Software"** means the software products that are listed in a Statement of Work and includes any Update(s) or Upgrade(s) that have been provided to Organization. Third Party Software is not included in the definition of Software.
- 1.1.18 **"Solution"** means the Software as it has been deployed for Organization's business uses after Completion of Services.
- 1.1.19 **"Statement of Work"** means a document that captures and defines the work activities, Deliverables, and timeline of the technology services to be provided by Harris and/or its Subcontractors and/or Third Parties to the Organization under this Agreement that can be identified, measured, priced, and benchmarked.
- 1.1.20 **"Subcontractor"** means any individual or entity that enters into a contract with Harris to perform part or all of the obligations of Harris under this Agreement. This includes, but is not limited to, service providers, providers, and third parties providing software, services, and support and maintenance. Excluded from the definition of "Subcontractor" are any hosting providers.
- 1.1.21 **"Third-Party Components"** means software and interfaces that are licensed or provided by third parties for incorporation into Software. **"Third-Party Software"** means the third-party software product licensed to Organization by the applicable licensors as listed in a Statement of Work. The terms and conditions for the third-party software are listed in Schedule "E". Future Releases of the software may require alternate third-party software to be licensed by Organization, may be subject to a third-party license agreement between Organization and the relevant third-party software licensor. In such case, and upon agreement by the parties, the applicable Statement of Work shall be amended via Change Order in accordance with Section 8.28 to add any such third-party software and it shall be deemed "Third Party Software" for the purposes of this Agreement.
- 1.1.22 **"Transaction Fee"** is the additional fee or service charge levied by Harris on a per-occurrence basis for processing specific automated operations, including but not limited to the transmission of Short Message Service (SMS) text messages and the dispatching of electronic mail (email) notifications.
- 1.1.23 **"Update"** means any published changes, additions or corrections to the Software that primarily include a minor modification or enhancement to the Software related to a bug fix, minor additional functionality, or legislative changes. An Update is designated by a change in the right-most digit in the version number (for example, a change from X.1 to X.2).
- 1.1.24 **"Upgrade"** is a major overhaul of the Software which is a complete new published version of the Software that modifies, revises, or alters the Software and adds features, functionality, or enhancements to such Software. An Upgrade is typically designated by a change in the number to the left of the decimal point in the version number (for example, a change from 1.X to 2.X).
- 1.1.25 **"User"** means any employee of Organization or any of Organization's agents who are authorized by Harris pursuant to this Agreement to have access to the Software.

Harris currently uses AWS and Azure as additional service providers that both act as hosting facilities and provides additional third-party software support to Harris. The following additional words and expressions have the following meanings. Organization acknowledges and agrees that such defined terms may change in the event that Harris changes the third-party service provider in accordance with Section 3.7.

For all solutions hosted on hosting services, the following provisions apply:

- 1.1.26 **"AWS"** means Amazon Web Services, Inc. Amazon Web Services and AWS are trademarks of Amazon.com, Inc. or its affiliates in the United States and/or other countries. Please see <http://aws.amazon.com>.
- 1.1.27 **"AWS Content"** means software (including machine images), data, text, audio, video, or images that AWS or Harris makes available related to the Hosting Services or on the AWS Site to allow access and use of the Hosting Services, including APIs; WSDLs; sample code; software libraries; command line tools; proofs of concept, templates, and other related technology. AWS Content does not include the Hosting Services or Third-Party Content. Some AWS Content may be provided to Organization under a separate license, such as the Apache License, Version 2.0, which will be identified to Organization in the notice file or on the download page, in which case that license will govern Organization's use of that AWS Content.
- 1.1.28 **"AWS Site"** means <http://aws.amazon.com> (and any successor or related locations designated by AWS), as may be updated by AWS from time to time.
- 1.1.29 **"Third Party Content"** means data, software (including machine images), text, audio, video, or images of a third party other than AWS made available on [AWS Marketplace or on developer forums, sample code repositories], public data repositories, community focused areas of AWS Site, or any other part of the AWS Site that allows third parties to make available software, products, or data.
- 1.1.30 **"Azure"** means Microsoft Azure, a cloud computing platform and infrastructure created by Microsoft Corporation. Azure may be used by Harris to host certain modules, including but not limited to the Portal. Microsoft Azure and Azure are trademarks of Microsoft Corporation or its affiliates in the United States and/or other countries. Please see <https://azure.microsoft.com>.
- 1.1.31 **"Azure Content"** means software (including machine images), data, text, audio, video, or images that Microsoft or Harris makes available related to the Hosting Services or on the Azure Portal to allow access and use of the Hosting Services, including APIs, SDKs, sample code, software libraries, command line tools, templates, and other related technology. Azure Content does not include the Hosting Services or Third-Party Content. Some Azure Content may be provided to Organization under a separate license, such as the MIT License or other open-source licenses, which will be identified to Organization in the notice file or on the download page, in which case that license will govern Organization's use of that Azure Content.
- 1.1.32 **"Azure Portal"** means <https://portal.azure.com> (and any successor or related locations designated by Microsoft), as may be updated by Microsoft from time to time.

Section 1.2 Currency

- 1.2.1 All references to currency in this Agreement and the related Schedules refer to U.S. Dollars.

Section 1.3 Schedules

- 1.3.1 The Schedules described below and appended to this Agreement shall be deemed to be integral parts of this Agreement and are incorporated herein by reference:

- Schedule “A” – Statement of Work (“SOW”) for each Harris Business Unit
 - Schedule “A.1” – Program Overview SOW
 - Schedule “A.2” – DataVoice SOW
 - Schedule “A.3” – NorthStar SOW
 - Schedule “A.4” – ServiceLink SOW
 - Schedule “A.5” – SmartVX SOW
 - Schedule “A.6” – SmartWorks SOW

 - Schedule “B” – Rate Schedule
 - Schedule “C.1” – Sample Change Request Form
 - Schedule “C.2” – Sample Change Order Form
 - Schedule “D” – Service Levels and Availability
 - Schedule “E” – Third Party Terms and Conditions
 - Schedule “F” – Information Security Program
 - Schedule “G” – Milestone Acceptance Document
 - Schedule “H” – Personnel Requirements

ARTICLE II: SOFTWARE LICENSES

Section 2.1 Grant of Licenses

- 2.1.1 **Harris Software is licensed, not sold.** Software under this Agreement may be licensed perpetually or on a subscription basis, as indicated and designated in a Statement of Work.
- 2.1.1.1 **Perpetual Licenses.** For Software licensed to Organization on a perpetual basis, as indicated in a Statement of Work, and subject to the terms and conditions of this Agreement, including without limitation the payment of the License Fees, Harris hereby grants to the Organization a personal, non-exclusive, non-transferable and limited right and license to use the Software in object code format for the number of Named Users specified in the applicable Statement of Work (the “License”). This License does not apply to Third Party Software, which are licensed pursuant to their terms.
- 2.1.1.2 **Subscription Licenses.** For Software licensed to Organization on a subscription basis, as indicated in a Statement of Work, and subject to the terms and conditions of this Agreement including without limitation the payment of the Subscription Fees on an ongoing basis, Harris hereby grants to the Organization a personal, non-exclusive, non-transferable and limited right and license to use the Software in object code format on the Hosting Site and for the number of Named Users specified in the applicable Statement of Work (the “License”). All Releases installed by Organization are subject to this License. This License and the other terms and conditions related to this License do not apply to Third Party Software except as this Subscription Agreement may state otherwise.
- 2.1.2 Any Software furnished by Harris in machine-readable form may be copied in whole or in part by Organization for use on the Organization’s platform and operating system environment which is operating the Software (“Designated Computer System”), whether hosted or on premises. This environment can be accessed by Users can be from any internal or external computer terminal. To the extent that any temporary files associated with the Software are created during such use on such terminals, those temporary files are permitted under this License but only for such time that the temporary files are actually required. Organization agrees that the original copy of all

Software furnished by Harris and all copies thereof made by Organization are and at all times remain the sole property of Harris.

2.1.3 Any License granted under this Agreement permits the Organization to: (i) use the Software for its reasonable business purposes including performance testing, disaster recovery, disaster testing, training, archival and backup, and (ii) use, copy and modify the Documentation for the purpose of creating and using training materials relating to the Software which may include flow diagrams, system operation schematics, and/or screen shots. Access to and use of the Software by independent contractors of the Organization shall be considered authorized use under this Section so long as any such independent contractors are bound by obligations of confidentiality and have been approved by Harris in its reasonable discretion in advance. The Organization shall defend, indemnify, and hold harmless Harris from claims arising from

- (i) all of the actions of and
- (ii) any misuse or appropriation of the Software by any independent contractor.

2.1.4 The Organization may duplicate Documentation for permitted uses so long as all required proprietary markings are retained on all duplicated copies.

2.1.5 Software is licensed to the Organization on multiple levels. The Software is licensed on a "Named User License" and "Site License" basis as set forth in a Statement of Work.

- (i) Named User License permits the Organization to use the Software on the Designated Computer System (including all environments such as training, disaster recovery, etc.) provided that the number of Users is limited to the number of Named Users specified for such Software outlined in a Statement of Work. A User is further defined as anyone authorized by the Organization who is logged onto the Software, regardless of the type of interface (i.e. graphical user interface or browser user interface).
- (ii) A Site License permits the Organization to use the Software on the Designated Computer System in one (1) production environment and a reasonable number of non-production environments for the purposes of disaster recovery, disaster testing, training, archival and backup. Organization requires a separate Site License for each production environment into which the Software or any portion thereof is read in machine-readable form.

Organization may purchase additional licenses to use the Software as necessary in accordance with Sections 11 and 12 of Schedule "B", Rate Schedule.

2.1.6 As between Harris and Organization, Harris reserves all rights, title, and interest in and to the Software not expressly granted herein and the License specifically excludes all such reserved rights, title, and interest.

2.1.7 Subject to the terms and conditions of this Agreement, including without limitation, payment by Organization of the Annual Hosting Fees, Harris hereby grants to Organization a worldwide, personal, non-exclusive, non-transferable limited right, during any Term for which Annual Hosting Fees are paid, to allow Users to access and use the Hosting Services solely in connection with its use of the Software together with any further restrictions as detailed in this Agreement.

2.1.8 Subject to the terms and conditions of the Agreement, Organization grants to Harris and its service provider a worldwide, non-exclusive, royalty-free license to access the Customer Data for the purpose of performing the Hosting Services or as necessary to comply with the law or a binding order of a government body. Access to the Data shall only be by Harris's and its service

provider's employees and/or Subcontractors whose job function requires access. Except as specified in this Agreement, Harris may not access the Customer Data for any other purpose without the express written consent of Organization. Access to Customer Data by any outside party shall only be in accordance with the terms of this Agreement or where required by law or a binding order of a government body. Unless it would violate the law or a binding order of a government body, Harris will give Organization of any legal requirement or order referred to requiring such disclosure.

- 2.1.9 Organization grants to Harris a worldwide, non-exclusive, royalty-free license to aggregate or compile Customer Data with the customer data of other customers using the Hosting Services so long as such aggregation or compilation omits any data that would enable the identification of Customer, its clients or any individual, company, or organization ("Aggregated Data"). Harris shall have a worldwide, perpetual, royalty-free license to use, modify, distribute, and create derivative works based on such Aggregated Data, including all reports, statistics or analyses created or derived therefrom. Additionally, Organization grants Harris the right to access Data to provide feedback to Organization concerning its use of the Hosting Services.

Section 2.2 Term

2.2.1 Term of Software License.

2.2.1.1 For any Software License(s) identified in a Statement of Work as perpetually licensed and licensed pursuant to Article 2.1.1.1 is perpetual and of indefinite duration and annual support and maintenance for the license must be renewed and kept current in order to receive product updates, security updates, and bug fixes.

2.2.1.2 The term for any Software identified in a Statement of Work as licensed on a subscription basis and licensed pursuant to Article 2.1.1.2, unless terminated earlier in accordance with the terms hereof, shall commence upon installation in accordance with the applicable Statement of Work and shall continue for a period of five (5) years (the "Initial Software Term"). After the Initial Term, the applicable License(s) shall be automatically renewed for successive one (1) year periods (each a "Software Renewal Term") subject to the terms and conditions of this Agreement unless either party provides written notice to the other party of its intention not to renew in accordance with Section 8.2.2.2. The Initial Software Term and Software Renewal Term(s) shall collectively be referred to as the "Software Term". The License is subject to further restrictions as required under the Hosting Services provisions of this Agreement and the payment of any applicable fees as set forth in Schedule "B."

- 2.2.2 **Term of Services.** The term for delivery of Services hereunder shall be as set forth in any SOW appended hereto or entered into between the parties hereafter.

- 2.2.3 **Term of Support and Maintenance.** The term for support and maintenance provided, pursuant to a Statement of Work and Article IV hereinafter, shall be for five (5) years beginning three (3) months following installation of the applicable License as detailed in Schedule "B" (the "Initial Support Term"). After the Initial Term, the support and maintenance shall be automatically renewed for successive one (1) year periods (each a "Support Renewal Term") subject to the terms and conditions of this Agreement unless either party provides written notice to the other party of its intention not to renew in accordance with Section 8.2.2.2. The Initial Support Term and Support Renewal Term(s) shall collectively be referred to as the "Support Term".

- 2.2.4 **Term of Hosting Services.** The term for hosting services identified in a Statement of Work shall be for five (5) years beginning upon installation as detailed in Schedule "B" (the "Initial Hosting Term"). After the Initial Term, the hosting services shall be automatically renewed for successive one (1) year periods (each a "Hosting Renewal Term") subject to the terms and

conditions of this Agreement unless either party provides written notice to the other party of its intention not to renew in accordance with Section 8.2.2.2. The Initial Hosting Term and Hosting Renewal Term(s) shall collectively be referred to as the "Hosting Term".

- 2.2.5 **Term of SaaS:** Unless terminated earlier in accordance with the terms hereof, the term of a SaaS solution identified in a Statement of Work shall commence upon installation and configuration in a Harris hosted environment in accordance with the applicable Statement of Work and shall continue for a period of five (5) years (the "Initial SaaS Term"). After the Initial Term, the SaaS solution shall be automatically renewed for successive one (1) year periods (each a "SaaS Renewal Term") subject to the terms and conditions of this Agreement unless either party provides written notice to the other party of its intention not to renew in accordance with Section 8.2.2.2. The Initial SaaS Term and SaaS Renewal Term(s) shall collectively be referred to as the "SaaS Term".
- 2.2.6 **Term of Subscription:** Unless terminated earlier in accordance with the terms hereof, the term of a Subscription identified in a Statement of Work shall commence upon installation and configuration in a Harris hosted environment in accordance with the applicable Statement of Work and shall continue for a period of five (5) years (the "Initial Subscription Term"). After the Initial Term, the Subscription shall be automatically renewed for successive one (1) year periods (each a "Subscription Renewal Term") subject to the terms and conditions of this Agreement unless either party provides written notice to the other party of its intention not to renew in accordance with Section 8.2.2.2. The Initial Subscription Term and Subscription Renewal Term(s) shall collectively be referred to as the "Subscription Term".
- 2.2.7 **Term of the Agreement.** This Agreement shall commence upon the Effective Date and, unless terminated earlier in accordance with Section 8.2 or as otherwise provided in this Agreement, shall remain in effect until the later of: (i) Completion of Services (as defined in Section 1.1.3); and (ii) the expiration of the Software Term, Support Term, Hosting Term, SaaS Term, and Subscription Term specified above.

Section 2.3 Restrictions on Use

- 2.3.1 Organization shall not, and will not knowingly allow, direct or authorize (directly or indirectly) any third party to: (i) use the Software for any purpose other than in connection with Organization's primary business or operations; (ii) disassemble, decompile, reverse engineer, defeat license encryption mechanisms, or translate any part of the Software, or otherwise attempt to reconstruct or discover the source code of the Software except and only to the extent that applicable law expressly permits, despite this limitation; (iii) modify or create derivative works of the Software; (iv) rent, lease, lend, or use the Software for time-sharing or bureau use or to publish or host the Software for others to use; or (v) take any actions that would cause the Software to become subject to any open source or quasi-open source license agreement. Organization shall be wholly liable to Harris for any misuse of the Software.
- 2.3.2 The Software and related materials supplied by Harris are protected by copyright, trade secret, trademark, and other intellectual property laws. The Software may not be resold or licensed by Organization. Any rights not expressly granted herein are reserved. Organization may not obscure, remove or otherwise alter any copyright, trademark or other proprietary notices from the Software and related materials supplied by Harris.
- 2.3.3 **Restrictions Specific to Any Hosting Services Purchased**
- a) Organization may not give away, rent, lease, or otherwise sell, re-sell, sublicense, distribute or transfer the rights granted under this Agreement or otherwise use the Hosting Services or any part thereof except as expressly permitted by this Agreement without the prior written consent

of Harris. Organization otherwise agrees to abide by the terms of any applicable acceptable use policy of any third-party provider as updated by Harris from time to time:

- b) The applicable acceptable use policies in place as of the effective date of this Agreement include:
 - AWS Acceptable Use Policy: <https://aws.amazon.com/aup>
 - Microsoft Azure Acceptable Use Policy: <https://www.microsoft.com/en-us/microsoft-365/legal/>
- c) Organization may not modify, translate, adapt, alter, or create derivative works of the Documentation or Service Provider Content; however, Organization may duplicate Documentation and Service Provider Content, at no additional charge, for Organization's internal use so long as all required proprietary markings are retained on all duplicated copies.
- d) No third party, other than duly authorized agents or employees of Organization authorized pursuant to Article 2 hereunder, shall have access to or use of the Hosting Services.
- e) Organization shall not copy, frame, or mirror any part or content of the Hosting Services or Service Provider Content, other than copying or framing on Organization's own intranets or otherwise for Organization's own internal business purposes.
- f) Organization shall not access the Hosting Services in order to (i) build a competitive product or service; (ii) copy any features, functionality, or graphics of the Software; or (iii) knowingly allow access to any competitor of Harris.
- g) The Organization shall not knowingly transmit, upload, post, display, distribute, store or otherwise publish, through use of the Hosting Services, any content, data, material or information that: (i) contains a software virus, Trojan horse, worm, time bombs, cancelbots or other harmful or deleterious computer code, files, programs or content that may damage, adversely affect any hardware or software, or that intercepts or misappropriates any system, program, data or information; (ii) is threatening, defamatory, libelous, harassing, abusive, profane, is an invasion of privacy, offensive, obscene, harmful or otherwise objectionable (including without limitation content that constitutes child pornography, relates to bestiality, or depicts non-consensual sex acts); (iii) infringes, misappropriates or otherwise violates any patent, copyright, trademark, trade secret or other intellectual property, proprietary right or other rights of any third party; (iv) violates any law, statute, ordinance or regulation, or that may be harmful to Harris or its service provider's operations or reputation (and shall not perform any activities that are illegal, fraudulent or may result in any of the foregoing); or (v) includes unsolicited bulk e-mails, or other messages, promotions, advertisements or solicitations ("spam") and Organization shall not alter or obscure mail headers or assume a sender's identity without the sender's explicit permission.
- h) Organization shall not intentionally interfere with, attempt to gain unauthorized access to, disrupt or violate the security or integrity of any device, computer, communication system, software application, account, data, the Hosting Services or networks connected to the system used to provide the Hosting Services or use the Hosting Services in any way that would provide harm to it or impair anyone else's use of it. Examples include, without limitation, attempting to probe scan, or test the vulnerability of a system or breach any security or authentication measures used by a system, monitoring of data or traffic on a system without permission, falsification of origin, forging TCP-IP packet headers, e-mail headers, or any part of message describing its origin or route (use of aliases and anonymous remailers are not prohibited by this provision). Additional prohibited activities include:
 - i. Monitoring or Crawling. Monitoring or crawling of a system that impairs or disrupts the system being monitored or crawled.

- ii. Denial of Service (DoS). Inundating a target with communications requests so the target either cannot respond to legitimate traffic or responds so slowly that it becomes ineffective.
 - iii. Intentional Interference. Interfering with the proper functioning of any system, including any deliberate attempt to overload a system by mail bombing, news bombing, broadcast attacks, or flooding techniques.
 - iv. Operation of Certain Network Hosting Services. Operating network Hosting Services like open proxies, open mail relays, or open recursive domain name servers.
 - v. Avoiding System Restrictions. Using manual or electronic means to avoid any use limitations placed on a system, such as access and storage restrictions.
- i) Organization shall not provide the results of using the Hosting Services for the purposes of monitoring its availability, performance, functionality, benchmarking, or competitive analysis to any third party.
 - j) Organization will not or will not attempt to modify, distribute, alter, tamper with, repair or otherwise create derivative works of any Service Provider Content included in the Hosting Services.
 - k) Organization will not knowingly access the Service Provider Content or the Hosting Services in a way intended to avoid incurring fees or exceeding usage limits or quotas.
 - l) Harris and/or its service provider may report any activity that they suspect violates any law or regulation to appropriate law enforcement officials, regulators, or other appropriate third parties. Such reporting may include disclosing appropriate Organization information. Harris and/or its service provider also may cooperate with appropriate law enforcement agencies, regulators, or other appropriate third parties to help with the investigation and prosecution of illegal conduct by providing network and systems information related to alleged violations of the terms of this Section 2.3.3. If Organization or any of its Users become aware of any violation of this Section 2.3.3, they agree to, without undue delay, notify Harris and provide assistance, as requested, to stop or remedy the violation.
 - m) Harris may immediately suspend, restrict, or limit Organization's access to all or any portion of the Hosting Services if Harris determines:
 - i. That Organization's or any of its Users' use of the Hosting Services
 - (a) To the extent that it poses a security risk to the Hosting Service or any third party,
 - (b) To the extent that it poses any risk of any kind or nature to Harris's or its service provider's business or other customers,
 - (c) To the extent that it could adversely impact Harris's or its service provider's systems, network, the Hosting Services or the systems or data of any other customer,
 - (d) To the extent that it could subject Harris, its service provider, or their respective affiliates or any third party to liability, or
 - (e) could be fraudulent;
 - ii. Organization or any User is in breach of this Agreement, which breach is not cured as provided hereinbelow;
 - iii. Organization is in breach of its undisputed payment obligations for the Annual Hosting Fees; or
 - iv. Organization has ceased to operate in the ordinary course, made an assignment for the benefit of creditors or similar disposition of Organization's assets, or becomes the subject of any bankruptcy, reorganization, liquidation, dissolution, or similar proceeding,

Harris shall immediately restore such suspended, restricted, or limited access once the Organization has resolved the issue giving rise to the suspension, restriction, or limitation.

- n) Harris will use reasonable efforts to notify Organization of the suspension, restriction, or limitation to Organization's access to the Hosting Services. In addition to and without limiting the foregoing, Harris reserves the right to refuse to post or to remove in whole or in part any information or materials provided or submitted by or on behalf of Organization in connection with its use of the Hosting Services that Harris determines, in its reasonable discretion, are either in violation of this Agreement or pose any risk of any kind or nature to Harris or its service provider's network, business or other customers. In the event that Harris suspends Organization's right to access or use all or any portion of the Hosting Services, Organization remains responsible for all Hosting Fees incurred during the period of suspension and will not be entitled to any service credits as detailed under the Service Level Agreements in Schedule "D" for any period of suspension.

2.3.4 Training Materials and Recordings

Any recordings of training sessions are licensed, not sold, to the Organization, solely for internal training purposes as outlined in this Agreement. The Organization is strictly prohibited from sharing these videos with any third parties. The Organization acknowledges and agrees that sharing such videos outside of the Organization, or with foreign nationals of certain countries, constitutes a material breach of this license and may violate applicable export control laws, including those referenced in Section 8.18 (Trade Compliance) of this Agreement.

Section 2.4 Ownership of Software and Confidential Information

- 2.4.1 The Organization acknowledges that the Software contains proprietary information and Confidential Information that is the sole property of Harris.
- 2.4.2 The Organization will take reasonable care to safeguard the Software, and at least the same care as it takes to safeguard its own similar Confidential Information.
- 2.4.3 Harris acknowledges that the Customer Data and Data stored in the Software is Confidential Information that is the sole property of the Organization and Harris shall provide the Organization with scheduled access to such Customer Data and Data without charge upon demand. Harris will safeguard such Confidential Information with at least the same care as it takes to safeguard its own Confidential Information.

Section 2.5 Ownership and Disposition of Documents

- 2.5.1 The parties agree that no materials or documents are being created for Organization by Harris under this Agreement. All materials and documents which were developed or prepared by Harris for general use and which are not the copyright of any other party or publicly available, including educational materials, remain the sole property of Harris.
- 2.5.2 Where the Organization requests Harris to create custom materials or documents, the parties shall enter into a new Statement of Work via Change Request at the rates specified in Section 11.1 of Schedule "B", Rate Schedule.
- 2.5.3 Harris authorizes the Organization or a contractor of the Organization to create training materials and Standard Operating Procedures (SOP) regarding the use of Harris' software. Such materials and SOPs may be created using a process documentation software.

Section 2.6 Third Party Software

- 2.6.1 Harris may distribute to Organization the Third-Party Software which is described as Third Party Software in a Statement of Work. Organization shall pay for the Third-Party Software through Harris in the amount of the purchase price(s) listed along with the License Fees in Schedule "B", Rate Schedule. Harris and/or the Third-Party Software manufacturer(s) will provide Organization with one copy of the then current user Documentation for use with the Third-Party Software.
- 2.6.2 It is acknowledged by the parties hereto that the Third-Party Software provided to Organization pursuant to this Agreement was developed and delivered to Harris by one or more Third-Party software companies. As such, the Third-Party Software is licensed to Organization by the applicable licensor listed in the Statement of Work and subject to the terms and conditions of the applicable license agreement for such Third-Party Software.
- 2.6.3 Organization agrees that it shall not knowingly permit any third party to have access to the Third Party Software during the term of this Agreement and that the restrictions as set out in Section 2.3 and the confidentiality obligations set out herein shall equally apply to the Third Party Software, subject to any specific permissions that are provided in the license provided by the third party licensor to the Organization.
- 2.6.4 Organization acknowledges that IBM's relevant standard licensing and use terms, as amended by IBM from time to time, apply to its use of IBM Cognos and that Organization is bound by such licensing and use terms and such terms are included in Schedule "E". The standard licensing and use terms shall include anything described as a "Licensing Information Document" by IBM and all licensing files and NOTICE files that are included with the IBM Cognos software or as may be supplied by IBM to Organization from time to time. To the extent that the terms in the Licensing Information Document or similar type documents provided by IBM differ from those in Schedule "E", the terms in the Licensing Information Document shall take precedence;
- (a) All such licenses are a restricted license, which means that the IBM Cognos software may only be used with the Software.

ARTICLE III: SERVICES

Section 3.1 Harris Services

In order to achieve the Completion of Services, Harris agrees, subject to the terms and conditions of this Agreement, to perform the following services (the "Services") for the Organization in accordance with the relevant Statement of Work:

- 3.1.1 Oversee and implement the conversion from the Organization's existing software applications to Harris' Software.
- 3.1.2 Install the Software and perform necessary setup and configuration operations.
- 3.1.3 Provide training.
- (i) Organization shall provide copies of the training manuals required for the training classes to each participant either by photocopy or electronic duplication. Each copy is subject to the restrictions and obligations contained in this Agreement.
- (ii) On-line reference Documentation is delivered with each release. Organization may print or copy this Documentation solely for its internal use.

(iii) Cancellation of any on-site Services by Organization is allowed for any reason if done in writing more than fourteen (14) days in advance of such Services. Organization will be billed for any non-recoverable direct costs incurred by Harris that result from a cancellation by Organization with fourteen (14) days or less of scheduled on-site Services. Additionally, Organization hereby acknowledges that cancellation of on-site Services means that such on-site Services will be rescheduled as Harris's then current schedule permits. Harris is not responsible for any delay in Organization's project resulting from Organization's cancellation of Services. If upon Harris arrival, the Organization has not completed required tasks for such visit, as agreed upon in advance, then the Organization will be billed 100% of the on-site fee and scheduled on-site Services may be cancelled at Harris' discretion. If additional Services are required because the Organization was not adequately prepared, Harris will provide a Change Order Request Form to the Organization for said Services in accordance with the Integrated Change Control Process described in Section 8.28 of this Agreement.

- 3.1.4 Each Statement of Work describes in greater detail the Services, the method by which the Services shall be performed and other obligations on the part of the two parties. To the extent that the Statement of Work more explicitly details the Services or the obligations of a party, then those details in such Statement of Work shall prevail over any other document that is less explicit. Any warranties or representations on the part of Harris in the Statement of Work are not binding on Harris and are merely provided for informational purposes; the only warranties and representations provided by Harris in respect of the Services and this Agreement are found in Article V.
- 3.1.5 Harris is authorized to obtain backups of the Organization's databases for the purposes of development, testing, quality assurance, and troubleshooting, including but not limited to upgrades, custom work, and issue resolution. These backups will be securely anonymized to remove all personally identifiable information (PII). The anonymized data will be used solely within Harris's environment for the aforementioned purposes and in compliance with all applicable privacy and security laws. The original, non-anonymized backup will be securely deleted upon completion of the anonymization process.
- 3.1.6 The Organization may request that Harris perform specific services in addition to the Statements of Work attached as Schedules "A.1", "A.2", "A.3", "A.4", "A.5", and "A.6". Such work shall be documented in a Statement of Work on a form consistent with the previously executed Statements of Work referenced in this section and authorized by Change Order in accordance with Section 8.28 of this Agreement. Any additional Statement of Work properly approved by Change Order shall be subject to the terms and conditions of this Agreement.

Section 3.2 Performance by Harris

- 3.2.1 Manner of Performance -- Harris shall perform the Services in a professional, efficient, competent, timely, and workmanlike manner and exercise reasonable care, skill, and diligence in their performance.
- 3.2.2 Harris' Discretion -- Harris shall determine in its reasonable discretion the manner and means by which the Services shall be performed. Harris will consult with the Organization on its methodology, manner and means.
- 3.2.3 Conduct on Organization's Premises -- The Services shall be performed with the Organization's full cooperation as agreed, whether on the premises of the Organization or at an alternative location. When working on the Organization's premises, Harris personnel shall observe the Organization's administrative and ethics codes relating to the security, access or use of all or

part of the Organization's premises and any of the Organization's property, including proprietary or confidential information. See Sections 3.2.10 for additional requirements when working on the Organization's premises.

- 3.2.4 Inquiries by Organization – Harris shall respond within five (5) business days to any inquiries pertaining to this Agreement from the Organization.
- 3.2.5 Independence – As an independent consultant, Organization retains Harris and its employees and agents on an independent contractor basis and not as an employee.
- 3.2.6 Coordination of Services – Harris agrees to coordinate with Organization staff in the performance of Services and to be available for consultation at all reasonable times.
- 3.2.7 Information Security Program – Harris shall implement and maintain a comprehensive, documented information security program in accordance with Schedule "F", Information Security Program.
- 3.2.8 Subcontractors – Harris is responsible for Subcontractor performance and compliance with the provisions of this Agreement in accordance with Section 8.25.
- 3.2.9 Insurance
 - 3.2.9.1 Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Harris shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best or A by S&P, as enumerated below.

Harris Required Insurance:

- i. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Harris against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:
 - a. Premises and Operations;
 - b. Products and Completed Operations;
 - c. Contractual Liability; and
 - d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Agreement)
 with the following **minimum limits:**
 - e. \$1,000,000 Each Occurrence
 - f. \$1,000,000 Personal Injury Liability
 - g. \$2,000,000 General Aggregate (per project)
 - h. \$2,000,000 Products and Completed Operations Aggregate
 Commercial general liability insurance will include the Organization as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the Organization.
- ii. **Workers' Compensation and Stop Gap Employers Liability:** When applicable, Workers' Compensation Insurance as required by law for all employees. Employer's Liability Insurance, including Occupational Disease coverage, in the amount of **\$1,000,000 for Each Accident, Each Employee, and Policy Limit.** Employer's Liability may be procured as an endorsement to the commercial general liability via the Stop Gap Coverage endorsement. Harris expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

- iii. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned (if any), rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury, property damage, or death combined and containing appropriate uninsured motorist and No-Fault insurance provision, where applicable. Automobile liability insurance will include the Organization as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the Organization.
- iv. **Technology Errors and Omissions/Network Security Insurance:** Harris shall obtain Technology errors and omissions liability insurance in an amount of **not less than \$10,000,000 per claim and in the aggregate**. Coverage shall respond to wrongful acts in the rendering of, or failure to render, professional services under this Agreement, electronic data losses or damage or breaches of electronic data security including disclosures of private or Confidential Information of the Organization or any employee, participant or beneficiary of the Services provided by Harris pursuant to this Agreement. In the event of a claim and upon the Organization's request, Harris shall provide a copy of its Technology Errors and Omissions/Network Security Insurance policy. The Technology Errors and Omissions Insurance retroactive coverage date shall be no later than the effective date of this agreement. Harris shall continuously maintain such insurance or purchase an extended reporting period providing that claims first made and reported to the insurance company within two years after termination of the Agreement will be deemed to have been made during the policy period. If Harris shall hire Subcontractor for all operations and risk involving professional network services exposure, this requirement may be satisfied by Subcontractor's policies. Harris shall impute the insurance requirements stated in this section to Subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the Organization.

3.2.9.2 Evidence of Insurance - Prior to performing any services, and within 10 days after receipt of the Agreement award, then annually thereafter, Harris shall file with the Organization a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with copies of the endorsements or policy documents where policy terms required under this Section 3.2.9.1 are met. Failure of the Organization to demand such certificate or other evidence of compliance with these insurance requirements or failure of the Organization to identify a deficiency from the provided evidence shall not be construed as a waiver of the Harris's obligation to maintain such insurance. Acceptance by the Organization of any certificate or other evidence of compliance does not constitute approval or agreement by the Organization that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements. The Organization shall have the right but not the obligation of prohibiting Harris or Subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. Harris's failure to maintain the required insurance may result in termination of this Agreement at the Organization's option.

3.2.9.3 Subcontractors and Service Providers - Harris shall ensure that each Subcontractor meets the applicable insurance requirements and specifications of this Agreement.

All coverage for Subcontractors shall be subject to all the requirements stated herein and applicable to their profession.

3.2.9.4 Cancellation of Insurance - Harris shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies, to the extent commercially available, or Harris shall endeavor to provide 30 days advance written notice to the Organization for cancellation or any material change in coverage or condition. Should Harris receive any notice of cancellation or notice of nonrenewal from its insurer(s), Harris shall provide immediate notice to the Organization no later than two days following receipt of such notice from the insurer. Notice to the Organization shall be delivered by facsimile or email.

3.2.10 Physical Security and Safety Requirements for Work on Organization's Premises

3.2.10.1 Physical Security. If any performance under this Agreement is to be conducted on Organization facilities or worksites, it shall be the responsibility of Harris to ensure that its employees and those of its Subcontractors are informed of and abide by the Organization's Security Policies as if fully set out herein a copy of which shall be provided to Harris by the Organization representative identified in Section 8.5 prior to beginning work. Without limiting the foregoing, Harris and its employees shall be required to:

- i. Keep all external gates and doors locked at all times and interior doors as directed.
- ii. Visibly display ID badges on their person at all times.
- iii. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the Organization.
- iv. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Harris shall contact the Organization representative identified in Section 8.5.
- v. Immediately notify the Organization if any of Harris's employees no longer need access or have left Harris's employment.
- vi. Immediately report any lost or missing access device to the Organization representative identified in Section 8.5. A minimum charge will be assessed to Harris in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. Harris is strictly prohibited from making copies of keys.
- vii. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- viii. Return all Organization property, including but not limited to keys and badges, to the Organization representative identified in Section 8.5 when an individual's access to the facility is no longer needed.
- ix. Guest Wireless: The Organization provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the Organization from personally owned mobile devices such as laptops and smart phones. Harris personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

Harris and any Subcontractors shall comply with the safety requirements identified below and all Organization policies located at <https://www.grantpud.org/for-contractors>. The Organization reserves the right to conduct or to require Harris to conduct criminal background checks on its employee(s) before granting such

individuals access to restricted areas of Organization facilities or Confidential Information.

- 3.2.10.2 Security and Safety Awareness Training. Prior to receiving access to any Organization facilities, Harris, Harris's employees, Subcontractors and Subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Agreement that requires access to Organization facilities, shall be required to take and pass the Organization's Security and Safety Awareness training before being issued a security access badge to access Organization facilities. Under no circumstances will the failure of Harris or Subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation. The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. Harris and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to SecurityTrainingCerts@gcpud.org. The Organization representative identified in Section 8.5 shall ensure that Harris's employees, Subcontractor's and Subcontractor's employees have completed and submitted the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted before any security access badges will be issued.
- 3.2.10.3 Safety Requirements. The following applies if Harris, or any of its sub-consultants, Subcontractors, or suppliers of any tier, performs any activities on premises owned, leased, possessed, or controlled by the Organization. The Safety Requirements shall be required when applicable as determined by the Organization representative identified in Section 8.5 based upon the scope of work. To the extent applicable, Harris shall ensure that all workers, sub-consultants, Subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, Harris shall also comply with material and equipment manufacturer instructions, and safety and health requirements in accordance with WAC 296-126-094 and this Agreement where applicable. If there are conflicts between any of the requirements referenced in the Agreement, the more stringent requirement shall prevail. Harris personnel who perform work in an office environment at premises owned, leased, possessed, or controlled by the Organization shall be required to follow at a minimum the following safety and security requirements. This work includes but is not limited to professional services and consulting, technology-related tasks, and training services. Work activities may include working at a desk, attending meetings, touring facilities, and similar activities.
- i. Access: The Security Department administers physical access to Organization facilities. Harris personnel shall be issued an ID badge or visitor badge to provide access to work areas as needed per Sections 3.2.10.1 and 3.2.10.2. Workers without authorized access to an area must be escorted at all times. Any person with authorized access may serve as an escort.
 - ii. Emergency Preparedness: All Harris personnel, when entering a facility or work area, shall determine the locations of emergency exits, fire extinguishers, first aid kits, AED, and gathering points in case of evacuation.
 - iii. Housekeeping: Harris personnel shall keep desks, cubicles, meeting rooms, and all other working areas free from clutter and tripping hazards. Work areas shall be

cleaned after use according to applicable guidelines posted by the Organization in such work areas.

- 3.2.11 Compliance with Laws. Harris represents and warrants that it will at all times be in compliance with all applicable local, state, provincial, federal and international laws, rules and regulations including but not limited to, those laws regarding restrictions on exports, defamation, libel, harm to reputation, invasion of privacy, misuse or failure to protect personal information, violation of secrecy, confidentiality, unfair competition and other situations which could generate liability.
- 3.2.12 Cooperation with Others: The Parties acknowledge that the success and timeliness of the services shall require the active participation and collaboration of both Parties. The Parties agree to cooperate fully with each other to ensure timely and effective implementation. Harris agrees to cooperate with any other contractors or consultants of Organization as may be required to meet the goals of this Agreement, ensuring that all parties involved work towards the successful completion and acceptance by the Organization of all agreed Deliverables under all Statements of Work.
- 3.2.13 Data Backup: Harris shall perform data backups as part of the hosting services in accordance with its standard practices. The Harris standard practices outlined below for data backups cover the following database backup posture:
- (i) Automated daily backups in place
 - (ii) Transaction log backups (≤ 15 min) - (except DataVoice)
 - (iii) 30 day retention
 - (iv) Offsite / cross-region storage copy
 - (v) Regular restore testing performed
 - (vi) Encryption and access controls enforced

Section 3.3 Performance by Organization

- 3.3.1 Cooperation by Organization: The Organization acknowledges that the success and timeliness of the implementation process shall require the active participation and collaboration of the Organization and its staff and agrees to cooperate fully with Harris to achieve the Completion of Services expeditiously.
- 3.3.2 Passwords. Organization agrees to comply with all Harris security policies and procedures as provided to it and amended from time to time. Harris shall notify Organization of such changes in accordance with Section 8.5. Organization and its Users shall be responsible for keeping any and all passwords, user ID's, log-in credentials and private keys assigned to its Users secret and confidential. User ID's, passwords, login-in credentials, and private keys are for Organization's internal use only and Organization may not sell, transfer, or sublicense them to any other entity or person except that Organization may disclose its private key to its agents performing work on its behalf. Organization agrees that it is and shall remain solely and completely liable for any communications or other uses that are made using Organization's or its Users' passwords and user ID's or log-in credentials and private keys, as well as any obligation that may result from such use. Organization agrees to notify Harris in writing if it believes that a password has been stolen or might otherwise be misused. Organization agrees to notify Harris, without undue delay, of any unauthorized use of any password or user ID or any other breach of security suspected by Organization.
- 3.3.3 Users. The Organization is responsible for: (i) the actions of Users using the Hosting Services in accordance with this Agreement; (ii) ensuring that Users agree to any further terms and conditions as may be provided by Harris from time to time for Users; and (iii) informing Harris of

any information about Users' actions that may affect either the Hosting Services or third party data contained in or used by the Hosting Services, or Harris's ability to provide the Hosting Services as contemplated by this Agreement.

3.3.4 Compliance with Laws. Organization represents and warrants to Harris that it and its Users, in utilizing the Services, will at all times be in compliance with all applicable local, state, provincial, federal and international laws, rules and regulations including but not limited to, those laws regarding restrictions on exports, defamation, libel, harm to reputation, invasion of privacy, misuse or failure to protect personal information, violation of secrecy, confidentiality, unfair competition and other situations which could generate liability.

3.3.5 Additional Organization Obligations:

- (i) For any on premises solutions, Organization shall install all Updates within a reasonable time after notification of their availability. However, any fix or correction designated as "critical" by Harris shall be implemented by Organization within thirty (30) days of such notification.
- (ii) Organization shall notify Harris of suspected defects in any of the Software supplied by Harris. Organization shall provide, upon Harris request, additional data to reproduce the environment in which such defect occurred.
- (iii) Organization shall allow the use of online diagnostics on the Software supplied to Organization as requested by Harris. Organization shall provide to Harris, at Organization's expense and in accordance with the Organization's security policies and procedures, access to the Designated Computer System via the Organization's firewall to communications software (e.g., PC Anywhere, WebEx, Web Demo).
- (iv) Organization personnel shall be educated and trained in the proper use of the Software in accordance with applicable Harris manuals and instructions. If Organization's personnel are not properly trained as mutually determined by Harris and Organization, such personnel will be trained by Harris or Organization within thirty (30) days. If Harris performs such training, it shall be compensated in accordance with this Agreement.
- (v) For on prem solutions only, Organization shall establish proper backup procedures necessary to replace critical Organizational data in the event of loss or damage to such data from any cause, despite anything in this Agreement or the Statement of Work to the contrary, Harris is absolved from any requirements regarding the backup of any data for on prem solutions. Organization shall provide Harris with access to qualified functional or technical personnel to aid in diagnosis and to assist in repair of the Software in the event of error, defect, or malfunction.
- (vi) Organization shall not permit any third party to have direct access to or provide services in relation to the Software or any Third-Party Software without Harris' prior written consent.
- (vii) Organization shall have the sole responsibility for:
 - (a) the performance of any tests it deems necessary (other than those provided by Harris) prior to the use of the Software (for on premises and hosted solutions);
 - (b) assuring proper Designated Computer System installation, configuration, verification, audit controls and operating methods (on premises solutions only);
 - (c) implementing proper procedures to assure security and accuracy of input and output and restart and recovery in the event of malfunction (on premises solutions only); and

- (d) timely upgrade and keeping current all third-party license releases and/or Software products to meet the requirements of the Software (on premises solutions only).

Section 3.4 Harris Obligations Specific to Any Hosting Services Purchased

- 3.4.1 Harris shall provide all facilities, equipment, and software required to make the Hosting Services available. Harris shall have the right to manage all resources used in providing the Hosting Services, as Harris deems appropriate.
- 3.4.2 Harris shall use commercially reasonable efforts to make the Hosting Services available to Users twenty-four (24) hours per day, seven (7) days per week; subject to the terms further defined in Schedule "D".
- 3.4.3 Harris's Hosting Provider shall have the right to have additional User acceptance criteria that may be applied to Users prior to their ability to have access to the Hosting Services. Harris shall provide Organization with thirty (30) days' prior written notice. Harris shall be free to implement such criteria as may be imposed on an emergency basis by its hosting provider at any time without prior written notice to the Organization and/or to Users; however, notice shall be provided to Organization by Harris as soon as reasonably practicable, and in no event later than ten (10) days after the date such criteria was imposed. Where Users do not accept such and/or agree to such criteria, Harris reserves its rights to not grant to such Users access to the Hosting Services. Harris reserves its rights to restrict access to the Hosting Services to Users for any violation of any additional terms and conditions to which such Users accept/agree to access the Software Hosting Services.
- 3.4.4 Harris may utilize third-party data platforms, including Snowflake, to support Hosting Services and technical services such as data storage, analytics, reporting, and performance optimization. These platforms may operate on infrastructure provided by cloud service providers such as AWS or Microsoft Azure. Organization acknowledges that such platforms may be used in a manner consistent with Harris's obligations under this Agreement, including data security and confidentiality provisions.
- 3.4.5 Harris shall provide installation, configuration, system administration and maintenance of the facilities and equipment and software required to operate and ensure availability of the Software. Organization, not Harris, shall be responsible for creating and maintaining all User account information and for performing all other application-level system administration functions that are available within the Software. All of these shall form part of the technical services.
- 3.4.6 Organization acknowledges that in order to provide the Hosting Services Harris may be required to purchase access to the Third-Party Components. Organization further acknowledges that the availability of such Third-Party Components is based solely on the best information available to Harris and its service providers as of the Effective Date including third party representations and government regulations and is subject to change during the Term with little or no advance notice. If any necessary Third Party Components are reasonably determined by Harris to be unavailable as a result of changes to any third party availability, governmental regulations or other condition or circumstance outside of Harris' control, then (a) Harris shall not be in breach hereof or otherwise liable for any failure or inability to provide the Hosting Services as a result of such unavailability of any Third Party Components; and (b) subject to the change control process in Section 8.28 of this Agreement, Harris may change or replace the applicable Third Party Components and otherwise attempt to mitigate the impact of the such unavailability of Third Party Components including revising the Hosting Services Fee component of the Annual

Subscription Fee. It is specifically understood that if such approval is withheld, Harris shall not be in breach of this Agreement.

Section 3.5 Organization Obligations Related to Any Hosting Services Purchased

- 3.5.1 Organization Equipment. Organization agrees that it shall be responsible, at its sole expense, for providing all Internet access, including but not limited to obtaining, installing, and maintaining all equipment, hardware, network, Internet or direct telecommunications connections and software applications (e.g., web browser) at Organization's facilities required for Users to access and use the Hosting Services. Harris shall not be responsible for the operation of any Internet, network, or other communication Hosting Services. Organization further acknowledges that access to and the operation of the Hosting Services requires Organization's and Users' hardware to be of sufficient quality, condition and repair, and Organization agrees to and/or to ensure that Users maintain their applicable hardware in the appropriate quality, condition and repair at its sole cost and expense. These requirements may also be necessary in order to facilitate the achievement of Completion of Hosting Services related to any Professional Hosting Services supplied by Harris.
- 3.5.2 Users. The Organization is responsible for: (i) the actions of Users using the Hosting Services in accordance with this Agreement; (ii) ensuring that Users agree to any further terms and conditions as may be provided by Harris from time to time for Users; and (iii) informing Harris of any information about Users' actions that may affect either the Hosting Services or third party data contained in or used by the Hosting Services, or Harris's ability to provide the Hosting Services as contemplated by this Agreement.

Section 3.6 Data Security Provisions Related to Any Hosting Services Purchased

- 3.6.1 Data Security. Organization acknowledges and agrees that use of or connection to the Internet is inherently insecure and provides opportunity for unauthorized access by a third party to Organization's and its Users' (as well as Harris's) computer systems, networks and any and all information stored therein. Organization is solely responsible for ensuring that (i) Organization's computer systems are secure and protected from unwanted interference (such as "hackers" and viruses), (ii) all transmissions are screened for viruses or other harmful code prior to transmission to Harris's servers; and (iii) Data is encrypted. Some content or Data may be subject to governmental regulations or may require security measures beyond those specified by Harris for an offering as set out in Schedule "F." Organization will not input or provide such content or Data unless Harris has first agreed in writing to implement additional required security measures.

Section 3.7 Additional Hosting Provisions if Hosting Services Are Purchased

- 3.7.1 Harris currently uses AWS as an additional service provider that acts both as a hosting facility and provides additional third-party software support to Harris. The Organization acknowledges that Harris may change the third-party service and associated terms by mutual agreement of the parties in advance via a Change Request in accordance with Section 8.28. Harris may, from time to time, alter the hosting facility service provider and associated terms by mutual agreement of the parties in advance via a Change Request in accordance with Section 8.28. These terms may be updated by the respective providers from time to time and shall apply to Organization's and Users' use of the Hosting Services. Harris shall notify the Organization of such changes. In the event of such a change, the terms of the new Hosting

Provider shall apply to Organization's use of the Service, and Organization's continued use of the Service following the change will constitute its acceptance of such new terms.

Additionally, with respect to the current third-party service provider, the Organization must agree to the following policies ("Policies") as a condition precedent to using the Hosting Services which shall form an integral part of this Agreement. Organization agrees that its Users must also agree to such Policies, as applicable to Users:

3.7.1.1 "Acceptable Use Policy" means the acceptable use policies of Harris's third-party cloud service providers, including but not limited to:

- <https://aws.amazon.com/aup>
- <https://www.microsoft.com/en-US/microsoft-365/legal/>

3.7.1.2 "Service Terms" the service terms and conditions applicable to the Hosting Services as published by Harris's third-party cloud service providers, including but not limited to:

- <https://aws.amazon.com/serviceterms>
- <https://azure.microsoft.com/en-us/support/legal/>

3.7.2 The third-party service provider may change or discontinue any of the services that form part of the Hosting Services, from time to time. If Harris receives prior notice from the third-party service provider, Harris will provide prior written notice without undue delay to Organization in accordance with Section 8.5 of this Agreement. Harris will not be required to provide prior notice to Organization under this subsection 3.7.2 if the change or discontinuation is necessary for Harris or its third-party service provider to address an emergency or threat to the security or integrity of Harris or its third-party service provider, respond to claims, litigation, or loss of license rights related to third-party intellectual property rights, or comply with the law or requests of a government entity; however, notice shall be provided to Organization by Harris as soon as reasonably practicable, and in no event later than five (5) days following the event such change or discontinuation occurred.

3.7.3 Lastly, if the Organization requires information related to the third-party provider's capabilities, accreditations, and other information regarding a third-party provider, the Organization must request such information directly from Harris. Harris will request that the third party provider provide such information for the Organization. Harris is not obligated to provide any such information to the Organization where the Organization refuses to agree to terms that the third party provider has requested from the Organization prior to providing the information either directly or indirectly through Harris (such terms, for example, an NDA).

Section 3.8 Restrictions on Use

3.8.1 Neither Organization nor any User may use the Hosting Services in any manner or for any purpose other than as expressly permitted by this Agreement. Neither Organization nor any User may, or may attempt to (a) modify, alter, tamper with, repair, or otherwise create derivative works of any Content included in the Hosting Services (except to the extent Cloud Content included in the Hosting Services is provided to Organization under a separate license that expressly permits the creation of derivative works), (b) reverse engineer, disassemble, or decompile the Hosting Services or apply any other process or procedure to derive the source code of any software included in the Hosting Services, (c) access or use the Hosting Services in a way intended to avoid incurring fees or exceeding usage limits or quotas, or (d) resell or sublicense the Hosting Services.

Section 3.9 Suspension of Access and Use Rights

3.9.1 Provider may temporarily limit (in full or in part, as set forth in this subsection 3.9.1) Organization’s or any User’s right to access or use the Hosting Services upon notice to Organization (which will be reasonable prior notice unless Harris reasonably believes immediate limitation is necessary) if Harris or its third party service provider reasonably determines that Organization’s or a User’s use of the Hosting Services poses a security risk or threat to the function of the Hosting Services, or poses a security or liability risk or threat to Harris, AWS, Azure, IBM, either of their affiliates or any third party. Harris will only limit Organization’s right to access or use the instances, data or portions of the Hosting Services that caused the security or liability risk or threat. Harris will restore Organization’s access and use rights without undue delay after Organization has resolved the issue giving rise to the limitation. Organization remains responsible for all fees and charges for the Hosting Services and technical services during the period of limitation.

ARTICLE IV: SUPPORT AND MAINTENANCE

Section 4.1 Delivery of Support Services

- 4.1.1 Method of Delivery. Harris shall provide software support via telephone and electronic transmission, with site visits only when necessary. The support services will be provided during the hours of operation as described in Schedule “D” hereto, effective on the date support services fees are due, as detailed in Schedule “B”. Such services may be modified at Harris’ reasonable discretion, provided they do not materially reduce any obligations hereunder and prior notice is provided to Organization in accordance with Section 8.5. All other modifications shall be by Change Order in accordance with Section 8.28. For on-prem services only, Organization will establish auto remote access procedures compatible with Harris’ current practices.
- 4.1.2 Title to and ownership of all proprietary rights in the Releases and all related proprietary information supplied by Harris in providing the services pursuant to this Support and Maintenance Agreement shall at all times remain with Harris, and Organization shall acquire no proprietary rights by virtue of this Support and Maintenance Agreement.
- 4.1.3 Harris shall have the right to terminate ongoing Support and Maintenance pursuant to this Agreement immediately if:
 - i) Organization attempts to assign this Support and Maintenance Agreement or any of its rights hereunder, or undergoes a Reorganization, without complying with this Agreement; or
 - ii) Organization has not paid an undisputed invoice within ninety (90) days of the start of a renewal term.

ARTICLE V: REPRESENTATIONS AND WARRANTIES

Section 5.1 Warranty of Performance

5.1.1 Software Warranty (On-Premise Components). This Section 5.1.1 shall apply only to Software components installed and operated in an on-premise environment by the Organization. Where applicable, the Software will materially perform as described in the Documentation for a period

of ninety (90) days from the Completion of Services if the Software is used in accordance with the Documentation, the terms of this Agreement and where the Organization has the Required Programs and the hardware meets the requirements. To the extent the Organization is utilizing Hosting Services or SaaS Services provided by Harris, the warranty provisions applicable to such services shall be governed by Schedule "D" of this Agreement.

- 5.1.2 Third-Party Software and Hosting Services Warranty. During the duration of this Agreement, Harris warrants to Organization that Third-Party Software and Hosting Services will perform materially in accordance with the published user guides for the Hosting Services, as made available by Harris or its third-party providers (including but not limited to Cognos, AWS and Microsoft Azure) on their respective documentation portals (e.g., <https://aws.amazon.com/documentation>, <https://learn.microsoft.com/azure>, <https://www.ibm.com/legal?lnk=flg-tous-usen>), as such guides may be updated from time to time. Harris shall notify the Organization of such updates in accordance with Section 8.5.
- 5.1.3 In the event an error is discovered in the Software outside the warranty period and the error can be reproduced by Harris, provided Organization has ongoing Support and Maintenance with Harris pursuant to Article IV of this Agreement, Harris will make reasonable commercial efforts to provide Organization with a correction or suitable workaround in accordance with the terms of Article IV. Harris shall correct any defects about which it is made aware and produce in its reasonable discretion Releases to ensure repair and resolution in accordance with Schedule "D". Harris shall correct any defects about which it is made aware and produce in its reasonable discretion Releases to ensure repair and resolution in accordance with Schedule "D".
- 5.1.4 Harris warrants that services performed pursuant to this Agreement will be performed in a professional and diligent manner by personnel who are competent in performing their individual tasks.

Section 5.2 Exclusions to Warranty

Harris shall not be liable for any breach of the foregoing warranties which results from causes beyond the reasonable control of Harris, including:

- 5.2.1 where the installation, integration, modification, or enhancement of the Software was not done by Harris or its authorized agent, or where Organization has taken any action which is prohibited by the Documentation or this Agreement;
- 5.2.2 any use or combination of the Software with any software, equipment or services not supplied by or on behalf of Harris;
- 5.2.3 user error, or other use of the Software in a manner or in an operating environment for which it was not intended or other than as permitted herein;
- 5.2.4 Organization's failure to install a new Update necessary to cure an error or bug, for security or legislative compliance purposes or for such other reasons as Harris may determine in its reasonable discretion; or
- 5.2.5 Any other event of force majeure.

Section 5.3 No Other Warranties

TO THE GREATEST EXTENT PERMITTED BY LAW, THE SOFTWARE IS LICENSED AND ALL OTHER MATERIALS AND SERVICES (INCLUDING ANY HOSTING SERVICES) ARE PROVIDED TO THE ORGANIZATION "AS IS" AND THERE ARE NO WARRANTIES, REPRESENTATIONS OR CONDITIONS, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, ARISING BY STATUTE, OPERATION OF LAW, COURSE OF

DEALING, USAGE OF TRADE OR OTHERWISE, REGARDING THEM OR ANY OTHER PRODUCT, SERVICE OR MATERIAL PROVIDED HEREUNDER OR IN CONNECTION HEREWITH.

HARRIS, ITS LICENSORS AND SUPPLIERS DISCLAIM ANY IMPLIED WARRANTIES OR CONDITIONS REGARDING THE SOFTWARE AND ANY OTHER PRODUCTS, SERVICES AND MATERIALS PROVIDED HEREUNDER OR IN CONNECTION HEREWITH, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT.

HARRIS DOES NOT REPRESENT OR WARRANT THAT THE SOFTWARE SHALL OPERATE ERROR FREE OR IN THE COMBINATIONS SELECTED, THAT IT SHALL MEET ANY OR ALL OF THE ORGANIZATION'S PARTICULAR REQUIREMENTS, OR THAT ALL ERRORS OR DEFECTS IN THE SOFTWARE CAN BE FOUND OR CORRECTED.

WITHOUT LIMITING THE FOREGOING, HARRIS DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH REGARD TO PRODUCTS OR SERVICES FROM THIRD PARTIES (INCLUDING WITHOUT LIMITATION THE THIRD-PARTY COMPONENTS, THE HARDWARE, THE OPERATION OF THE INTERNET, NETWORK OR OTHER COMMUNICATION SERVICES) AND ASSUMES NO RESPONSIBILITY OR LIABILITY WITH RESPECT TO THE FOREGOING OR THE APPROPRIATENESS OF THE ORGANIZATION'S DATA MANAGEMENT SYSTEM OR THE ACCURACY OF DATA CONTAINED IN SUCH SYSTEM. HARRIS AND ITS SERVICE PROVIDER DO NOT GUARANTEE THE PRIVACY, SECURITY, AUTHENTICITY, AND NON-CORRUPTION OF ANY INFORMATION TRANSMITTED OR STORED IN ANY SYSTEM CONNECTED TO THE INTERNET.

NO AGREEMENTS VARYING OR EXTENDING ANY EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED SIGNING OFFICER OF HARRIS.

Section 5.4 Required Programs and Hardware

- 5.4.1 The Organization acknowledges that the use of the Software may require that the Organization obtain and install additional required software programs (the "**Required Programs**"), as detailed in a Statement of Work. The Organization agrees that the acquisition of the Required Programs (including the cost for future updates) shall be at its sole cost and that the cost thereof is not included in the fees herein.
- 5.4.2 Organization's hardware shall be maintained in sufficient quality, condition and repair at Organization's sole cost and expense to support the Software licensed and supported herein. If Harris determines that Organization's hardware is not of sufficient quality, condition and repair, Harris shall so notify Organization, and Organization will use reasonable efforts to remedy any hardware deficiencies and will maintain communication with Harris in the process.
- 5.4.3 Organization shall provide no less than one hundred eighty (180) days' notice where the Organization anticipates changing any of the third-party software or hardware products in use on the Designated Computer System so that Harris may assess whether the Software will function with the different software or hardware. Where Harris determines that the Software may not function with the alternative software or hardware then any upgrade by Organization to the software or hardware will be at Organization's sole risk. Harris and Organization may be required to enter into a Statement of Work document subject to additional fees in order to make this determination.

ARTICLE VI: FEES AND PAYMENT

Section 6.1 General

- 6.1.1 Compensation for all License Fees, Services, Subscription, Support and Maintenance, Billable Fees, Hosting Services, and all reimbursable costs are detailed in Schedule "B" and shall not exceed the sum of \$7,717,927.43 USD unless a Change Order authorizing the same is issued in accordance with Section 8.28.
- 6.1.2 All fees including License Fees, User Licenses, SaaS Fees, Subscription Fees, Support and Maintenance Fees, Hosting Fees, and Transaction Fees, shall be at the rates specified in Schedule "B", Rate Schedule and shall not be subject to change during the five-year Initial Term. Notwithstanding the foregoing, during the five-year Initial Term, fees and rates for Additional Cost Considerations identified in Section 11 of Schedule "B", Rate Schedule, are not subject to change until one month following go-live of all Harris Business Units. Such changes shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed 4% of the immediately preceding 12-month period. Harris shall notify Organization in writing at least ninety (90) days prior to any such rate increase going into effect. After the five-year Initial Term, all pricing is subject to adjustment based upon Harris's then-current practices, provided notice of any adjustment is provided ninety (90) days prior to renewal.
- 6.1.3 Fixed rates and fees shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners, office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.
- 6.1.4 Reimbursable Expenses. Where Reimbursable Expenses are authorized within a Statement of Work or Schedule "B", Rate Schedule, the Organization shall reimburse Harris for reasonable and necessary costs incurred on or directly for the Organization's project, including necessary transportation costs, meals, and lodging. Any actual expenses in non-US dollars will be converted using the conversion tables at www.x-rates.com for the applicable period. Reimbursement will be subject to the following limitations:
- 6.1.4.1 Meals and Incidental Expenses. Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.
- 6.1.4.2 Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The Organization Representative may increase this limit in writing when circumstances require. Federal Per Diem rates can be found at www.gsa.gov.
- 6.1.4.3 Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Harris personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the Organization unless

such options are approved in advance by the Organization Representative.
Appropriate insurance coverage should be included in Harris' insurance policies.

- 6.1.4.4 Other: All other expenses will be based on actual costs and include appropriate documentation.

Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the Organization may require. If travel is booked by Harris following confirmed mutual agreement, and if it is either cancelled, postponed, or needs to be rebooked due to Organization action or inaction after mutual confirmations and agreement, the Organization may be responsible for out-of-pocket expenses, non-refundable ticket costs and/or travel change fees. In the event of this, a Change Request may be required to cover fees. There shall be no cost to the Organization if such travel is either cancelled, postponed, or needs to be rebooked due to Harris's action or inaction after mutual confirmations and agreement.

- 6.1.5 Harris shall submit each invoice as specified in Schedule "B", Rate Schedule, and the applicable Statement of Work to the attention of:

Public Utility District No. 2 of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
Or AccountsPayable@gcpud.org

- 6.1.6 Invoices shall be in PDF format and include the purchase order number, the purchase order line item number, Reference number, Harris Phase, Business Unit and Software, along with the corresponding detailed description of the work performed for each (when a Milestone Acceptance Document does not apply), a list of Subcontractors of the Contractor used during the billing period, and where applicable, a copy of the approved Milestone Acceptance Document (Schedule "G").
- 6.1.7 Payment will be made by the Organization upon completion of work following approval by Organization of Harris' invoices. Invoices shall be subject to the review and approval of the Organization. Invoices shall be in a detailed and clear manner as specified in this Section 6.1 and Schedule "B", Rate Schedule. The Organization will make payment to Harris within thirty (30) days following Organization's receipt and approval of each invoice.
- 6.1.8 Harris understands and agrees the Organization shall make payment(s) by wire transfer or by automated clearing house (ACH). The Organization shall not be liable for fees incurred as a result of changes to Harris' banking information without proper, separate notification to Accounts Payable via email at apinquiries@gcpud.org. Failure of Harris to properly notify the Organization of banking changes as specified above shall result in forfeiture of associated fees.

Section 6.2 Fees and Payments for Licenses

- 6.2.1 The Organization agrees to pay Harris total License fees detailed in Schedule "B" (the "License Fees"), which is not inclusive of any applicable taxes. The Organization shall be responsible for the payment of any applicable duties and sales/consumption taxes. The License is subject to the payment of the License fees as specified in Schedule "B". All payments for License fees are non-refundable.

Section 6.3 Fees and Payments for SaaS, Services and Subscription

- 6.3.1 The Organization agrees to pay Harris total SaaS, Services and Subscription License fees as detailed in Schedule "B". Except where Harris is in breach of this Agreement, all payments for Services are non-refundable.
- 6.3.2 Annual Subscription for Subscription Licenses
 - 6.3.2.1 The Organization agrees to pay Harris the Annual Subscription Fees, which are not inclusive of any applicable taxes. The Organization shall be responsible for the payment of any applicable duties and sales/consumption taxes.
 - 6.3.2.2 The Annual Subscription Fee will be billed annually in advance beginning as set forth in Schedule "B" and thereafter on the anniversary or on an alternative date mutually agreed to by both parties. If the Organization would like to match the annual invoicing of the Annual Subscription Fee to its fiscal year or any other period it may request, then Harris will issue a prorated invoice for the portion of the year remaining during the initial term. Harris may change fees in accordance with Section 6.1.2.
- 6.3.3 The Organization agrees to reimburse Harris for its travel expenses when authorized in a Statement of Work and in accordance with Schedule "B" and Section 6.1.4 of this Agreement.
- 6.3.4 In the event Organization fails to pay all or any portion of an undisputed invoice on or before ninety (90) days after the date it becomes due, in addition to all other remedies Harris has under this Agreement or otherwise, Harris shall have the option to suspend or terminate all Services under this Agreement. Harris shall immediately restore the Organization's access once the suspension event is resolved. Suspension or termination of any such Services shall not relieve the Organization of its obligation to pay its outstanding undisputed invoices, including interest not to exceed the amount allowed by law ([RCW 39.76.011](#)).
- 6.3.5 Harris shall be responsible for paying all taxes, fees, assessments, and premiums of any kind payable on its employees and operations. Any tax Harris may be required to collect or pay upon the delivery of the Services described in this Agreement shall be paid by Organization and are excluded from the prices listed in Schedule "B" and such sums (including the payment of the taxes) shall be payable in accordance with Section 6.1. Organization shall be responsible for the payment of any applicable duties and sales/consumption taxes. Organization warrants that there are no additional county/city/municipal style taxes that apply to any of the SaaS, Services or Support Services or that are in relation to income taxes payable by Harris employees.

Section 6.4 Fees and Payments for Support and Maintenance and Any Hosting Services

- 6.4.1 In consideration for the support services provided hereunder, Organization shall pay the "Support and Maintenance Fee" and the "Annual Hosting Fees" as detailed in Schedule "B". The Support and Maintenance and Annual Hosting Fees will be billed annually in advance on the due date, as detailed in Schedule "B", and thereafter on the anniversary of this date or on an alternative date mutually agreed to by both parties. If the Organization would like to match the annual invoicing of the Support and Maintenance Fee and Annual Hosting Fees to its fiscal year or any other period it may request, then Harris will issue a prorated invoice for the portion of the year remaining during the applicable initial term(s). Harris may change fees in accordance with Section 6.1.2.
- 6.4.2 In addition to the Support and Maintenance Fee, Organization shall reimburse Harris for its direct travel expenses in providing support services ("Billable Fees") when authorized in a Statement of Work and pursuant to Schedule "B" and Section 6.1.4 of this Agreement.
- 6.4.3 Harris shall supply all Upgrades to Organization at no additional charge other than the payment of ongoing Support and Maintenance Fee. Upgrades may require additional professional services to be performed by Harris outside of the scope of those services provided by Harris,

including additional training not covered by this Agreement and professional services for the installation and implementation of the Upgrade that will be subject to the rates identified in Section 11.1 of Schedule "B". All such services shall be performed subject to a newly negotiated Statement of Work that will be subject to the terms of this Agreement. Such Statements of Work must be approved via a Change Order in accordance with Section 8.28.

- 6.4.4 All Updates of the Software and all those services listed in the Statement of Work which are included as part of Organization's Software support will be made available to Organization at no additional charge other than the payment of the Support and Maintenance Fee.
- 6.4.5 All payments for Support and Maintenance and Annual Hosting Fees shall be net of any taxes, tariffs, or other governmental charges. Harris shall be responsible for paying all taxes, fees, assessments, and premiums of any kind payable on its employees and operations. Any tax Harris may be required to collect or pay upon the sale, use or delivery of support and maintenance services shall be paid by Organization and such sums shall be due and payable to Harris upon receipt of an invoice therefore. Any taxes levied in relation to the services required for a Release shall be paid by Organization.

Section 6.5 Reserved

ARTICLE VII: REMEDIES, LIABILITY, AND INDEMNITY

Section 7.1 Remedies and Liability

- 7.1.1 Termination of this Agreement shall not affect any right of action of either party arising from anything which was done or not done prior to said termination.
- 7.1.2 The Organization and Harris recognize that circumstances may arise entitling the Organization to damages for breach or other fault on the part of Harris arising from this Agreement. The parties agree that in all such circumstances the Organization's remedies and Harris' liabilities will be limited as set forth below and that these provisions will survive notwithstanding the termination or other discharge of the obligations of the parties under this Agreement.
 - (i) EXCEPT FOR DAMAGES ARISING OUT OF HARRIS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7.3, BOTH PARTIES AGREE THAT HARRIS' ENTIRE LIABILITY (UNDER CONTRACT OR IN TORT INCLUDING FUNDAMENTAL BREACH, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE), IF ANY, FOR ANY DAMAGES RELATING TO OR ARISING UNDER THIS AGREEMENT SHALL NOT EXCEED IN THE AGGREGATE SIX MILLION (\$6,000,000) DOLLARS.
 - (ii) IN ADDITION TO THE FOREGOING, HARRIS SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE, OR SPECIAL DAMAGES WHATSOEVER, INCLUDING BUT NOT LIMITED TO LOST REVENUE OR LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF DATA, FAILURE TO REALIZE EXPECTED SAVINGS, OR COST OF SUBSTITUTE GOODS OR SERVICES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF ORGANIZATION HAS BEEN ADVISED OF THE LIKELIHOOD OF THE OCCURRENCE OF SUCH LOSS OR DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.
 - (iii) CLAUSES (i) AND (ii) SHALL APPLY IN RESPECT OF ANY CLAIM, DEMAND OR ACTION BY A PARTY IRRESPECTIVE OF THE NATURE OF THE CAUSE OF ACTION UNDERLYING SUCH CLAIM, DEMAND OR ACTION, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, RESCISSION OF CONTRACT, OR TORT. LIMITATION OF LIABILITY SET FORTH IN THIS AGREEMENT SHALL NOT APPLY TO CLAIMS OR DAMAGES RESULTING FROM OR IN CONJUNCTION WITH (a) GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR

FRAUDELENT ACTS; or (b) HARRIS'S INTELLECTUAL PROPERTY INDEMNITY UNDER SECTION 7.3; or (c) INJURY OR DEATH TO PERSONS OR DAMAGES TO TANGIBLE PROPERTY.

Section 7.2 Intent

7.2.1 The parties hereby confirm that the waivers and disclaimers of liability, releases from liability, limitations and apportionments of liability, and exclusive remedy provisions expressed throughout this Agreement shall apply even in the event of default, negligence (in whole or in part), strict liability or breach of contract of the person released or whose liability is waived, disclaimed, limited, apportioned or fixed by such remedy provision, and shall extend to such person's affiliates and to its shareholders, directors, officers, employees and affiliates.

Section 7.3 Intellectual Property Indemnity

7.3.1 In the event there is a third party claim against Organization alleging that Organization's use of the Software in accordance with this Agreement constitutes an infringement of a Canadian or United States' patent, copyright, trademark or trade secret or other intellectual property that is valid and enforceable in Organization's jurisdiction, Harris shall, at its expense, defend and indemnify Organization and pay any final judgment (including all damages awarded against Organization) against Organization or settlement agreed to by Harris on Organization's behalf. This indemnity is only effective where (i) Organization has not made any admissions or begun settlement negotiations either prior to or after providing notice to Harris of the applicable claim except with Harris' prior written consent, (ii) Harris has sole control of the defense of any claim or proceeding and all negotiations for its compromise or settlement; (iii) Organization assists and provides information to Harris throughout the action or proceeding, and (iv) Organization has not modified the Software in any manner whatsoever except with the prior written consent of Harris.

7.3.2 Harris' liability for any claims under this Section 7.3 shall be reduced to the extent such claim arises from;

- (i) alterations or modifications to the Software by Organization or a third party in any manner whatsoever except with the prior written consent of Harris;
- (ii) combination, integration or use of the Software with software, hardware or other materials not approved by Harris where such claim would not have arisen but for such combination, integration or use;
- (iii) use of the Software other than in compliance with this Agreement;
- (iv) compliance with the Organization's written instructions or specifications; or
- (v) use of the Software after notice from Harris that it should cease due to possible infringement.

7.3.3 Any breach by Organization of its covenants under this Section 7.3 shall nullify this indemnity but not the sole right of Harris to have full and complete authority of the defense to defend such claim or proceeding and of all negotiations related therewith and the settlement thereof.

7.3.4 Organization may, at Organization's sole cost and expense, retain counsel of its own choosing who shall be permitted to attend all settlement conferences and hearings or other court appearances related to the proceeding.

7.3.5 The indemnity provisions of this Section 7.3 shall not apply to Third Party Software and Harris shall have the right to substitute the licensor of the Third-Party Software to perform Harris' obligations hereunder and the Organization agrees to release Harris from any obligations related to such Third Party Software.

Section 7.4 Remedies

- 7.4.1 Where remedies are expressly afforded by this Agreement, such remedies are intended by the parties to be the sole and exclusive remedies of the Organization for liabilities of Harris arising out of or in connection with this Agreement, notwithstanding any remedy otherwise available at law or in equity.

ARTICLE VIII: GENERAL

Section 8.1 Confidentiality

- 8.1.1 The parties agree to keep confidential any and all Confidential Information with respect to the other party which it has received or may in the future receive in connection with this Agreement and shall only disclose such Confidential Information of the other party (i) to its agents, service providers, employees or representatives who have a need to know such information, for the purpose of performance under this Agreement and exercising the rights granted under this Agreement, and who are bound by non-disclosure obligations at least as protective of the other party's Confidential Information as this Agreement, or (ii) to the extent required by applicable law, including Chapter 42.56 RCW, Public Records Act, or during the course of or in connection with any litigation, arbitration or other proceeding based upon or in connection with the subject matter of this Agreement, provided that the receiving party shall give the disclosing party reasonable notice prior to such disclosure sufficient to allow the disclosing party the opportunity to apply for a protective order or other restriction regarding such disclosure and shall comply with any applicable protective order or equivalent. The parties each agree to hold the other party's Confidential Information in confidence and to take all reasonable steps, which shall be no less than those steps it takes to protect its own confidential and proprietary information, to protect the Confidential Information of the other party. All Confidential Information will remain the exclusive property of the owner.

- 8.1.2 Response to Legal Orders, Demands or Requests for data.

8.1.2.1 Where permitted by law Harris shall:

- i. Promptly notify the Organization of any subpoenas, warrants, or other legal orders, demands or requests received by Harris seeking Data;
- ii. Consult with the Organization regarding its response;
- iii. Cooperate with the Organization's reasonable requests, at Organization's expense, in connection with efforts by the Organization to intervene and quash or modify the legal order, demand or request; and

8.1.2.2 Upon the Organization's request, provide the Organization with a copy of its response. If the Organization receives a subpoena, warrant, or other legal order, demand ("requests") or request seeking Data maintained by Harris, Organization will promptly provide a copy of the request to Harris. Harris will, where permitted by law, promptly supply Organization with copies of records or information required for the Organization to respond, and will cooperate with Organization's reasonable requests, and at Organization's expense, in connection with its response.

Section 8.2 Termination

8.2.1 Termination for Default

- 8.2.1.1 If either party should fail to comply with its obligations under this Agreement, the other party must notify the breaching party in writing of such default (a "Default Notice"). Upon receipt of a Default Notice, the breaching party must correct the default at no additional cost to the other party or issue a written notice of its own disputing the alleged default, in either case within thirty (30) days immediately following receipt of a Default Notice. If the breaching party fails to (i) issue a written notice disputing the alleged default within such thirty (30) day period; or (ii) to correct the default, or issue a notice disputing the alleged default, in either case within ninety (90) days following receipt of the Default Notice, this will constitute an "Event of Default" and the other party may terminate this Agreement effective upon written notice to the other party to that effect.
- 8.2.1.2 If Organization has failed to pay agreed upon and undisputed license fees in accordance with Article VI, then Harris shall have the right to terminate the license rights granted herein and this Agreement effective immediately upon written notice to Organization.
- 8.2.1.3 Either party may terminate this Agreement effective immediately upon written notice to the other party if the other party:
- (i) becomes insolvent;
 - (ii) becomes the subject of any proceeding under any bankruptcy, insolvency, or liquidation law, whether domestic or foreign, and whether voluntary or involuntary, which is not resolved favorably to the subject party within ninety (90) days of commencement thereof; or
 - (iii) becomes subject to property seizure under court order, court injunction or other court order which has a material adverse effect on its ability to perform hereunder.

8.2.2 Special Termination Rights

- 8.2.2.1 Until the Completion of Services for all SOWs or two years from the Effective Date of this Agreement, whichever is later, the Organization may, for any reason, terminate this Agreement, a SOW in connection with this Agreement, or any part of the Agreement or a SOW, by providing thirty (30) days advance written notice in accordance with Section 8.5.
- 8.2.2.2 After the five (5) year Initial Software Term, Initial Support Term, Initial Hosting Term, Initial SaaS Term, and Initial Subscription Term, either party may, for any reason, terminate this Agreement, a SOW in connection with this Agreement, or any part of the Agreement or a SOW, by providing advance written notice one hundred eighty (180) days prior to the expiration of the applicable renewal term(s).
- 8.2.2.3 In case of termination pursuant to Section 8.2.2, the Organization will make payment at the rates specified in this Agreement for all Software and services properly authorized and performed up to the date of termination, and no refunds will be made for any payments made.

Section 8.3 Procedure on Termination

- 8.3.1 If this Agreement is terminated prior to the Completion of Services, then within thirty (30) days following such termination, the Organization shall either return to Harris or delete the Software

from all of its locations (except as required under any statute related to retention requirements) and shall certify in writing that all of the Organization's copies of the Software have either been returned to Harris or deleted.

8.3.2 If this Agreement is terminated following the Completion of Services, then the Organization may retain the copy of the Software in its possession as of the Completion of Services.

Notwithstanding the foregoing, the Organization will remain subject to the obligations imposed upon it pursuant to this Agreement with respect to the Software, including, but not limited to, such obligations relating to ownership of the Software and confidentiality and all of the restrictions on the Organization as set out in Article II.

8.3.3 All warranties related to the Software terminate upon the termination of this Agreement.

8.3.4 Termination Provisions Specific to Hosting Services. In the event of termination or expiration of Hosting Services pursuant this Agreement:

- (a) All rights to use the Hosting Services granted to Harris in this Agreement shall immediately terminate and Organization will immediately cease to perform or provide said Hosting Services.
- (b) Organization will pay all mutually agreed upon and undisputed amounts due under this Agreement for the Hosting Services up to and through the date of termination and all costs reasonably incurred in collecting the amounts due to Harris (including court costs, attorney fees, and repossession charges to the extent not prohibited by law).
- (c) Conditional upon Organization's payment of all agreed upon and undisputed Fees that are due to Harris and unless prohibited by law or the order of a governmental or regulatory body or it could subject Harris and/or its third-party service provider or their affiliates to liability, Harris will furnish the Organization with a copy of Organization's Customer Data in a format useable to the Organization to be mutually agreed upon between the parties in writing (typically a .csv file). The anticipated time to provide a copy of the Customer Data are one to two days and will be billed at the rates identified in Section 11.1 of Schedule "B", Rate Schedule. Upon receipt of notice from Organization confirming receipt of the Customer Data, Harris and their Subcontractors and third parties that had access to the Organization's Customer Data during the term of this Agreement shall destroy all copies of the Customer Data from all locations where such data is stored, including backups, and delete all Customer Data on the database(s) and an Officer of Harris shall certify the destruction and deletion to the Organization. Subject to any legal requirement that Harris must retain a copy of the Customer Data, Harris shall not delete the Customer Data for 90 days from the date of termination except: (i) where Harris has provided the Customer Data to the Organization pursuant to this Subsection; or (ii) where it has received written instructions from Organization to delete the Data. Following 90 days from the date of termination if Organization has not communicated with Harris regarding the Customer Data, Harris shall have the right to delete all Customer Data at any time as either required by law or as determined by Harris in its reasonable discretion. Notwithstanding the foregoing, Harris shall be permitted to delete all Customer Data without providing notification to Organization and Harris shall not be required to adhere to the time frames detailed above where Harris is required by law to delete such Customer Data.
- (d) Upon termination, Organization shall return to Harris or at Harris's option purge or destroy all copies of any Confidential Information of Harris or the third party service provider including Cloud Content (other than publicly available information on the Cloud Provider Site) in its possession or under its control (except as required under any

statute or legislation related to retention requirements), and provide a duly authorized certificate of an officer of Organization confirming same within thirty (30) days.

8.3.5 In the event of termination by the Organization in accordance with Section 8.2.1, Harris shall refund to the Organization any prepaid, unused fees covering the remainder of the applicable term with the exception of hosting fees.

8.3.6 Transition Services

8.3.6.1 **Transition Period.** Upon request by the Organization in the written termination notice in accordance with Section 8.2, Harris shall provide reasonable transition assistance services ("Transition Services") for a period not to exceed twelve (12) months from the effective date of termination ("Transition Period"). The Transition Period may be extended only by mutual written agreement of the parties.

8.3.6.2 **Transition Plan.** Within thirty (30) days of the Organization's request for Transition Services, the parties shall cooperate in good faith to develop a written transition plan ("Transition Plan") that sets forth the timeline, responsibilities, and deliverables for the transition. The Transition Plan shall be subject to mutual written approval, not to be unreasonably withheld by either party.

8.3.6.3 **Scope of Transition Services.** Transition Services shall include the following:

- (a) Continued hosting of the Software and Customer Data in the then-current production environment during the Transition Period, subject to the Organization's continued payment of all applicable Hosting Services fees at the rates set forth in Schedule "B";
- (b) Provision of Customer Data extracts in a mutually agreed-upon format (typically .csv), in accordance with Section 8.3.4(c);
- (c) Reasonable cooperation with the Organization or its designated successor vendor in facilitating the migration of Customer Data, provided that Harris shall not be required to disclose any proprietary or trade secret information, including but not limited to source code, data models, or system architecture beyond what is necessary for the data export;
- (d) Harris shall inform Organization of any subcontractor or Third Party contracts primarily dedicated by Harris, Harris subcontractors or Harris affiliates to perform the Services. Organization shall retain the right to contract directly with any such subcontractor or Third Party. In addition, Harris shall use commercially reasonable efforts to provide Organization with the right to contract directly with any subcontractor or Third Party previously, but no longer, utilized by Harris to perform any Services or to assume Harris's Contract with such subcontractor or Third Party.
- (e) Harris agrees that, during the period in which the Transition Services are being provided, it will meet with any vendors chosen by Organization to provide the Services to discuss the hiring by such vendors, on terms acceptable to Harris, of Harris's employees who are then providing the Services to the Organization.

8.3.6.4 **Transition Services Fees.** All Transition Services shall be provided at the rates identified in Section 11.1 of Schedule "B", Rate Schedule. Continued hosting during the Transition Period shall be billed at the rates in effect as of the termination date, subject to the provisions of Section 6.1.2.

8.3.6.5 **Obligations of the Organization.** During the Transition Period, the Organization shall:

- (a) Cooperate with Harris in good faith to facilitate an orderly transition;

- (b) Designate a single point of contact for all transition-related communications;
- (c) Pay all fees for Transition Services within Sections 6.1.5 and 6.1.6 of this Agreement;
- (d) Use commercially reasonable efforts to complete the transition within the Transition Period.

8.3.6.6 **End of Transition Period.** Upon expiration of the Transition Period, all obligations of Harris to provide Transition Services, Hosting Services, and access to the Software shall cease. Any Customer Data not yet retrieved by the Organization shall be handled in accordance with Section 8.3.4(c). Harris shall have no further obligation to maintain, host, or provide access to any systems, environments, or data following the expiration of the Transition Period.

Section 8.4 Mediation

8.4.1 The parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing a claim, controversy, or dispute in a court or before any other tribunal. The mediation is to be conducted by either an individual mediator or a mediator appointed by mediation services mutually agreeable to the parties. The mediation shall take place at a time and location which is also mutually agreeable; provided; however, in no event shall the mediation occur later than ninety (90) days after either party notifies the other of its desire to have a dispute be placed before a mediator. Such mediator shall be knowledgeable in software system agreements. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorney's fees incurred by either party), is to be shared by the parties equally. If the parties are unable to resolve the claim, controversy, or dispute within ninety (90) days after the date either party provides the other notice of mediation, then either party may bring and initiate a legal proceeding to resolve the claim, controversy, or dispute unless the time period is extended by a written agreement of the parties. Notwithstanding the foregoing, nothing in this Section shall inhibit a party's right to seek injunctive relief at any time.

Section 8.5 Addresses for Notice

8.5.1 Any notice required or permitted to be given to any party to this Agreement shall be given in writing and shall be delivered by email or mailed by prepaid registered post. Any such notice shall be conclusively deemed to have been given and received on the day on which it is delivered by email, or, if mailed, on the third business day following the date of mailing, and addressed, in the case of Harris, to:

N. HARRIS COMPUTER CORPORATION
Address: 1 Antares Drive, Suite 400, Ottawa, Ontario K2E 8C4
Attention: Hassan Zaki
Phone: +1 613-519-8659
Email: hzaki@harriscomputer.com

and in the case of the Organization, to:

Public Utility District No. 2 of Grant County, Washington
Address: PO Box 878, Ephrata, WA 98823
Attention: Charles Meyer, Chief Technology Officer

Phone: (760) 579-1171
Email: cmeyer@gcpud.org

and

Public Utility District No. 2 of Grant County, Washington
Address: PO Box 878, Ephrata, WA 98823
Attention: Cary West, Senior Manager Customer Solutions
Phone: (509) 771-2523
Email: cwest@gcpud.org

With a copy to:
Public Utility District No. 2 of Grant County, Washington
Address: PO Box 878, Ephrata, WA 98823
Attention: Procurement
Email: Procurement@gcpud.org

For purposes of technical communications and work coordination only, the Organization designates Ken Smith as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Harris. Such changes, if any, must be by written Change Order issued in accordance with Section 8.28 to be valid and binding on the Organization.

Each party may change its particulars respecting notice, by issuing notice to the other party in the manner described in this Section 8.5.

Section 8.6 Assignment

8.6.1 Neither party may assign any of its rights or duties under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld.

Section 8.7 Reorganizations

8.7.1 The Organization acknowledges that the License, Services, and Support Fees set out in this Agreement has been established on the basis of the structure of the Organization as of the Effective Date. To the extent that the Organization amalgamates, consolidates or undergoes any corporate reorganization or transition (a "Reorganization"), and the resulting entity (whether or not the Organization is the resulting or continuing entity) requires additional Licenses to add additional Named Users or sites, Harris shall be entitled to receive, and the Organization shall pay, an additional License, Support or other fee based on the then prevailing License, Support and other Harris fee schedule in effect. The provisions of this Section 8.7 shall apply to any subsequent Reorganizations occurring following the first Reorganization. The provisions of this Section 8.7 shall not apply where the Organization undergoes a Reorganization involving only other organizations that already have a valid License to use the same Software.

Section 8.8 Entire Agreement

8.8.1 This Agreement shall constitute the entire agreement between the parties hereto with respect to the subject matter. There are no other understandings, agreements, representations,

warranties, or other matters, oral or written, purportedly agreed to or represented by or on behalf of Harris by any of its employees or agents or contained in any sales materials or brochures. This Agreement may not be modified except by a Change Order signed by an authorized representative of each party. No provisions in any purchase orders, or in any other documentation employed by or on behalf of the Organization in connection with this Agreement, regardless of the date of such documentation, will affect the terms of this Agreement, even if such document is accepted by Harris, with such provisions being deemed deleted. The parties have both had the opportunity to review this Agreement with counsel, and this Agreement shall not be construed in favor of or against either Party on account of drafting.

Section 8.9 Section Headings

8.9.1 Section and other headings in this Agreement are for reference purposes only and do not describe, interpret, define, or limit the scope or extent of any provision hereof.

Section 8.10 Governing Law

8.10.1 All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the Organization and Harris shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Federal District Court for the Eastern District of Washington; provided, however, that if jurisdiction is improper in said Federal court, it shall be had in the Superior Court, County of Grant, State of Washington.

Section 8.11 Reserved

Section 8.12 Invalidity

8.12.1 The invalidity or unenforceability of any provision or covenant contained in this Agreement shall not affect the validity or enforceability of any other provision or covenant. Any such invalid provision or covenant shall be deemed modified to the extent necessary in order to render it valid and enforceable; if such provision may not be so saved, it shall be severed and the remainder of this Agreement shall remain in full force and effect.

Section 8.13 Non-Waiver

8.13.1 No waiver of any provision of this Agreement, or any rights or obligations of either party under this Agreement, shall be effective, except pursuant to a written instrument signed by the party or parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either party to require the performance of any term of this Agreement or the waiver of either party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other party hereto.

Section 8.14 Counterparts

8.14.1 This Agreement may be executed in counterparts (whether via emailed PDF or otherwise), each of which shall constitute an original and all of which shall constitute one Agreement.

Section 8.15 Further Assurances

8.15.1 The parties shall do all such things and provide all such reasonable assurances as may be required to consummate this Agreement, and each party shall provide such further documents or instruments required by any other party as may be reasonably necessary.

Section 8.16 Reserved

Section 8.17 Relationship

8.17.1 The parties are and shall remain independent contractors in the performance of this Agreement and nothing herein shall be deemed to create a joint venture, partnership, or agency relationship between them. Neither party will have the power to bind the other party or to contract in the name of or create any liability against the other party in any way for any purpose. Neither party will be responsible for the acts or defaults of the other party or of those for whom the other party is in law responsible.

Section 8.18 Trade Compliance

8.18.1 In connection with this Agreement, each party will comply with all applicable import, re-import, sanctions, anti-boycott, export, and re-export control laws and regulations, including all such laws and regulations that apply to a U.S. company, such as the Export Administration Regulations, the International Traffic in Arms Regulations, and economic sanctions programs implemented by the Office of Foreign Assets Control. Organization is solely responsible for compliance with applicable laws related to the manner in which Organization chooses to use the Hosting Services, including (i) Organization's transfer and processing of Data, (ii) the provision of Data to Users, and (iii) specifying the Cloud Provider region in which any of the foregoing occur. Organization represents that Organization and the entities that own or control Organization, and the financial institutions used to pay Provider under this Agreement, are not subject to sanctions or otherwise designated on any list of prohibited or restricted parties, including but not limited to the lists maintained by the United Nations Security Council, the U.S. Government (e.g., the U.S. Department of Treasury's Specially Designated Nationals list and Foreign Sanctions Evaders list, and the U.S. Department of Commerce's Entity List), the European Union or its member states, or other applicable government authority.

Section 8.19 Equitable Relief

8.20.1 Organization acknowledges and agrees that it would be difficult to compute the monetary loss to Harris arising from a breach or threatened breach of this Agreement and that, accordingly, Harris will be entitled to specific performance, injunctive or other equitable relief in addition to monetary damages in the event of a breach or threatened breach of this Agreement by Organization.

Section 8.20 Language

8.21.1 The parties confirm that it is their wish that this Agreement, as well as all other documents relating to this Agreement, including notices, be drawn up in English only.

Section 8.21 Force Majeure

8.22.1 No default, delay, or failure to perform (other than an obligation to pay money when due) on the part of either party shall be considered a breach of this Agreement where such default, delay or failure is due to a force majeure or to circumstances beyond its control. Such circumstances will include, without limitation, strikes, riots, civil disturbances, actions or inactions concerning government authorities, epidemics, war, terrorist acts, embargoes, severe weather, fire, earthquakes, acts of God or the public enemy or default of a common carrier or other disasters or events.

8.22.2 The party claiming force majeure shall promptly notify the other party, provide the expected duration of the adverse effects resulting from such force majeure event, use all practicable and reasonable efforts to eliminate or mitigate the impacts of the force majeure event on performance of its obligations hereunder, and give the other party regular reports on the progress of remedial measures and such other information as the other party may reasonably request.

Section 8.22 Survival

8.23.1 The following sections and articles shall survive the termination or expiration of this Agreement: Article II, Article V, Article VII, and Article VIII and any other provisions which are required to ensure that the parties fully exercise their rights and obligations hereunder.

Section 8.23 Records Audit

8.24.1 Until the expiration of three years after final acceptance by the Organization of all the work, Harris shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Agreement in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Agreement provided for compensation on a cost-reimbursable basis or whenever such records may, in the reasonable opinion of the Organization, be useful in determining any amounts payable to Harris or the Organization (e.g., the nature of a credit or otherwise), Harris shall provide the Organization access to all such records for examination, copying and audit. No such audit shall occur more than once in any twelve (12) month period.

Section 8.25 Subcontractors (excluding hosting providers)

8.25.1 Harris may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Agreement and incorporates the provisions of this Agreement, including any attachments. Any subcontracts not included at execution of this Agreement must be approved in advance by the Organization Representative and Procurement Officer.

8.25.2 Before entering into any subcontracts and throughout the duration of the Agreement, the Organization Representative and Procurement Officer may request copies of the Subcontractor agreements from Harris. Subcontracted work approved in accordance with this Section 8.25 shall be invoiced at cost. A copy of the invoice showing actual cost must be submitted.

8.25.3 Harris is solely responsible for the performance of any Subcontractor with whom Harris contracts and shall regularly assess and monitor Subcontractors to confirm their compliance with the

provisions of this Agreement. Harris does not have authority to contract for or incur obligations on behalf of the Organization.

Section 8.26 Project Management

- 8.26.1 The Organization utilizes a standard approach to implementing projects by using well-defined internal standard frameworks for both project management and organizational change management. The framework procedures and associated tools and templates are required to be used for all projects as defined by the Organization's Enterprise Project Management Office. Harris and the Organization will come to a mutual agreement on how to utilize and/or actively participate in the Organization's application of its project management and organization change management frameworks to guide the implementation of projects and/or change events that this Agreement contributes towards. To the extent applicable, Harris shall ensure that all employees and Subcontractors also comply with these requirements.
- 8.26.2 Harris shall provide upon request by the Organization's project team key project information required to properly manage the project. Requested information may include but is not limited to delivery and completion dates, work breakdown structure, scope of services, project timelines, milestones, deliverables and acceptance criteria, resource estimates and availability, testing plans, cost estimates and forecasts for travel and change order requests, weekly status reporting, agendas for meetings 3 weeks in advance of scheduling, and any known risks or constraints associated with these. Harris shall provide requested project information as required to not delay project reporting or project progress, cause witness or hold points to be missed, or cause any scope or cost increases.
- 8.26.3 Harris shall attend the appropriate project meetings as requested and mutually agreed upon by the project team to provide key input to project parameters pertaining to this Agreement. These meetings may include but are not limited to project kickoff meetings, planning meetings, root cause evaluations, steering committee and Commission updates, and weekly project team meetings and business reviews. Meetings may be in-person or virtual depending on the needs of the project. Harris shall make a judicious effort to attend meetings at the appropriate dates and during the Organization's business hours as required to not delay any portion of the project progress or cause any scope or cost increases.
- 8.26.4 Project Delays: If the project is unreasonably delayed or interrupted due to Organization's actions, inactions, or requests—including but not limited to failure to provide timely approvals, access to necessary resources, required information, or any requested suspension of work—Harris reserves the right to charge Organization for the resources allocated to the project and who have been actively working on the project for the duration of the delay. This charge will be calculated based on the equivalent cost of allocated project management hours or other applicable resources reserved for the project during the delay period. Any such charges shall be incorporated via the Integrated Change Control Process described in Section 8.28. There shall be no cost to the Organization if delays or interruptions are due to Harris's actions, inactions, or requests.

Section 8.27 Personnel

- 8.27.1 The Organization will designate a Project Manager to serve as the primary project manager for this Agreement. If, during the course of this Agreement, it becomes necessary for the Organization to change the person assigned as the Organization's Project Manager, the Organization will notify Harris in writing, pursuant to Section 8.5 of this Agreement.

- 8.27.2 Harris will designate a Project Manager and provide individuals to meet the requirements and accomplish the work as stated in this Agreement including any mutually agreed upon scope of work.
- 8.27.3 Harris agrees and understands that the Organization's execution of this Agreement is predicated, in part and among other considerations, on the utilization of the specific individuals and personnel qualifications as identified. Therefore, Harris agrees that:
- 1) Prior to assignment of personnel, Harris shall notify the Organization for all personnel to be assigned to management roles to this project.
 - 2) The personnel assigned must have the knowledge necessary to complete requirements as defined in this Agreement. Minimum experience and qualifications for Harris personnel are identified in Schedule "H".
 - 3) Harris shall warrant that all personnel assigned to perform tasks in response to this Agreement will remain assigned for the agreed-upon length of time.
 - 4) No replacement, reassignment, or substitution of any assigned individuals and personnel qualifications shall be made without notifying the Organization, and such replacement, reassignment, or substitution shall be made at no additional cost to the Organization.
 - 5) Any substitution made pursuant to this Agreement must be of equal or higher skills, knowledge, and abilities than those personnel originally proposed, and that the Organizations approval of such substitution is not construed as acceptance of the substitutions performance potential.
- 8.27.4 Upon request by the Organization, Harris shall replace any Harris personnel that the Organization determines, in its reasonable discretion, to be unable to perform the responsibilities of this Agreement acceptably (e.g., inappropriate or unprofessional personal conduct, professional inabilities, etc.).
- 8.27.5 The Organization's working hours are Monday through Friday from 8:00 AM until 5:00 PM (PST or PDT) with one hour for lunch. The Organization Project Manager may approve alternate work schedules.

Section 8.28 Integrated Change Control Process

- 8.28.1 Harris and the Organization will utilize an integrated change control process to manage changes during the life of the Agreement. Either party may request a change to the Agreement or a Statement of Work during the term of this Agreement.
- 8.28.2 The party who requests the change will begin a change request using the form provided as Schedule B.1 ("Change Request") and forward it to the other party. Such Change Requests will include the date, requester's name, scope of the change requested, and the reason.
- 8.28.3 All change requests will be logged and tracked by the Organization.
- 8.28.4 Harris will evaluate the Change Request and complete the applicable Change Request Form with the estimated impacts on scope, schedule, price, and quality. Harris will submit the completed Change Request Form to the Organization within 15 business days.
- 8.28.5 If acceptable to both parties, the Organization will document the agreed upon change in a Change Order (form provided as Schedule "C.2") for execution by both parties.
- 8.28.6 Harris will continue performing the services in accordance with the original Agreement unless otherwise agreed upon by both parties via executed Change Order on the form provided as Schedule "C.2".
- 8.28.7 Harris's project manager and the Organization's project manager will adapt the Project Management Plan to incorporate any changes properly approved by Change Order.

- 8.28.8 Each Change Order properly executed by the parties shall be incorporated into and considered part of this Agreement.
- 8.28.9 During the course of this Agreement, if Harris determines or could reasonably determine any Organization actions or directions constitute a requirement to perform additional work, Harris shall notify the Organization within thirty (30) calendar days that the Organization has requested Harris to perform additional work in the form of a change request utilizing the process above. Harris understands that it waives the right to request additional time and reimbursable costs if Harris fails to notify the Organization within thirty (30) calendar days of determining or reasonably being able to determine that any Organization actions or directions constitute a requirement to perform additional work under this Agreement.
- 8.28.10 Except as provided herein, no official, employee, agent or representative of the Organization is authorized to approve any change in this Agreement and it shall be the responsibility of Harris before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the Organization. The Organization's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth via Organization Resolution which may be amended from time to time. Otherwise, only the Organization's Board of Commissioners may approve changes to this Agreement.

Section 8.29 Deliverable and Milestone Acceptance

8.29.1 Deliverable Acceptance

- 8.29.1.1 Upon completion of a Deliverable specified in a Statement of Work, Harris will furnish the Organization with the Deliverable and associated documentation.
- 8.29.1.2 After receipt of a Deliverable from Harris, the Organization will review the Deliverable on the basis of work correctness and compliance with the Agreement and acceptance criteria defined in the applicable Statement of Work. The Organization will have five (5) business days, or a different period of time as is agreed to by the parties in writing, in which to accept or reject each Deliverable in writing ("Acceptance Period"). Failure of the Organization Representative to accept or reject within the Acceptance Period will be deemed an acceptance.
- 8.29.1.3 If the Organization rejects a Deliverable, the Organization will provide written notice to Harris before the end of the Acceptance Period that the Deliverable does not conform to the acceptance criteria defined in the applicable Statement of Work. Such notice will include the reasons for nonconformance and what needs to be corrected. Harris shall, at no additional cost to the Organization and within five (5) business days, use its best efforts to remedy the nonconformities and resubmit the Deliverable to the Organization for review in accordance with Section 8.29.1 above. This Deliverable acceptance process may be repeated, at the Organization's discretion, until the Organization either accepts the Deliverable or terminates the applicable Statement of Work or this Agreement without penalty in accordance with Section 8.2.1.

8.29.2 Milestone Acceptance

- 8.29.2.1 Upon completion of a Milestone identified in Schedule "B", Rate Schedule, Harris will provide acceptance documents to the Organization Representative prior to invoice on the form attached as Schedule "G", Milestone Acceptance Document ("MAD").

- 8.29.2.2 Upon Organization Representative acceptance of a Milestone by signature on the applicable MAD, Harris will send Organization the associated invoice in accordance with Section 6.1 of the Agreement. Invoicing line items will maintain a consistent naming convention that uniquely ties back to the milestones or deliverables completed, as outlined on the MAD document, such as (<Harris Phase#-Type-Harris Business Unit-Software-MilestoneName> or <Harris Phase#-Type-Harris Business Unit-Software-Year#> or <Harris Phase#-Type-Harris Business Unit-Software-Details>). Examples:
- Purchase Order Line-Item No. X, HP1-PS-NorthStar-DOW
 - Purchase Order Line-Item No. X, HP2-PS-SmartWorks-MDM-Planning
 - Purchase Order Line-Item No. X, HP3-PS-DataVoice-OMS-Config
 - Purchase Order Line-Item No. X, HP2-PS-Harris-PMO-Month3
 - Purchase Order Line-Item No. X, HP2-SA-DataVoice-IVR-Year1
 - Purchase Order Line-Item No. X, HP2-PLC-NorthStar-CIS-1
 - Purchase Order Line-Item No. X, HP3-PS-SmartWorks-TRG-RulesEngine
 - Purchase Order Line-Item No. X, HP2-TRVL-NorthStar-CIS-PM Kickoff
- 8.29.2.3 Organization will either process the invoice as received or notify Harris of any errors prior to processing. Only portions under dispute or clarification with Harris may be withheld from payment and only when notification of error has been provided to Harris in advance of payment processing.
- 8.29.2.4 In the absence of communication from Organization, acceptance will be deemed to have occurred once fifteen (15) business days have elapsed from the date of MAD delivery without Organization having provided Harris notification of error or failure of the Milestone deliverable.
- 8.29.2.5 Upon mutual signed agreement, acceptance of a given Milestone may be extended, of which Organization shall not unreasonably withhold approval.
- 8.29.2.6 Irrespective of delivery of a given Milestone, expenses not included in a Milestone fee and properly authorized in advance in accordance with the Agreement, may be invoiced by Harris monthly. Expenses will be provided to Organization within sixty (60) days of occurrence. Expenses provided beyond sixty (60) days will not be reimbursed by Organization.
- 8.29.2.7 If Harris believes that it will not be able to deliver any Milestone deliverable due to either (i) an unreasonable decision-making delay by Organization that impacts Harris's ability to deliver the agreed upon Milestone deliverable or (ii) Organization's resources not performing an agreed upon task, relevant to such Milestone deliverable, Harris will promptly notify Organization in writing and include in such notice details regarding the projected impact on the timing of such Milestone deliverable. The parties shall meet within ten (10) days following Organization's receipt of such notice in order to agree upon next steps to remedy the delay, including whether partial payment should be made to Harris in advance of delivery of such Milestone deliverable based on Organization's delay.

- 8.29.2.8 In the event of a Change Order (i.e., additional scope or project extension), the Milestone(s) identified in Schedule "B", Rate Schedule, will need to be revisited and may be revised as mutually agreed upon by Organization and Harris.
- 8.29.2.9 Milestone Conditional Acceptance. Conditional Acceptance shall be defined as the Milestone conforming to the Statement of Work with no more than minor and/or isolated exceptions or nonconformities. In the event of Conditional Acceptance, such exceptions or nonconformities shall be documented in the MAD and Harris shall correct and complete the documented exceptions and nonconformities specified at no additional cost to the Organization. The MAD shall document the mutually agreed upon timeframe for resolution of the exceptions and nonconformities, the corresponding percentage of the applicable Milestone fee to be withheld until such completion, and the percentage of the applicable Milestone fee that is authorized for payment. In the event of Conditional Acceptance, Harris may i) proceed to the next Milestone, and ii) invoice the Organization for the percentage of the applicable Milestone fee authorized for payment. Upon completion of the documented exceptions and nonconformities, Harris shall submit another MAD to the Organization. Harris may invoice the Organization for the remaining amount of the applicable Milestone fee upon Organization Representative acceptance of this MAD by signature.
- 8.29.2.10 Milestone Rejected. Upon receipt of a MAD indicating Organization rejection of a Milestone caused by Harris's errors or omissions or through Harris Subcontractor(s) or Third Party(ies), Harris will correct any nonconformities specified in the MAD for the applicable Milestone at no additional cost to Organization and shall resubmit the MAD within ten (10) business days.
- 8.29.2.11 In all other cases, the Parties may mutually agree on a Change Order for Harris to perform services to correct such nonconformities resulting from errors or omissions by Organization. If any nonconformities remain, the process stated above will be repeated unless the Parties mutually agree otherwise at such time.

Section 8.30 No Publicity

- 8.30.1 Neither party shall use the other party's name, trademarks, service marks, logos, trade names and/or branding for marketing or publicity purposes, without such other party's prior written consent of the Organization representative identified in Section 8.5.

[Signatures on the following page]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement to be effective as of the Effective Date.

Public Utility District No. 2
of Grant County, Washington

N. Harris Computer Corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule "A" – Statement of Work for each Harris Business Unit

Please refer to the following Statements of Work provided under separate cover in the following order:

Schedule "A.1" – Program Overview SOW

Schedule "A.2" – DataVoice SOW

Schedule "A.3" – NorthStar SOW

Schedule "A.4" – ServiceLink SOW

Schedule "A.5" – SmartVX SOW

Schedule "A.6" – SmartWorks SOW

Schedule “B” – Rate Schedule

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13. Comprehensive Pricing Overview68

1. General

The purpose of this Schedule “B”, Rate Schedule, is to specify the pricing and payment timing for Software, Services, Support and Maintenance, Hosting Services, SaaS, and Subscriptions provided by Harris in authorized Statements of Work. Additional terms related to fees and payment are specified in Article VI of the Agreement.

This is a fixed fee agreement. In the event Harris encounters circumstances that affect their ability to proceed according to the plan outlined in a SOW, such as scope changes, loss of key Grant personnel, unavailable information, circumstances outside of Harris’ reasonable control, or unforeseen circumstances, notification will be provided immediately and rectified as soon as possible. Where any resulting delay is attributable to Harris, any Change Order required to support continuation of implementation will be issued at no additional cost in accordance with Section 8.28 of the Agreement.

See Section 13 of this Schedule “B” for the Comprehensive Pricing Overview.

2. One-Time Software License Fees

This section specifies the fees and invoice timing for Perpetual and Subscription Software Licenses, which are defined in Section 2.1 of the Agreement.

2.1 Perpetual User License Fees and Invoice Timing

2.1.1 Perpetual User License Fees

Harris shall invoice Client for the perpetual User License fees specified below in accordance with Section 2.1.2 of this Schedule “B”. These User Licenses are required for the implementation of NorthStar pursuant to Agreement Schedule “A.3”, NorthStar Statement of Work.

Description	Quantity	Unit Cost	Total
NorthStar CIS – Harris Phase 2 (“HP2”)			
CIS + User Licensing (Up to 200 named users)	200	\$750	\$150,000
NorthStar Perpetual User License Total:			\$150,000

2.1.2 Perpetual User License Invoice Timing

Harris shall invoice Client for the Perpetual License fees in Section 2.1.1 of this Schedule “B” as specified below and in accordance with Sections 6.1.5, 6.1.6, and 6.2 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

One-Time Fee	Phase and Business Unit	Milestone Reference	Invoicing	Invoice Amount
User License	HP2 - NorthStar	HP2-PLC-NorthStar-CIS-1	25% Upon install	\$37,500
	HP2 - NorthStar	HP2-PLC-NorthStar-CIS-2	50% Upon commencement of Core Team training or December 1, 2026, whichever comes first	\$75,000
	HP2 - NorthStar	HP2-PLC-NorthStar-CIS-3	25% Upon commencement of UAT	\$37,500

2.2 One-Time License Fees and Invoice Timing

2.2.1 One-Time License Fees

Harris shall invoice Client for the Subscription License fees specified below in accordance with Section 2.2.2 of this Schedule “B”. These Licenses are required for the implementation of NorthStar pursuant to Agreement Schedule “A.3”, NorthStar Statement of Work.

Description	License	Quantity	Unit Cost	Total
NorthStar CIS – Harris Phase 2 (“HP2”)				
NorthStar CIS7 Suite		N/A	Included	\$0
CIS Server		Up to 58,000 accounts	\$3.00	\$162,000
Automation Platform	Enterprise	1	Included	\$0
REST API - Unlimited	Enterprise	N/A	\$95,400	\$95,400
Document Management – SkyDocs7	Enterprise	1	\$5,000	\$5,000
Miscellaneous Accounts Receivable Module	Included	1	Included	\$0
IBM Cognos Reports Anywhere (RAW) & Executive Information System (EIS) <ul style="list-style-type: none"> • 2 Admin (Install, security, create and run reports) • 3 Users (Create and run reports) • 20 Viewers (with added functionality to run reports) 	Medium	Medium	\$19,300	\$19,300
NorthStar One-Time License Total:				\$281,700

2.2.2 One-Time License Invoice Timing

Harris shall invoice Client for the License fees in Section 2.2.1 of this Schedule “B” as specified below and in accordance with Sections 6.1.5,

6.1.6, and 6.2 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

One-Time Fee	Phase and Business Unit	Milestone Reference	Invoicing
Software License	HP2 - NorthStar	HP2-SLC-NorthStar-CIS	100% on installation

3. Implementation Professional Services Fees

3.1 NorthStar

3.1.1 NorthStar CIS DevOps Workflow & Business Requirements Workshop

Harris shall conduct the following activities in accordance with Agreement Schedule "A.3", NorthStar Statement of Work.

Description	Fixed Fee
DevOps and TeamSupport Workflow in accordance with Section 2.1 of Schedule "A.3".	\$16,258
NorthStar Business Requirements Workshop in accordance with Section 2.2 of Schedule "A.3".	\$8,200
Total:	\$24,458

One-Time Fee	Phase and Module	Milestone Reference	Invoicing
DevOps -Team Support Workflow	HP1 - NorthStar	HP1-PS-NorthStar-DOW	100% on completion of Planning Milestone
Business Requirements Workshop	HP2 - NorthStar	HP2-PS-NorthStar-BRW	100% on completion of Discovery Milestone

3.1.2 NorthStar Professional Services Fees

The following professional services fees shall be fixed and invoiced in accordance with the Implementation Professional Services Milestone Payment Table in Section 4.1 of this Schedule "B". Detailed deliverables and acceptance criteria are defined in Section 4 of Schedule "A.1", Program Overview, including the deliverables outlined in scope in Schedule "A.3", NorthStar Statement of Work.

Description	Fixed Fee
NorthStar CIS – Harris Phase 2 (“HP2”)	
<p>CIS Implementation</p> <ul style="list-style-type: none"> • Project Management • Workshops / Kick Off • Installation • Configuration • Conversion • Validation • Training • Go Live / Post Go Live • Automation Workflows Core Bundle • Miscellaneous Accounts Receivable Module • Executive Information System • Cognos (Reports Anywhere) • SkyDocs Document Management <p>AWS Cloud Environment Spin Up:</p> <ul style="list-style-type: none"> • Standard Spin Up – 1 Test and 1 Live environment for each Harris module: <ul style="list-style-type: none"> ○ CIS ○ MWM ○ OMS ○ IVR <p>Segregated database with incremental read-only backups to Grant’s Datawarehouse. Develop SFTP transfer process for CIS, MWM, OMS. IVR is not included.</p>	\$569,140
<p>CIS Integrations/Interfaces:</p> <ul style="list-style-type: none"> • Payment Partner – Paymentus • Financials – GL and/or AP (2 flat files with GP & D365) • Lockbox • ACH • GIS – ESRI • Bill Print & Mail - Matrix • AWS Cloud Hosting • Credit Checks - Online Utility Exchange • Meter Inventory (1 flat file) • Grant’s Data Warehouse • Receivables Processing - Aqurit (AQ2) by TUI • OMS + IVR – DataVoice • Remedy Integration • AMI Integration • Customer Portal – Paymentus • MDM - SmartWorks • MWM – ServiceLink • SmartVX – Personalized Video Engagement 	\$189,860
Total for NorthStar HP2:	\$759,000

3.2 ServiceLink Professional Services Fees

The following professional services fees shall be fixed and invoiced in accordance with the Implementation Professional Services Milestone Payment Table in Section 4.1 of this Schedule "B". Detailed deliverables and acceptance criteria are defined in Section 4 of Schedule "A.1", Program Overview, including the deliverables outlined in scope in Schedule "A.5", ServiceLink Statement of Work.

Description	Fixed Fee
ServiceLink MWM – Harris Phase 2 ("HP2")	
Professional Services related to Service Link (MWM) <ul style="list-style-type: none"> • Project Management • Business Analysis • Implementation • Configurations • Integrations • Testing • Training – Onsite for a total of 24 hours 	\$231,950
ServiceLink Fiber – Harris Phase 3 ("HP3")	
Professional Services related to Service Link (Fiber) <ul style="list-style-type: none"> • Project Management • Business Analysis • Implementation • Configurations • Integrations • Testing • Training 	\$20,000
Total for ServiceLink All Phases:	\$251,950

3.3 DataVoice Professional Services Fees

The following professional services fees shall be fixed and invoiced in accordance with the Implementation Professional Services Milestone Payment Table in Section 4.1 of this Schedule "B". Detailed deliverables and acceptance criteria are defined in Section 4 of Schedule "A.1", Program Overview, including the deliverables outlined in scope in Schedule "A.2", DataVoice Statement of Work.

Description	Fixed Fee
DataVoice IVR - Harris Phase 2 ("HP2")	
Professional Services related to DataVoice IVR Base System	\$27,250
DataVoice OMS Harris Phase 3 ("HP3")	
Professional Services related to DataVoice OMS Base System	\$83,525
Backup OMS Systems (Dev, Test)	\$15,675
Advanced SCADA Integration with OSI	\$15,400
Paymentus Integration	\$1,100
MDM Integration with SmartWorks	\$8,800
AVL Integration	\$5,500
ServiceLink Integration with Mobile WFM	\$5,500
PowerTRX Reliability Integration	\$1,100

Subtotal for DataVoice OMS Harris Phase 3:	\$136,600
Total for DataVoice All Phases:	\$163,850

3.4 SmartVX Professional Services Fees

The following professional services fees shall be fixed and invoiced in accordance with the Implementation Professional Services Milestone Payment Table in Section 4.1 of this Schedule "B". Detailed deliverables and acceptance criteria are defined in Section 4 of Schedule "A.1", Program Overview, including the deliverables outlined in scope in Schedule "A.6", SmartVX Statement of Work.

Description	Fixed Fee
SmartVX Personalized Video – Harris Phase 2 ("HP2")	
Professional Services Based on Scope <ul style="list-style-type: none"> • Project Management • Business Analysis • Implementation • Configurations • Integrations • Testing • Training - Remote Videos Packages Included: <ul style="list-style-type: none"> • Paymentus Portal Introduction (Harris Phase 1) • Welcome Package • Billing & Payments (Invoicing) Package • Past Due Notifications • One additional video of Grant's choice* • Summary Scenes with Call-to-Action Buttons • Languages: English and Spanish 	\$52,500
Total for SmartVX All Phases:	\$52,500

3.5 SmartWorks Professional Services Fees

The following professional services fees shall be fixed and invoiced in accordance with the Implementation Professional Services Milestone Payment Table in Section 4.1 of this Schedule "B". Detailed deliverables and acceptance criteria are defined in Section 4 of Schedule "A.1", Program Overview, including the deliverables outlined in scope in Schedule "A.7", SmartWorks Statement of Work.

Description	Fixed Fee
SmartWorks - Harris Phase 2 ("HP2")	

MDM, Biz Connect , MIMO & AC/DC, Transformer Load Analysis, SilverBlaze, SO integration, MV90-C&I meter data, Grant Data Lake Integration, Infra Set up, CIS Data Refreshes. <ul style="list-style-type: none"> • Initiation & Planning • Design • Development / Execution • Test • Deployment • Operate 	\$698,820
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3.6 Program Management Fees

The program management fees below shall be fixed and invoiced in accordance with the Program Management Milestone Payment Table in Section 4.2 of this Schedule “B”. Program Management Fees are subject to the Harris Program Management expectations as defined in Schedule “A.1”, Program Overview, along with the project deliverables defined throughout each Business Unit SOW.

Description	Fixed Fee
Program Manager - Cross Module Project Management Lead: Responsible for the oversight of all project management including but not limited to addressing and communicating the module timeline, status, risk, cross-communication, stakeholder engagement/sponsorship and reporting.	\$115,150

4. Milestone Payment Tables for Implementation Fees

4.1 Implementation Professional Services Milestone Payment Table

The table below specifies the milestone payment schedule for the Professional Services Fees described in Sections 3.1.2, 3.2, 3.3, 3.4, 3.5, and 3.6 of this Schedule “B”. Milestone acceptance and payment shall be made in accordance with Section 8.29.2 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

Harris Phase	Business Unit	Service Type	Implementation Payment Milestones						
			Milestones:	1. Planning	2. Discovery / Design	3. Configuration	4. Test	5. Deployment	6. Operate
			Payment %:	10%	20%	25%	25%	15%	5%
HP2	NorthStar	CIS	Invoice Reference	HP2-NorthStar-CIS-Planning	HP2-NorthStar-CIS-Design	HP2-NorthStar-CIS-Config	HP2-NorthStar-CIS-Test	HP2-NorthStar-CIS-Deploy	HP2-NorthStar-CIS-Operate
			Payment Amount	\$75,900.00	\$151,800.00	\$189,750.00	\$189,750.00	\$113,850.00	\$37,950.00
HP2	SmartWorks	MDM	Invoice Reference	HP2-SmartWorks-MDM-Planning	HP2-SmartWorks-MDM-Design	HP2-SmartWorks-MDM-Config	HP2-SmartWorks-MDM-Test	HP2-SmartWorks-MDM-Deploy	HP2-SmartWorks-MDM-Operate
			Payment Amount	\$69,882.00	\$139,764.00	\$174,705.00	\$174,705.00	\$104,823.00	\$34,941.00
HP2	ServiceLink	MWM	Invoice Reference	HP2-ServiceLink-MWM-Planning	HP2-ServiceLink-MWM-Design	HP2-ServiceLink-MWM-Config	HP2-ServiceLink-MWM-Test	HP2-ServiceLink-MWM-Deploy	HP2-ServiceLink-MWM-Operate
			Payment Amount	\$23,195.00	\$46,390.00	\$57,987.50	\$57,987.50	\$34,792.50	\$11,597.50
HP2	DataVoice	IVR	Invoice Reference	HP2-DataVoice-IVR-Planning	HP2-DataVoice-IVR-Design	HP2-DataVoice-IVR-Config	HP2-DataVoice-IVR-Test	HP2-DataVoice-IVR-Deploy	HP2-DataVoice-IVR-Operate
			Payment Amount	\$2,725.00	\$5,450.00	\$6,812.50	\$6,812.50	\$4,087.50	\$1,362.50
HP2	SmartVX	Video	Invoice Reference	HP2-SmartVX-Video-Planning	HP2-SmartVX-Video-Design	HP2-SmartVX-Video-Config	HP2-SmartVX-Video-Test	HP2-SmartVX-Video-Deploy	HP2-SmartVX-Video-Operate

			Payment Amount	\$5,250.00	\$10,500.00	\$13,125.00	\$13,125.00	\$7,875.00	\$2,625.00
HP3	ServiceLink	Fiber	Invoice Reference	HP3-ServiceLink-Fiber-Planning	HP3-ServiceLink-Fiber-Design	HP3-ServiceLink-Fiber-Config	HP3-ServiceLink-Fiber-Test	HP3-ServiceLink-Fiber-Deploy	HP3-ServiceLink-Fiber-Operate
			Payment Amount	\$2,000.00	\$4,000.00	\$5,000.00	\$5,000.00	\$3,000.00	\$1,000.00
HP3	DataVoice	OMS	Invoice Reference	HP3-DataVoice-OMS-Planning	HP3-DataVoice-OMS-Design	HP3-DataVoice-OMS-Config	HP3-DataVoice-OMS-Test	HP3-DataVoice-OMS-Deploy	HP3-DataVoice-OMS-Operate
			Payment Amount	\$13,660.00	\$27,320.00	\$34,150.00	\$34,150.00	\$20,490.00	\$6,830.00

4.2 Program Management Milestone Payment Table

The table below specifies the milestone payment schedule for the Program Management Fees described in Section 3.7 of this Schedule “B”. Milestone acceptance and payment shall be made in accordance with Section 8.29.2 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

Milestones	Milestone Reference	Invoice Payment % upon completion	Fixed Fee
PMO 1	HP2-PS-Harris-PMO-Month1	10%	\$11,515.00
PMO 2	HP2-PS-Harris-PMO-Month2	5%	\$5,757.50
PMO 3	HP2-PS-Harris-PMO-Month3	10%	\$11,515.00
PMO 4	HP2-PS-Harris-PMO-Month4	5%	\$5,757.50
PMO 5	HP2-PS-Harris-PMO-Month5	5%	\$5,757.50
PMO 6	HP2-PS-Harris-PMO-Month6	10%	\$11,515.00
PMO 7	HP2-PS-Harris-PMO-Month7	10%	\$11,515.00
PMO 8	HP2-PS-Harris-PMO-Month8	5%	\$5,757.50
PMO 9	HP2-PS-Harris-PMO-Month9	5%	\$5,757.50
PMO 10	HP2-PS-Harris-PMO-Month10	5%	\$5,757.50
PMO 11	HP2-PS-Harris-PMO-Month11	5%	\$5,757.50
PMO 12	HP2-PS-Harris-PMO-Month12	5%	\$5,757.50
PMO 13	HP2-PS-Harris-PMO-Month13	5%	\$5,757.50
PMO 14	HP2-PS-Harris-PMO-Month14	10%	\$11,515.00
PMO 15	HP2-PS-Harris-PMO-Month15	5%	\$5,757.50
		100%	\$115,150.00

5. Post-Implementation Professional Services

5.1 SmartWorks Rules Engine Training

Harris shall conduct onsite Rules Engine Training in accordance with Section 2.2 of Agreement Schedule “A.6”, SmartWorks Statement of Work.

SmartWorks – Harris Phase 3 (“HP3”)	Fixed Fee
Rules Engine - Advanced Process Automation Rules Engine Training (Onsite)	\$12,900

5.2 NorthStar Business Process Review Service Fees

Harris shall conduct onsite business process reviews as specified in Section 2.4 of Agreement Schedule “A.3”, NorthStar Statement of Work.

NorthStar CIS – Harris Phase 4 (“HP4”)	Fixed Fee
<p>Utilization and Business Process Review 5-day onsite business process review with a NorthStar application consultant. To be conducted within 14 months of post go-live.</p> <p>To be invoiced upon completion of this work and Grant’s receipt and acceptance of related documentation.</p>	\$26,700

5.3 NorthStar CIS - Support Engagement Manager Service Fees

Harris shall provide a dedicated Engagement Manager for Support post Go-Live as specified in Section 2.3 of Agreement Schedule “A.3”, NorthStar Statement of Work.

NorthStar CIS – Harris Phase 3 (“HP3”)	Fixed Fee
<p>Support Engagement Manager Dedicated customer Engagement Manager for additional Support above and beyond dedicated Customer Support Analyst that is provided with Support and Maintenance.</p> <p>Up to 10 hours per month. 12-month term. Option to renew.</p> <p>To be invoiced upon completion of each month for all 12 months per the table in Section 6 of this Schedule “B”.</p>	\$38,000

6. Milestone Payment Table for Post-Implementation Professional Services

The table below specifies the milestone payment schedule for the Post-Implementation Professional Services described in Section 5 of this Schedule “B”. Milestone acceptance and payment shall be made in accordance with Section 8.29.2 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

One-Time Fee	Harris Phase and Business Unit	Milestone Reference	Invoice Payment % upon completion	Fixed Fee
SmartWorks Rules Engine Training	HP3 - SmartWorks	HP3-PS-SmartWorks-TRG-RulesEngine	100%	\$12,900
NorthStar Business Process Review	HP4 - NorthStar	HP4-PS-NorthStar-BPR	100%	\$26,700
NorthStar Engagement Manager	HP3 - NorthStar	HP3-EM-NorthStar-Month1	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month2	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month3	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month4	8.33%	\$3,165.40

One-Time Fee	Harris Phase and Business Unit	Milestone Reference	Invoice Payment % upon completion	Fixed Fee
		HP3-EM-NorthStar-Month5	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month6	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month7	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month8	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month9	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month10	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month11	8.33%	\$3,165.40
		HP3-EM-NorthStar-Month12	8.37%	\$3,180.60

7. Annual Recurring Fees

7.1 NorthStar Annual Hosting & Subscription Fees

The NorthStar Annual Hosting & Subscription fees below shall be fixed and invoiced as specified in Section 7 below. These services are associated with Schedule "A.3", NorthStar Statement of Work.

Business Unit	Details	Year 1	Year 2	Year 3	Year 4	Year 5
NorthStar Annual Hosting & Subscription Fees						
NorthStar CIS – Annual Hosting & Subscription Fees HP2 (AWS Cloud)	2 Hosted 2 environments (Test/Live) per each application: CIS MWM IVR OMS SFTP transfer for incremental backups to Grant’s data warehouse	\$91,000.00	\$94,640.00	\$98,425.60	\$102,362.62	\$106,457.13
Annual Hosting & Subscription Total:		\$91,000.00	\$94,640.00	\$98,425.60	\$102,362.62	\$106,457.13

7.2 SaaS Fees

The SaaS fees below shall be fixed and invoiced as specified in Section 7 below. These services are associated with Schedule "A.2", DataVoice Statement of Work, Schedule "A.5", SmartVX Statement of Work, and Schedule "A.6", SmartWorks Statement of Work.

Business Unit	Details	Year 1	Year 2	Year 3	Year 4	Year 5
SaaS Fees						
DataVoice IVR (AWS Cloud) HP2	IVR Solutions	\$57,111.00	\$59,395.44	\$61,771.26	\$64,242.11	\$66,811.79
DataVoice OMS (AWS Cloud) HP3	OMS Solution Includes OMS, Mobile Outage, Live/Backup & Integration Support • 50 Mobile outage users	N/A	\$159,848.30	\$166,242.23	\$172,891.92	\$179,807.60

SmartVX Personalized Video (Azure Cloud) HP2	Personalized Video Engagement Platform	\$47,600.00	\$49,504.00	\$51,484.16	\$53,543.53	\$55,685.27
SmartWorks MDM (AWS Cloud) HP2	Year 1 modules: MeterSense MDMS, KPI Dashboard, AC/DC & MIMO, BizConnect, & Transformer Load Analysis	\$284,068.00	\$295,430.72	\$307,247.95	\$319,537.87	\$332,319.38
SaaS Total:		\$388,779.00	\$564,178.46	\$586,745.60	\$610,215.42	\$634,624.04

7.3 ServiceLink Subscription License Fees

The ServiceLink Subscription fees below shall be fixed and invoiced as specified in Section 7 below. These services are associated with Agreement Schedule "A.4", ServiceLink Statement of Work.

Business Unit	Details	Year 1	Year 2	Year 3	Year 4	Year 5
Subscription License Fees						
Service Link (AWS Cloud) HP2	Harris Phase 2 MWM Subscription – Up to 125 users	\$163,789.00	\$170,340.56	\$177,154.18	\$184,240.35	\$191,609.96
Service Link (AWS Cloud) HP3	Harris Phase 3 Fiber Subscription – Up to 25 users	N/A	\$22,499.00	\$23,398.96	\$24,334.92	\$25,308.32
Subscription Total		\$163,789.00	\$192,839.56	\$200,553.14	\$208,575.27	\$216,918.28

7.4 Support and Maintenance Fees

The Support and Maintenance fees below shall be fixed and invoiced as specified in Section 7 below. These services are associated with Schedule "A.3", NorthStar Statement of Work.

Business Unit	Details	Year 1	Year 2	Year 3	Year 4	Year 5
Support and Maintenance Fees						
NorthStar CIS (AWS)	<ul style="list-style-type: none"> Automation Platform (Core Bundles) CIS7 + Users 	\$107,600.00	\$111,904.00	\$116,380.16	\$121,035.37	\$125,876.78

Cloud) HP2	<ul style="list-style-type: none"> • Cognos Reports Anywhere, +1 Additional Admin, +1 Additional User • Document Management, SkyDocs7 • Executive Information System • REST API (Enterprise) • Misc. Accounts Receivables Module • Integrations/Interfaces outlined in scope of SOW 					
Support and Maintenance Total		\$107,600.00	\$111,904.00	\$116,380.16	\$121,035.37	\$125,876.78

8. Recurring Fees Invoice Timing

Harris shall invoice Client for the fees specified in Sections 7.1, 7.2, 7.3, and 7.4 of this Schedule “B” as specified below and in accordance with Sections 6.1.5 and 6.1.6 of the Agreement. Any changes to this table require prior approval of the parties via change order in accordance with Section 8.28 of the Agreement.

Annual Fee	Phase, Business Unit and Module	Year 1 Milestone Reference	Year 1 Invoice Timing	Future Year Invoicing*
NorthStar Hosting & Subscription	HP2 - NorthStar Annual Hosting & Subscription	HP2-HSB-NorthStar-CIS-Year1	Upon install of CIS in HP2	See Sections 6.3 and 6.4 of the Agreement
SaaS Fees	HP2 - SmartWorks	HP2-SA-SmartWorks-MDM-Year1	Upon install of MDM in HP2	See Section 6.3 of the Agreement
	HP2 - SmartVX	HP2-SA-SmartVX-Video-Year1	Upon install of Video in HP2	
	HP2 - DataVoice - IVR	HP2-SA-DataVoice-IVR-Year1	Upon install of IVR in HP2	
	HP3 - DataVoice - OMS	HP3-SA-DataVoice-OMS-Year2	Upon install of OMS in HP3	
ServiceLink Subscription	HP2 - ServiceLink - MWM Subscription	HP2-SB-ServiceLink-MWM-Year1	Upon install of MWM in HP2	See Section 6.3 of the Agreement
	HP3 - ServiceLink - Fiber Subscription	HP3-SB-ServiceLink-Fiber-Year2	Upon install of Fiber in HP3	
Support & Maintenance	HP2 - NorthStar Support & Maintenance	HP2-MN-NorthStar-CIS-Year1	Due three (3) months following NorthStar CIS software installation, or upon the solution’s Go-Live date, whichever occurs first	See Section 6.4 of the Agreement

*The term of each service above is defined in Section 2.2 of the Agreement.

9. Anticipated Travel for Each Business Unit

This section outlines the anticipated travel associated with the implementation of each Business Unit. The timelines for travel will be determined in the project plan and agreed upon by both parties. Travel, including per diem, shall be billed monthly following the applicable travel and in accordance with Section 6.1.4 of the Agreement. In no event, however, shall Reimbursable Expenses authorized under this Section 8 exceed \$150,000 unless a Change Order authorizing the same is issued in accordance with Section 8.28 of the Agreement.

9.1 NorthStar Anticipated Travel

The following anticipated travel is associated with Schedule "A.3", NorthStar Statement of Work.

Harris Business Unit & Product	Harris Phase	Reason for Travel	# of Harris Staff	# of Days (including travel days)
NorthStar - CIS	HP2	Kickoff and Discovery (Harris Program Manager & Application Consultant)	2	4
NorthStar - CIS	HP2	Discovery (Business Consultant)	1	7
NorthStar - CIS	HP2	Navigation & Validation (Business Consultant)	1	7
NorthStar - CIS	HP2	Core Team Training (Business Consultant)	1	7
NorthStar - CIS	HP2	Core Team Training (Business Consultant)	1	7
NorthStar - CIS	HP2	Solution Validation (Business Consultant)	1	7
NorthStar - CIS	HP2	End User Training (Business Consultant)	1	7
NorthStar - CIS	HP2	Parallel Processing (Business Consultant)	1	7
NorthStar - CIS	HP2	Go LIVE (Harris Program Manager)	1	4
NorthStar - CIS	HP2	Go LIVE (Business Consultant)	1	6-7
NorthStar - Business Process Review	HP4	Post Go Live Business Process Review (12 months post go-live)	1	7

9.2 DataVoice Anticipated Travel

The following anticipated travel is associated with Schedule "A.2", DataVoice Statement of Work.

Harris Business Unit & Product	Harris Phase	Reason for Travel	# of Harris Staff	# of Days (including travel days)
DataVoice - OMS	HP3	CSR, Dispatch and Crew Mobile App Training	2	3

9.3 SmartWorks Anticipated Travel

The following anticipated travel is associated with Schedule "A.7", SmartWorks Statement of Work.

Harris Business Unit & Product	Harris Phase	Reason for Travel	# of Harris Staff	# of Days (including travel days)
SmartWorks - MDM	HP2	Discovery Sessions	3-4	4
SmartWorks - MDM	HP2	Navigation Training Sessions	2	4
SmartWorks - MDM	HP2	Process and System Review	3-4	4-5
SmartWorks - MDM	HP2	Functional and Process Training	2	4
SmartWorks - TRG	HP3	Advanced Process Automation Rules Engine Training	1	4

9.4 ServiceLink Anticipated Travel

The following anticipated travel is associated with Schedule "A.5", ServiceLink Statement of Work.

Harris Business Unit & Product	Harris Phase	Reason for Travel	# of Harris Staff	# of Days (including travel days)
ServiceLink - MWM	HP2	Training: Admin, dispatchers and field staff	1	7

9.5 SmartVX Anticipated Travel

There is no anticipated travel associated with Schedule "A.6", SmartVX Statement of Work.

10. Transaction Fees

All Harris Business Units will charge for notifications using the pricing table below, which is not subject to change for the term of the Agreement. These costs are for all notifications to Grant and Grant’s customers from the Harris solutions. Such Transaction Fees for DataVoice and ServiceLink shall be billed quarterly in arrears and in accordance with Section 6.1.5 and 6.1.6 of the Agreement. In no event, however, shall Transaction Fees authorized under this Section 10 exceed \$150,000 unless a Change Order authorizing the same is issued in accordance with Section 8.28 of the Agreement.

Details	Rate	Type	Notes
Phone Calls	\$0.02	Minute	Toll-Free Voice supports the United States and Canada
Emails	\$0.00065	Message	Email supported globally
SMS/Carrier Fees	\$0.01	Message	SMS is supported in the United States and Canada Carrier fees will be passed through at cost. Rates vary per Carrier based on the destination and will be based on the then-current rates as published by the Carriers from time to time.

11. Additional Cost Considerations

Additional cost considerations are outlined below. Any additional effort will require scope review and confirmation at the time of the request.

11.1 Additional Professional Services

The Organization may authorize Harris to perform additional professional services that are not identified in the Agreement or a Statement of Work. Such professional services, if any, shall be properly authorized by the Change Order in accordance with Section 8.28 of the Agreement and shall be at the rates below, which are subject to the provisions of Section 6.1.2 of the Agreement.

Business Unit	Title	Hourly Rate
All Harris Business Units	Standard hourly rate*	\$265
All Harris Business Units	Overtime or after-hours rate**	\$398

*Standard Hourly Rate refers to Support of Professional Services hours worked during standard business hours as specified in Section 15 of Schedule “D” to the Agreement. Harris provides expertise, familiarity with the deployed solution, and the ability to diagnose and resolve production or post implementation issues efficiently and which may require complex analysis. The rate reflects the skills, experience, and responsiveness required to meet the agreed service expectations. The rate above is a blended rate. A blended rate will be used for Grant across all business units and personnel to provide Grant with a simple, more predictable and efficient way to manage project costs.

**“Overtime” or “after-hours” refers to Support or Professional Services hours worked outside standard business hours as specified in Section 15 of Schedule “D” to the Agreement, including evenings, weekends, or statutory holidays. Overtime rates apply only when such work is explicitly required and approved.

Additional professional services that may be authorized under this Section 11.1 include, but are not limited to:

11.2 In-project supplemental professional services

11.2.1 Additional professional services during implementation only for selected business units and modules. May include, but is not limited to additional integrations, configuration, and reports.

11.2.2 Services provided upon termination of the Agreement in accordance with Sections 8.3.4(c) and 8.3.6 of the Agreement.

11.3 Additional License Fees, Services, and Maintenance

The fees below are costs for additional license, services, and maintenance fees not identified in the Agreement or a Statement of Work, if any, properly authorized by the Change Order process or in a new SOW. Such fees shall not exceed those specified below, subject to the provisions of Section 6.1.2 of the Agreement.

Business Unit	Description	One-Time License Fee per user	Services per hour	Annual Fee per user
NorthStar	Named AWS CIS User	N/A	\$265	\$400
NorthStar	Named AWS – Read Only User	N/A	\$265	\$300
NorthStar	Cognos Reports Anywhere User License or Viewer License	\$400	\$265	\$100
NorthStar	Cognos Reports Anywhere Administrator	\$6,100	\$265	\$1,525
Service Link	Additional User	\$1,575	\$265	\$394
DataVoice	Mobile Outage Users	N/A	\$265	\$350

Business Unit	Description	One-Time License Fee	One-time Service Fee	Annual Fee
Service Link	AI Image Validation – Configuration of new objects	\$8,500	\$21,200	\$2,025
SmartWorks	For proposed SmartWorks MDM, which includes production and test. No additional license required.	N/A	N/A	N/A
DataVoice	Additional Language	N/A	\$3,300	\$2,500

Product/Service for SmartVX	Annual	Implementation	Notes
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	License	Fee	
Additional Voice Over	N/A	\$2,500	Per Video
Voice Over rerecord	N/A	\$1,000	Per Video
Professional Services T&M rate	N/A	\$265/hr	
New Video Module Creation. Quote will be based on requirements, # of languages, etc. at time of request. (A discount can be applied when purchasing a 3-pack of videos.)	\$5,000	\$8,000	License fee is yearly recurring; implementation is one time.
New Scene in existing video	N/A	\$265/hr	To be scoped and quoted in a change order.
Changes to existing videos or scenes	N/A	\$265/hr	To be scoped and quoted in a change order.

11.4 Additional Hosting Environment Spin-Up and Annual Hosting Fees

The fees below are costs for additional hosting environment spin-up and annual hosting fees not identified in the Agreement or a Statement of Work, if any, properly authorized by the Change Order process or in a new SOW. Such fees shall not exceed those specified below, subject to the provisions of Section 6.1.2 of the Agreement.

Business Unit	Cloud Provider	One-Time Service Fees	Annual Maintenance Fee	Annual Hosting Subscription Fee
DataVoice – OMS	AWS	\$16,600	\$2,675	\$16,000
DataVoice – IVR	AWS	\$16,600	\$2,500	\$16,000
NorthStar – CIS	AWS	\$30,730	\$1,975	\$30,500
SmartWorks – MDM	AWS	\$10,000	\$13,250	\$150,044
Service Link - MWM	AWS	\$17,900	\$3,375	\$16,000

12. Additional Assumptions Specific to User License Fees and Payments

- 12.1 A user license is mandatory for any individual accessing NorthStar CIS. As well, for Service Link software, irrespective of their role, including but not limited to Administrators, Dispatchers, Field Service Representatives (FSRs), or Customer Service Representatives (CSRs). The only exception to this requirement applies to users from Third-Party Partners or Harris Service Link staff engaged in the installation, testing, or maintenance of the system. These users are exempt from user licensing.
- 12.2 In the event Grant requires additional user licenses or software subscriptions beyond those identified within the approved SOWs, Harris will provide a quote at that time based on the prices and terms in this Rate Schedule and the MSA Agreement. Any such changes shall be via the Integrated Change Control Process described in Section 8.28 of the Agreement.
- 12.3 For NorthStar, a named user license or ‘user license’ is defined as any individual who is authorized to access and utilize the NorthStar CIS. A User license is required for any

individual to directly interact with the system, regardless of their role or the nature of their access. An exception to the user license requirement applies to individuals from authorized third-party partners, or NorthStar, who are engaged in the installation, testing, and maintenance of the system; these individuals are exempt from the user license fee

This license entails an individual and their email to be tied to a "user license". User licenses are setup with role-based permissions. Due to security protocol, as well as for auditing and logging purposes, NorthStar does not permit the use of generic, shared, or departmentally shared username logins (i.e. finance@grantpud.com). In the event of employee turnover, user(s) and their emails will be disabled from the system and the license will sit vacant until it is replaced by a new user.

- 12.4 For ServiceLink a "User" is defined as any individual who is authorized to access and utilize the ServiceLink software system, which includes the ServiceLink Dispatch Portal and any Mobile Field User applications. A User license is required for any individual to directly interact with the system, regardless of their role or the nature of their access. This includes, but is not limited to, administrators, dispatchers, field representatives, and customer service representatives performing actions such as running reports, conducting administrative work, or completing orders. Each User license is designated for a specific, named individual. The total number of licenses granted to the utility dictates the maximum number of named users that can be activated in the system, and these licenses can be allocated across various departments as needed.

However, individuals, such as Customer Service Representatives, who only view the status of an order (e.g., in route, on site) through the CIS history/comments and do not directly access the ServiceLink solution are not considered "Users" and do not require a license. The only other exception to the user license requirement applies to individuals from a third-party partner or ServiceLink who are engaged in the installation, testing, or maintenance of the system; these individuals are exempt from the user license fee.

- 12.5 For DataVoice, a Mobile Outage license is required to access outage information in the mobile solution only. This ensures that only authorized personnel have access to sensitive information and can perform critical outage management tasks. This license enables users to access critical outage information, streamline their workflow, and enhance communication with both the utility and customers.

13. Comprehensive Pricing Overview

The summaries provided in this section include all costs identified as in scope for this engagement, including but not limited to software, professional implementation services, and authorized not-to-exceed travel-related expenses and transaction fees.

The total 5-year cost is \$7,717,927.43, which includes:

13.1 Fixed-Fee Cost Total: \$7,417,927.43

- Professional Service Costs (Excluding Travel): \$2,143,328.00
- Software Costs (Software License Fees, Hosting, Subscription, SaaS, Maintenance): \$5,274,599.43

The table below provides a consolidated summary of the fixed fees associated with the Statements of Work, including Professional Services, and Software (one-time software license fees, and ongoing recurring costs such as hosting, subscription, user licenses, maintenance, and Software-as-a-Service (SaaS) fees). The amounts reflected include both one-time and recurring components as defined in the applicable SOWs, this Schedule “B”, and supporting sections of the Agreement.

Business Unit	Harris Phase	Professional Service Cost	Subscription, Hosting, SaaS, Maintenance & Licenses Year 1	Subscription, Hosting, SaaS, Maintenance & Licenses Year 2	Subscription, Hosting, SaaS, Maintenance & Licenses Year 3	Subscription, Hosting, SaaS, Maintenance & Licenses Year 4	Subscription, Hosting, SaaS, Maintenance & Licenses Year 5	Subscription, Hosting, SaaS, Maintenance & Licenses Years 1-5 Cost	Professional Services, Subscription, Hosting, SaaS, Maintenance & Licenses Total Cost
NorthStar – DevOps	HP1	\$16,258.00	N/A	N/A	N/A	N/A	N/A	N/A	\$16,258.00
NorthStar – Business Requirements Workshop	HP2	\$8,200.00	N/A	N/A	N/A	N/A	N/A	N/A	\$8,200.00
NorthStar – CIS Implementation Fees	HP2	\$759,000.00	N/A	N/A	N/A	N/A	N/A	N/A	\$759,000.00
NorthStar Perpetual User License Fees	HP2	N/A	\$150,000.00	N/A	N/A	N/A	N/A	\$150,000.00	\$150,000.00
NorthStar One-Time License Fees	HP2	N/A	\$281,700.00	N/A	N/A	N/A	N/A	\$281,700.00	\$281,700.00
NorthStar Hosting & Subscription Fees	HP2	N/A	\$91,000.00	\$94,640.00	\$98,425.60	\$102,362.62	\$106,457.13	\$492,885.35	\$492,885.35
NorthStar Support & Maintenance Fees	HP2	N/A	\$107,600.00	\$111,904.00	\$116,380.16	\$121,035.37	\$125,876.78	\$582,796.31	\$582,796.31

Business Unit	Harris Phase	Professional Service Cost	Subscription, Hosting, SaaS, Maintenance & Licenses Year 1	Subscription, Hosting, SaaS, Maintenance & Licenses Year 2	Subscription, Hosting, SaaS, Maintenance & Licenses Year 3	Subscription, Hosting, SaaS, Maintenance & Licenses Year 4	Subscription, Hosting, SaaS, Maintenance & Licenses Year 5	Subscription, Hosting, SaaS, Maintenance & Licenses Years 1-5 Cost	Professional Services, Subscription, Hosting, SaaS, Maintenance & Licenses Total Cost
NorthStar – Engagement Manager	HP3	\$38,000.00	N/A	N/A	N/A	N/A	N/A	N/A	\$38,000.00
NorthStar – Business Process Review	HP4	\$26,700.00	N/A	N/A	N/A	N/A	N/A	N/A	\$26,700.00
NorthStar TOTALS:		\$848,158.00	\$630,300.00	\$206,544.00	\$214,805.76	\$223,397.99	\$232,333.91	\$1,507,381.66	\$2,355,539.66
ServiceLink - MWM	HP2	\$231,950.00	\$163,789.00	\$170,340.56	\$177,154.18	\$184,240.35	\$191,609.96	\$887,134.06	\$1,119,084.06
ServiceLink - Fiber	HP3	\$20,000.00	N/A	\$22,499.00	\$23,398.96	\$24,334.92	\$25,308.32	\$95,541.19	\$115,541.19
ServiceLink TOTALS:		\$251,950.00	\$163,789.00	\$192,839.56	\$200,553.14	\$208,575.27	\$216,918.28	\$982,675.25	\$1,234,625.25
DataVoice – IVR	HP2	\$27,250.00	\$57,111.00	\$59,395.44	\$61,771.26	\$64,242.11	\$66,811.79	\$309,331.60	\$336,581.60
DataVoice – OMS	HP3	\$136,600.00	N/A	\$159,848.30	\$166,242.23	\$172,891.92	\$179,807.60	\$678,790.05	\$815,390.05
DataVoice TOTALS:		\$163,850.00	\$57,111.00	\$219,243.74	\$228,013.49	\$237,134.03	\$246,619.39	\$988,121.65	\$1,151,971.65
SmartWorks – MDM	HP2	\$698,820.00	\$284,068.00	\$295,430.72	\$307,247.95	\$319,537.87	\$332,319.38	\$1,538,603.92	\$2,237,423.92
SmartWorks – Rules Engine Training	HP3	\$12,900.00	N/A	N/A	N/A	N/A	N/A	N/A	\$12,900.00
SmartWorks TOTALS:		\$711,720.00	\$284,068.00	\$295,430.72	\$307,247.95	\$319,537.87	\$332,319.38	\$1,538,603.92	\$2,250,323.92
SmartVX – Video	HP2	\$52,500.00	\$47,600.00	\$49,504.00	\$51,484.16	\$53,543.53	\$55,685.27	\$257,816.95	\$310,316.95
SmartVX TOTALS:		\$52,500.00	\$47,600.00	\$49,504.00	\$51,484.16	\$53,543.53	\$55,685.27	\$257,816.95	\$310,316.95
Harris Program Manager TOTALS:		\$115,150.00	N/A	N/A	N/A	N/A	N/A	N/A	\$115,150.00
GRAND TOTALS:		\$2,143,328.00	\$1,182,868.00	\$963,562.02	\$1,002,104.50	\$1,042,188.68	\$1,083,876.23	\$5,274,599.43	\$7,417,927.43

13.2 Not-to-Exceed Travel & Transaction Fee Totals: \$300,000

- Not-to-Exceed Travel (including per diem): \$150,000. To be invoiced in accordance with Section 9 of this Schedule “B”, Rate Schedule.
- Not-to-Exceed Transaction Fees: \$150,000. To be invoiced in accordance with Section 10 of this Schedule “B”, Rate Schedule.

Schedule "C.1" - Sample Change Request Form

CHANGE REQUEST NO. __

Agreement No.: 130-13111

Date:

Requested by: Harris Organization Contact Name: _____

Harris Business Unit:

Applicable Statement(s) of Work:

Scope of Change Requested (attach separate pages as needed):

Reason for Change Request:

Information below to be provided by Harris

Schedule Impacts (if any):

Cost Impact and Payment Terms:

Assumptions and Requirements:

Proposed Start Date:

Additional Comments:

Note: The Organization shall not be liable for any payment to Harris, or any claims arising therefrom, for this Change Request unless a Change Order authorizing the same has been properly approved and executed by both parties in accordance with Agreement Section 8.28. Harris understands and agrees that any information contained herein is in no way binding on the Organization and is submitted only for the purpose of evaluation by the Organization.

N. Harris Computer Corporation

Signature: _____

Print Name: _____

Title: _____

Date: _____

Schedule "C.2" - Sample Change Order Form

CHANGE ORDER NO. ____

Pursuant to Section 8.28 of the Software License, Services, Support and Maintenance, and Hosting Services Agreement ("Agreement") No. 130-13111 executed by the Parties on _____, the following changes are hereby incorporated into the Agreement:

1. Description of Change: [include reference to applicable Change Request]
2. Time of Completion: [specify term impacts to the Agreement and/or relevant SOW(s), as applicable]
3. Agreement Price Adjustment:
4. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

N. Harris Computer Corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule “D” - Service Levels and Availability

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1. Purpose

This Schedule D establishes the post go-live service level commitments applicable to the Software, Support and Maintenance Services, and Hosting Services provided by Harris under this Agreement. This includes DataVoice, NorthStar, Service Link, SmartWorks, and SmartVX.

Each Harris Business Unit will use a centralized Support Services platform via TeamSupport to engage with Grant. The Harris TeamSupport Customer HUB allows our customers to:

- Open new tickets
- View open/closed tickets for your organization
- Post Screen Recordings and Video Recordings to tickets
- View Knowledge Base Articles
- View Product Information
- Report on Ticket Metrics
- Find out the latest Harris News; Events; Product Releases

2. Definitions

Critical: means a service, system, or incident that results in a complete outage or severe degradation of a core service that materially impacts business operations and for which no reasonable workaround is available, requiring immediate response and restoration.

Non-Critical: means a service, system, or incident that does not materially impact core business operations, where functionality may be partially affected but a reasonable workaround exists, or the impact is limited to non-essential features or services.

Recovery Time Objective (RTO): The target maximum time to restore service functionality following a disruption.

Recovery Point Objective (RPO): The maximum targeted period of data loss measured from the time of the disruption.

Restoration: means return to operational status, which may include a temporary workaround.

3. Covered Hosting & Support Services

3.1 The activities identified in this section are included in the annual Hosting & Support and Maintenance fees:

3.1.1 Software and all default functionality.

3.1.2 Software side of the interfaces with other third-party systems, as implemented by Harris' professional services consultants.

- 3.1.3 Customized rules developed by professional services staff. Rules developed or modified by the Organization are not supported through the standard Support Services agreement.
- 3.1.4 The integrity of the data within the Software, to the extent that the Support Services has manipulated it. Support Services is not responsible for the completeness or accuracy of the data originating in Third-Party systems (e.g., AMI, GIS etc.).
- 3.1.5 Advice on SmartWorks VEE parameter settings and processes, however the VEE settings themselves are the responsibility of the Organization.
- 3.1.6 Support Services will create and install software releases and updates (release notes will be available upon request and on the Customer Hub) that may include:
 - 3.1.6.1 Defect corrections (as warranted)
 - 3.1.6.2 Planned enhancements: ongoing improvements made within the same major version of the system. These typically include bug fixes, performance improvements, and smaller feature additions that enhance usability without significantly changing how the system works.
 - 3.1.6.3 Payroll regulated changes (additional charges may apply)
 - 3.1.6.4 Participation in BETA program
 - 3.1.6.5 Release notes
 - 3.1.6.6 State (Provincial) and/or Federal mandated changes (charges may exist depending on scope)
 - 3.1.6.7 Scheduled assistance in accordance with Section 15 of this Schedule "D".
- 3.1.7 From time to time, Harris will provide major and minor Software Upgrades (note that there may be charges in implementation of major upgrades depending on the scope of services). Major upgrades are at the Organization's option and require a new Statement of Work via Change Request.
- 3.1.8 Support Services will troubleshoot Organization issues and provide recommendations for resolution.
- 3.1.9 Support Services will deploy performance monitoring tools.
- 3.1.10 Support Services will provide remote training on subjects of limited scope. Scope of training is limited to a 30-minute session. If the Organization makes numerous training requests in a short period of time, Harris may deem additional paid training may be needed at the rates specified in

Section 11.1 of Schedule "B", Rate Schedule. Such requests shall be approved in advance via Change Order in accordance with Section 8.28 of the Agreement.

- 3.1.11 HealthWatch - Online Diagnostics (SmartWorks).
 - 3.1.11.1 HealthWatch rules will collect data and alert SmartWorks Support Services when specific thresholds have been met (e.g., disk space limit reached, no interval data for two days, etc.).
 - 3.1.11.2 Support Services will proactively monitor your solution to identify small issues before they become big problems using our HealthWatch tool. Depending on the nature of the issue, Support Services will either alert you or attempt to address the issue internally.
- 3.1.12 Customer Care Program. On a periodic basis, Support Services will share useful information regarding the use of Harris Software by the Organization through one or more of the following methods:
 - 3.1.12.1 Support Bulletins
 - 3.1.12.2 Communication on new products and services
 - 3.1.12.3 On-site visits (as required)
 - 3.1.12.4 Webinars
 - 3.1.12.5 Surveys
 - 3.1.12.6 Knowledge Base
 - 3.1.12.7 If requested, provide an Outstanding Tickets Report with conference call
 - 3.1.12.8 Opportunity to participate in BETA programs
 - 3.1.12.9 Dedicated Customer Support Account Lead as first point of contact as required
 - 3.1.12.10 Participation in Regional User Group Meetings
 - 3.1.12.11 Participation in Harris Webinars
 - 3.1.12.12 Opportunity to take part in validation and focus groups
 - 3.1.12.13 Opportunity to take part in Harris Annual Customer Conference

4. Ticket Process

- 4.1 All issues or questions reported to Harris Support Services are tracked via the ticketing system, TeamSupport. Support Services cannot provide assistance unless a support ticket is logged. The use of TeamSupport for submitting tickets allows all

Harris Support Services to track the resolution of your issues. In addition, it allows measurement of activities for proper forecasting of staffing requirements. Harris Support Services current process for logging tickets includes the following:

- 4.1.1 Ticket must contain at a minimum: Organization name, contact person, Business Unit and/or menu selection, nature of issue, detailed description of question or issue and any other pertinent information.
- 4.1.2 Support Services will provide a ticket ID to track issue and the ticket will be logged into ticketing system.
- 4.1.3 Ticket will be stored in a queue and the first available Support Services representative will be assigned to the Organization's issue.
- 4.1.4 As assigned the Support Services representative investigates the issue, Organization will be notified of status updates, actions and a resolution plan via the ticketing system. If additional information is required, Organization will be contacted by a Harris Support Services representative to supply the information required.
- 4.1.5 All correspondence and actions associated with the ticket will be tracked against ticket ID in the ticketing system. At any time, Organization may log into TeamSupport to see status of ticket.
- 4.1.6 Once issue has been resolved, the ticket will be set to a "Resolved", "Quoted" or "Solution Provided" status. Organization will then have time to evaluate the resolution and provide feedback. Once Organization is satisfied that the issue has been addressed, Organization will then close the ticket. Support Services will endeavor to provide adequate time to evaluate the resolution. However, Harris Support Services will close a ticket if no feedback is received within five (5) business days. Organization will always be notified of a pending or actual ticket closure. Organization will have the option of re-opening the ticket if needed.
- 4.1.7 Once ticket has been closed, Organization will receive an automated notification by email. This email will contain the entire event history of the ticket from the time it was created and leading up to the resolution of the ticket. Organization has option of viewing both open and closed tickets, via TeamSupport.
- 4.1.8 If issue requires escalation to a development resource or programmer for resolution, issue will be triaged accordingly. Ticket will remain open until development team provides a response. If a development item opens, Organization will be notified via TeamSupport. Issues escalated to development will be scheduled for resolution and may not be resolved immediately depending on the nature and complexity of the issue. If an issue is determined to be an enhancement or feature, Support Services personnel will log a ticket in the respective Business Unit's product

management queue and will notify Organization when and if a release has been made available.

- 4.1.9 Organization may contact Harris Support Services for a status update on development issues.

5. Harris Ticket Priorities

In an effort to assign our resources to incoming tickets as effectively as possible, Harris has identified four types of ticket priorities P0, P1, P2 and P3. Response times are dependent on the priority of the call and will be in accordance with the table below. We do our best to ensure that we deal with incoming cases in the order that they are received; however, cases will be escalated based on the urgency of the issue reported.

The Organization will be required to set the priority of the ticket upon submission. Harris will evaluate the ticket and may deem the ticket requires re-classification. The Organization may request a change in priority status at any time. Additionally, Support resources are identified in the MSA and can be contacted as a point of escalation, if necessary.

PRIORITY 0 - PRODUCTION DOWN	Response Time
Deemed by Harris Team to be Extremely High Priority (Production Only) Production Down Examples: Complete loss of service	Response within 2 business hours

PRIORITY 1 - BUSINESS CRITICAL	Response Time
Deemed by Harris Team to be of high priority as NO workaround exists Performance issue impacting critical processes No workaround exists Examples: Inability to create bills	Response within 4 business hours

PRIORITY 2 - MEDIUM TO HIGH BUSINESS IMPACT	Response Time
Deemed by Harris Team to be important; however, workarounds are available State of Degraded Performance Workaround exists. Examples: usability issues; non-critical performance issue; calculation issues	Response within 8 business hours

PRIORITY 3 - MINIMAL BUSINESS IMPACT/REQUESTS	Response Time
Deemed by Harris Team to be more general/cosmetic in nature OR Scheduled Minimal Business Impact General Product Issues/Questions/Aesthetic Issues/Formatting Issues/Questions on Documentation Examples: Enhancement Requests/Requests for Statement of Work/To be Scheduled items	Response within 24 business hours

In coordination with the Organization, Harris reserves the right to reclassify the priority level at any time if Harris reasonably believes the classification is incorrect.

6. Billable Harris Support & Hosting Services

This section identifies support services that are not identified as covered services under Sections 3 and 14 of this Schedule "D". Such services must be mutually agreed upon in advance in a Statement of Work via a Change Request in accordance with Section 8.28 and at the rates identified in Section 11 of Schedule "B", Rate Schedule. Such services include, but are not limited to:

- 6.1 Training
- 6.2 Project Management
- 6.3 Form Creation/Redesign/Smart Forms redesign or creation
- 6.4 Handheld interface of new interface; setups & changes
- 6.5 Setup of new services or changes to services (PAP, ACH, etc.)
- 6.6 File imports/exports – Interfaces to other applications
- 6.7 Additional On demand refresh backups; Restores; Setting up test areas
- 6.8 Setup of new printers; printer setup changes
- 6.9 Custom modifications (reports bills, forms, reversal of customizations)
- 6.10 Setting up additional Companies/Agencies/Tokens/General Ledgers
- 6.11 Data conversions/global modification to setup table data
- 6.12 For on-premise (non-hosted) environments, database maintenance; repairs & optimization (unless specifically included as a line item on your support contract).
- 6.13 Extended Hardware & Operating System Support
- 6.14 Upgrades and Support of third-party software
- 6.15 Installations/re-installations (workstations, servers)
- 6.16 Creation of Test Databases/Environments New interfaces or connections to non-Harris (or Third-Party) applications.
- 6.17 Additional test instances for On Premise or Cloud Environment customers.
- 6.18 Support for rules, reports, database procedures, or screens developed by, or modified by, the Organization.

- 6.19 Cleansing or re-processing of data originating from a third-party system (e.g., AMI, CIS, etc.).
- 6.20 Middleware upgrades and patches (Apache, Tomcat, Database)
- 6.21 Middleware remediation following penetration tests
- 6.22 On-site technical visits (as required)
- 6.23 User profile maintenance
- 6.24 Ad-hoc statistic reporting
- 6.25 Government mandated changes
- 6.26 Third-party integration changes (API specifications, etc.)
- 6.27 Service on software or equipment that has been improperly installed or operated outside manufacturer specifications.
- 6.28 Service on software or equipment not specifically identified as Non-Harris Product (i.e. not in Harris's Service Database).
- 6.29 Software or equipment not covered by the Support and Maintenance fees.
- 6.30 Service related to Critical Maintenance Releases that were forwarded at Organization's request, prior to completion of full system testing.
- 6.31 Services or expenses outlined as Organization Responsibilities in this Agreement.
- 6.32 Services provided due to inoperative mainframe or personal computer processing equipment, network/network equipment, Organization-modified software, and/or third-party software not required for operation of the System.
- 6.33 Special investigations, tests, data, reports, or documentation not specifically included as part of this Agreement.
- 6.34 Software fixes on problems that do not compromise the transmission of meter reading or System billing information, prior to scheduled Software Releases.
- 6.35 Upgrades or enhancements.
- 6.36 Communication problems related to non-Harris supplied modems and/or telephone lines, communication devices or protocols.
- 6.37 Creation of custom reports or modification to existing reports.
- 6.38 Creation of custom workflows or modification to existing workflows.

- 6.39 Specifically for ServiceLink, system troubleshooting where configuration changes have been made to the Organization system using Workflow Studio and have not been communicated to Service Link.

Modifications to data in the Harris database via non-sanctioned Harris solutions or partner solutions are strictly prohibited and not supported.

7. Organization Responsibilities (Cloud Environment Solutions)

In order to effectively provide Harris Support Services, the Organization is responsible for the following items:

- 7.1 Organization shall notify Support Services of suspected defects in the Software. Organization shall provide, upon Support Services request, additional data deemed necessary or desirable by Support Services to reproduce the environment in which such defect occurred.
- 7.2 Organization shall ensure that its personnel are, at relevant stages of the project, educated and trained in the proper use of Harris Software in accordance with applicable Harris manuals and instructions. If Organization's personnel are not properly trained as mutually determined by Harris and Organization, Organization agrees that such personnel will be trained by Support Services or Organization within thirty (30) days of determination. If Organization desires Harris Support Services to perform the required training, then Harris shall be compensated in accordance with this Agreement.
- 7.3 Organization shall have the sole responsibility for the performance of any tests it deems necessary prior to the use of the Software.
- 7.4 Organization is responsible for the data quality, completeness, and availability from 3rd party applications on which Harris Software relies.
- 7.5 Organization shall be responsible for rules created and/or edited by Organization staff.
- 7.6 The services listed below are Support Services included only for systems hosted in the Cloud Environment:
- 7.6.1 Database maintenance, repairs and optimization, refreshes, backups, restores
 - 7.6.2 Extended Hardware and Operating System support
 - 7.6.3 Upgrades and support of third-party software required for SmartWorks (Postgres).
- 7.7 Organization shall be solely responsible for all SmartWorks VEE parameters settings, the regular monitoring of validation failures, and the rectification of any validation failures.

8. Organization Responsibilities (On-Premise Harris Solutions)

In order to effectively provide our Services, on-premise customers are responsible for the following items:

- 8.1 Organization shall ensure Support Services have access to their systems when required.
- 8.2 Organization shall notify Support Services of suspected defects in Software. Organization shall provide, upon Support Services request, additional data deemed necessary or desirable by Support Services to reproduce the environment in which such defect occurred.
- 8.3 Organization shall ensure that its personnel are, at relevant stages of the project, educated and trained in the proper use of Software in accordance with applicable manuals and instructions. If Organization's personnel are not properly trained as mutually determined by Harris and Organization, Organization agrees that such personnel will be trained by Harris Support Services or Organization within thirty (30) days of determination. If Organization desires Support Services to perform the required training, then shall be compensated in accordance with this Agreement.
- 8.4 Organization shall establish proper backup procedures necessary to replace critical Organization data in the event of loss or damage to such data from any cause. Organization shall provide Support Services with access to qualified functional or technical personnel to aid in diagnosis and to assist in repair of the Software in the event of error, defect, or malfunction.
- 8.5 Organization shall have the sole responsibility for:
 - 8.5.1 The performance of any tests it deems necessary prior to the use of the Software.
 - 8.5.2 Assuring proper Organization computer system installation, configuration, verification, audit controls and operating methods.
 - 8.5.3 Implementing proper procedures to assure security and accuracy of input and output and restart and recovery in the event of malfunction.
 - 8.5.4 Timely upgrading and keeping current all third-party license releases and/or third-party components to meet the requirements of the Software.
- 8.6 Organization is responsible for the data quality, completeness, and availability from 3rd party applications on which Software relies.
- 8.7 Organization shall be responsible for rules created and/or edited by Organization staff.
- 8.8 SmartWorks: Organization shall be solely responsible for all VEE parameters settings, the regular monitoring of validation failures, and the rectification of any validation failures.

9. Solution Updates

Support Services will make software updates and upgrades relevant to the Software available from time to time. When a significant upgrade is available, Harris will make an announcement to its customers.

10. Test Databases & Environments

Harris recommends that all customers maintain an independent Test Environment for testing purposes. This allows customers the opportunity to test fixes; modifications; new business processes and/or scenarios without risking any potentially unwanted changes to the live environment. The creation of Test Databases & Environments is a billable service; quotations and incremental maintenance rates will be provided on request. Such services must be mutually agreed upon in advance in a Statement of Work via a Change Request in accordance with Section 8.28 and shall be billed in accordance with Schedule "B".

11. Connection Methods

Responsibility: The Organization shall be responsible for providing and maintaining a stable, high-speed internet connection to facilitate remote support services unless utilizing a SaaS solution.

Preferred method: Remote access should be established via VPN and MS Remote Desktop client. Alternative connection tools may be utilized where necessary including LogMeIn, TeamViewer, Join.me, or other mutually agreed upon solutions.

The Organization is responsible for ensuring access is available to their environment.

12. Rates

Hourly service rates and annual Support and Maintenance fees shall be in accordance with Schedule "B", Rate Schedule. Any future Statements of Work will be at the rates specified in Section 11 of Schedule "B", Rate Schedule, which are subject to the provisions of Section 6.1.2 of the Agreement.

13. Holiday Schedule

Please note that Harris Support Services may be closed on designated holidays. Some Harris Business Units may be closed when others are not. A list of annual holiday closure dates can be requested, and/or will be posted in the ticketing system knowledge base. When standard support is closed due to holidays, afterhours support is still available for emergencies.

Canadian and US Holidays

- New Year's Eve
- New Year's Day (USA/ Canada)
- Martin Luther King Day (US)
- President's Day (USA) /Family Day (Canada)
- Easter Friday

- Labor Day (USA/ Canada)
- Memorial Day (USA)
- Victoria Day (Canada)
- Canada Day (Canada)
- Independence Day (US)
- Civic Holiday (Canada)
- Thanksgiving Day (Canada)
- Thanksgiving Day (US)
- Day After Thanksgiving (US)
- Christmas Eve
- Christmas Day (USA /Canada)
- Boxing Day (Canada)

Standard Support Schedule - Holiday Closures Per Business Unit	
DataVoice	Closed for US holidays
SmartVX	Closed for US holidays
NorthStar	Closed when the same holiday is recognized in both the US and CA
Service Link	Closed when the same holiday is recognized in both the US and CA
SmartWorks	<p>Closed a mix of US and CA holidays:</p> <ul style="list-style-type: none"> • New Year’s Day • President’s Day • Easter Friday • Victoria Day (Canada) • Labor Day • Canada Day (Canada) • Thanksgiving Day (Canada) • Christmas Eve (Early closure*) • Christmas Day • Boxing Day (Canada) • New Year’s Eve (Early closure*) <p>*Early Closure: 12pm EST / 9am PST</p>

14. Standard Technical Services for Harris Cloud Hosted Environments

As part of standard Hosting Services, Harris performs regular, scheduled maintenance on its core database infrastructure. These activities are necessary to ensure the system remains stable, responsive, and has adequate resources. The table below lists the standard technical services included with the customer environment. Technical Services are aligned across all Business Units with variations as listed below, and may be updated, restated or amended by Harris from time to time.

Service	Activity	Description	Estimated Frequency
Database	Logging Management	This is the required management of the transaction log space.	Scheduled
Database	Temporary Space Management	This service is to ensure that the MS SQL Server temporary space has the adequate resources as the system is used and the database grows in size. Variations: DataVoice, SmartVX, SmartWorks fully align however use Postgres.	Scheduled
Database	Backup Routine Management	This service is to ensure that the appropriate drives & files are backed up accordingly in the event restores or recovery is required. Variations: Backup Retention Period for SmartWorks is 14 days (can be expanded to 30 days with impact on cost)	Scheduled
Database	Backup Routine Confirmation	This service is to provide notifications on the success and failure of the database backup routines.	Scheduled
Database	Index Defragmentation	This is a weekly rebuild off all of the indexes to manage database fragmentation to prevent performance issues.	Weekly
Database	Integrity Validation	This routine checks the validation of table & index consistency, system catalogs, and allocated structures. The routine will attempt to repair any issues discovered.	Weekly
Database	Statistic Updates	The update statistics plan will ensure that metrics on the data count and distribution within a column or columns used by the database optimizer are kept up to date for query efficiency. Variations: Database Maintenance: Statistic Updates are not applicable for DataVoice.	Weekly
Database	Patch Management	As MS SQL patches are released by Microsoft they will be reviewed and applied as required. Variations: DataVoice, SmartVX, SmartWorks fully align however use Postgres.	Monthly
Database	Recovery	In the event the database has to be restored or recovered Harris will perform the necessary tasks.	As Required

Service	Activity	Description	Estimated Frequency
Database	Test Database Refresh	Refreshing Test environment Variations: For DataVoice the frequency is daily.	Quarterly
Database	Archive/Purge	Configure a new archive database and put processes in place to archive application information into this new database. As of a user defined date. Variations: Archive/Purge not included for SmartVX while SmartWorks has a partial solution and DataVoice 's frequency is daily.	Up to Semi-Annually
Operating System	Patch Management	As MS Server patches are released by Microsoft they will be reviewed and applied as required. Variations: OS Patch Management is not applicable to SmartVX and SmartWorks since the solutions run on a Linux OS, not on Microsoft Server.	Monthly
Operating System	File System Maintenance	This task is to manage the file system to ensure system drives do not become full and have appropriate resources allocated.	Weekly
Operating System	Printer Administration on the TM Server	As new servers are added within your physical location they will need to be added or managed on the Terminal Server within the hosted environment. N/A for any other Business Unit.	As Required
Operating System	Backup Routine Management	This service is to ensure that the appropriate drives & files are being backed up accordingly in the event restores or recovery is required. Variations: The Backup Routine Management for SmartWorks is limited to data files.	Scheduled
Operating System	Backup Routine Confirmation	This service is to provide notifications on the success/failure of the system backup outlines	Scheduled
Operating System	Backup Routine Validation	This routine will be a manual extraction and review of the backup files for validation of content and an integrity check on the files	Monthly

Service	Activity	Description	Estimated Frequency
Administration	Logging, Monitoring, Observability and Trending Administration	<p>Provide the platform to supply service and component- level monitoring for applications and service. We will provide end user experience monitoring of a service as well as component layer monitoring, log aggregation, and alerting services tailored to your specific needs.</p> <p>Variations: Customer-Facing Monitoring & Logging is not included for DataVoice while ServiceLink has internal tools and processes, and SmartWorks has a partial End-User monitoring service.</p>	As Required

15. Hours and Contacts

Except for Critical incidents, support is available outside of regular business hours, as defined in the table below, and is billable on an hourly basis (minimum number of hours will apply). Weekend assistance is available and must be scheduled in advance (and is billable on an hourly basis with a minimum number of hours that apply). Any billable hours shall be in accordance with Section 11.1 of Schedule "B", Rate Schedule. Support for Critical incidents will be available to the Organization during afterhours and/or weekends at no additional cost to Organization. Harris maintains the right to redefine severity in collaboration with the Organization. In the event the incident is deemed to be non-critical by the parties and efforts were made by Harris, billable services may be incurred.

Organization will be utilizing one unified Support and ticket platform, TeamSupport, for all Harris Business Units and hosting via NorthStar. The primary method of Support communication, upon Completion of Services for each Statement of Work, will be logging a ticket. In the event additional escalation is required, points of contact for each Business Unit is listed below. Upon request, an updated or reviewed contact list can be requested.

Primary Ticketing System	TeamSupport Web URL	Primary Support Phone Number	Primary Support Email	Support Hours
TeamSupport via NorthStar	https://app.na2.teamsupport.com/Login.aspx	(844) 888-9904	support@northstarutilities.com	5:00am to 5:00pm PT Monday through Friday

Harris Business Unit	CIS NorthStar	Portal SilverBlaze	MDM SmartWorks	MWM ServiceLink	OMS DataVoice	SmartVX	Partner Software
Method of Support	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P : (844) 888-9904 support@northstarutilities.com	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: 866-305-1911 support@silverblaze.com	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: 877-696-0125 support@harrissmartworks.com	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: (604) 982-0600 support@service-link.us	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: 888-328-2864 support@datavoicent.com	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: (647) 932-0788 support@smartvx.com	Logging Incidents: TeamSupport https://app.na2.teamsupport.com/Login.aspx P: 800-964-1833 support@partnersoftware.com
Help Desk Standard Hours	5:00am to 5:00pm PT Monday through Friday	5:00am to 5:00pm PT Monday through Friday	5:00am to 5:00pm PT Monday through Friday	4:00am to 7:00pm PT Monday through Friday Weekends/Holidays: 8:00am to 2:00pm PT	5:00am to 5:00pm PT Monday through Friday	5:00am to 5:00pm PT Monday through Friday	5:00am to 5:00pm PT Monday through Friday
Escalation Contacts	Diane Vieson Manager, Support Services 1-888-847-7747 X2012 DVieson@harriscomputer.com Brian Ladd Manager, Support Services	Kathy Davis kdavis@silverblaze.com Office: 336-397-5300 x264290 Cell: 910-478-5779	Technical Lead, Support Services Terence Dong TDong@harriscomputer.com 613-706-7266 Manager, Customer Success	Arun Selvaraj arun.selvaraj@servicelinksoftware.com Office: (604) 982-0600 Cell: (604) 786-5708	Doc McLoon Director of Support Dmcloon@harriscomputer.com dmcloon@harriscomputer.com	Diane Vieson Manager, Support Services 1-888-847-7747 X2012 DVieson@harriscomputer.com Brian Ladd	Doc McLoon Director of Support dmcloon@harriscomputer.com Office: (706) 354-1833

Harris Business Unit	CIS NorthStar	Portal SilverBlaze	MDM SmartWorks	MWM ServiceLink	OMS DataVoice	SmartVX	Partner Software
	<p>1-888-847-7747 X2140 BLadd@harriscomputer.com</p> <p>Dawn Ivanochko Director, Support Services 1-888-847-7747 X2032 DIvanochko@harriscomputer.com</p> <p>Karen McKernan Vice President, Support Services 1-888-847-7747 X2744 KMckernan@harriscomputer.com</p>		<p>Bridget Abbott babbott@harriscomputer.com (902) 200 - 5783</p> <p>Director of Customer Success Marianne Pelletier mpelletier@harriscomputer.com 613-706-7251</p> <p>Executive Vice President: Eric Chabot Echabot@harriscomputer.com 716-402-2554</p>	<p>Dragan Karanovic dragan.karanovic@servicelinksoftware.com Office: (604) 982-0600 Cell: (416) 894-5073</p>	<p>Office: (706) 354-1833 Cell: (706) 201-1924</p> <p>Seth Baker Director of Customer Success seth@datavoiceint.com Office: (972) 390-8808</p>	<p>Manager, Support Services 1-888-847-7747 X2140 BLadd@harriscomputer.com</p> <p>Dawn Ivanochko Director, Support Services 1-888-847-7747 X2032 DIvanochko@harriscomputer.com</p>	<p>Cell: (706) 201-1924</p> <p>Seth Baker Director of Customer Success seth@datavoiceint.com Office: (972) 390-8808</p>

16. Availability and Uptime Objectives:

Availability of the Software Hosting Services is defined as when the Software Hosting Services are operational and accessible via a public internet connection. The hosted solution leverages AWS cloud infrastructure, including EC2 and RDS instances with AWS-published availability of up to 99.5%, along with other AWS services used by Harris with availability of up to 99.9%. Harris strives to meet the same availability targets, and service credits will apply if they are missed in accordance with Section 19 of this Schedule "D". However, the Software Hosting Services may be unavailable during certain downtimes. Harris shall not be responsible for any failure to make the Software Hosting Services available under the following circumstances:

16.1 Routine scheduled downtime: Periods of time for the purpose of conducting routine system maintenance, which shall occur no more frequently than four times per month per Solution. In such event, Harris shall provide Organization with a minimum of five (5) business days prior to any period of scheduled downtime and shall use commercially reasonable efforts to limit any such routine system maintenance to weekends between the hours of midnight and 6 AM ET.

16.2 Emergencies:

"Emergency" means any actual or reasonably imminent event or condition that, if not immediately addressed, would reasonably be expected to result in:

(a) unauthorized access to, or compromise of, the Services, the underlying systems operated by Harris to deliver the Services, or Customer Data, including material security vulnerabilities or active threats.

(b) material degradation, interruption, or unavailability of the Services.

(c) loss, corruption, destruction, or irreversible compromise of Customer Data; or

(d) violation of applicable law, regulation, or mandatory security, audit, or compliance obligations,

in each case where delaying corrective action to provide prior notice or obtain Customer approval would materially increase the likelihood or impact of such harm.

Emergencies may be identified based on Harris's reasonable technical judgment using system monitoring, security alerts, operational metrics, performance indicators, or infrastructure or service health notifications relating to the Services or the systems operated by Harris to deliver the Services, including notifications from Harris's third-party infrastructure providers.

Notwithstanding any notice, approval, or change-management requirements set forth elsewhere in this Agreement, Harris may take such actions as Harris reasonably determines necessary to prevent, mitigate, contain, or remediate an Emergency ("Emergency Actions"), without prior notice to Organization, where

Harris reasonably determines that providing prior notice would materially delay response or increase risk or impact. Harris will use commercially reasonable efforts to notify Organization as soon as practicable of any suspension and will restore access as soon as reasonably feasible.

Emergency Actions may include proactive measures taken to prevent an Emergency that is reasonably likely to occur, including actions taken in response to detected vulnerabilities, threats, abnormal system behavior, capacity constraints, performance degradation, or availability risks affecting the Services or the systems operated by Harris to deliver the Services.

Emergency Actions may include, as applicable:

- (a) configuration, infrastructure, or operational changes to the Services or Harris-operated systems used to deliver the Services.
- (b) implementation or modification of security controls, access restrictions, or credential rotation applicable to the Services.
- (c) patching, isolating, restarting, scaling, failing over, or rerouting components of the Services.
- (d) temporary suspension or limitation of affected functionality; and
- (e) actions necessary to preserve the security, integrity, or availability of Customer Data.

Harris shall use commercially reasonable efforts to ensure that Emergency Actions are limited in scope and duration to those reasonably necessary to address the Emergency, are designed to minimize disruption to the Services, and do not materially alter the fundamental functionality of the Services.

For clarity, Emergency Actions do not include routine maintenance, planned upgrades, feature enhancements, performance optimizations, or cost-optimization activities, which shall remain subject to the standard notice and change-management provisions of this Agreement.

Emergency Actions taken in accordance with this Section shall not constitute a breach of this Agreement, a failure to meet service levels, or a violation of change-management or notice obligations.

The Organization acknowledges that Emergency Actions are intended to protect the Services and Customer Data and agrees to reasonably cooperate with Harris following an Emergency as reasonably necessary to support remediation or recovery.

- 16.3 Organization's network infrastructure: Organization's network infrastructure (equipment, software, or other technology) is failing or causing the Software Service to be unavailable. This includes Organization's connection to the Internet or an Internet failure beyond the control of Harris.

- 16.4 A breach of the Agreement by Organization, its employees, Subcontractors, or agents (“Customer Representatives”).
- 16.5 An error or negligence or intentional acts or omissions of Organization Representatives or Users.
- 16.6 Unforeseen capacity increases based on changes in Organization’s business processes or methods.

Any unplanned downtime not specified above will be included in the calculation of service availability.

17. Business Continuity and Disaster Recovery

Harris maintains a written Business Continuity and Disaster Recovery Plan (“BCP/DR Plan”) that addresses backup, disaster recovery, and continuity of operations for the Service. A summary of the BCP/DR Plan will be made available to Organization upon request. Harris may update the BCP/DR Plan from time to time at its discretion, which includes the information provided below on BCP/DR.

18. Hosting Service Availability Commitment

While the architectural implementations vary by solution, each Harris Business Unit abides by a consistent framework for a standardized set of hosting SLAs. The hosting SLAs are outlined in this Schedule “D”. These apply across the Harris solutions and reflect the end-to-end service commitment to Organization.

Each Business Unit’s product or module (Solution) provided by Harris has its own uptime criteria. Exclusions are listed in Section 16 above.

Solution	Hosting	Uptime Measurement Method	Monitoring Source
NorthStar (CIS)	AWS	Application container is up and running	Zabbix
SmartWorks (MDM)	AWS	Successful ingestion + validation transactions within expected processing thresholds	AWS CloudWatch; internal MDM telemetry
ServiceLink (MWM)	AWS	Availability of dispatch API and successful job assignment transactions	Zabbix
DataVoice (OMS)	AWS	Availability of event processing engine and outage map API endpoints	Nagios / Uptime Robot
SmartVX (Personalized Video)	Azure	Availability of authenticated portal and https://player.smartvx.com (HTTPS 200/OK)	Cloudflare, Azure Monitor

19. Hosting Service Credits Related to Uptime

19.1 If Service Availability falls below the stated commitment in any given month, the Organization may request a service credit as follows:

Monthly Uptime Percentage (per Solution)	Service Credit
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≥ 99.0%	0%
≥ 98.0% but < 99.0%	3%
≥ 97.0% but < 98.0%	5%
≥ 95.0% but < 97.0%	10%
< 95.0%	15%

Service Credits apply only to the portion of fees attributable to the affected Solution for critical services and are the sole and exclusive remedy for failure to meet the Service Availability Commitment.

19.1.1 Corresponding Downtime

Uptime	Downtime/Year (hrs)	Extra Downtime (hrs)	Downtime/Month (hrs)	Downtime/Week (hrs)	Downtime/Day (hrs)
99.0%	87.6	+43.8	7.30	1.68 (~1h 41m)	0.24 (~14 min)

19.2 Calculations

19.2.1 Uptime

$$\text{Monthly Uptime Percentage (MUP)} = \frac{(\text{Total Minutes} - \text{Downtime Minutes})}{\text{Total Minutes}} \times 100$$

19.2.2 Downtime

$$\text{Downtime} = (1 - \text{Uptime}) * \text{Total Time}$$

where:

Uptime is formatted in % as in table

Total time per year is 365 days * 24 hours = 8760 hours

Total time per month is 730 hours

Total time per week is 168 hours

Total time per day is 24 hours

19.3 Service Credit Claims

19.3.1 Claims must be submitted within 30 days after the month of occurrence.

19.3.2 Credits apply to future invoices and do stack across Solutions for the same underlying event if multiple Solutions are down.

19.3.3 Service Credits are not applied automatically and must reference the applicable outage event or incident number.

19.4 This Section 19 is specific to hosting availability uptime. Service Credits specific to Service Restoration are specified in Section 22 of this Schedule “D”.

20. Service Restoration Commitment

In the event of a service disruption, Harris will use commercially reasonable efforts to restore the affected hosted service in accordance with the estimated RTO and estimated RPO applicable to the impacted service under associated SLAs.

The estimated Restoration SLAs vary by service offering/tier and are determined based on service criticality, architecture, and resilience design using the following service tiers:

Service Tier	Severity	Notes
All Services	Critical	Highest impact: entire business affected
Critical	Critical	Single critical service down
Important	High	Key service affected but not business wide
Supporting	Medium	Minor service impacted, low business impact

20.1 NorthStar (CIS)

Service Tier	Estimated RTO	Estimated RPO	Notes
Critical Services (Core APIs, Data Processing Engine, Database, Clients)	≤ 4 hours	5 min for DB 24 hours for Files Systems	Core functionality for customer operations (one or more services)
Important Services (MDM, AMI)	≤ 8 hours		Functions required for normal operations
Supporting Services (Automation Platform, UIW, Batched Processes, Billprint, Integrations)	≤ 24 hours		Non-critical services supporting operations, may include container recovery
All Services (Complete site loss)	48 hours		Entire system restored, including secondary components

20.2 DataVoice (OMS)

Service Tier	Estimated RTO	Estimated RPO	Notes
Critical Services (OMS, IVR, Network Access)	≤ 4 hours	24 hours	Complete service unavailable
Important Services (Mobile Apps, VPN, Customer Facing Applications, 3 rd Party Integrations)	≤ 4 hours		Reduced functionality
Supporting Services (Documentation, Monitoring)	≤ 8 hours		Internal tools unavailable

All Services (Complete site loss)	48 hours		All services unavailable
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20.3 SmartWorks (MDM)

Service Tier	Estimated RTO	Estimated RPO	Notes
Critical Services (Meterdata Load, VEE, Datasync, Database, Webapp)	<24 Hours	< 1 Hour	Core functionality for business operations and billing
Important Services (Multispeak, Compass API)	<24 Hours	< 1 Hour	Additional functionality for data access
Supporting Services (Virtual Meter Calculation, Intelligent Segmentation)	<24 Hours	< 1 Hour	Additional services for data aggregation
All Services (Complete site loss)	<24 Hours	< 1 Hour	Complete service restoration following a major incident or disaster

20.4 Service Link (MWM)

Service Tier	Estimated RTO	Estimated RPO	Notes
Critical Services (Real-time dispatch, mobile execution)	≤ 6 hours	≤ 1 hour	These services directly impact field crews, outage response, and customer service operations.
Important Services (core APIs, production data sync)	≤ 16 hours	≤ 8 hours	Loss of these services degrades operational efficiency but does not completely halt field operations.
Supporting Services (Admin tools, configuration services, batch jobs, non-critical APIs, non-real-time integrations, supervisor tools)	≤ 24 hours	≤ 24 hours	These services support operations but do not directly affect live dispatch or field execution.
All Services (Aggregate commitment across the platform)	≤ 24 hours	≤ 24 hours	

20.5 SmartVX (Personalized Video)

Service Tier	Estimated RTO	Estimated RPO	Notes
Critical Services (Portal application, Database)	≤ 8 hours	≤ 1 hour	Core customer-facing functionality required for normal operations
Important Services (File storage, File Ingestion)	≤ 24 hours	≤ 1 hour	Supports ingestion and configuration processes

Supporting Services (Monitoring, logs, diagnostics)	≤ 48 hours	≤ 24 hours	Non-customer-facing observability services used for diagnostics, alerting, and audit support
All Services (Complete site loss)	≤ 48 hours	≤ 24 hours	Complete service restoration after Major Incident / Disaster Event

21. Exclusions to Restoration Metrics

RTOs and RPOs shall not apply where failure results from:

- Organization-caused issues or misconfiguration
- Third-party services outside Harris control
- Scheduled maintenance
- Force majeure events
- Customer delay in providing access or required information

22. Service Credits Related to Service Restoration

Service credits of 5% for the affected service will apply only if RTO and RPO SLA commitments for Critical incidents are missed, with a maximum cap of 10% per month. Credits are applied to the next invoice.

For a single critical incident if the SLA for a Solution is missed a 5% of that Solutions' monthly fee is credited and applied to the next invoice. If multiple incidents occur in a single month for that Solution each outage triggers a 5% credit, but the total credit will not exceed 10% of the monthly fee.

(Example: monthly fee is 100k: outage 1 results in 5k credit, outage 2 results in 5k credit, outage 3 results in 5k credit however the total credit is capped at 10% which is 10k).

Except as expressly set forth in this document, failure to meet the RTOs or RPOs shall not result in penalties or other financial remedies but is subject to Section 8.2.1 of the Agreement.

23. No Automatic Expansion

The addition of a new Business Unit or service shall not automatically subject such Business Unit or service to existing RTOs, RPOs, or Service Levels unless expressly stated in the applicable SLA table.

Schedule “E” - Third Party Software Licenses and Third-Party Software Terms

Certain services, software, or deliverables provided under this Agreement may incorporate or rely on third-party software, tools, or services (“Third-Party Software”). The applicable terms and conditions governing such Third-Party Software are available at the links provided by each company, as they may be updated from time to time, with notice provided by Harris to the Organization in accordance with Section 8.5 of the Agreement. This includes:

- Microsoft Azure:
Acceptable Use Policy: <https://www.microsoft.com/en-us/microsoft-365/legal/docid12>
Service Terms: <https://azure.microsoft.com/en-us/support/legal/>
- Amazon Web Services:
Acceptable Use Policy: <https://aws.amazon.com/aup>
Service Terms: <https://aws.amazon.com/serviceterms>
- IBM, Cognos: <https://www.ibm.com/legal?lnk=flg-tous-usen>

Schedule "F" - Information Security Program

Without limiting any other data security obligations in the Agreement, Harris shall implement and maintain a comprehensive, documented information security program ("Security Program") aligned with industry standards such as NIST, ISO 27001, or an equivalent framework. This Security Program must include physical, administrative, and technical safeguards designed to protect the confidentiality, integrity, availability, and security of the Organization's Data, the Organization's systems and networks, and any Harris systems with access to the Organization's Data. Harris is responsible for ensuring that each Subcontractor meets the requirements below, as applicable.

The Security Program shall meet the following requirements in all material respects, in all material respects as applicable:

1. Risk and Vulnerability Management. Harris shall:
 - 1.1 Conduct an information security risk assessment at least annually and whenever there is material change in their business or technology practices. Such assessments shall be documented.
 - 1.2 Allow the Organization to periodically assess Harris's security posture via one or more of the following, at the Organization's discretion:
 - Organization review of Harris's compliance and security documents, including but not limited to annual SOC 2 Type 2 report.
 - Upon request, Harris can provide an attestation letter from the Third Party confirming the penetration tests were executed.
 - Completion of an Organization-provided Cyber Security questionnaire by Harris;
 - 1.3 Maintain a register or matrix of risks and mitigation steps taken to reduce probability and/or impact of risks.
 - 1.4 Conduct continuous vulnerability assessments on systems where the Organization's Data is being hosted, stored, or processed.
 - 1.5 Prioritize high risk vulnerabilities over lower risk ones.
2. Data Collection, Retention, and Disposal. Harris shall:
 - 2.1 Limit Organization Data processed to what is needed in the provision of all services provided under the MSA.
 - 2.2 Prohibit storage of Organization Data on high-risk media outside Harris's physical or logical control such as portable media, staff personal devices, personal accounts, personal file sharing methods as appropriate.
 - 2.3 Implement appropriate Data Loss Prevention (DLP) controls to detect and prevent unauthorized removal of Organization Data from Harris's systems.
 - 2.4 Securely and irreversibly dispose of Organization Data whether stored on systems or media.

- 2.5 Back up Organization Data when not on Organization managed systems. Backups must be transferred and stored offsite using strong encryption.
- 2.6 Allow for the return of Organization data to the Organization within a reasonable period, at the request of the Organization.
3. Data Inventory. Harris shall maintain a current inventory of all principal equipment, hardware, software, cloud resources, and media used in the provision of all services provided under the MSA.
4. Awareness and Training. Harris shall ensure that their personnel and Subcontractors take security and privacy awareness training that addresses protecting the confidentiality, integrity and accessibility of the Organization's Data and systems, at least annually, and understand their roles and responsibilities. Personnel and third parties that will interact with the Organization's customers shall also take training in identity theft prevention.
5. Access Controls. Harris shall:
 - 5.1 Not share any Organization Data with any third parties except as permitted in the Agreement.
 - 5.2 Limit access to Organization Data and systems to Harris personnel and authorized third parties in accordance with the principle of least privilege.
 - 5.3 Have a multi-factor authentication framework, where feasible.
 - 5.4 At least quarterly, audit access rights to ensure only those who require access are provisioned with it.
 - 5.5 Strictly control privileged, administrator, or other elevated user access, and strictly forbid shared accounts to access Organization Data, especially as it pertains to accounts with elevated privilege.
 - 5.6 Prevent terminated personnel or third parties from accessing Harris's systems and Organization Data by terminating their physical and electronic access to Organization promptly.
 - 5.7 Harris personnel access to Organization systems, networks, and data must be provided using a Organization managed device or Organization Virtual Desktop Infrastructure ("VDI").
 - 5.8 Devices that access Organization Data must implement at least one centrally managed security control (e.g., strong passcode, biometrics, encryption, passkeys, or inactivity lock) and must also allow remote locking or wiping if lost or stolen.
 - 5.9 Harris is prohibited from storing Organization Data on publicly accessible internet storage locations such as cloud storage buckets without proper access controls.
6. User Authentication and Passwords. Harris shall:

- 6.1 Maintain security control over user IDs, passwords, and other authentication identifiers.
 - 6.2 Require strong passwords including requirements for minimum password length, lockout, expiration period, complexity, reuse, encryption, changing of default passwords, and security communication of and usage of temporary passwords.
 - 6.3 Block user access after multiple unsuccessful attempts to login.
 - 6.4 Assign unique user identification and passwords.
 - 6.5 Change all vendor supplied default passwords.
 - 6.6 Protect passwords by salting and hashing or an equivalently secure alternate method prior to storage. Use cryptographically strong algorithms when hashing passwords.
 - 6.7 Never allow hardcoding of passwords into scripts or software, even in pre-release versions of scripts or software.
 - 6.8 Require all users accessing Harris's internal or hosted network remotely to use a secure method of connection using multifactor VPN or equivalent connection method.
 - 6.9 Terminate user sessions after a predetermined period of inactivity.
7. Intrusion Detection and Response. Harris shall:
- 7.1 Maintain anomaly detection tools, relevant to Harris's systems which allow for reliable detection of anomalous events, which may include SIEM, IDS malware detection, behavior-based detection, and other relevant tools.
 - 7.2 Maintain current antivirus definitions and related updates to security detection tools to ensure up-to-date operation. Vendor shall maintain endpoint security controls, which shall include anti-malware, behavioral detection, and endpoint detection and response (EDR) capabilities, as appropriate to the risk profile of the services provided. Vendor shall apply relevant updates, signatures, and detection content in accordance with its established patch and update management procedures to keep such controls current. Vendor shall review and update its endpoint security controls periodically to reflect evolving threats and industry-standard practices
 - 7.3 Maintain policies and procedures that accurately describe the incident response process including detect, respond, and recover processes.
8. Encryption. Harris shall:
- 8.1 Ensure strong encryption of Organization Data using cryptographically strong encryption algorithm including Organization Data in motion, at rest, and in backups.

8.2 Safeguard the confidentiality, integrity, and security of all encryption keys associated with Organization Data and maintain cryptographic and hashing algorithm types, strength, and key management process consistent with industry practices.

9. Segregation of Data. Harris shall:

9.1 Implement controls to ensure Organization Data is not comingled with any other Harris customer data.

9.2 Impose logical and physical segregation of development and testing environments from production environments.

9.3 Use mock data in development and testing environments.

10. Network Security Controls. Harris shall:

10.1 Implementation of firewalls with stable and secure code between the organization's information systems, the internet, and other public networks.

10.2 Maintenance of intrusion detection systems (IPS/IDS).

10.3 Use of network segmentation to isolate sensitive systems and data.

11. Physical Security for Locations Accessing/Hosting Organization Data. Harris shall:

11.1 Maintain reasonable restrictions on physical access.

11.2 Implement clean desk policy, limit access to contractor personnel and authorized visitors, keep documents secured in locked office or file cabinet when not in use.

11.3 Lock workstations when unattended. Automatically lock workstations after reasonable inactivity.

11.4 Require visitors to prove identity, sign a visitor register, document reason for visit, person(s) visited and wear an identification badge for the duration of their stay. Visitors must be always escorted.

11.5 If the location hosts Organization Data and is not staffed 24x7, install alarms and entry point security cameras for off-hours access monitoring with recordings retained for at least thirty (30) days.

12. Artificial Intelligence. Harris shall:

Except as expressly agreed by the parties in a properly authorized Statement of Work (for example, by the purchase of AI solutions), Organization Data shall never be used to train AI models or on AI tools (either owned by Harris or a third party providing services under the Agreement).

13. Disaster Recovery/Business Continuity. Harris shall:

13.1 Harris shall:

- 1) Maintain Disaster Recovery and Business Continuity policies and procedures.
- 2) Develop Business Continuity Plans for all systems involved with the provision of the Provided Services.
- 3) Perform annual disaster recovery tests for systems involved with the provision of the Provided Services.

13.2 In the event of disaster or catastrophic failure that results in significant Data loss or extended loss of access to Data, Harris shall provide notice, by phone and through email, to the individuals identified in Section 8.5 of the Agreement. Harris shall provide such notification within twenty-four (24) hours after Harris reasonably believes there has been such a disaster or catastrophic failure. In the notification, Harris shall inform the Organization of:

- 1) The scale and quantity of the Data loss;
- 2) What Harris has done or will do to recover the Data and mitigate any deleterious effect of the Data loss; and
- 3) What corrective action Harris has taken or will take to prevent future Data loss.
- 4) If Harris fails to remedy the failure in an agreed upon timeframe, the Organization may exercise its options for assessing damages or other remedies under this Agreement.

13.3 Harris shall restore service in accordance with the RPO and RTO as set forth in this Agreement in Section 20 of Schedule "D".

13.4 Harris shall conduct an investigation of the disaster or catastrophic failure and shall share the report of the investigation with the Organization. The Organization and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. Harris shall cooperate fully with the Organization, its agents and law enforcement.

14. Data Breach.

14.1 A Data Breach is defined as any access, destruction, loss, theft, use, modification, or disclosure of Organization Data by an unauthorized party or that is in violation of the terms of this Agreement and/or applicable state or federal law.

14.2 Upon discovery of any Data Breach, Harris shall provide notice, by phone and through electronic mail, to the Organization in accordance with Section 8.5 of the Agreement. Harris shall provide such notification within the lesser of three (3) business days or the timeframe required by applicable laws and regulations after Harris reasonably believes there has been such a Data Breach. To the extent known at the time of notification, Harris's notice shall include to the extent known:

- 1) The nature of the Data Breach;
- 2) The Data accessed, used or disclosed;

- 3) The person(s) who accessed, used, disclosed and/or received Data (if known);
 - 4) What Harris has done or will do to quarantine and mitigate the Data Breach; and
 - 5) What corrective action Harris has taken or will take to prevent future Data Breaches.
- 14.3 Harris will provide daily updates, or more frequently if required by the Organization, regarding findings and actions performed by Harris until the Data Breach has been effectively resolved to the Organization's satisfaction.
- 14.4 Harris shall respond to the Data Breach as needed in accordance with Harris's - SLA set forth in this Agreement in Schedule "D". Failure to do so may result in the Organization exercising its options for assessing damages or other remedies under this Agreement. Harris shall make such incident response plans available to the Organization for review upon request.
- 14.5 Harris shall conduct an investigation of the Data Breach and shall share the report of the investigation with the Organization. The Organization and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. Harris shall cooperate fully with the Organization, its agents and law enforcement.

Schedule “G” - Sample Milestone Acceptance Document

This document template will be saved on the project SharePoint site for either a Harris or Grant project manager to initiate.

Organization Name:	Public Utility District No. 2 of Grant County, Washington	
Agreement No.:	130-13111	
Applicable SOW:		
Milestone No:		
Date Submitted:		
Due Date:		
Milestone Deliverables, Work Products, and Acceptance Criteria	Status (Accepted, Conditional Acceptance, or Rejected)	

Pursuant to Section 8.29.2 of the Agreement, this Milestone is:

Accepted. By signing below, Organization hereby accepts the Milestone set forth above. Harris shall invoice Organization for the total value of the above referenced Milestone in accordance with the terms and conditions of the Agreement.

Conditional Acceptance: If checked, please explain below:

[add any additional explanation of the exceptions and nonconformities driving the conditional acceptance]

The Parties have mutually agreed that:

- The items identified as Conditional Acceptance shall be completed by Harris no later than _____ at no additional cost to the Organization.
- X% of the Milestone fee, or \$_____, is authorized for payment upon the Organization’s execution of this MAD.

Rejected. If checked, please explain below:

Public Utility District No. 2 of Grant County, Washington

Signature: _____

Print Name: _____

Title: _____

Schedule “H” - Personnel Qualifications

The items listed below are based on minimum consulting, functional, and technical requirements for enterprise technology and professional consulting services. These roles are applicable to Customer Information System (CIS) implementations, technology engagements, system integrations, data and analytics programs, and related digital transformation efforts. In some cases, equivalent experience may be considered in place of minimum education requirements. Related experience may be substituted for education. Individual Statements of Work may require a higher level of education, certification, or experience based on project complexity, regulatory requirements, and delivery risk.

All roles described below are defined in the context of delivering enterprise technology solutions, business process optimization, and professional consulting services.

Program Manager

Minimum General Experience: Minimum of 5+ years of direct Project Management experience. Must have proven experience with the management of risk, change, issues, time, scope, resources, budget, and quality as well as an in depth understanding of all major activities for a system implementation such as analysis, design, development and deployment. Required experience with a formal project management methodology.

Functional Description: The Program Manager works closely with all Harris’ Business Unit Project Managers to align on objectives, manage client expectations, and drive outcomes. The role oversees multiple solution implementation workstreams, providing coordination and, where needed, direct execution support. Key activities include leading Business Unit kick-offs, facilitating customer functionality workshops, and conducting regular status meetings to ensure transparency and progress. The Program Manager develops and manages critical project deliverables such as acceptance criteria, training plans, testing strategies, and change requests, while also maintaining responsibility for project forecasting and administrative oversight. In addition, the role mentors team members and contributes to the continuous improvement of project management methodologies.

Post-implementation, the Program Manager leads reviews to assess performance, measure results, and capture lessons learned to drive ongoing process improvements. The role also serves as a key point of coordination across internal departments and third-party vendors.

Education: College diploma or University degree in a related technical field, and industry experience.

Project Manager

Minimum General Experience: Minimum of 5+ years of direct Project Management experience. Must have proven experience with the management of risk, change, issues, time, scope, resources, budget, and quality as well as an in depth understanding of all major activities for a system implementation such as analysis, design, development and deployment. Required experience with a formal project management methodology.

Functional Description: The Project Manager is responsible for leading and delivering successful utilities software implementation projects by coordinating cross-functional teams, managing client relationships, and ensuring alignment with project objectives. This role partners closely with Client stakeholders to guide project execution, maintain clear communication, and manage expectations throughout the project lifecycle.

Key responsibilities include overseeing multiple implementation workstreams, facilitating Business Unit kick-offs, leading customer workshops, and conducting regular status meetings to ensure progress and transparency. The Project Manager develops and manages critical project deliverables such as acceptance criteria, training plans, testing strategies, and change requests.

Post-implementation, the Project Manager leads review sessions to evaluate outcomes, measure success, and capture lessons learned, driving ongoing process improvements and ensuring long-term value for clients.

Education: College diploma or University degree in a related technical field, and industry experience.

Business / Application Consultants

Minimum General Experience: Minimum of 3 years experience in providing software implementation to the utility sector including assessing the client's business and application requirements, conducting a fit/gap analysis, and mapping the client's requirements to industry-standard business processes. Necessary skills include problem solving, critical thinking, analytical skills, and excellent verbal and written skills to communicate across all levels of an organization.

Note: The only difference is DataVoice will hire with a minimum of 2 years of experience.

Functional Description: Serves as the Business System Analyst responsible for conducting a fit/gap analysis, building processes to meet the client's requirements, configuring the Customer Information System, and training users in its functions. Contributes to organizational change management by providing delivery leadership and guidance and maintaining highly effective relationships with the core users and project sponsors. Works closely with the Business Unit's project manager and implementation team and facilitates communication between members of client and Business Unit teams. Ensures timelines, targets and deliverables are properly monitored and attained.

Education: Bachelor's degree in Business, Computer Science, Business Technology Management, Management Systems or equivalent industry experience.

Application Consultant / Software Developer (SmartVX specific)

Minimum General Experience: Minimum of 5+ years of professional experience in enterprise software development, including experience designing, developing, and supporting complex web-based applications. Demonstrated expertise in .NET technologies, database development, and secure enterprise system implementation across healthcare and large-scale commercial environments.

Functional Description: Serves as a Technical Consultant and Application Developer responsible for designing, developing, and supporting the platform(s) and associated integrations. Contributes to system architecture, application development, and performance optimization across both frontend and backend components. Works closely with project management, QA, and infrastructure teams to implement new functionality, resolve technical issues, and ensure secure, scalable system performance. Provides support for system configuration, troubleshooting, and ongoing platform enhancements during implementation and post-deployment phases

Education: Bachelor of Science, Computer Science or equivalent work experience

Technical Consultant (Integrations Specialist and Data Conversion Specialist)

Minimum General Experience: Minimum of 5 years' experience, demonstrated strong background in data management, computer science, or a related field, with hands-on experience in data migration projects and database systems such as SQL Server. Proficiency in data mapping, transformation logic, and scripting languages using SQL are essential skill requirements.

Functional Description: The role requires strong analytical and problem-solving skills to identify data inconsistencies and resolve conversion issues, as well as attention to detail to ensure data quality. Excellent communication skills are necessary to work with stakeholders, gather requirements, and explain technical processes to non-technical audiences. Experience with data validation, testing methodologies, and documentation practices is highly valued, along with the ability to manage multiple projects and meet tight deadlines.

Education: Bachelor's degree in business, Computer Science, Business Technology Management, Management Systems or equivalent industry experience.

Cloud Systems Administrator

Minimum General Experience: Minimum experience 3+ years in a Cloud System Administrator role and experience working with Microsoft SQL Server or a similar RDBMS.

The administrator role requires an individual with knowledge of networking concepts and technologies (DNS, VPN, Load Balancing), working knowledge of operating systems (Linux, Windows), experience with automation tools (Terraform, Ansible etc.), understanding of containerization technologies (Docker, Kubernetes) and proven hands-on experience with Cloud platforms (including migration from on-prem systems to the cloud). Other requirements include possessing strong scripting skills (Python, Bash, PowerShell), familiarity with CI/CD pipelines and DevOps practices and providing proof of certifications from top cloud providers (i.e. Cloud Practitioner/Architect/DevOps or specialty certifications in security, networking).

Functional Description: The role involves deploying and configuring cloud infrastructure resources—including virtual machines, storage, and networking—on platforms such as AWS or Azure, while actively participating in infrastructure management activities like continuous delivery, system monitoring, and ensuring overall performance, availability, and health. It includes

supporting the migration of products from on-premise environments to the cloud, implementing and managing robust security measures, and developing automation scripts using tools such as Terraform, Terragrunt, Ansible, and more. The position also focuses on optimizing resource utilization and cost efficiency, establishing cloud operations procedures including backup and disaster recovery (BCDR) plans, and managing production application deployments. Additionally, the role requires providing technical support, troubleshooting cloud infrastructure issues, and maintaining effective observability through monitoring tools. A key aspect is continuously improving existing cloud infrastructure while ensuring reliability, availability, performance, and data security. The role also emphasizes rapid incident recovery through well-defined operational processes and clear communication, alongside close collaboration with engineering, security, architecture, and other cross-functional teams to support organizational priorities and scale with a growing customer base.

Education: Bachelor's degree in business, Computer Science, Business Technology Management, Management Systems or equivalent industry experience.

Deployment Specialist

Minimum General Experience: Minimum of 5 years of experience in planning, coordinating, and executing the successful implementation of software or systems within client environments. Exhibits excellent problem-solving abilities, attention to detail, and the capacity to manage multiple deployments simultaneously while meeting deadlines. Has proven familiarity with project management methodologies, documentation practices, and client-facing environments. Has proficiency in troubleshooting, scripting, and working with deployment tools and cloud platforms. Utilizes strong communication skills to collaborate with cross-functional teams, other business units and modules and helps translate technical concepts for non-technical stakeholders, and provides user training and support.

Functional Description: A Technical Consultant specializes in data conversions and is responsible for designing, executing, and validating the migration of data between systems, or from a legacy system to the NorthStar CIS. Possesses a strong background in information technology, systems integration and related fields, along with experience in deploying applications and managing technical projects.

Education: Bachelor's Degree or Advanced Diploma in Business, Computer Science, Business Technology Management, Management Systems or equivalent industry experience.

Customer Service Manager

Minimum General Experience: Minimum of 5 years in a Management position [ideally in Software and the Utilities sector]

Functional Description:

- 5+ years of experience leading a multi-channel software support team.
- Recruit, train, and oversee support team output.

- Manage day-to-day support operations (queues, coverage, workflow, escalations)
- Continuously improve CSAT/NPS and core service KPIs.
- Ensure root cause is clearly defined; improve KB and self-service.

Education: Bachelor's Degree in Business, Information Systems, Computer Science, or a related field (or equivalent experience), with proven leadership experience in customer support environments; utilities industry experience preferred.

Manager of Professional Services

Minimum General Experience: Minimum of 5 years in Software Management position [ideally Software and the Utilities sector]

Functional Description:

- Lead, mentor, and develop a team of professional services consultants and project managers.
- Oversee the planning, execution, and delivery of multiple client projects simultaneously.
- Monitor the overall performance of the team by tracking and analyzing statistics and trends, providing reporting to the senior Management Team.
- Ensure achievement of clear, measurable objectives for the professional services team, monitor and measure these objectives regularly.
- Develop and implement best practices, standards, and processes to improve the efficiency and effectiveness of the professional services team

Education: Bachelor's degree in Business Administration, Computer Science, Project Management or a Diploma and combination of experience and certifications (i.e., PMP).