



**May 19, 2026**

2<sup>nd</sup>/3<sup>rd</sup> Tuesday - Workshop

8:30 a.m.	Executive Session
9:00 a.m.	Presentation Period
<b>12:00 p.m.</b>	<b>Lunch</b>
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](https://Grantpud.org/commission-meetings)

4<sup>th</sup> 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
<b>12:00 p.m.</b>	<b>Lunch</b>
1:00 p.m.	Business Meeting: <b>SAFETY BRIEF</b> <ul style="list-style-type: none"> <li>a. Pledge of Allegiance, Attendance</li> <li>b. Round Table-Trade Association, Correspondence, Public Comment Period</li> <li>c. Consent Agenda</li> <li>d. Approval of Vouchers</li> <li>e. Meeting minutes</li> <li>f. Agenda Items</li> </ul>
2:30 p.m.	Commission Period
3:30 p.m.	Commission Planning Period

**Workshop – Business Review**

Resolution XXXX – Authorizing the Acquisition by Condemnation of an Easement on Certain Real Property.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to approve agreement in Grant PUDs Participation in the Mid-C Geothermal Interlocal Cooperative Agreement authorizing up to \$7.3 million for Phases 1-3. (xxxx)

Motion authorizing payment of non-compliant purchase from NWPPA, invoice number 142058 dated March 31, 2026, in the amount of \$6,521.95. (xxxx)

**Business Meeting – Agenda Items**

**Adjournment**

# **CONSENT AGENDA**

# DRAFT

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

April 28, 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: 971096181# 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 and correspondence.

The Commission calendar was reviewed.

Bryndon Ecklund, Manager of Forecasting and Planning, and Amy Thompson, Manager of Treasury Operations, presented the Financial/Treasury Report.

The Commission recessed at 10:10 a.m.

The Commission resumed at 10:22 a.m.

The Commission engaged in a Business Review period.

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

Kieth Simovic, Engagement Reviewer Principal, Baker Tilly and Daniel Roberts, Audit Senior Manager Baker Tilly provided the Baker Tilly Audit Results presentation.

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

An executive session was announced at 12:08 p.m. to last until 12:55 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i), to review performance of a public employee pursuant to RCW 42.30.110(1)(g), 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 12:58 p.m. and the regular session resumed.

The Commission resumed at 1:06 p.m.

Correspondence was reviewed to include:

- Painted Hills Update

The Commission announced the public comment period. No members of the public chose to speak.

A round table discussion was held regarding the following topics:

- WPUDA Annual Meeting; this upcoming week
- Mid C Energy Expo; last week

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

Payment Number	164870	through	166118	\$100,099,868.85
Payroll Direct Deposit	33023	through	34888	\$6,235,624.31
Payroll Tax and Garnishments	20260401A	through	20260416A	\$2,779,945.31

Business Minutes from:

- March 24, 2026 Commission Meeting
- April 14, 2026 Commission Workshop
- April 21, 2026 Commission Workshop

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

Resolution No. 9118 relative to establishing an Open Access Transmission Tariff was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Wilson to approve Resolution No. 9118. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9118

A RESOLUTION ESTABLISHING AN OPEN ACCESS TRANSMISSION TARIFF

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. Section 211A of the Federal Power Act (16 U.S.C. § 824j–1) authorizes the Federal Energy Regulatory Commission (FERC) to require non-public utilities to provide transmission service on terms and conditions comparable to those they provide themselves and that are not unduly discriminatory, and consistent with the open-access principles established in FERC Order No. 888 that guide both jurisdictional and non-jurisdictional transmission providers nationwide;
3. Grant PUD desires to adopt an OATT to support compliance with federal open-access standards, reduce regulatory risk, and ensure transparent, standardized, and fair treatment of all transmission customers;

4. An Open Access Transmission Tariff (OATT) provides a clear and consistent framework for how Grant PUD offers transmission service. Although Grant PUD is not fully subject to federal transmission regulation, adopting an OATT demonstrates a commitment to equitable service and aligns Grant PUD with widely accepted industry practices; and
5. Grant PUD's executive leadership and Transmission Strategy and Development staff have reviewed the Open Access Transmission Tariff attached hereto and recommend that it be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that attached Open Access Transmission Tariff is hereby approved and adopted and shall be effective upon confirmation of Grant PUD's Transmission Service Provider (TSP) registration with NERC, which is anticipated to be June 22, 2026.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of April, 2026.

Resolution No. 9119 relative to amending rate schedules was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9119. After consideration, the motion passed by unanimous vote of the Commission.

#### RESOLUTION NO. 9119

#### A RESOLUTION AMENDING RATE SCHEDULE NO. 32, WHOLESALE POINT-TO-POINT TRANSMISSION SERVICE, AND RATE SCHEDULE NO. 33, WHOLESALE ANCILLARY SERVICES

#### Recitals

6. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
7. Rate Schedule Nos. 32 and 33 were adopted on January 25, 2022, pursuant to Resolution 8983;
8. Effective April 21, 2026, Rate Schedule No. 32 will be amended to reflect Open Access Transmission Tariff (OATT) language and terms, distinguish between firm and non-firm service, further break out rates into additional service intervals, and establish a new Unreserved Use Charge;
9. Effective April 21, 2026, Rate Schedule No. 33 will be amended to revise the title from Ancillary Services to Wholesale Ancillary Services, incorporate language and terms consistent with the OATT, add definitions, replaced Operating Reserves with separate Spinning and Supplemental categories, and include placeholders for future integration rates for additional technologies; and
10. Grant PUD's executive leadership and Transmission Strategy and Development staff have reviewed the amended Rate Schedule Nos. 32 and 33 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 amended Rate Schedule Nos. 32 and 33 are hereby approved and adopted and shall be effective April 21, 2026.

Section 2: Resolution 8983 is hereby superseded as it relates to Rate Schedule Nos. 32 and 33.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of April, 2026.

Resolution No. 9120 relative to accepting a bid and awarding a contract was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Wilson to approve Resolution No. 9120. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9120

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-12856HR, FOR CONSTRUCTION OF QUINCY TRANSMISSION EXPANSION PLAN (QTEP) MOUNTAIN VIEW EXPANSION - REBID

Recitals

11. Bids were publicly opened on March 19, 2026 for Contract 130-12856HR, for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid;
12. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - Michel's Pacific Energy: \$16,564,213.34
  - Ward Electric: \$18,186,417.23
  - Palouse Power: \$20,471,000.00
  - Potelco, Inc.: \$22,537,156.00
13. The low bid, submitted by Michel's Pacific Energy, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
14. The bid is less than the Engineer's Estimate of \$36,525,600.00; and
15. Grant PUD's Senior Manager of EPMO and Vice President of Business Advancement and Strategy concur with staff and recommend award to Michel's Pacific Energy as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 130-12856HR, for Construction of Quincy Transmission Expansion Plan (QTEP) Mountain View Expansion - Rebid with Michel's Pacific Energy, Inc. of Tumwater, Washington in the amount of \$16,564,213.34 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of April, 2026.

Resolution No. 9121 relative to the execution of a Collective Bargaining Agreement was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Flint to approve Resolution No. 9121. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9121

A RESOLUTION AUTHORIZING THE EXECUTION OF A COLLECTIVE BARGAINING  
AGREEMENT BETWEEN GRANT PUD AND LOCAL UNION 77 OF THE INTERNATIONAL  
BROTHERHOOD OF ELECTRICAL WORKERS

Recitals

16. RCW 54.04.170 and 54.04.180 authorize Grant PUD and its employees to enter into collective bargaining;
17. Central Washington Public Utilities (CWPU) is an association organized for the purpose of collective bargaining on behalf of several public utilities including Grant PUD;
18. Local Union 77 of the International Brotherhood of Electrical Workers (IBEW Local 77) is the sole and exclusive bargaining agency with respect to rates of pay, hours of work and other conditions of employment for those employees covered by the classifications set forth in Article 9 of the existing collective bargaining agreement;
19. Representatives of Grant PUD and IBEW Local 77 have been negotiating over wages, hours and working conditions for bargaining unit personnel and during the course of negotiations, Grant PUD's Vice President of Human Resources & Chief Human Resources Officer and Labor Relations Manager entered into the following tentative agreements with the IBEW Local 77 Business Manager in order to facilitate settlement: Grant PUD Tentative Agreement dated March 2, 2026;
20. On April 4<sup>th</sup>, 2026 a majority of the bargaining unit employees ratified a new collective bargaining agreement proposal consisting of the changes outlined in the tentative agreement referred to above, which will become effective upon ratification of both parties with wage components being retroactive to April 1, 2026 in compliance with the agreement and Collective Bargaining Agreement;
21. Notice has been given of the excess compensation provisions of this Contract pursuant to RCW 41.50.152; and
22. Grant PUD's Vice President of Human Resources & Chief Human Resources Officer, Labor Relations Manager, and the negotiating team are of the opinion that the proposal should be approved in consideration of future services to be provided by the bargaining unit after the date of ratification, and that the contract proposal ratified by the bargaining unit employees is reasonable and in the best interests of Grant PUD.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the President and Secretary of the Commission are authorized to sign on behalf of Grant PUD a three (3) year collective bargaining agreement with IBEW Local 77 consistent with the attached tentative agreement effective upon commission approval through March, 31, 2029

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of April, 2026.

Resolution No. 9122 relative to amending Grant PUD's Cross-Connection Control Program was presented to the Commission. Motion was made by Commissioner Flint and seconded by Commissioner Cox to approve Resolution No. 9122. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9122

## A RESOLUTION AMENDING GRANT PUD'S CROSS-CONNECTION CONTROL PROGRAM

Recitals

1. Grant PUD owns and operates several small public water systems including Wanapum and Priest Rapids Dams and related facilities, Getty's Cove, and Moses Lake Service Center, and also owns the facilities and plumbing systems that deliver the water to the consumers; and
2. Grant PUD is responsible for providing water that meets Washington State water quality standards to all consumers occupying or visting Grant PUD's premises; and
3. Grant PUD is responsible under WAC 246-290-490 for protecting the water distribution system from contamination by the adoption and implementation of a cross-connection control program ("Program"); and
4. On January 11, 2010, the Commission adopted a Program via Resolution 8450; and
5. Grant PUD desires to update the Program for alignment with the most recent edition of the Pacific Northwest Section-American Water Works Association Cross-Connection Manual; and
6. Grant PUD leadership has reviewed the updated Program attached hereto and recommends that it 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 Cross-Connection Control Program is hereby adopted and approved and shall be effective May 1, 2026.

Section 2. As of May 1, 2026, Resolution 8450 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28<sup>th</sup> day of April, 2026.

The Commission recessed at 1:20 p.m.

The Commission resumed at 1:30 p.m.

Jeff Grizzel, Senior Vice President of Power and Market Operations, presented the Columbia River Treaty presentation.

An executive session was announced at 1:55 p.m. to last until 2:30 p.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).

There being no further business to discuss, the Commission adjourned at 2:31 p.m. on April 28 and reconvened on Monday, May 11 at Big Bend Community College, Moses Lake, for the purpose of attending the Central Washington Energy Summit and any other business that may come before the Commission with Commissioner Schaapman present.

There being no further business to discuss, the Commission recessed at 3:32 p.m. on May 11 and reconvened on Tuesday, May 12 at 8:30 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, 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, Judy Wilson, and Nelson Cox.

There being no further business to discuss, the Commission recessed at [redacted] on May 12 and reconvened on Tuesday, May 19 at 8:30 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, for the purpose of holding a Commission Workshop/Meeting and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Terry Pyle, Larry Schaapman, Judy Wilson, and Nelson Cox.

A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the April 28 meeting officially adjourned at [redacted] on May 19, 2026.

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Larry Schaapman, President

ATTEST:

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Nelson Cox, Secretary

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Judy Wilson, Vice President

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Tom Flint, Commissioner

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Terry Pyle, Commissioner

# Draft – Subject to Commission Review

## REGULAR WORKSHOP OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

May 12, 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: 648568034# 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.

Rich Flanigan, Vice President of Energy Supply Markets; Andrew Munro, Senior Manager of Industry and Marketing; Kevin Marshall, Project Specialist X; David Dempsy, Engineer V and Brett Lenz, Manager of Cultural Resources gave a Geothermal 101 presentation.

The Commission recessed at 9:59 a.m.

The Commission resumed at 10:08 a.m.

Rey Pulido, Vice President of Power Productions Operations and Ross Hendrick, Director of Environmental Affairs, presented on the Priest Rapids Oil Discharge Root Cause Report.

Ross Hendrick, Director of Environmental Affairs, gave a presentation on the Environmental Affairs Quarterly Business Report.

Brett Lenz, Manager of Cultural Resource, presented the Wanapum Relations Report.

An executive session was announced at 11:17 a.m. to last until 12:55 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 p.m. and the regular session resumed.

The Commission resumed at 1:03 p.m.

WSAO State Audit group gave the Energy Entrance Exam.

Crystal James, Customer Solutions and Brad Harshman, Senior GIS Analyst were recognized for their 20+ years of service work to Grant PUD.

The Commission recessed at 2:02 p.m.

The Commission resumed at 2:07 p.m.

Jesus Lopez, Senior Manager of Transmission and Susan Manville, Director of Transmission provided the Moses Lake Transmission Expansion Plan (MTEP).

Julie Pyper, Vice President of Business Advancement and Strategy and Aaron Kuntz, Senior Manager of EPMO gave the Business Advancement and Strategy Quarterly Business Report.

Aaron Kuntz, Senior Manager of EPMO and Cary West, Senior Manager of Customer Solutions, gave the Commission an overview of the ERP+ Customer Contract [Paymentus].

An executive session was announced at 2:57 p.m. to last until 3:30 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 p.m. and the regular session resumed.

There being no further business to discuss, the May 12 workshop officially recessed at 3:32 p.m.

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Larry Schaapman, President

ATTEST:

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Nelson Cox, Secretary

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Judy Wilson, Vice President

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Tom Flint, Commissioner

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Terry Pyle, Commissioner

# Commission Review – 4/14/2026

## RESOLUTION NO. XXXX

### 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 26<sup>th</sup> day of May, 2026.

\_\_\_\_\_  
President

ATTEST:

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Secretary

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Vice President

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Commissioner

\_\_\_\_\_  
Commissioner

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 19, TOWNSHIP 20 NORTH, RANGE 24 EAST OF THE WILLAMETTE MERIDIAN, GRANT COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 2.5-INCH BRASS CAP MONUMENT FOUND MARKING THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SECTION 13 OF TOWNSHIP 20 NORTH, RANGE 23 EAST, W.M., THENCE RUNNING A WASHINGTON STATE PLANE SOUTH ZONE GRID BEARING OF N00° 25'20"W ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 13 A DISTANCE OF 80.37 FEET TO THE NORTHWEST CORNER OF FARM UNIT 151 OF IRRIGATION BLOCK 72, COLUMBIA BASIN PROJECT, AND BEING THE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE CONTINUING ALONG SAID EAST LINE N00° 25'20"W A DISTANCE OF 270.92 FEET TO A 2.5-INCH BRASS CAP MONUMENT FOUND MARKING THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 19 OF TOWNSHIP 20 NORTH, RANGE 24 EAST; THENCE ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER OF SECTION 19 N89°24'48"E A DISTANCE OF 474.76 FEET TO THE INTERSECTION WITH THE NORTHWESTERLY SIDELINE OF FARM UNIT 151 OF IRRIGATION BLOCK 72, COLUMBIA BASIN PROJECT; THENCE S59°44'34"W ALONG SAID NORTHWESTERLY SIDELINE OF FARM UNIT 151 A DISTANCE OF 547.30 FEET TO THE POINT OF BEGINNING.

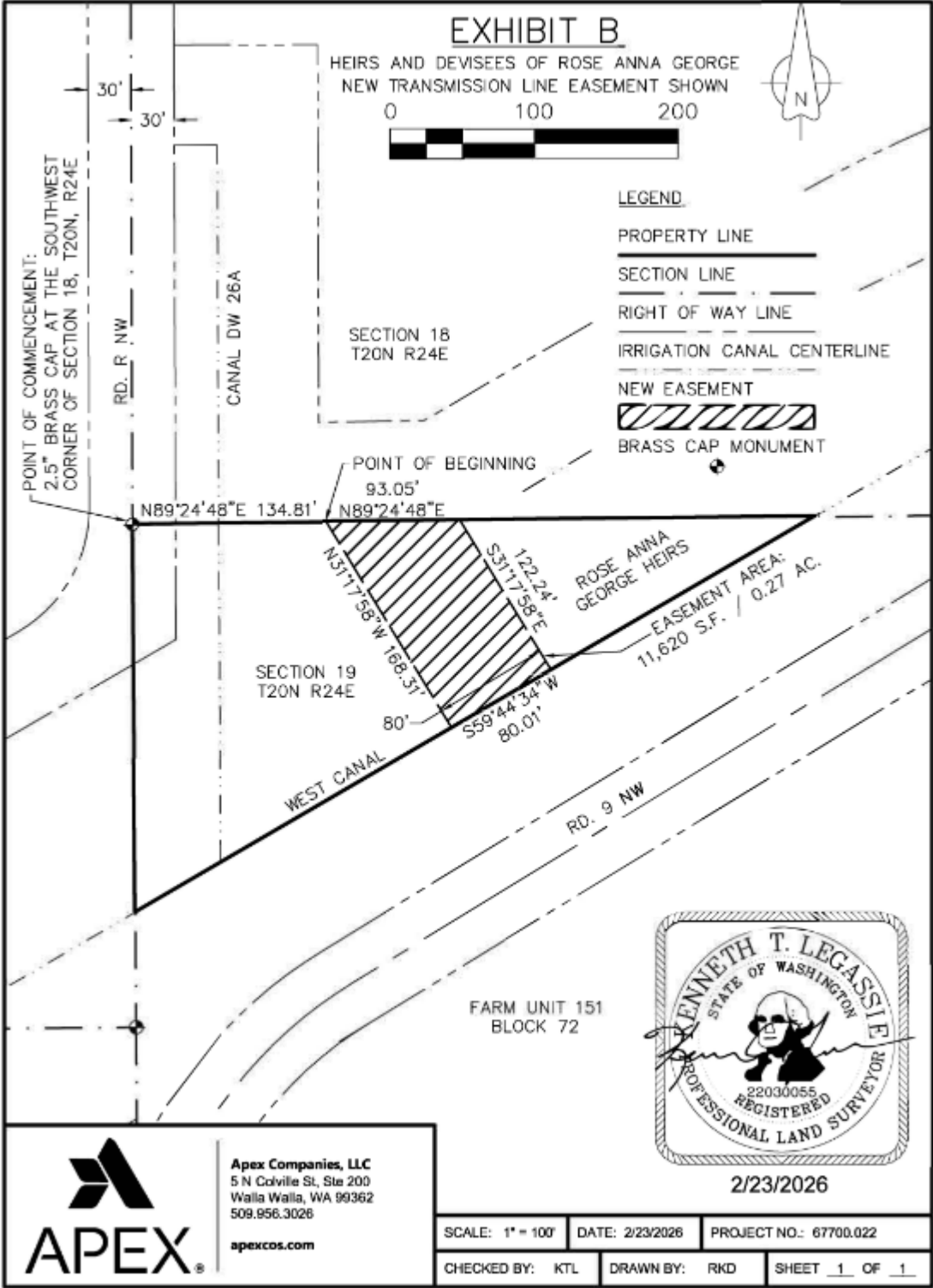
**EXHIBIT B**  
EASEMENT AREA LEGAL DESCRIPTION AND MAP

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 19, TOWNSHIP 20 NORTH, RANGE 24 EAST OF THE WILLAMETTE MERIDIAN, GRANT COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 2.5 INCH BRASS CAP MONUMENT AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 18 OF SAID TOWNSHIP AND RANGE, THENCE RUNNING A WASHINGTON STATE PLANE SOUTH ZONE GRID BEARING OF N89°24'48"E ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 18 A DISTANCE OF 134.81 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE CONTINUING ALONG SAID SOUTH LINE N89°24'48"E A DISTANCE OF 93.05 FEET; THENCE DEPARTING SAID SOUTH LINE S31°17'58"E A DISTANCE OF 122.24 FEET TO THE NORTHWESTERLY SIDELINE OF FARM UNIT 151 OF IRRIGATION BLOCK 72, COLUMBIA BASIN PROJECT; THENCE S59°44'34"W ALONG SAID NORTHWESTERLY SIDELINE A DISTANCE IF 80.01 FEET; THENCE N31°17'58"W A DISTANCE OF 168.31 FEET TO SAID SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 18 AND THE POINT OF BEGINNING.

HAVING AN AREA OF 11,620 SQUARE FEET, OR 0.27 ACRES.



**MEMORANDUM**

April 3, 2026

**TO:** John Mertlich, General Manager/Chief Executive Officer

**FROM:** Mitch Delabarre, General Counsel/Chief Legal Officer



**SUBJECT:** Acquisition by condemnation of certain easement rights

**Purpose:** To request Commission approval for the acquisition by condemnation of certain easement rights necessary for Grant PUD to construct the Wanapum to Mountain View 230kV transmission line.

**Discussion:** An easement on the property specified in Exhibits A and B of the resolution has been identified as necessary to complete the Wanapum to Mountain View 230kV transmission line, which is a component of Grant PUD's Quincy Transmission Expansion Plan (QTEP). The easement is required to locate poles or other facilities for transmission, distribution, and fiber to support Grant PUD's bulk electric system.

This property has lacked identified ownership and/or tax assessments on the Grant County Assessor's tax rolls for several decades. The last record of vested ownership is Rose Anna George in 1950. As Grant PUD has been unable to locate an owner of the property to negotiate acceptable terms to acquire an easement, staff feels condemning these property rights for public use is necessary to complete the Wanapum to Mountain View 230kV transmission line and support electrical load growth in Quincy.

In lieu of direct notice, constructive notice will be provided to the heirs and devisees of Rose Anna George, deceased, and all persons claiming an interest via legal notice. The legal notice will be published in the Columbia Basin Herald and the Wenatchee World once a week for two successive weeks before the final action.

**Recommendation:** Commission approval for the acquisition by condemnation of certain easement rights on real property is necessary for Grant PUD to construct the Wanapum to Mountain View 230kV transmission line.

Motion 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.

xxxx

jeff

<b>Program / Project</b>	<b>Mid-C Geothermal Interlocal Cooperative Agreement</b>
<b>Contract (if applicable)</b>	<b>ILA</b>
<b>Vendor / Partner (if applicable)</b>	<b>Chelan PUD, Douglas PUD</b>
<b>Contract Value / Investment</b>	<b>Projected NTE of \$7.3 million</b> (Grant PUD share of \$22 million feasibility budget)
<b>Decision Requested</b>	<b>Approve the Mid-C Geothermal Interlocal Cooperative Agreement and Cost Sharing Framework</b>
<b>Key Dates (as of this document)</b>	<ul style="list-style-type: none"> <li>• <b>Decision needed by: April 2026 (Desired decision timing for all three PUDs)</b></li> <li>• <b>Start/NTP:</b> Date the ILA and NDA are signed by all three PUDs</li> <li>• <b>Target completion:</b> <ul style="list-style-type: none"> <li>○ <b>Feasibility Study Completion:</b> Within three years of ILA execution.</li> <li>○ <b>Agreement Duration:</b> Five years after study completion for development-rights administration</li> </ul> </li> </ul>

**Executive Summary**

The primary purpose of the **Mid-C Geothermal Interlocal Cooperative Agreement (ILA)** is to determine the economic and technical feasibility of developing a geothermal power plant in Central Washington. Grant PUD, Chelan PUD, and Douglas PUD will jointly conduct geothermal surveys and exploratory drilling to assess whether geothermal resources can provide low-cost, reliable, 24/7 carbon-free baseload energy that complements the region’s hydropower portfolio and supports long-term reliability and decarbonization goals.

The ILA establishes coordinated study areas, a shared cost structure, and a framework for future development rights. Grant PUD’s maximum financial exposure is **\$7.3 million**, representing its one-third share of the \$22 million feasibility budget. Joint participation significantly reduces cost and risk compared to independent exploration.

If Grant PUD delays or declines participation, it risks losing development rights for enhanced geothermal systems (EGS) in Central Washington, forfeiting cost-sharing benefits, and falling behind regional partners in planning for firm clean-energy resources. The effort is time-sensitive due to seasonal drilling windows, permitting timelines, and the need to complete geophysical work before drilling. The ILA also strengthens operational alignment with Chelan and Douglas PUDs, positioning the Mid-C region for future collaboration on transmission, grid infrastructure, and long-term clean-energy planning.

**Scope Clarification:** The ILA outlines a five-phase study structure; however, this approval covers only Phases 1–3 of the feasibility effort. Any advancement to Phases 4–5, including confirmation wells and business-case development, would require future Commission authorization. **Contract Needs:** Major procurements required under the ILA (Chelan PUD as lead) include:

- **Geophysical Surveys (Gravity & Magnetotelluric)** – Professional services for field data collection and analysis.
- **Drilling Services** – Temperature gradient (TG) well drilling, rig mobilization, and on-site preparation.
- **Geological Consulting** – Subsurface modeling, data interpretation, and on-site drilling support.
- **Environmental & Permitting Support** – DNR and Ecology permitting, tribal coordination, and landowner access.
- **Data Modeling & Business Case Development** – Phase 5 feasibility analysis and 10% design support.

**TO:** John Mertlich, General Manager/CEO

**FROM:** Andrew Munro, Senior Manager of ESM Research & Engineering

**CONSULT:** Jeff Grizzel, Senior VP of Power & Market Operations  
Rich Flanigan, VP of Energy Supply Markets  
Dave Dempsey, Engineer V  
Brett Lenz, Manager of Cultural Resources  
Kevin Marshal, Project Specialist X

**SUBJECT:** Approval to Enter into the Mid-C Geothermal Interlocal Cooperative Agreement

**SUMMARY:**

The primary purpose of the **Mid-C Geothermal Interlocal Cooperative Agreement (ILA)** is to determine the economic and technical feasibility of developing a geothermal power plant in Central Washington. Grant PUD, Chelan PUD, and Douglas PUD will jointly conduct geothermal surveys and exploratory drilling to assess whether geothermal resources can provide low-cost, reliable, 24/7 carbon-free baseload energy that complements the region's hydropower portfolio and supports long-term reliability and decarbonization goals.

The ILA establishes coordinated study areas, a shared cost structure, and a framework for future development rights. Grant PUD's maximum financial exposure is **\$7.3 million**, representing its one-third share of the \$22 million feasibility budget. Joint participation significantly reduces cost and risk compared to independent exploration.

If Grant PUD delays or declines participation, it risks losing development rights for enhanced geothermal systems (EGS) in Central Washington, forfeiting cost-sharing benefits, and falling behind regional partners in planning for firm clean-energy resources. The effort is time-sensitive due to seasonal drilling windows, permitting timelines, and the need to complete geophysical work before drilling. The ILA also strengthens operational alignment with Chelan and Douglas PUDs, positioning the Mid-C region for future collaboration on transmission, grid infrastructure, and long-term clean-energy planning.

**Purpose / Ask:**

Approve Grant PUD's participation in the **Mid-C Geothermal Interlocal Cooperative Agreement**, authorizing up to **\$7.3 million** for feasibility studies across Phases 1–3, with future phases requiring additional Commission approval.

- **Budget Request:** Up to \$7.3 million [O&M] for Grant PUD's share of the three-year geothermal feasibility effort under the ILA.
- **Cost Type:** Operating expense (O&M) – exploratory work that does not create a capital asset.

**Note on Phases 4–5:**

While the ILA defines the full geothermal study structure (Phases 1–5), the current request covers only Phases 1–3. Phases 4–5, including confirmation wells and the business case, are not funded or authorized under this action and will require separate Commission approval if the feasibility results support continued development.

**Core Issue:**

Grant PUD requires new firm, carbon-free resource options to support long-term reliability, meet decarbonization expectations, and diversify its portfolio. Geothermal is a promising but high-cost resource requiring coordinated regional exploration.

**Recommendation:**

Approve participation in the ILA to jointly conduct geothermal feasibility studies with Chelan and Douglas PUDs.

**Consequence of Deferral:**

Grant PUD would lose cost-sharing benefits, fall behind regional partners, risk forfeiting development rights in Central Washington, and weaken operational alignment with Mid-C neighbors. Solo exploration would cost roughly three times more and carry significantly higher risk.

**Options Considered & Rationale:**

- Participate in ILA (recommended)
- Solo exploration in Grant County
- Status quo (no exploration)

**High-Level Impact:**

- Reduces Grant PUD's exploration cost by ~67%
- Preserves development rights
- Supports long-term clean energy planning
- Provides shared access to high-value geophysical and drilling data

**Urgency & Timing:**

- Seasonal drilling windows, permitting timelines, and partner schedules require approval by April 23, 2026.

**Business Owner & Stakeholders (internal & external):**

- **Executive Sponsor:** Rich Flanigan
- **Business Owner:** Andrew Munro
- **PM:** Dave Dempsey
- **SMEs:** Munro, Dempsey, Marshall, Lenz
- **Internal Stakeholders:** Power Supply, Engineering, Finance, Environmental, Legal
- **External Stakeholders:** Chelan PUD, Douglas PUD, DNR, Ecology, Tribes, landowners
- **Chelan PUD Project Manager:** Abra O'Leary (Chelan PUD) serves as the full-time Project Manager for the Mid-C ILA and is responsible for tracking overall scope, budget, and schedule across all participating PUDs.

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**BACKGROUND (Context & Facts):**

Grant PUD's resource portfolio is currently reliant on hydropower, which is low-cost and carbon-free. In anticipation of significant regional load growth, the utility will require new sources of firm, clean energy and capacity. To maintain long-term reliability and meet future clean energy expectations, Grant PUD must evaluate additional firm, carbon-free resources that can operate independently of river flows. Geothermal is one of the few resources capable of providing 24/7 baseload output, but its viability depends on subsurface conditions that cannot be confirmed without extensive

exploration. This feasibility effort specifically evaluates **enhanced geothermal systems (EGS)** potential in Central Washington, targeting hot, low-permeability rock formations rather than conventional hydrothermal reservoirs.

**How we arrived here:**

From 2024–2025, Chelan and Douglas PUDs completed preliminary geothermal assessments and early regulatory engagement. These efforts showed potential across Central Washington but also revealed that no single PUD has enough data to determine feasibility on its own. Because deep geothermal exploration is expensive and technically complex, the three utilities developed the Mid-C Geothermal Interlocal Cooperative Agreement (ILA) to coordinate study areas, share costs, and jointly collect geophysical and drilling data.

**Issue with the current business operating model:**

Grant PUD lacks the subsurface data, technical certainty, and financial structure needed to evaluate geothermal resources independently. Pursuing exploration alone would cost significantly more, increase risk, and limit access to regional data essential for accurate modeling. The current model also lacks a mechanism for coordinated planning with neighboring PUDs, increasing the likelihood of duplicative work and inconsistent development decisions. The ILA addresses these gaps by creating a shared exploration framework that reduces cost, improves data quality, and preserves development rights.

**Core Issue & Focus:**

Grant PUD has a strategic interest in evaluating firm, carbon-free resources to complement its hydropower resources and meet long-term reliability and decarbonization needs. Geothermal potential exists in Eastern Washington, but exploration is capital-intensive and requires coordinated regional data. Because the outcome is uncertain and no asset will be placed in service, Phase 1–3 activities are treated as O&M exploratory work.

**Resource / Process / System:**

The resource under evaluation is **geothermal energy**, which provides 24/7 baseload output. Unlike wind or solar, geothermal can operate continuously and is not dependent on hydrologic conditions. However, geothermal viability depends entirely on subsurface geology, which cannot be confirmed without extensive geophysical surveys and exploratory drilling.

**Condition / Problem:**

Grant PUD currently lacks the subsurface data needed to determine whether geothermal resources in Grant and Adams Counties are economically viable. Exploration is technically complex and extremely expensive—particularly drilling, which can cost several million dollars per well. Conducting this work independently would expose Grant PUD to high financial risk and limit access to regional data needed for accurate modeling.

Meanwhile, Chelan and Douglas PUDs are pursuing similar investigations in adjacent counties. Without a coordinated approach, each utility would spend more, learn less, and risk making inconsistent development decisions. The absence of shared data also increases the likelihood of redundant drilling and inefficient site selection.

The Interlocal Cooperative Agreement directly addresses this problem by creating a shared, region-wide exploration framework that reduces cost and risk for all three PUDs while ensuring Grant PUD retains development rights in its own service territory.

**Direct Impacts:**

- **Internal:** Power Supply, Engineering, Finance, Environmental, Legal, Lands
- **External:** Chelan PUD, Douglas PUD, DNR, Ecology, Tribes, landowners, regional clean energy stakeholders

**History & Macro-scope:**

- Preliminary geothermal assessments conducted 2024–2025
- Increasing regional and national interest in geothermal as firm clean energy
- State policy and decarbonization goals emphasize non-emitting baseload resources
- The ILA formalizes collaboration and cost-sharing across three PUDs

**Timeline & Trends:**

- The ILA requires the feasibility study (Phases 1–3) to be completed within three years, with an additional five-year period after study completion during which development rights and data-sharing obligations remain in effect.
- Drilling windows are constrained by weather and permitting.
- Geophysical surveys must precede drilling site selection.

**Program or Sub-project Status:**

- Preliminary data collection completed
- Site screening underway
- No recent drilling has occurred in Chelan or Douglas Counties
- Limited drilling unrelated to the ILA has occurred in Grant County, suggesting viable geothermal temperatures exist at depth; however, specific details are unknown.

**Internal Stakeholders:**

- **Energy Supply & Marketing** – Uses feasibility results for long-term resource planning, portfolio diversification, and firm clean-energy strategy.
- **Engineering** (ESM Research, Power Production, Power Delivery, Transmission) – Reviews geophysical data, drilling plans, and site feasibility.
- **Environmental & Permitting** – Leads SEPA/NEPA, land access, and environmental compliance.
- **Finance & Accounting** – Manages cost-share invoicing, budget tracking, capital planning, and CCA transfers.
- **Legal & Contracts** – Oversees ILA compliance, PRA requirements, landowner agreements, and risk management.
- **Communications & Public Affairs** – Coordinates messaging with landowners, Tribes, and community stakeholders.
- **Executive Leadership** – Provides strategic oversight and ensures alignment with Grant PUD’s long-term resource strategy.

**External Stakeholders:**

- **Chelan PUD & Douglas PUD** – Joint partners responsible for study leadership and for cost-sharing.
- **Washington State Department of Natural Resources (DNR)** – Issues drilling and land-use permits.
- **Washington State Department of Ecology** – Oversees water-related permits and environmental compliance.
- **Tribal Stakeholders** – Wanapum, Yakama Nation and Colville Tribes.
- **Local Landowners** – Provide access for surveys, drilling sites, and field work.
- **County Governments** – Support land-use approvals and road access.

- **Geophysical and Drilling Contractors** – HERO, Power Planet, Quaise (if feasible) and drilling service providers.
- **Regional Clean Energy Stakeholders** – State agencies, planners, and utilities.

#### **Customer & Community Impact:**

- **Grant PUD Customers** – Benefit from long-term reliability, resource diversification, and potential access to firm, carbon-free energy.
- **Local Communities** – May experience temporary field activity but stand to benefit from future clean-energy development and associated economic activity.

#### **Assumptions & Constraints:**

The geothermal feasibility effort relies on several key assumptions and is subject to constraints that influence cost, schedule, and technical outcomes. These assumptions are explicit and rationalized to ensure transparency in decision-making.

#### **Assumptions**

- **CCA funding may offset costs.**  
Grant PUD anticipates that a portion of its \$7.3M (O&M) cost share may be eligible for Climate Commitment Act (CCA), reducing net ratepayer impact.
- **Geophysical data will materially improve drilling decisions.**  
The project assumes that gravity and MT surveys will meaningfully refine subsurface models, enabling more accurate site selection and reducing the risk of drilling non-productive wells.
- **Shared data improves regional outcomes.**  
The ILA assumes that pooling geophysical and drilling data across three counties will produce a more accurate regional geothermal model than any PUD could develop independently.
- **Study data is jointly owned and accessible.**  
All study data will be shared among the PUDs, enabling coordinated planning and future development discussions.

#### **Constraints**

- **Land access and permitting timelines may vary.**  
Access to private property, DNR lands, and tribal areas may require extended negotiation and could delay survey or drilling activities.
- **Drilling depth uncertainty in Grant County.**  
Basalt thickness and subsurface conditions in Grant County are not yet well-defined. Actual drilling depth may be shallower or deeper than modeled, affecting cost and schedule.
- **PRA requirements limit confidentiality.**  
Although the ILA includes confidentiality provisions, all parties remain subject to the Washington Public Records Act. Some proprietary data provided by private contractors or landowners may be exempt from disclosure, but such determinations depend on the specific PRA exemption and must be evaluated individually.
- **Seasonal and weather constraints.**  
Drilling and some survey activities must occur during specific seasonal windows, limiting schedule flexibility.
- **Multi-PUD coordination.**  
Progress in one study area may depend on the timing and resource availability of partner PUDs, creating interdependencies that must be managed.

**Prior Action(s):**

Several foundational activities have already been completed or initiated, establishing a strong basis for the proposed ILA and feasibility study.

**Completed or In-Progress Actions****• Preliminary geothermal assessments (2024–2025).**

HERO and Power Planet completed initial data collection, subsurface modeling, and early site screening across Central Washington.

**• Development of a regional 3D geophysical model.**

Chelan and Douglas PUDs, with consultant support, developed preliminary models to identify promising geothermal zones.

**• Initial permitting and regulatory engagement.**

Early discussions with DNR and Ecology have clarified permitting pathways for gravity/MT surveys and drilling activities.

**• Tribal outreach initiated.**

Chelan PUD has met with the Colville Tribes.

**• Landowner identification and early access coordination.**

Preliminary mapping of landowners and mineral rights holders has begun in all three study areas.

**• Drafting and negotiation of the Interlocal Cooperative Agreement.**

Legal teams from all three PUDs have collaborated to produce the ILA, including cost-sharing, development rights, and dispute resolution provisions.

**• Feasibility budget development.**

A detailed Phase 1–5 cost model has been jointly developed, including drilling estimates, survey costs, and contingency.

**• Internal review and alignment.**

Grant PUD's ESM Research & Engineering, Cultural and Legal teams have reviewed the ILA and budget plan.

**Dependencies:** [Regulatory approvals, compliance documentation, system integration, partner agreements.]

- DNR and Ecology permitting
- Tribal consultation
- Landowner access
- Multi-PUD coordination
- PRA compliance

**Compliance & Risk Context:** [Regulatory standards, accessibility requirements, data privacy obligations, environmental compliance. Have Compliance and ERM been consulted?]

- RCW 39.34 (Interlocal Agreements)
- RCW 54.44.020 (Joint Development)
- PRA (RCW 42.56)
- SEPA/NEPA requirements
- Title 27 RCW (Cultural Resources) and the National Historic Preservation Act

- Confidentiality and data-sharing restrictions

**Competitive / Macro-context:** [Market pricing trends, interest rate shifts, talent availability, supply chain stability.]

- Growing need for firm clean energy in the Northwest
- Federal geothermal incentives
- Regional planning alignment across Mid-C utilities

**If Available: Data Snapshot:** [Key metrics: service-level performance, on-time delivery, cycle efficiency, cost variance(s).] Although the geothermal feasibility study is in early phases and does not yet produce operational performance metrics, several quantitative indicators are available to characterize program status, cost alignment, and schedule expectations.

### Key Metrics

- **Total Feasibility Budget:** \$22 million (all PUDs)
- **Grant PUD Cost Share:** \$7.3 million (33%)
- **Phases Covered:** 1–3 (Preliminary Studies, Surface Exploration, Test Drilling)
- **Number of TG Wells Planned:** 4 total
  - 1 in Chelan County
  - 2 in Douglas County
  - 1 in Grant County (subject to geophysical results)
- **Gravity Survey Stations:** 468
- **MT Survey Stations:** 346
- **Survey Area:** ~80 miles × 40 miles across Chelan, Douglas, and Grant Counties
- **Project Completion Target:** December 31, 2027

### Schedule Performance

- **Phase 1:** Preliminary work largely complete (2024–2025)
- **Phase 2:** Gravity/MT surveys scheduled for 2026–2027
- **Phase 3:** Drilling scheduled for 2026–2027, aligned with seasonal windows

### Cost Performance

- **Cost Variance:** None to date (major expenditures begin in Phase 2)
- **Contingency:** \$1.1 million included in Phase 3 drilling budget
- **Cost Drivers:** Drilling depth, rig mobilization, land access, permitting timelines, drilling technologies

### Cycle Efficiency

- **Data Collection Cycle:**
  - **Gravity stations:** <1 hour per station
  - **MT stations:** ~24 hours per station
- **Drilling Cycle:**
  - **Chelan/Douglas wells:** ~1,200 meters
  - **Grant County well:** up to ~3,000 meters (depth uncertainty)

**ANALYSIS:** *Your analysis or evaluation of the situation based on background information. This section is where you present your observations or the results of your analysis of the problem.*

- **Decision Criteria:** [Define what "good" looks like: cost certainty, financial return, schedule adherence, minimal disruption, safety, scalability, compliance.]  
The recommended option must satisfy several key criteria to ensure that Grant PUD's investment in geothermal feasibility work is prudent, strategically aligned, and operationally feasible.
- **Cost Certainty and Risk Reduction**  
A successful approach minimizes Grant PUD's financial exposure while providing a clear and predictable cost structure. Because geothermal exploration is inherently high-risk and capital-intensive, the preferred option must reduce uncertainty through shared investment, coordinated planning, and access to regional data.
- **Preservation of Development Rights**  
Grant PUD must maintain first-right-of-refusal to lead geothermal development within Grant and Adams Counties. While Grant PUD would serve as the Lead Party for any project in its study area, the other two PUDs retain the right to participate in up to one-third of the project's output under the ILA. Any option that jeopardizes these rights or delays the ability to act on them is less favorable.
- **Access to High-Quality Geophysical and Drilling Data**  
Accurate subsurface data is essential for determining whether geothermal resources are viable. The preferred option must provide Grant PUD with comprehensive, high-resolution geophysical and drilling data that would be cost-prohibitive to obtain independently.
- **Alignment with Clean Energy Strategy**  
The option should support Grant PUD's long-term strategy to evaluate firm, carbon-free resources that complement hydropower and enhance system reliability. Participation must advance—not delay—Grant PUD's ability to plan for future clean-energy needs.
- **Schedule Feasibility**  
The approach must be executable within the required timeline, considering seasonal drilling windows, permitting constraints, and partner coordination. Delays could increase cost, reduce data quality, or push drilling into less favorable conditions.
- **Regulatory Compliance**  
The option must comply with RCW 39.34 (Interlocal Agreements), RCW 54.44.020 (Joint Development), SEPA/NEPA requirements, and the Washington Public Records Act. Compliance must be manageable and not introduce an undue administrative burden.
- **Scalability for Future Development**  
The feasibility work should position Grant PUD to participate in – or lead – future geothermal development if results are favorable. The preferred option must support a scalable path from exploration to potential project development, including clear ownership and cost-sharing frameworks.

**Options Considered:** *Minimum is 3 options: (1) Recommended, (2) Next Best Alternative, (3) Status Quo, maybe more.*

Option	Description	Fin Measures	Pros	Cons
<b>Status Quo</b>	No geothermal exploration	NPV (\$) = N/A PVROI (%) = N/A Op Margin Impact (%) (\$) = Neutral	No cost	No data, no development rights, no progress on firm clean energy; Loss of regional partnership leverage
<b>Recommended</b>	Participate in ILA	NPV (\$) = TBD PVROI (%) = TBD Op Margin Impact (%) (\$) = Positive (avoided cost)	Lowest cost; shared risk; preserves rights; coordinated regional planning; Fosters Mid-C inter-utility alignment	Requires multi-PUD coordination
<b>Next Best Alternative</b>	Solo exploration in Grant County	NPV (\$) = Lower PVROI (%) = Lower Op Margin Impact (%) (\$) = Negative	Full control of study	3× cost; higher risk; no shared data; no regional alignment

• **Financial Analysis:**

Phases 1–3 are exploratory and will be recorded as O&M. No capital asset will be created during this phase. Costs include mobilizing a drill rig and drilling four temperature gradient test wells across the study areas.

• **Operations (O&M) Expenditures:**

The feasibility work spans **Phases 1–3**, with a total program budget of **\$22 million**, shared equally among the three PUDs. Grant PUD’s maximum exposure is **\$7.3 million**.

**Phase 1 – Preliminary Studies (~\$300,000 total)**

- Data compilation and modeling (HERO)
- Early permitting discussions (DNR, Ecology)
- Landowner identification and access coordination
- Predictive modeling for temperature gradient (TG) wells
- **Grant PUD share:** Included in overall cost-share

**Phase 2 – Surface Exploration (~\$1.65 million total)**

- Gravity survey (468 stations)
- Magnetotelluric (MT) survey (346 stations)
- Data interpretation and 3D model refinement
- Environmental and land-use approvals
- **Grant PUD share:** Included in overall cost-share

**Phase 3 – Test Drilling (~\$21.9 million total)**

- Four TG wells across Chelan, Douglas, and Grant Counties
- Rig mobilization, site prep, road improvements
- On-site geologist support
- Permitting (DNR, Ecology)
- **Grant PUD share:** Included in overall cost-share
- **Note:** Drilling in Grant County may be reduced or eliminated depending on Phase 2 results, lowering total cost.

**Total O&M for Grant PUD:**

**\$7.3 million** (33% of \$22 million)

**• Benefits**

Participation in the ILA provides several financial and strategic benefits:

- **Avoided cost of solo exploration**  
Independent drilling and geophysical work in Grant County alone would cost 2–3× more than the shared approach.
- **Access to high-value regional data**  
Shared gravity, MT, and drilling data across three counties significantly improves modeling accuracy and reduces the risk of drilling non-productive wells.
- **Preservation of development rights**  
Grant PUD retains first-right-of-refusal to develop geothermal resources in Grant and Adams Counties.
- **Portfolio diversification**  
Geothermal offers firm, carbon-free baseload that complements hydropower and reduces exposure to hydrologic variability.
- **Regulatory and policy alignment**  
Supports long-term decarbonization planning and potential CCA funding eligibility.

**• Sensitivity Analysis**

The financial outcome of the feasibility study is sensitive to several key variables:

- **Drilling Depth Uncertainty (Primary Driver)**
  - Grant County basalt thickness is not fully known.
  - Deeper drilling increases cost; shallower drilling reduces cost.
  - Phase 2 geophysical results may eliminate the need for a Grant County well entirely.
- **Land Access and Permitting**
  - Delays in securing landowner permissions or DNR/Ecology permits could shift drilling into less favorable seasonal windows, increasing cost.
- **Partner Participation**
  - The ILA includes withdrawal provisions; if a partner exits, remaining PUDs may face increased cost or reduced data coverage.
- **CCA Funding Availability**
  - If CCA funding is secured, net cost to Grant PUD decreases; if not, full cost share applies.
- **Contractor Market Conditions**

- Drilling and geophysical service pricing may fluctuate based on regional demand and rig availability.

- **Resource Requirements**

- Internal Resources**

- ESM Research & Engineering (site review, technical oversight)
    - Environmental & Permitting (SEPA/NEPA, land access)
    - Finance (budget tracking, cost-share invoicing, CCA transfers)
    - Legal (ILA compliance, PRA review)
    - Energy Supply & Markets (integration into long-term planning)

- External Resources**

- HERO (geophysical modeling, data interpretation)
    - Power Planet (permitting support, predictive modeling)
    - Drilling contractors (exploratory TG wells, temporary rig mobilization)
    - Geophysical survey vendors (gravity, MT)

- Business Case**

- The primary purpose of the ILA is to determine the economic and technical feasibility of a geothermal power plant in Central Washington. The feasibility work will clarify whether Grant PUD could ultimately develop a low-cost, reliable, base-load geothermal resource that supports future load growth and helps maintain long-term rate stability.

- The feasibility study is a risk-reduction investment, not a revenue-generating project. The business case is driven by:

- Avoided cost of independent exploration
    - Improved decision quality for future geothermal development
    - Preservation of development rights
    - Strategic alignment with firm clean-energy needs and long-term resource planning

- A full business case model will be developed in Phase 5, contingent on drilling results and Commission approval to proceed.

- **Risk Assessment:**

- **Schedule Risk:** [Mitigations: proactive planning, early vendor engagement, milestone tracking, contractual penalties.]
    - Weather-dependent drilling windows
    - Permitting delays
    - Multi-PUD coordination**Mitigation:** Early permitting, quarterly coordination, milestone tracking
  - **Cost Risk:** [Controls: price adjustment clauses, shared savings incentives, fixed-rate agreements, contingency governance.]
    - Drilling depth uncertainty
    - Rig mobilization cost variability
    - Feasible drilling technologies

**Mitigation:** Fixed-rate contracts where possible, contingency governance

- **Compliance & Regulation:** [Local/regional, state, federal issues. Are the issues new or existing?]
  - PRA exposure
  - SEPA/NEPA
  - Tribal consultation

**Mitigation:** Early engagement, legal review, confidentiality protocols

- **External Partner Risk:** [Credit risk, third-party capacity and competency.]
  - Partner withdrawal under Section 3.3

**Mitigation:** Clear ILA terms, shared governance

- **Safety**

- Drilling and field survey hazards

**Mitigation:** Contractor safety plans, PUD safety oversight

- **Integration & Implementation:** [IT/OT testing, acceptance protocols, implementation plan.]

- Data sharing and joint project management

**Mitigation:** Quarterly status meetings, shared data protocols

- **Contingencies:** [Operational – Alternative suppliers, resources, scope reduction. Financial – Is there a quantified dollar contingency? Is this part of the financial analysis?]

- **Operational:** Shift drilling to other counties if a Grant County site is deemed not feasible in the near future
- **Financial:** Budget cap of \$7.3M; Commission approval required for Phase 4–5

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## RECOMMENDATION:

- **Decision Request:**

**Approve Grant PUD’s participation in the Mid-C Geothermal Interlocal Cooperative Agreement, authorizing up to \$7.3 million in O&M funding for Phases 1–3 of the geothermal feasibility study.**

This approval enables Grant PUD to:

- Share costs and reduce financial risk
- Preserve lead development rights in Grant and Adams Counties (with potential participation from Chelan and Douglas PUDs)
- Access high-quality regional geophysical and drilling data
- Advance long-term clean-energy planning
- Maintain alignment with Chelan and Douglas PUDs on firm, carbon-free resource development

The ILA provides a structured, low-risk pathway to evaluate geothermal potential while maintaining flexibility through clear exit conditions and future Commission approval gates.

- **Key Commercial Terms (Term Sheet):**

The Interlocal Cooperative Agreement (ILA) establishes the commercial, financial, and operational framework for the joint geothermal feasibility study. Key terms include:

**Agreement Structure**

- **Type:** Interlocal Cooperative Agreement under RCW 39.34
- **Parties:** Chelan PUD, Douglas PUD, Grant PUD
- **Purpose:** Joint geothermal feasibility studies across Central Washington (Phases 1–5)

**Scope of Work**

- **Phases 1–3:** Preliminary studies, geophysical surveys, and temperature-gradient drilling
- **Phases 4–5:** Confirmation well development and business case (require future Commission approval)
- **Study Areas:**
  - **Chelan PUD** – Southwest Geothermal Area (SGA)
  - **Douglas PUD** – Northeast Geothermal Area (NGA)
  - **Grant PUD** – East Geothermal Area (EGA)

**Cost-Sharing**

- **Total Feasibility Budget:** \$22 million
- **Grant PUD Share:** 33% (maximum \$7.3 million)
- **Cost Classification:** All Phase 1–3 feasibility activities (geophysical surveys, modeling, and temperature-gradient drilling) are treated as O&M exploratory costs and do not result in a capital asset.
- **Allocation between each PUD:**
  - **SGA:** Equal one-third share (33.33%)
  - **NGA:** Equal one-third share (33.33%)
  - **EGA:** Equal one-third share (33.33%)
- **Invoicing:** 60-day payment terms

**Term & Termination**

- **Term:** The feasibility study must be completed within three years of execution. The ILA remains in effect for five years after the Study Completion Date to preserve development rights, data-sharing obligations, and governance provisions.
- **Withdrawal:** Any Party may withdraw with six months' notice; obligations end at withdrawal date.
- **Rights Retained:** Withdrawing Party retains access to data collected through its withdrawal date and remains bound by confidentiality and development rights provisions.

**Development Rights**

- **Lead Party Rights:** Each PUD has first right to develop geothermal resources in its study area for three years after Study Completion
- **Secondary Rights:** Other PUDs may step in if the Lead Party declines
- **Independent Development:** Permitted after five years if no Party elects to proceed
- **Lost Opportunity Payment:** 200% reimbursement if a Party uses study data to develop independently without following ILA procedures
- **Hydrothermal (Low-Temperature Geothermal) Exception:** Each PUD may independently pursue shallow, low-temperature geothermal (hydrothermal) projects for heating, small-scale generation (<25 MW), or similar

uses outside the scope of this ILA. Parties may use data generated under this ILA to support such smaller projects without triggering development-rights provisions.

### Confidentiality & PRA

- Study data is confidential unless required to be disclosed under the Public Records Act
- Parties must notify each other of PRA requests and allow time for protective orders

### Dispute Resolution

- Senior management negotiation → mediation → arbitration
- Injunctive relief may be sought in Superior Court (Chelan, Douglas, or Grant County)

### Force Majeure:

- Standard protections for events outside a Party's control; delays do not constitute breach; Parties must mitigate and coordinate schedule adjustments.

- **Governance & Controls:**

- **If this is a project:** *This should go through the Portfolio project intake process and comply with the Project Management Framework. In some cases (maybe most for the decision memo) this will be pre-project initiation. If this is still pre-initiation, there are 2 artifacts needed:*

### High-level Project Schedule:

- Initiation: May–June 2026
- Planning: Q2–Q3 2026
- Execution: Q3 2026 – Q4 2027
- Close-out: Q4 2027 – Q1 2028

### High-level Project Governance:

- **Executive Sponsor:** Rich Flanigan
- **Business Owner:** Andrew Munro
- **Project Manager:** Dave Dempsey; Grant PUD retains final approval over the East Geothermal Area invoices and scope changes
- **SMEs:** Munro, Dempsey, Marshall, Lenz
- **Chelan PUD Project Manager:** Abra O'Leary (Chelan PUD) serves as the full-time Project Manager for the Mid-C ILA and is responsible for tracking overall scope, budget, and schedule across all participating PUDs.

**If this is not a project:** [Note the governance and controls used to monitor compliance for budget, schedule, quality assurance, contract management, safety.]

- **Exit Condition(s):**

Grant PUD may pause or exit participation in the geothermal feasibility effort if any of the following conditions occur:

### Technical Exit Conditions

- Geophysical or drilling results indicate insufficient geothermal potential
- Subsurface conditions require drilling depths that exceed economic thresholds

- Environmental or cultural resource constraints prevent site development

**Financial Exit Conditions**

- Total project cost exceeds the \$22 million feasibility budget without Commission approval
- Drilling cost escalation exceeds contingency or materially changes the cost-benefit profile
- CCA funding becomes unavailable and materially impacts affordability

**Regulatory & Permitting Exit Conditions**

- Inability to secure required DNR or Ecology permits within reasonable timelines
- Landowner access cannot be obtained for key survey or drilling locations
- Tribal consultation identifies unresolvable impacts

**Partner-Related Exit Conditions**

- A partner PUD withdraws under Section 3.3, materially affecting cost or scope
- Multi-PUD coordination issues prevent timely progress

**Governance Exit Conditions**

- Commission declines to authorize Phase 4 or Phase 5
- Business case (Phase 5) does not support economic development of geothermal resources

These exit conditions ensure Grant PUD maintains control over financial exposure, technical risk, and long-term strategic alignment.

**APPENDICES:** *Supporting documentation that are supplemental materials reinforcing or clarifying the main content of the document. Include attachments or references that offer detailed data, technical specifications, or additional context necessary for informed decision-making. These materials serve as evidence or supporting information for the analysis and recommendations presented above.*

- **Supporting Documentation:** [Detailed cost model, sensitivity analysis, draft contract terms and exhibits, plans, logistics diagram and preliminary schedule, risk register and mitigation plan, acceptance criteria, if needed: **legal approval(s).**]
  - Interlocal Cooperative Agreement
  - Phase 1–5 Feasibility Budget Spreadsheet (Subject to change based on mutually agreeable conditions)

[Exhibit A - MIDC ILA Cost summary Apr9 2026.xlsx](#)

Chelan, Douglas, Grant Co. PUD's Geothermal Feasibility Interlocal Agreement Phase 1 to 5 (Geothermal ILA)

Central WA Feasibility Budget Compilation

A joint Development Agreement would be required after Phase 4

Final 4/09/2026

PHASE	DESCRIPTION	Resource / Contractor	SCHEDULE	COST	COMMENTS
<b>1</b>	<b>Preliminary studies - Identify possible EGS resource locations</b>				
1A	Collect and evaluate existing data in Central WA	Hero	Complete (2024, 2025)	\$ 250,000	These are costs already incurred and not included in the
1B	<b>Review of data to select sites for temperature gradient wells in Chelan and Douglas counties</b>				
	Historic oil and gas data aquisition	HERO	Q1 2026	\$ 20,000	
	Identification of additional field studies such as water samples, gravity and magnetotelluric (MT) data.	HERO	Q1 2026	\$ 20,000	
	TG well specification and drilling cost estimates	HERO	Q1 2026	\$ 20,000	
	Seismic assessment	LCI	Q2/Q3 2026	\$ 100,000	The \$100k includes \$2500 for HERO
	Identification of land owners for field study approvals	CPUD, DPUD	Q1 2026		
	Initial conversations with DNR and Ecology for permitting/approvals for gravity and MT data collection and drilling permits.	CPUD	Q1 2026		Complete. On2/24/2026 held a call with Kelsay Stanton o
	AOI review. Include in Favorability Matrix	Power Planet	Q1 2026	\$ 45,000	
	Preliminary discussion with Tribes	CPUD	2025, 2026		Met with CTCR several times in 2025 and Q1 2026
	Discussions with DNR and Ecology on drilling and land use permits	CPUD, DPUD	Q2 2026		1st meeting scheduled for April 13, 2026
1C	<b>Review of data to select sites for temperature gradient wells in Yakima and Kittitas counties.</b>				
	Historic oil and gas data aquisition	HERO	Q1 2026	Incl. in line 8 above	
	Review of existing data and development of a favorability matrix for project development. Includes cost estimates for all phases to to explore, develop and construct a power generating facility.	Power Planet	Q1 2026	\$ 120,000	
	Development of a temperature gradient predictive spreadsheet	Power Planet	Q1 2026	\$ 75,000	
	Initial conversations with DNR and Ecology for permitting/approvals for gravity and MT data collection and drilling permits.	Power Planet	Q1 2026	\$ 25,000	
	Identification of land owners, minieral rights for field study approvals	Power Planet	Q1 2026	\$ 25,000	
	Initial conversations with DNR and Ecology for permitting/approvals for gravity and MT data collection and drilling permits.	Power Planet	Q1 2026	\$ 25,000	
	Preliminary discussion with Tribes	CPUD	2025, 2026		Met with Yakama Utility once. Had a follow up phone cal
<b>2</b>	<b>Surface Exploration</b>				
2A	Visit potential sites. Collect water samples. Assess transmission interconnection and environmental impacts	PUD staff	Q4 2025, Q1&Q2 2026	\$ 15,000	Cost is for water sample testing
2B	Gravity and MT Data Collection and analysis in Douglas, Chelan and Grant Counties	TBD	Q3 2026 to Q3 2027	\$ 1,500,000	Included in column E total
	Land owner approvals	CPUD and DPUD staff		\$ 15,000	Contract services
	DNR Land Use permits	CPUD and DPUD staff	Q2 to Q4 2026	\$ 100,000	
	Support for data collection and Interpretation	HERO		\$ 35,000	
<b>3</b>	<b>Test Drilling</b>				
3A	Temperature Gradient (TG) Well Drilling in Chelan County	1 well			
	Develop service agreement for Drill rig and drill rig management.	CPUD staff	Q2 2026	\$ 5,000	
	DNR Permits	CPUD staff (Joint Mid-C)	Q2-Q3 2026	\$ 25,000	
	Ecology Permit	CPUD staff (Joint Mid-C)	Q2 2026	\$ 25,000	
	Road Improvements, Site Prep	CPUD - Unit Price contract	Q3 2026	\$ 200,000	

	Drill rig mobilization to Wa State	Service Agreement Power Planet	Q3 2026	\$	2,500,000		
	Drill in Chelan County, Jump-off Ridge, Well C1	Service Agreement Power Planet	Q3 2026	\$	3,000,000	Est. 2000 meters	
	Consulting Geologist onsite during drilling	Service Agreement Power Planet	Q3 2026	\$	50,000		
	HERO consulting support	HERO TA	Q3, Q4 2026	\$	10,000		
3B	Temperature Gradient (TG) Well Drilling Douglas County	2 wells					
	DNR Permit	DPUD staff (Joint Mid-C)	Q2 to Q4 2026	\$	50,000		
	Ecology Permit	DPUD staff (Joint Mid-C)	Q2 2026	Incl. above			
	Road Improvements, Site Prep, 2 sites	DPUD	Q3 2026	\$	250,000		
	Move to Douglas County, for well D1	Service Agreement Power Planet	Q4 2026	\$	300,000		
	Drill in Douglas County, South, Well D1	Service Agreement Power Planet	Q4 2026	\$	2,500,000	Est. 2000 meters	
	Consulting Geologist onsite during drilling	Service Agreement Power Planet	Q4 2026	\$	50,000		
	Move to Douglas County North, for well D2	Service Agreement Power Planet	Q1/2 2027	\$	200,000		
	Drill in Douglas County, North, Well D2	Service Agreement Power Planet	Q1/2 2027	\$	2,000,000	Est. 1500 meters	
	Consulting Geologist onsite during drilling	Service Agreement Power Planet	Q1/2 2027	\$	50,000		
	HERO consulting support	HERO TA	Q1/2 2027	\$	25,000		
3C	Temperature Gradient (TG) Well Drilling Grant County	1 Well					
	DNR Permit	GPUD staff (Joint Mid-C staff)	Q1-Q3 2027	\$	25,000		
	Ecology Permit	GPUD staff (Joint Mid-C staff)	Q1-Q3 2027	Incl. above			
	Land Owner Approvals	GPUD Staff	Q1 2027	\$	50,000		
	Road Improvements, Site Prep	GPUD	Q2 2027	\$	50,000		
	Move to Grant County, for well G1	Service Agreement Power Planet	Q3 2027	\$	2,000,000	Use Quaise?	
	Drill in Grant County, Well G1	Service Agreement Power Planet	Q3/4 2027	\$	5,000,000	Est. 3000 meters	Assuming in location basalt is less than 2500 meters
	Consulting Geologist onsite during drilling	Service Agreement Power Planet	Q3/4 2027	\$	75,000		
	HERO consulting support	HERO TA	Q3/4 2027	\$	20,000		
	Evaluation of data collected in Chelan, Douglas, and Grant Counties. Decide to advance to pre-production well in 1 or more counties or move to Yakima/Kittitas	Service Agreement Power Planet	Q3/4 2027	\$	250,000		
3D	HERO consulting Support		Q3/4 2027	\$	50,000		
	Subtotal			\$	20,850,000		
	Contingency			\$	1,150,000		
	First Budget approval from Commissioners	All 3 PUDs	4/31/2026.	\$	22,000,000	\$7,333,333	\$7.3 Million per PUD

COMMISSISON APPROVAL NEEDED TO PROCEED BEYOND PHASE 3

4	<b>Confirmation Well Development</b>	Drill to evaluate how the well field could be developed: size and number of wells					
	Consuting support to develop confirmation well drilling specs and test rprogram	TBD - Service Agreement	Q4 2027	\$	250,000		
	Mobilize rig to site 1	Different rig that TG holes		\$	4,000,000		
	Site Prep			\$	300,000		
	Drill Well			\$	10,000,000		
	Evaluate Results	Geologist support - SA	2028	\$	250,000		
				\$	14,800,000		

**BUISNESS CASE, PROJECT REVIEW AND PLANNING (10%**

5	<b>Design)</b>
	Location selection
	Well field layout
	Energy generation facilities
	Transmission interconnection and facilities
	Power sales
	Feasibility "Buisness Case" report

## **INTERLOCAL COOPERATIVE AGREEMENT**

### **GEOHERMAL FEASIBILITY STUDY COST SHARING AGREEMENT**

This **Interlocal Cooperative Agreement** (“Geothermal ILA” or simply “Agreement”) is made and entered into by and between **Public Utility District No. 1 of Chelan County (Chelan PUD), Public Utility District No. 1 of Douglas County (Douglas PUD), and Public Utility District No. 2 of Grant County (Grant PUD)**, together referred to as “Parties” or individually as “Party.” This Agreement shall be effective upon the date it is signed by all Parties.

#### **RECITALS**

**WHEREAS** the Parties are authorized under Chapter 39.34 RCW to enter into Cooperative Agreements. Joint utilization of agreements, services, and resources as described herein, in accordance with the terms of the Interlocal Cooperative Act, RCW 39.34, will work to benefit the Parties and the public;

**WHEREAS** the Parties are currently conducting geothermal feasibility studies (a “Study” or “Studies”) to better define the scope, costs, benefits, and risks associated with the development of one or more geothermal power plants in Eastern Washington;

**WHEREAS** the Parties desire to share costs associated with the Studies at the contribution rates set forth below;

**WHEREAS** the Parties intend that if geothermal resources are deemed economically feasible to construct, then the Parties will negotiate future Joint Development Agreement(s), with the proportional ownership rights and share of the costs to design and build geothermal power plant(s) remaining consistent with the cost-sharing principles associated with each geothermal resource area unless the Parties agree to terminate, modify, or jointly amend the terms of this Geothermal ILA.

**NOW, THEREFORE**, the Parties agree as follows:

#### **AGREEMENT**

##### **1. FEASIBILITY STUDIES**

The Studies include Phase I (Preliminary Studies), Phase 2 (Surface Exploration), Phase 3 (Test Drilling), Phase 4 (Confirmation Well Development), and Phase 5 (Business Case, Project Review, and Planning). Each phase is more fully described in the attached Exhibit A, with budgeted costs for each phase of the Studies.

## **1.1 Geothermal Resource Areas**

Chelan PUD will take the lead role in Studies in Chelan, Kittitas and Yakima Counties (Southwest Geothermal Area – “SGA”).

Douglas PUD will take the lead role in Studies in Douglas, Okanogan, and Lincoln Counties (Northeast Geothermal Area – “NGA”).

Grant PUD will take the lead role in Studies in Grant and Adams Counties (East Geothermal Area – “EGA”).

Collectively, the SGA, NGA, and EGA are referred to collectively as the “Geothermal Areas” or “GAs”. Each Party shall have the right to lead the Studies in their respective GA.

## **1.2 Financial Contributions/Agreed Development Rights Percentages**

The Parties agree to share costs associated with Studies conducted by the Parties within the SGA, NGA, and EGA equally, in accordance with the budget management, and payment and reimbursement process as provided in Sections 1.3 and 1.4, below. The Parties agree that for purposes of future development rights, the Parties agree that their respective percentages shall be equal 1/3 interests (33.333%), each.

## **1.3 Budget**

Notwithstanding the percentages allocation for each GA as provided in Section 1.2, above, the cost of Studies shall be divided equally between the Parties regardless of the total cost incurred in any specific GA, as the Parties recognize that cost accounting for third-party services by GA may prove difficult. The initial cost shall not exceed Twenty-two Million Dollars (\$22,000,000.00), or \$7.34 Million Dollars to any Party (the “Budget”). The preliminary Budget for phases 1-3 is set forth in the attached Exhibit A. If the Parties expect that the work will exceed the Budget before completion of Phase 3, and the Parties jointly desire to spend additional funds to complete the Studies, then the Parties shall meet, confer, and provide affirmative written notice to one another indicating their desire to increase the authorized amount covered by this Agreement. To the extent that the feasibility Studies require additional investment, then each Party will need to seek additional approval from their respective Boards to get approval for the additional budget to continue funding the Feasibility Studies detailed in Phases 4 and 5, and will work in good faith to amend this Agreement.

The Parties recognize that managing and paying for costs related to the Studies is primarily for third-party costs incurred, and does not account for internal staff time of the Parties or equipment owned by any Party, unless otherwise pre-approved. The Budget in Exhibit A is for estimated third-party costs.

Initially, the Parties agree that Chelan PUD will manage the Budget reporting and prepare quarterly Budget reports identifying the total funds expended for the Studies to date by phase, and will summarize the totals paid by each Party, along with any amounts that may be due. Each Party will summarize the total dollars it has incurred for the Studies by phase and send such records to Chelan for the Budget Reporting within 30 days of incurring and paying such expense.

#### **1.4 Costs, Payments, and Reimbursement**

The Parties recognize that it may be difficult to fully allocate costs between each GA for third-party services. The Parties recognize it may be most efficient for one Party to take the lead in engaging third-party services providers related to the Studies as such services providers will likely provide similar services within each GA. Accordingly, while each Party may take the lead with respect to Study efforts within its GA, the Parties agree that any expenses paid in each GA may be by one Party. As provided below, the Parties, agree to reimburse the other Parties for costs incurred as generally set forth in the Budget regardless of which Party incurs the cost.

For any costs incurred and paid by one Party, such Party shall document the cost and submit an invoice for the other Parties to pay their respective 1/3 share of such costs. All invoices issued pursuant shall be paid within **60 days** of receipt of invoice, and sent to the lead Party managing the Budget and ongoing payments and reimbursements.

#### **1.5 Study Data**

All Study data shall be the exclusive property of the Parties. At any time during the feasibility Study phases, a Party can ask to view, receive, or inspect the raw study data, draft, and final reports being prepared by the other Party. At no time shall study or development data be shared with non-parties except as required by Freedom of Information Act or State Public Records Act disclosure requirements. The Studies shall be deemed complete when the Phase 5 Study work is complete, and the final payments have been made in accordance with Section 1.4, above (the “Study Completion Date”).

#### **1.6 Joint Status Meetings**

During the feasibility Study phases, the Parties agree to meet on a (quarterly or semi-annual) basis to discuss information relating, but not limited, to status and results of the ongoing feasibility Studies, budget review, potential future development options, and the potential business ownership structure for any geothermal generating resources that the Parties may select for development.

In between Joint Status Meetings, the designated representative for each Party will be in regular communication and the Parties will determine a communication plan to ensure that all Parties are regularly informed at each Phase of the work.

## **2. POTENTIAL DEVELOPMENT AND OWNERSHIP RIGHTS**

### **2.1 Rights to Lead Development**

Each Party shall have the first right of refusal to lead the development of geothermal resources within its lead geothermal resource area (a “Lead Party”)<sup>1</sup> for up to three years following Study Completion Date for that area. To exercise this right, the lead Party must serve a notice of intent to develop geothermal resources (a “Lead Party Notice”) on all other Parties.

If at the end of the three-year period from the Study Completion Date, the lead Party has not issued a Lead Party Notice, then the other remaining Parties shall have the right to step in and lead development of geothermal resources within the other Party’s lead development area (a “Secondary Notice”). The other Parties shall have up to two years to issue a Secondary Notice within the other Party’s lead resource area, with the lead development rights going to the remaining Party that first issues the Secondary Notice to the other Parties.

If at the end of the five-year period no Party has issued a Lead Party Notice or Secondary Notice, any Party may pursue independent development within any of the geothermal resource areas with use of the Study results without further notice or cost to any other Party or Parties.

Notwithstanding the notice time periods above, if any Lead Party does not intend to issue a Lead Party Notice, it may issue a “Waiver Notice,” which will eliminate the three-year time periods for the other Parties to issue a Secondary Notice, and start the next two-year window for the other Parties to issue a Secondary Notice.

In addition, after expiration of the development period, which is five (5) years from the Study Completion Date, with no Party pursuing development, within a specific resource area, the Parties shall have the right, but not the obligation, to sell the information collected during the Studies within their resource area and may attempt to recover any feasibility or pre-development costs. For example, Douglas can sell the NGA Study data, Grant PUD can sell the EGA Study data, and Chelan PUD can sell the SGA Study data.

No Party can sell the rights to develop geothermal resources without the written permission of the other Parties. All proceeds from the sale of Studies or development rights will be divided equally between the Parties.

### **2.2 Potential Ownership and Resource Rights**

Upon any Lead Party Notice, all Parties shall have the right to negotiate the terms of a Joint Development Agreement. The Parties, through this Geothermal ILA, intend that the

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<sup>1</sup> E.g., Grant PUD is the “Lead Party” for the EGA.

potential proportional share of ownership rights, development costs, and rights to resource output will be consistent with the percentage allocations set forth in Section 1.2.

If the Lead Party does not issue a Lead Party Notice, the Parties intend that upon issuance of another Party's Secondary Notice, that Party shall have the right to lead such development, with such percentages ultimately negotiated by the Parties. If the Parties are unable to negotiate a separate Joint Development Agreement, the Parties agree to attempt to resolve any disputes in accordance with Section 3.13, below.

Notwithstanding the foregoing, any future joint development venture between the Parties shall meet the requirements of RCW 54.44.020.

### **2.3 Independent Pursuit of Development/Cost Recovery and Lost Opportunity Payment.**

In the event that any Party uses any Study results and pursues independent development of geothermal resources without following the terms and conditions of Sections 2.1 or 2.2, above, such Party shall be obligated to reimburse the other Parties 200% of the total amounts paid for all Studies, which will be split equally between the other Parties.

For example, if after completion of the Studies, which cost \$22,000,000.00, Douglas PUD determines that it would like to develop geothermal resources in the NGA independently of Chelan PUD or Grant PUD, and Douglas PUD has not followed the terms and conditions of Sections 2.1 or 2.2, Douglas PUD must pay Chelan PUD \$22,000,000.00, and Douglas PUD must pay Grant PUD \$22,000,000.00, respectively.

The intention of this provision is not intended as a penalty, but rather as a lost opportunity payment that each Party would otherwise have to pursue joint development from the Studies, which will be lost if any one Party seeks to independently pursue development of a geothermal resource within the study area.

Notwithstanding the foregoing language in this Section 2.3, the Parties can independently pursue shallow low temperature geothermal (hydrothermal) for heating and/or small generation projects (<25 MW), or similar uses, outside of this Agreement, and shall be allowed to use the data from these Studies to support these smaller projects.

## **3. MISCELLANEOUS**

### **3.1 Amendments and Modifications**

This Agreement may only be amended or modified by written agreement of all Parties.

### **3.2 Notices**

Unless amended in writing, all notices pertaining to the content of this Agreement shall be delivered electronically to the email addresses specified below.

Brett Bickford  
[Brett.Bickford@chelanpud.org](mailto:Brett.Bickford@chelanpud.org)  
Public Utility District No. 1 of Chelan County

Shane Bickford  
[Shane.Bickford@dcpud.org](mailto:Shane.Bickford@dcpud.org)  
Public Utility District No. 1 of Douglas County

Rich Flanigan  
[rflanig@gcpud.org](mailto:rflanig@gcpud.org)  
Public Utility District No. 2 of Grant County

Or to such other party as may be designated from time to time in writing, specifically referring to this Agreement and Notice provision. Any notice issued shall identify the type of notice in the written notice communication, as applicable, and cite to the ILA provision. (e.g., a Lead Party Notice shall identify it as such and refer to Section 2.1 of this Agreement).

### **3.3 Term and Termination**

This Agreement will become effective upon execution by all Parties and will remain in effect for five (5) years from the Study Completion Date unless terminated by one or more Parties as set forth below. A Party may unilaterally elect to withdraw (a “Withdrawing Party”) from the Agreement, provided it provides written notice of termination (a “Termination Notice”) to all remaining Parties with at least six (6) months’ notice. The effect of termination will mean that the Withdrawing Party will have no further obligations to contribute to funding the Studies beginning six (6) months following the Termination Notice. In addition, the Withdrawing Party will have only the rights to the Study data or any rights hereunder through the date of termination. Such Withdrawing Party shall remain obligated by the confidentiality provisions, and will remain subject to Sections 2.1, 2.2, and 2.3, related to potential development and resource rights.

### **3.4 Governing Law; Venue**

This Agreement is governed by the laws of the state of Washington, without regard to its conflict of law provisions. The jurisdiction of any action hereunder shall be in the Superior Court of Chelan County, Washington.

### **3.5 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to financial contributions to the geothermal feasibility study effort.

### **3.6 Records**

The Parties shall keep and maintain accurate and complete cost records pertaining to their

respective portions of the Agreement. Each Party shall have full access and the right to examine any such records during the term of this Agreement. All records, books, documents and other materials maintained, prepared, or issued by the Parties in the implementation of this Agreement shall be the property of the Parties, including the responsibility of the retention and release of those materials.

### **3.7 Mutual Indemnity**

The Parties shall indemnify, defend and hold harmless one another, its officers, agents and employees, from and against any and all claims, losses or liability, or any portion thereof, arising from injury or death to persons or damage to property occasioned by any negligent act, omission or failure of the Parties, its officers, agents, and employees, in connection with the Parties' activities described in this Agreement, or arising out of the Parties', its officer's, agent's and/or employee's non-observance or non-performance of any law, ordinance, or regulation applicable to the Parties' activities.

The indemnification obligation of the Parties shall not be limited in any way by the application of any workmen's compensation acts, disability benefit acts or other employee benefit acts and the Parties expressly waives the protection afforded by such laws. The foregoing waiver and indemnification obligations have been mutually negotiated.

### **3.8 Severability**

In the event that any provision of this Agreement shall be determined to be unenforceable or otherwise invalid for any reason, such provision shall be enforced and validated to the extent permitted by law. All other provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

### **3.9 Construction**

This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto. This Agreement may be amended only by an agreement in writing signed by the Parties.

### **3.10 Mutual Negotiation and Construction**

This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between, and mutually drafted by, the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party.

### **3.11 Relationship of Parties**

The Parties intend that an independent contractor relationship will be created by this Agreement. No Party, its officers, employees, agents, contractors, or subcontractors shall be considered an agent or employee of any other Party for any purpose and no Party is

entitled to any of the benefits that any other Party provides for its respective employees. Pursuant to RCW 39.34.030(4)(d), no separate legal entity is created. This Agreement shall be administered jointly by the General Managers of Chelan PUD, Douglas PUD, and Grant PUD or their designees.

### **3.12 Dispute Resolution**

The Parties agree that the following provisions shall govern disputes related to this Agreement:

a. Referral to Senior Management.

In the event of any controversy, claim, or dispute between the Parties arising out of or related to this Agreement (a “Dispute”), any Party may notify the other of the existence of the Dispute. Upon receipt of a written notice of Dispute (a “Dispute Notice”), (i) each Party shall appoint as its representative a senior officer, and (ii) such senior officers shall meet, negotiate and attempt to resolve the Dispute quickly, informally and inexpensively within thirty (30) days following receipt of a Dispute Notice; provided, if negotiations require additional time, any Party can provide an extension notice, upon which the negotiation period shall extend an additional sixty (60) days from the extension notice date. If the Parties are unable to resolve a Dispute pursuant to this Section 3.13(a), then the applicable provisions of Section 3.13(b) and (c) shall govern the Dispute resolution process.

b. Mediation/Arbitration of Disputes.

All Disputes between the Parties that are unable to be resolved pursuant to Section 3.12(a) above, that are not claims for specific performance or injunctive relief, shall be referred to mediation, and the Parties agree to mediate in good faith to resolve any Disputes. If mediation is unsuccessful, the Parties agree to use the same mediator to arbitrate the Dispute in accordance with the Washington Uniform Arbitration Act (RCW 7.04A et seq.) The decision of the arbitrator shall be final and binding, and judgment may be entered thereon. The arbitrator is authorized to restrict and/or limit discovery in the arbitrator’s discretion, to that discovery reasonable under the circumstances considering the complexity of the matter and the amount in controversy, in accordance with RCW 7.04A.170.

Selection of Mediator/Arbitrator. As noted above, the Parties agree that the selected mediator shall also serve as arbitrator, should mediation be unsuccessful. Within ten (10) business days following expiration of the timelines for resolution under Section 3.12(a), each Party shall put forward two names of a potential mediator/arbitrator. If, within ten (10) business days thereafter, the Parties cannot agree on a mediator/arbitrator from the collective list, the Parties agree to accept as mediator/arbitrator a retired judge that is a member of the Judicial Dispute Resolution, LLC, located at 1425 Fourth Ave., Suite 300, Seattle, WA (“JdR”), based on availability and as selected by JdR administration.

c. Legal Action for Claims for Specific Performance or Injunctive Relief.

Notwithstanding anything to the contrary contained in this Agreement, either party may seek injunctive or other equitable relief (including, without limitation, specific performance) exclusively in Superior Court in Grant, Douglas, or Chelan County. For the avoidance of doubt, such actions shall not be deemed incompatible with or a waiver of the agreement to arbitrate Disputes. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

d. Attorneys' Fees.

The substantially prevailing Party in any action brought under this Section 3.13 shall be entitled to collect all reasonable costs of the action, including, but not limited to, reasonable attorneys' fees, expert witness fees, court reporting fees, copy expenses, and all reasonable travel, meals, and lodging expenses, which amount shall be included in any award given.

#### **4. CONFIDENTIALITY**

The Parties agree to share all "Information" in connection with this Agreement only on the condition that, upon receipt, each Party complies with the provisions for treatment of Information as set forth herein.

For the purpose of this Section, "Information" is defined as any and all materials, data, reports, and documents collected by the Parties or their contractors and consultants that are related to the joint activities associated with the implementation of this Agreement; conspicuously marked as confidential or proprietary; and not publicly available. "Information" also includes information and data supplied to the Parties by third parties who assert confidentiality, provided that such third-party "Information" meets the other requirements of this Section. Information shall be disseminated within the Party's organizations but only with staff that have a need to know, and such dissemination shall include advising personnel of the requirements of this Agreement. The Parties shall remain responsible for complying with this Section including ensuring compliance of any and all of their respective employees and contractors.

#### **5. WASHINGTON STATE PUBLIC RECORDS ACT**

Notwithstanding the confidentiality provisions of Section 4 (Confidentiality), the Parties are subject to the Washington State Public Records Act ("PRA"), Revised Code of Washington ("RCW") 42.56, et seq. The Parties understand that information relating to price, terms, and conditions cannot be regarded as proprietary under the PRA. Any record submitted to any Party may be subject to the disclosure requirements of the PRA. In the event one Party receives a PRA request (the "Receiving Party"), that requests information, data, or other material that may be considered proprietary or confidential, but otherwise believes that it is subject to disclosure (i.e., is not exempt from the PRA), then such receiving Party shall provide the other Parties with timely written notice of the PRA request and that it intends to release the requested records in response to the PRA request. After such notice, if any Party objects to disclosure asserting an exemption to the PRA, such objecting Party (the "Objecting Party") must provide written notice of its

objection (the “Objection”) to the receiving Party within ten (10) days of such notice, and may at its sole cost and expense, seek a protective order preventing the disclosure of such records or information in accordance with RCW 42.56.540. Following the Objection, the Objecting Party must use reasonable efforts to pursue the protective order by filing suit in the jurisdiction of the Objecting Party. Upon filing suit, the Receiving Party shall not release the requested records requested in the PRA request until the court issues a ruling on the Objection.

In the absence of such Objection within ten (10) days, or upon the receipt of an Objection, failure to use reasonable efforts to pursue a protective order within Fifteen (15) business days of the Objection, the Receiving Party may release the records in response to the PRA request.

Each Party shall hold harmless and indemnify the other from any liability associated with any action arising out of or in connection with the disclosure of either Party’s non-exempt records. No Party shall be liable for any inadvertent public disclosure of information despite the exercise of reasonable care.

***Signature Pages to Follow***

**Chelan PUD Signature Page**

**Public Utility District No. 1 of Chelan  
County**

Accepted By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Grant PUD Signature Page**

**Public Utility District No. 2 of Grant  
County**

Accepted By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Douglas PUD Signature Page**

**Public Utility District No. 1 of Douglas  
County**

Accepted By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **COMMISSION REVIEW - 5/19/2026**

Motion authorizing payment of non-compliant purchase from NWPPA, invoice number 142058 dated March 31, 2026, in the amount of \$6,521.95.

xxxx

MEMORANDUM

DATE 4/29/2026

**TO:** General Manager/Chief Executive Officer

**VIA:** Tod Ayers – Chief Human Resources Officer TA  
Thomas Stredwick – Senior Manager Talent and Org. Dev.  
Scott Sundberg – Leadership and Org. Dev. Supervisor

**FROM:** Scott Sundberg

**SUBJECT:** Request to Pay Unauthorized Purchase

**Purpose:** Request Commission approval to pay NWPPA invoice dated 3/31/2026, in the amount of \$6,521.95.

**Description of unauthorized purchase:** This is for a one-day Fundamentals of Managerial Finance workshop that supports our leadership pathways strategy for training leaders at Grant PUD. This is the first of four of these workshops scheduled to occur on-site at Grant PUD this year.

**Details and history of the purchase:** The PO should have been approved in December 2025. There was a failure to submit the approval that was sent to the supervisor via the Power Automate workflow at that time.

**Total cost:** \$6,521.95

**Violation (i.e., State Bid Law, Delegation of Authority, etc.):** Because this is in-house training, it required approval via our internal procurement processes by issuance of an approved purchase order, before the training was to occur.

**Steps Taken to Avoid Future Violations:** The purchase order (PO39294P) for the remaining three workshops is now in place. I've created a reminder email to daily check potential workflows that I may be responsible for, including PO's. The supervisor will also be provided with additional training on procurement practices moving forward to ensure alignment on expectations.

**Recommendation:** Commission approval to pay NWPPA, invoice (142058) in the amount of \$6,521.95.

See attached invoice and background information.

**CC:** Patrick Bishop – Senior Manager of Supply/Procurement  
Kelly Sherf – Manager Accounting  
Dmitriy Turchik – Senior Manager Internal Audit

**Signature:** Tod Ayers  
Tod Ayers (May 14, 2026 10:08:38 PDT)

**Email:** tayers@gcpud.org

**Sponsorship Invoice**

**Customer #: 0000004640**

Orlene Hahn  
Grant County PUD  
PO Box 878  
Ephrata, WA 98823

**Invoice #:** 142058

**Invoice Date:** 03/31/2026

**Invoice Terms:** Net Due

Description	Quantity	Price	Discount	Amount
Fundamentals of Utility Finance for Public Utility District Supervisors - Grant PUD March 30, 2026				
Fundamentals of Utility Finance for Public Utility District Supervisors - Grant PUD - Event 260322 - InHouse Event Fees	1	\$6,521.95	\$0.00	\$6,521.95

Invoice Total	\$6,521.95
Taxes	\$0.00
Amount Paid	\$0.00
<b>PLEASE PAY</b>	<b>\$6,521.95</b>

PLEASE DETACH AND REMIT WITH YOUR PAYMENT

Invoice#: 142058

Customer #: 0000004640

Orlene Hahn  
Grant County PUD  
PO Box 878  
Ephrata, WA 98823

Remit Payment To:

**Northwest Public Power Association**

Attn: Accounting, 9817 NE 54th St, Suite 200, Vancouver, WA 98662-6064  
360.254.0109 [receivables@nwppa.org](mailto:receivables@nwppa.org)

Total Due: **\$6,521.95**

Amt Remitted : \_\_\_\_\_

**From:** [Patrick Bishop](#)  
**To:** [Thomas Stredwick](#); [Sandra Adame](#)  
**Cc:** [Kristin Fleisher](#); [Tod Ayers](#); [Scott Sundberg](#)  
**Subject:** Re: REQUEST: Non-Compliant Purchase Memo - Review and Submit  
**Date:** Tuesday, May 5, 2026 4:31:24 PM  
**Attachments:** [image001.png](#)

---

That is correct. Thank you.

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**From:** Thomas Stredwick <Tstredwick@gcpud.org>  
**Sent:** Tuesday, May 5, 2026 3:33 PM  
**To:** Patrick Bishop <Pbishop@gcpud.org>; Sandra Adame <sadame@gcpud.org>  
**Cc:** Kristin Fleisher <kfleisher@gcpud.org>; Tod Ayers <tayers@gcpud.org>; Scott Sundberg <Ssundbe@gcpud.org>  
**Subject:** RE: REQUEST: Non-Compliant Purchase Memo - Review and Submit

Ok thanks Pat. To confirm, our team is the one to route this along to the commission packet review process. Correct? Including [@Sandra Adame](#) to help get it routed.



Thomas Stredwick  
Sr. Manager, Talent & Org. Development

---

**From:** Patrick Bishop <Pbishop@gcpud.org>  
**Sent:** Tuesday, May 5, 2026 10:55 AM  
**To:** Thomas Stredwick <Tstredwick@gcpud.org>  
**Cc:** Kristin Fleisher <kfleisher@gcpud.org>; Tod Ayers <tayers@gcpud.org>; Scott Sundberg <Ssundbe@gcpud.org>  
**Subject:** Re: REQUEST: Non-Compliant Purchase Memo - Review and Submit

Thank you Thomas. I ran it past Mitch and he did not have any further comments. You can proceed with moving it to the Commission Packet.

---

**From:** Thomas Stredwick <Tstredwick@gcpud.org>  
**Sent:** Monday, May 4, 2026 4:55 PM  
**To:** Patrick Bishop <Pbishop@gcpud.org>  
**Cc:** Kristin Fleisher <kfleisher@gcpud.org>; Tod Ayers <tayers@gcpud.org>; Scott Sundberg <Ssundbe@gcpud.org>  
**Subject:** RE: REQUEST: Non-Compliant Purchase Memo - Review and Submit

Thank you for reviewing this Pat. It looks fine to me and I am good sending it along for the

packet. Please let us know if there is anything else you need on our end.

Take Care,



Thomas Stredwick  
Sr. Manager, Talent & Org. Development

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**From:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>  
**Sent:** Friday, May 1, 2026 6:57 AM  
**To:** Thomas Stredwick <[Tstredwick@gcpud.org](mailto:Tstredwick@gcpud.org)>  
**Cc:** Kristin Fleisher <[kfleisher@gcpud.org](mailto:kfleisher@gcpud.org)>; Tod Ayers <[tayers@gcpud.org](mailto:tayers@gcpud.org)>; Scott Sundberg <[Ssundbe@gcpud.org](mailto:Ssundbe@gcpud.org)>  
**Subject:** Re: REQUEST: Non-Compliant Purchase Memo - Review and Submit

Good morning Thomas,

I just added a bit more to the Violation Section. You will see it in Word mark-up. If you are agreeable, I will send it through for Legal awareness and we can get it in the Packet. Thank you.

---

**From:** Thomas Stredwick <[Tstredwick@gcpud.org](mailto:Tstredwick@gcpud.org)>  
**Sent:** Thursday, April 30, 2026 7:52 AM  
**To:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>  
**Cc:** Kristin Fleisher <[kfleisher@gcpud.org](mailto:kfleisher@gcpud.org)>; Tod Ayers <[tayers@gcpud.org](mailto:tayers@gcpud.org)>; Scott Sundberg <[Ssundbe@gcpud.org](mailto:Ssundbe@gcpud.org)>  
**Subject:** FW: REQUEST: Non-Compliant Purchase Memo - Review and Submit

Morning Pat,

Please see the attached and advise if we are on the right track in terms of process. I have never experienced this process before so appreciate the guidance.



Thomas Stredwick  
Sr. Manager, Talent & Org. Development


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**From:** Scott Sundberg <[Ssundbe@gcpud.org](mailto:Ssundbe@gcpud.org)>  
**Sent:** Wednesday, April 29, 2026 4:23 PM

**To:** Thomas Stredwick <[Tstredwick@gcpud.org](mailto:Tstredwick@gcpud.org)>; Tod Ayers <[tayers@gcpud.org](mailto:tayers@gcpud.org)>  
**Cc:** Patrick Bishop <[pbishop@gcpud.org](mailto:pbishop@gcpud.org)>; Kristin Fleisher <[kfleisher@gcpud.org](mailto:kfleisher@gcpud.org)>  
**Subject:** REQUEST: Non-Compliant Purchase Memo - Review and Submit

Hello Thomas and Tod,

I'm sending this email as part of the [Non-Compliant Purchases procedure](#) for failing to have approved a PO back in December for this year's Fundamentals of Managerial Finance workshops.

**Request:** Please - review and provide suggested edits if needed - this  [Non-Compliant Purchase Commission Memo](#), and then submit it to Pat (Senior Manager Supply Chain/Procurement) for review.

Context:

- The first workshop took place on March 30<sup>th</sup> 2026.
- A PO (attached) is now approved for the remaining 3 workshops.
- Attached is the March 30<sup>th</sup> workshop invoice to be paid.

Please reach out with any questions.

Thank you,  
Scott

**Scott Sundberg**

*Organizational Development Supervisor*

CELL 425.218.8009

EMAIL [ssundbe@gcpud.org](mailto:ssundbe@gcpud.org)



[grantpud.org](http://grantpud.org)



**PUD No. 2 of Grant County, WA**  
**PO Box 878**  
**30 C ST SW**  
**Ephrata WA 98823**

**Vendor:** NWPP00

NORTHWEST PUBLIC POWER ASSOCIATION  
 9817 NE 54TH ST  
 SUITE 200  
 VANCOUVER WA 98662

Tax Reg. Number

**Contract / Quote No.** Managerial Finance

^ Changed Since the Previous Revision

<b>Purchase Order</b>	
<b>Purchase Order No.</b>	PO39294P
<b>Date</b>	4/29/2026

**Ship To:**

154 A ST SE, Bldg. E  
 EPHRATA WA 98823

		Payment Terms	Confirm With				Page
		IMMEDIATE	Yara Amberson				1
L/N	Item Number	Bin	Req. Date	U/M	Ordered	Unit Price	Ext. Price
Item Description							Requested by
Shipping Method		Reference Number					
1	FNDMTLS OF MAN. FINANCE Q2		6/15/2026	Each	7,700.00	\$1.00	\$7,700.00
Fundamentals of Managerial Finance for Public Utility District Supervisors							Scott Sundberg
NO FREIGHT							
June 15, 2026							
Wanapum HOB							
2	FNDMTLS OF MAN. FINANCE Q3		8/27/2026	Each	7,800.00	\$1.00	\$7,800.00
Fundamentals of Managerial Finance for Public Utility District Supervisors							Scott Sundberg
NO FREIGHT							
August 27th, 2026							
Ephrata, WA							
3	FNDMTLS OF MAN. FINANCE Q4		11/16/2026	Each	7,600.00	\$1.00	\$7,600.00
Fundamentals of Managerial Finance for Public Utility District Supervisors							Scott Sundberg
NO FREIGHT							
November 16, 2026 - Ephrata, WA							
Insurance Required							
District contact: Brandi Opheikens bopheikens@gcpud.org							
Reimbursable Expenses governed by Appendix A							
<b>Purchase Order omits Q1 Course, March 30, 2026</b>							

Exempt from Washington State Sales Tax

<b>Subtotal</b>	\$23,100.00
<b>Tax</b>	\$0.00
<b>Order Total</b>	\$23,100.00

**Kylie McMinimee**

**Authorized**

All shipments, shipping papers, invoices and correspondence must be identified with our Purchase Order Number. Overshipments will not be accepted unless authorized by Buyer prior to shipment. This Purchase Order is subject to Grant PUD's Terms and Conditions.

By fulfilling this order, Seller is agreeing to Grant PUD's Terms and Conditions.

Warehouse Receiving Hours: Monday - Thursday, 6:30 AM - 12:00 PM & 12:30 PM - 3:30 PM.

Proposed In-House Training Contract  
*prepared for*

**Grant PUD**

Name of event	<b>Fundamentals of Managerial Finance for Public Utility District Supervisors</b>
Instructor	<b>Teri Wallis</b>
NWPPA Learning Program Manager	<b>Yara Amberson – <a href="mailto:yara@nwppa.org">yara@nwppa.org</a></b>
Hosting organization key contact person	<b>Orlene Hahn - <a href="mailto:Ohahn@gcpud.org">Ohahn@gcpud.org</a></b>
Dates	<ul style="list-style-type: none"> <li>• <b>Q1 – March 30th, 2026 – 25 students (Ephrata)</b></li> <li>• <b>Q2 – June 15th, 2026 – 25 students (Hydro Office Building-Wanapum Dam)</b></li> <li>• <b>Q3 – August 27th, 2026– 25 students (Ephrata)</b></li> <li>• <b>Q4 – November 16, 2026 – 25 students (Ephrata)</b></li> </ul>
Venue street address	<p><b>March 30, August 27, November:</b></p> <p><b>Grant PUD, Ephrata Annex 451 Diamond Drive, Ephrata, WA</b></p> <p><b>June 15:</b></p> <p><b>Wanapum Dam – Hydro Office Building 29086 Washington 243 Mattawa, WA 99349</b></p>
Hosting organization mailing address	<b>Grant PUD – Ephrata Office 30 C St SW, Ephrata, WA 98823</b>
Shipping address for materials	<b>Same as mailing address.</b>
Target audience at the hosting organization <i>(Note that this event is for the hosting organization’s employees only.)</i>	<b>Grant PUD employees</b>
Number of sessions	<b>4</b>
Number of attendees per session	<b>25 per session.</b>

Pre-event conference call date	TBD
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**Class description**

**Course Overview:**

This one-day interactive workshop provides PUD supervisors with foundational knowledge in public utility finance, budgeting, and accounting. Participants will learn to interpret Grant PUD’s financial statements, support prudent financial decisions, and understand the fiscal and regulatory environment that governs Washington State’s public utilities.

**Format:** Interactive workshop featuring case studies, discussion, and hands-on exercises

**Interactive Exercises:** Interpreting simplified Grant PUD financial data

**Group Discussion:** Budget prioritization and rate trade-offs

**Case Study:** Evaluating a capital project using cost-benefit reasoning

**Reflection:** “How can supervisors influence financial outcomes responsibly?”

**Audience:** Supervisors, Managers, and Leads

**Length:** 1 day (approximately 6.5 hours total, excluding breaks)

**Learning Objectives:**

By the end of the course, participants will be able to:

1. Interpret key financial statements used in a public utility district.
2. Explain what drives PUD finances — including rate-setting, margins, and financial health metrics.
3. Understand the business structure, constraints, and revenue sources specific to Washington PUDs.
  - o Explore statutory limits on debt, investments, and lending of credit/gifting of public funds (RCW 54 and 39).
  - o What makes a PUD unique from other utility business models
4. Apply basic cost-benefit analysis to operational and capital decisions.
  - o Connect financial analysis to long-term planning, staffing, and rate impacts.
5. Make and support financially responsible recommendations aligned with PUD strategy and policy.

**Financial Foundations and Public Sector Finance Modules – approx. 100 minutes per Module**

Module 1: Introduction to Managerial Finance

**Learning Objectives:**

Defines the role of financial management in public utilities and contrasts public vs. private financial principles.

**Key Learning Points:**

- Define managerial finance and its purpose in PUDs.
- Understand how financial management supports reliability, affordability, and compliance.
- Compare rate recovery vs. profit generation.
- Emphasize accountability and transparency in a non-profit utility model.

Module 2: How Our Financials Work – Grant PUD Public Utility District

**Learning Objectives:**

Examines how Grant PUD’s financial framework operates within state and utility guidelines.

**Key Learning Points:**

- Identify key revenue sources (retail rates, wholesale power, grants, bonds).
- Understand expense drivers (operations, capital, debt service).
- Review RCWs (Title 54) on budgeting, debt, and investment authority.
- Clarify restricted vs. unrestricted funds.
- Introduce rate setting, stabilization funds, and GASB principles.

Module 3: Financial Statements 101

**Learning Objectives:**

Provides an accessible review of major financial documents and key ratios used by PUDs.

**Key Learning Points:**

- Review core statements: Net Position, Revenues/Expenses, and Cash Flows.
- Understand key indicators: operating margin, liquidity, debt service coverage.
- Discuss how supervisors can use these reports to inform decisions.

Module 4: Cost Analysis and Decision Support

**Learning Objectives:**

Introduces financial tools for operational decision-making and long-term investment planning.

**Key Learning Points:**

- Explore total cost of ownership and life-cycle costing.
- Review ROI and payback concepts (high level, within business case framework).
- Understand opportunity cost and prioritization under fiscal constraints.
- Link analysis to budgetary alignment and rate impacts.

Module 5: Compliance, Risk, and Financial Stewardship

**Learning Objectives:**

Connects financial practices to governance, transparency, and risk mitigation.

**Key Learning Points:**

- Identify common financial risks (debt management, cash flow timing, regulatory shifts).
- Review internal controls and compliance expectations (audit readiness, RCW constraints).
- Discuss the supervisor’s role in financial stewardship and trust-building.

**One-Day Agenda (8:00 a.m. – 4:30 p.m.)**

Time	Session / Module	Focus
8:00 – 8:15	Welcome & Introductions	Course overview, objectives, and participant expectations.
8:15 – 9:45	Module 1: Introduction to Managerial Finance	Define managerial finance in a PUD context. Compare public vs. private financial management, and explore the role of supervisors in fiscal accountability.

<b>9:45 – 10:00</b>	<b>Break</b>	—
<b>10:00 – 11:30</b>	<b>Module 2: How Our Financials Work – Grant PUD Case Study</b>	Explore revenue sources, expense drivers, restricted funds, and statutory limits under RCW Title 54. Discuss rate setting, stabilization funds, and debt management.
<b>11:30 – 12:15</b>	<b>Module 3 (Part 1): Financial Statements 101</b>	Introduce key financial statements and connect them to operational decisions. Review Statement of Net Position and Statement of Revenues & Expenses.
<b>12:15 – 1:00</b>	<b>Lunch Break</b>	—
<b>1:00 – 2:00</b>	<b>Module 3 (Part 2): Financial Statements 101 (continued)</b>	Examine Statement of Cash Flows and key ratios (liquidity, margin, DSC). Interactive exercise: interpreting Grant PUD’s financial highlights.
<b>2:00 – 2:15</b>	<b>Break</b>	—
<b>2:15 – 3:15</b>	<b>Module 4: Cost Analysis and Decision Support</b>	Discuss total cost of ownership, ROI, life-cycle costs, and opportunity cost. Apply financial reasoning to capital and operational scenarios.
<b>3:15 – 4:00</b>	<b>Module 5: Compliance, Risk, and Financial Stewardship</b>	Identify financial risks, internal controls, and audit expectations. Review the supervisor’s role in transparency and fiscal responsibility.
<b>4:00 – 4:30</b>	<b>Wrap-Up &amp; Discussion</b>	Recap learning objectives, participant reflections, and next steps. Group takeaway: “What will you do differently as a financial steward?”

**Pricing**

Price includes training fee, travel, and materials costs (Valid for 30 days)	Not to exceed: <ul style="list-style-type: none"> <li>• March 30th, 2026 – \$7,400</li> <li>• June 15th, 2026 – \$7,700</li> <li>• August 27th, 2026 – \$7,800</li> <li>• November 16, 2026 – \$7,600</li> </ul>
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**Audio/visual and room set-up needs:**

- Screen
- Projector
- Tables set up as requested by instructor
- Food and beverages as needed

**Pre-event conference call**

Prior to the event, the NWPPA learning program manager will set up a conference call with the hosting organization’s point of contact and the instructor to go over logistics/details.

**NWPPA support materials**

Prior to the event, the NWPPA learning program manager will send the following to the hosting organization's contact person, via email:

- Excel attendance form and online evaluation link for hosting organization to provide attendees at conclusion of the event

**Materials due back to NWPPA after the event**

After the event, the hosting organization will send back to NWPPA:

- The roster of attendees for input into the NWPPA database, thus ensuring that attendees have accurate records of the NWPPA classes they have taken
- Once the evaluation link is shared, no additional action needed as online evaluation results will be automatically collected by NWPPA electronically upon completion by each attendee

**Invoicing and certificates of completion**

After the event, NWPPA will:

- Invoice the hosting organization for the training fee and all related expenses
- Send certificates of completion to the attendees listed on the roster, if requested

**Cancellation policy:**

**If the Hosting organization Cancels**

To cancel the event, the hosting organization must notify the NWPPA learning program manager via email or letter.

<b>Cancellation Timeline</b>	<b>Charges</b>
Over 30 days ahead of the event	None
15-29 days ahead of the event	50% of the event fee All incurred expenses
0-14 days ahead of the event	100% of the event fee All incurred expenses
Same day of the event - an emergency declaration (such as major outages from a storm)	All incurred expenses

**If NWPPA Cancels**

NWPPA will only cancel an in-house event under emergency conditions. For example, the instructor may not be able to deliver due to uncontrollable circumstances (e.g. accident, cancelled flights).

The cancelled event will be rescheduled at the earliest mutually agreeable date.

**APPENDIX “A”  
RATE SCHEDULE**

**DIRECT EXPENSES:**

Fixed hourly billing rates 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, faxes, 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.

**REIMBURSABLE EXPENSES:**

Reimbursable expenses are those reasonable and necessary costs incurred on or directly for the District’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](http://www.x-rates.com) for the applicable period. Reimbursement will be subject to the following limitations:

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. The current rate for all Grant County locations is \$68.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at [www.gsa.gov](http://www.gsa.gov).

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 current federal maximum lodging rate for all Grant County locations is \$110.00. The District Representative may increase this limit in writing when circumstances require.

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 Contractor’s 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 District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Contractor’s insurance policies.**

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 District may require.**



## TERMS & CONDITIONS FOR LABOR & SERVICES

**The following terms and conditions may refer to conditions which will not be encountered in the performance of work under the Order and which are not applicable thereto. Any requirements, provisions, or other stipulation of these terms and conditions which pertain to a non-existent condition and are not applicable to the work to be performed hereunder shall have no meaning in the Order. This purchase order is subject to Grant PUD's terms and conditions. By performing the scope under this purchase order, seller is hereby agreeing to Grant PUD's terms and conditions.**

1. Definitions. Whenever used in the purchase order or direct purchase ("Order"), the following terms shall have the following meanings: (a) "Buyer" or "District" or "Grant PUD" means Public Utility District No. 2 of Grant County, Washington; (b) "Seller" or "Contractor" means the person, partnership, corporation, or other entity specified as the Seller; (c) "Goods" means all the goods, materials, equipment, services, information, drawings, documents, and other items furnished or to be furnished under this Order to Buyer. If Seller is composed of more than one person or entity, then each person or entity shall be jointly and severally liable as Seller under this Order.
2. Acceptance/Agreement. This Order must be accepted in writing by Seller. If, for any reason, Seller should fail to accept in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by Seller of this Order and all of its terms and conditions. Any terms proposed in Seller's acceptance of Buyer's offer which add to, vary from, or conflict with the terms herein are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may hereafter be modified only by written instrument executed by the authorized representatives of both parties.
3. Price and Payment. Payment terms shall be Net 30 days from receipt of Seller's invoice. Payment of the purchase prices specified in this Order shall constitute full compensation for the Goods and the satisfactory performance of Seller's obligations under this Order. Such prices shall not be subject to adjustment unless specifically provided for elsewhere in this Order. Unless otherwise specified herein, such prices include assessments and other amounts payable to governmental authorities with the exception of Washington State sales tax, which shall be separately stated on Seller's invoice. Seller understands and agrees that by executing this Order with the District, the District shall make payment(s) by automated clearing house (ACH). The District shall not be liable for fees incurred as a result of changes to Contractor's banking information without proper, separate notification to Accounts Payable via email at [apinquiries@gcpud.org](mailto:apinquiries@gcpud.org). Failure of Contractor to properly notify the District of banking changes as specified above shall result in forfeiture of associated fees. Any time period specified for payment or for accepting any discounts shall commence upon the later of: (a) the date Buyer receives Seller's correct invoice therefor; or (b) the date that Buyer receives and accepts the Goods together with any required documentation at the specified destination.  
  
If prevailing wages apply (see Section 11) and the District has not received an Affidavit approved by L&I, the District shall withhold the sum of 5% of the amount of each progress payment to the Contractor as retainage in accordance with RCW Chapter 60.28 of the Revised Code of the State of Washington. Any retainage withheld will be released to the Contractor upon the District's receipt of the approved Affidavit. If the District is requested in writing by the Contractor, the monies reserved hereunder (retainage) shall be placed in escrow with a mutually agreed upon bank or trust company by the District and interest on such escrowed funds shall be paid to the Contractor as said interest accrues, all as more fully provided in RCW Chapter 60.28. However, any payments made to the Contractor hereunder shall not relieve the Contractor from responsibility under provision of the Order and warranties. Payment is not to be construed as acceptance by District or certification that the Contractor has performed the work correctly or according to the Order.
4. Delivery/Completion. The obligation of Seller to meet the completion and delivery dates, specifications, and quantities set forth herein is the essence of the Order. Deliveries shall be made both in quantities and at times specified herein. Shipments in greater or lesser quantity than ordered may be rejected and returned at Seller's expense if Seller's deliveries fail to meet the terms of delivery. Buyer, without limiting its other rights or remedies, may either direct expedited routing, or charge excess cost incurred thereby to Seller, or cancel all or part of this Order. Goods which are delivered in advance of schedule are delivered at the risk of Seller and may at Buyer's option, be returned at Seller's expense for proper delivery and/or have payment therefor withheld by Buyer until the date that the Goods are actually scheduled for delivery. Seller shall properly package Goods for protection against damage that may result from shipment, handling, storage, or other causes.
5. Delays. Time is of the essence in the performance of Seller's obligations under this Order. However, Seller shall not be liable for delays in completion or delivery due to causes which are not reasonably foreseeable, which are beyond Seller's control, or which cannot be overcome by the exercise of reasonable diligence, provided that Seller gives Buyer prompt written notice of the circumstances giving rise to the delay, the anticipated duration of the delay, and the action being taken by Seller to overcome or mitigate the delay. The specified shipment and delivery dates shall be extended by the period of any such delay.
6. Inspection/Testing/Rejection. The Goods shall at all times be subject to inspection, testing, and expediting by Buyer. Payment for the Goods delivered hereunder shall not constitute acceptance thereof. Buyer, without limiting its other rights or remedies, shall have the right to inspect such Goods and to reject any or all of said Goods which are in Buyer's judgment defective. Goods so rejected and Goods supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and in addition to Buyer's other rights. Buyer may charge Seller all expenses of unpacking, examining, repacking, and reshipping such Goods.



7. Warranty. Seller warrants that: (a) the Goods shall be free from all defects in design, materials, workmanship, patent, and title; (b) all materials, components, parts, and other items incorporated in the Goods shall be new and of suitable quality for their intended purpose; and (c) the Goods shall conform in all respects with the requirements of this Order. Seller shall promptly correct any Goods that do not comply with warranty. If Buyer requests Seller to make any such correction and Seller thereafter fails or indicates its inability or unwillingness to do so, then Buyer may correct or cause to be corrected the noncompliance or otherwise achieve compliance by the most expeditious means available to it and charge to or otherwise recover from Seller the cost thereof. If Buyer rejects any Goods that do not comply with the foregoing warranty, Seller shall have a reasonable time to correct the noncompliance. If Seller fails to correct the noncompliance within a reasonable time, Buyer may cancel the Order as to the non-complying Goods without any liability or obligations of, or cost to Buyer with respect to such Goods and without prejudice to any other rights or remedies of Buyer with respect to such noncompliance, i.e. to damages or cover.
8. Activities on Buyer's Premises. **This section applies if Seller, or any of its Subcontractors or suppliers of any tier, performs any activities on premises owned, leased, possessed, or controlled by Buyer.**

Seller shall carry on said work at its own risk until the work is fully completed and accepted. In case of accident, destruction, or injury to the work and/or Goods, before its final completion and acceptance, Seller shall repair or replace forthwith the work and/or Goods so injured, damaged, and destroyed, at its own expense and to the satisfaction of Buyer. When Goods are furnished by others for installation or erection by Seller, Seller shall receive, unload, store and handle the same at the site and become responsible therefor as though such Goods were being furnished by Seller on this Order.

Seller specifically and expressly agrees to release indemnify, save harmless and defend Buyer, its officers, agents, and employees from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatsoever kind and nature, including attorney's fees and claims arising of and in connection with or incident to Seller's performance of this Order or the Goods to be provided, unless caused by the sole negligence of Buyer. Seller acknowledges that by entering into this Order with Buyer it has mutually negotiated the above indemnity provisions with Buyer. Seller's indemnity and defense obligations shall survive the termination or completion of the Order and remain in full force and effect until satisfied in full.

Prior to the commencement of any work under this Order, and at all times during the term of this Order, Contractor 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, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Order.

Contractor Required Insurance

- A. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:
1. Premises and Operations;
  2. Products and Completed Operations;
  3. Contractual Liability;
  4. Personal Injury Liability (with deletion of the exclusion for liability assumed under contract);
  5. Pollution Liability (sudden and accidental); (Applicable if working on site with a low pollution risk present)
  6. Such insurance shall not exclude coverage for action-over liability claims; (Applicable when working on site, particularly at the power plants, near live lines or other higher risk areas)
  7. Such insurance shall not exclude coverage for Explosion (X), Collapse (C) and Underground Hazards (U). (Applicable if the work has the potential for explosion risk, if there will be any drilling or boring, etc.)

with the following **minimum limits:**

8. \$1,000,000 Each Occurrence
9. \$1,000,000 Personal Injury Liability
10. \$2,000,000 General Aggregate (per project)
11. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing and completed operations. A waiver of subrogation will apply in favor of the District.

- B. **Workers' Compensation and Stop Gap Employers Liability:** 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.** The Contractor 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. If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers



(USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

- C. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, 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 and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable. Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

Evidence of Insurance - Prior to performing any services, and within 10 days after notification of award, the Contractor shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming the District as an Additional Insured for each policy where indicated in Section A.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District 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 District shall have the right but not the obligation of prohibiting the Contractor or Subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Order at the District's option.

Contractor shall ensure that each Subcontractor meets the applicable insurance requirements and specifications of this Order. All coverage for Subcontractors shall be subject to all the requirements stated herein and applicable to their profession. Contractor shall furnish the District with copies of certificates of insurance evidencing coverage for each Subcontractor upon request.

Cancellation of Insurance - The Contractor shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or Contractor shall provide 30 days advance written notice to the District for cancellation or any material change in coverage or condition, and 10 days' advance written notice for cancellation due to non-payment. Should the Contractor receive any notice of cancellation or notice of nonrenewal from its insurer(s), Contractor shall provide immediate notice to the District no later than two days following receipt of such notice from the insurer. Notice to the District shall be delivered by email.

9. Archaeological Resources. In the event the Seller or any of its Subcontractors inadvertently discover archaeological resources at any time during the project, Seller shall immediately notify the Buyer and suspend all excavation activities at the site. "Archaeological Resource" shall mean any material remains of human life or activities which are of interest. This shall include all sites, objects, structures, artifacts, implements, and locations of prehistoric or archaeological interest, whether previously recorded or still unrecognized, including, but not limited to objects pertaining to prehistoric and historic American Indian or aboriginal burials, campsites, dwellings, and their habitation sites, including rock shelters and caves, their artifacts and implements of culture such as projectile points, arrowheads, skeletal remains, grave goods, basketry, pestles, mauls and grinding stones, knives scrapers, rock carvings and paintings, and other implements and artifacts of any material or form. The disturbance of any cairn or Native Indian grave is prohibited by the Indian Graves and Records Act (RCW 27.44).
10. Patents. Seller shall, at Seller's own expense, defend all suits or proceedings instituted against Buyer, and shall pay any award of damages and costs assessed against Buyer, and shall pay any award of damages and costs assessed against Buyer in such suits of proceedings, insofar as the same are based on any claim that the Goods furnished under this Order or any part thereof constitutes an infringement of any United States patent or copyright, provided that Buyer shall give to Seller prompt notice of the institution of any such suit or proceeding if such Goods in any such suit or proceeding is held to constitute infringement and its use is enjoined. Seller, within a reasonable time, shall either secure for Buyer at Seller's own expense, the right to continue using said Goods by suspension of the injunction, by procuring for Buyer a license, or otherwise, or shall at Seller's own expense and as Buyer may elect, replace such Goods with non-infringing Goods, or modify it so that it becomes non-infringing, all without damage or injury to any other property of Buyer.
11. Compliance with Laws. Seller shall comply and shall ensure that the Goods and Seller's Subcontractors and suppliers of every tier comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other requirements, now or hereafter in effect of any governmental authority. Seller shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, regulations, and orders required to be incorporated in agreements of this type are hereby incorporated by this reference as set forth in full herein.

Seller shall comply with Executive Order No. 11246, Executive Order No. 11701 the Vietnam Era Veteran's Readjustment Assistance Act of 1972 and the Rehabilitation Act of 1973, and all orders, rules, and regulations promulgated thereunder (including but not limited to, 41 CFR Part 60-1, 41 CFR Part 60-741), all as the same may have been or may be amended. The "Equal Opportunity" clause of 41 CFR Section 60.1.4 (b), the "Affirmative Action Obligations for Disabled Veterans of the Vietnam Era" clause of 41 CFR Section 60-250.4, and the



“Affirmative Action for Handicapped Workers” clause of 41 CFR Section 60-7414 are incorporated herein by this reference. Seller certifies that segregated facilities (within the meaning of 41 CFR Section 60.1.8) are not and will not be maintained or provided for Seller’s employees and that Seller will not permit its employees to perform work at any location under Seller’s control where segregated facilities are maintained. Seller shall obtain similar certification from any of its Support as required by 41 CFR Section 60.1.8.

Seller shall comply with all applicable State of Washington laws governing the payment of prevailing wages (RCW 39.12) and (WAC 296-127). Seller shall defend, indemnify and hold harmless the District and its representatives from and against any and all liabilities, fines, penalties, claims, losses, damages or expenses which may be incurred or sustained by the District or any of its representatives by reason of seller’s failure to fully comply with applicable State of Washington laws governing the payment of prevailing wages.

Buyer is subject to the disclosure obligations of the Washington State Public Records Act of RCW 42.56. By submitting a Bid, Seller expressly acknowledges and agrees that its Bid and any information Seller submits with its Bid is subject to public disclosure pursuant to the Public Records Act or other applicable law and the Buyer may disclose Seller’s proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

- A. The Buyer will not contact Seller when records the Buyer has received are responsive to a request for public record that would result in these records being released.
  - B. Marking pages “confidential” or “proprietary” does not prevent them from release. The Buyer will review for any records that meet the proprietary exemption in RCW 42.56.270(11). The Buyer will either claim the exemption for Seller, or if there is any question as to its validity, the Buyer may contact Seller about claiming the exemption.
  - C. Other items that may be provided with Bid that are NOT exempt from disclosure: Employee wages, equipment and material costs.
  - D. Having a Non-Disclosure Agreement (NDA) with the Buyer does not preclude the Buyer from releasing these records. The courts have ruled that not all NDAs are enforceable in response to requests for public records.
  - E. Buyer scoring/evaluation forms are not exempt from disclosure once the Bid has been awarded.
12. Changes. Buyer may from time to time make changes in the requirements of this Order (including, but not limited to, additions or deletions of any Goods, changes in quantities, drawings and specifications for the Goods, suspensions of performance, change in schedules, and changes in shipment and delivery dates) by giving Seller written notice of such changes. Such change notices will be in writing by a fully authorized representative of the Buyer. If any such change causes an increase or decrease in the cost of or the time required for performance of the Order, an equitable adjustment in the prices and schedule under this Order shall be made to reflect such increase or decrease.
13. Cancellation/Termination. Buyer, without limiting its other rights or remedies, reserves the right to cancel or suspend all, or from time to time any, undelivered or unexecuted portion of this Order if: (a) Seller fails to make any delivery or to perform any work as scheduled; or (b) Seller breaches any of the terms hereof. If Buyer elects to terminate this Order for its sole convenience, Buyer shall reimburse Seller for Seller’s expenses (which shall not include lost profits) resulting directly from any such cancellation or suspension made without cause, which amount shall in no event exceed the applicable pro rata portion of the Order price. The foregoing states Buyer’s entire liability and Seller’s exclusive remedy for any change and/or cancellation or suspension of all or any part of this Order. Any claims by Seller shall be asserted in writing within 30 days after the change, cancellation, or suspension as ordered, and the amount of such claim must be stated in detail in writing within 30 days thereafter.
14. Successors and Assigns. Seller shall not (by contract, operation of law, or otherwise) assign this Order or any right or interest in this Order, or delegate performance of any of its obligations under this Order, or subcontract any portion of this Order, without the prior written consent of Buyer. Any such assignment or delegation without Buyer’s prior written consent shall be voidable at Buyer’s option. No such assignment or delegation with or without Buyer’s prior written consent shall relieve Seller of any of its obligations under this Order. All claims for monies due or to become due from the Buyer shall be subject to deduction by the Buyer for any setoff or counterclaim arising out of this or any other Order with the Seller.
15. Non Waiver. The failure of Buyer to insist upon or enforce strict performance by Seller of any of the provisions of this Order, or to exercise any rights or remedies under this Order, shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions, rights, or remedies in that or any other instance; rather, the same shall be and remain in full force and effect.
16. Entire Agreement. This document sets forth the entire agreement and supersedes any and all prior agreements between Buyer and Seller regarding the Goods. No amendment or modification of any provision of this Order (other than any change or termination pursuant to Sections 12 and 13) shall be valid unless set forth in a written instrument signed by the party to be bound thereby.

Buyer shall not be bound by, and hereby specifically object to any term, condition, or other provision which is different from or in addition to the provisions of this Order (whether or not it would materially alter this Order) and which has been proffered by Seller in any quotation,



in voice, shipping document, acceptance, confirmation, correspondence or otherwise, unless Buyer specifically agrees to such provision in a written instrument. The rights, remedies, and warranties afforded to Buyer pursuant to any provision of this Order are in addition to and do not in any way limit any rights, remedies, or warranties afforded to Buyer by any other provisions of the Order, by any of Seller's Subcontractors or suppliers of any tier, or by law.

17. Applicable Law. Seller shall comply with all applicable federal, state, and local laws and regulations. All written instruments, agreements, bid documents, specifications, and other writing of whatsoever nature which are part of this Order 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 Buyer and the Seller shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Order shall be in the Superior Court of County of Grant, State of Washington. In the event of litigation to interpret or enforce the provisions of the Order, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief allowed.

18. Contractor Safety Requirements.

A. Purpose. The Contractor Safety Requirements shall be required as applicable to the scope of work. Section 18.B applies to all work, whereas, Section 18.C is specific to specialized types of work. To the extent applicable, the Contractor shall ensure that all workers, Subcontractors, and suppliers comply with these requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements stated in the Technical Specifications and the Order terms and conditions sections where applicable. If there are conflicts between any of the requirements referenced in the Order, the more stringent requirement shall prevail.

B. General

1. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or Subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.
2. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Order or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
  - a) The Contractor shall not be entitled to any adjustment of the Order price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
  - b) The District's conduct does not alter or waive the Contractor's safety and health obligations.
  - c) Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
  - d) Non-compliance with safety requirements could lead to termination of the Order in accordance with Section 13.
3. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Order.
  - a) The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.
  - b) In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/Subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, Subcontractor, and their workers shall fully cooperate with the District in this investigation.
  - c) All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.

- d) For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- 4. The Contractor/Subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- 5. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to the work being performed by the District that may impact the Contractor's work.
- 6. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- 7. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Order. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
  - a) The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Order work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.
  - b) The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any Subcontractors shall adhere to the Contractor's SSSP.
  - c) Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.In lieu of the SSSP, the District Representative may, at their discretion, accept an Accident Prevention Program implemented and maintained in accordance with Washington state law (WAC 296-155-110).
- 8. District Rescue Team and Relation to Contractor Emergencies and Back Shift Operations When District Rescue Team is Not Present: Contractors shall be required to submit an Emergency Plan that covers first response and rescues. This is required to be submitted for approval by the District Representative prior to work starting. Contractors are encouraged to familiarize themselves with District First Responder and Rescue Team capabilities. District Response Teams may not be available during all work hours and typically are not available on off-shifts, weekends, and District holidays. Contractors choosing not to provide their own response personnel must include a process that does not rely on the District in the event District Response Teams are not available.
- 9. **If, at the District Representative's discretion, the work warrants a full time safety professional on-site at all times and/or it's anticipated there will be more than 50 people working on the job site the following shall apply:**

The Contractor shall have a dedicated safety professional on the job site anytime work is being performed. The dedicated safety professional shall have an associate or bachelor degree in Occupational Health and Safety, an OSHA Training Institute Certification, or educational equivalent. At the District Representative's discretion, five years' experience as a safety professional may be substituted for educational requirements.
- 10. **The following shall apply anytime crew size is anticipated to be five or more people:**
  - a) Contractor shall ensure all crew members, including Subcontractors, performing work are OSHA 10 certified.
  - b) The Contractor shall have a designated safety representative on the job site any time work is being performed. The designated safety representative shall have a minimum of OSHA 30 training.
- 11. Office Work: Contractor personnel who perform work in an office environment at premises owned, leased, possessed, or controlled by the District 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.
  - a) Access: The Security Department administers physical access to District facilities. Contractor personnel shall be issued an ID badge or visitor badge to provide access to work areas as needed per Sections 20 and 21. Workers without authorized access to an area must be escorted at all times. Any person with authorized access may serve as an escort.

- b) Emergency Preparedness: All Contractor 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.
- c) Housekeeping: Contractor 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 District in such work areas.

C. Specialized Work

1. Requirements for Contractor Representative Attendance at Safety Meetings: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to attend the District monthly safety meeting. The above is a District requirement.
2. Fabricated Lifting Devices: All fabricated lifting devices including materials handling and storage devices, below the hook lifting devices, cranes, derricks and rigging used in the work shall comply with the most current version of the applicable sections of WAC 296-24 Part D, ASME B30.30 Below the Hook Lifting Devices, ASME BTH-1 Design of Below the Hook Lifting Devices Part F and Part L and the District's Fabricating, Repairing, or Modifying Lifting Devices In-House Policy (APPSA-PP-STD-100). Where a conflict may exist between the standards, codes and District Policy, the stricter interpretation of the rules shall apply. At a minimum, lifting devices shall be designed with a factor of safety of 5 to the ultimate material strength. Devices shall be load tested to 200 percent of the rated working load. Devices carrying personnel shall be designed and the design shall be checked by licensed professional engineers. All custom designs shall be approved and load test witnessed and approved by the District Representative before they are permitted for use on District facilities. The above is the most stringent of WAC, ASME and District requirements.
3. Crane Operator Certification Requirements –NCCCO: Contractor personnel who operate the District's cranes shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. This includes but is not limited to overhead cranes, mobile cranes and boom trucks. Contractor shall be required to present current certification cards for approval by the District Representative prior to equipment operation. The above is a District requirement.
4. Crane Inspections: Contractor personnel who perform crane inspections shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Inspectors shall be required to present a current certification card for approval by the District Representative prior to performing duties. The above is a District requirement.
5. Rigging Inspections: Contractor personnel who perform rigging inspections or other lifting and handling of large components shall be certified under the National Commission for the Certification of Crane Operators (NCCCO) program. Riggers shall be required to present a current certification card for approval by the District Representative prior to performing duties. At the District Representative's discretion, a Millwright's card may be substituted for NCCCO certification after review and approval of the Millwright's rigging certification program. The above is a District requirement.
6. Cord Covers to High Traffic Areas: Contractors shall be required to protect all electrical cords, air lines, hydraulic hoses, water hoses, and other cords, hose, cables, and pipes to prevent them from being driven over or creating tripping or other hazards including at a minimum but not limited to utilizing cord covers in high traffic areas and installing temporary barriers when necessary to prevent foot or vehicle traffic. The above is a District requirement.
7. Energized Vault Work: All work that takes place regarding underground electrical installations shall comply with the most current version of WAC 296-45 which includes all types of electrical vaults and manholes. When this work involves installing, removing, terminating or switching, personnel must do so without entering the energized vault. To further clarify, all live line tools placed in the energized vault must be properly tested and comply with the requirements set forth in the most current version of WAC 296-45. The above is a Code requirement.
8. Scaffold Design, Erection and Inspection: All scaffold work shall comply with the most recent version of WAC 296-874. The Contractor shall ensure all scaffolds are designed by a qualified person and constructed according to that design. Only qualified personnel shall erect, move, dismantle and/or alter scaffolds. Qualified erectors shall be supervised by a competent person. Scaffold inspections shall be performed by a competent person before each work shift and after anything occurs that could affect the scaffold's structural integrity. The above is a Code requirement.
9. Involvement in Job Briefs by Others/Involvement of Others in Contractor's Job Briefs: When work completed by the Contractor will or may affect work being completed by other contractors or by District staff, the Contractor shall ask for a representative from the other contractor or District staff to participate in the Contractor's daily job brief for the purpose of informing the other party of safety hazards that may be encountered as a result of the affected work. Job brief discussion shall include hazards that the other contractor or District staff may encounter as part of the Contractor's work, mitigation measures, clearance points and boundaries, effects that equipment taken out of service or put back into service could have on other parties, Personal Protective Equipment (PPE) requirements and contingency plans. The above is a District requirement.

10. Temporary Traffic Control: When work activities occur within or adjacent to District access roads, the Contractor shall follow the guidelines for Temporary Traffic Control Planning as specified in the current Manual on Uniform Traffic Control Devices. The plan shall be reviewed and approved by the District Representative prior to implementation. The above is a Code requirement.
11. Contractor Hazardous Materials Communication: Due to the age of the District facilities there are known materials used in construction that are now classified as hazardous materials such as lead and asbestos. The District Representative shall provide the Contractor with a list of the known hazards in the work area. This list is not comprehensive. The Contractor shall be aware of possible hazards. If the Contractor identifies a possible hazardous material such as lead, asbestos, SF-6 residue and/or hexavalent chromium, all work in that area must stop until the material is tested and identified. The Contractor shall notify the District Representative immediately upon identification of possible hazardous material.

If the material is identified as non-hazardous, work may resume once the materials status has been communicated to the District Representative and Contractor's employees.

If the material is a hazardous substance, proper protocols compliant with regulation must be followed. The above is a Code requirement.

12. Caution and Danger Barriers:
  - a) Caution Tape or Rope - Yellow will be used to demarcate areas with low safety hazards. Contractor employees may enter the barricade area only after identifying the hazard enclosed by the Caution barrier tape/rope.
  - b) Danger Tape or Rope – Red will be used to demarcate areas of imminent danger. An employee may not enter the area barricaded with Danger barrier tape/rope without consent of the barricade attendant or tape tag holder.

Contractors that will be introducing hazards as part of their work must barricade the hazardous area to prevent employees from entering the area in accordance with District Policy SA-DW-PRG-430. The above is a Code requirement.

13. Confined Spaces: Contractor shall comply with District Policy SA-DW-PRG-080. The purpose of a Permit-Required Confined Space Program is to ensure safe practices are utilized prior to and during all construction work activities in confined spaces at District work locations. The District's program is designed to prevent personal injuries, illness, and fatalities in confined spaces. As an employer, the District has developed and implemented this document to meet the written program requirements specified in OSHA regulation 29 CFR 1926 subpart AA and WAC 296-809, the Confined Spaces in Construction Standard. The above is a Code requirement.
14. Qualified Electrical Worker: For purposes of complying with Washington State law and the District's Electrical Safety Program, a Qualified Electrical Worker is defined according to the definition in WAC 296-45. The above is a Code requirement.
15. Authorized Employee: For purposes of complying with Washington State law and the District's Electrical Safety Program, an Authorized Employee is defined according to the definition in WAC 296-45. The above is a Code requirement.
16. Power Delivery Clearance and Lock Out/Tag Out: Contractor employees shall successfully complete the Power Delivery switching and clearance training program prior to being deemed qualified by the District to lock out or tag out machines or equipment. Contractor employees trained and certified as qualified shall be authorized to switch devices and install safety tags for which they are qualified, under the direction of the District's dispatcher, as needed. Contractor employees shall follow the same rules for switching and clearances that apply to District employees as outlined in the District's Switching, Tagging and Clearance Procedures.

If a Contractor employee requests a clearance from the District dispatcher for work to be performed on the District's electric system and the employee is deemed qualified, then the clearance may be issued directly to the requester in accordance with the same rules governing District employees. If the requesting Contractor employee is not deemed qualified, then the clearance shall be issued to a District employee who shall act as the clearance holder and oversee all work performed. The above is a combination of Code and District requirements.

17. Safety Procedures for Transformer Oil Fill
  - a) General
    - 1) The Contractor shall be aware of the hazards when working in close proximity to electrical circuits and accordingly shall take all necessary precautions to prevent injury and loss of life of employees and damage to equipment and property. All hazardous areas and/or operations existing or created by the Contractor must be taken into account and the Contractor shall take whatever precautionary measures are required and assume all risks from damage claims that arise, due to Contractor's operations.
    - 2) The Contractor shall take extra precautions to prevent nail puncture accidents by removing nails from scrap lumber, etc., at the worksite.



- 3) The Contractor is advised that the transformers may be infested with insects. If the Contractor wishes to eliminate these insects, the method used must be approved by the District beforehand. Under no circumstances will the Contractor use a pesticide that is not approved by the District.
  - 4) Neither the Contractor's or District's crews shall be allowed to work on top of a transformer while it is under full vacuum. Partial access to the transformer may be required during vacuum leak testing, and tending to the Refrigerated Vapor Trap (RVT), but extreme caution shall be exercised by all personnel.
  - 5) During times when the RVT is in use, the Contractor shall ensure that adequate safety precautions are followed, including at least two (2) personnel on-site. Specifically, during RVT operations, fumes from the cryogenic agents may create a hazardous environment which the Contractor shall monitor and control.
  - 6) If entry inside a transformer is necessary for any reason, the Contractor shall follow Permit-Required confined space entry procedures, as defined by Washington Administrative Code 296-809. The Contractor shall provide all personnel and equipment necessary to comply with the procedures and shall coordinate this work with the District Representative.
  - 7) All employees of the Contractor, Subcontractor or sub-supplier must strictly adhere to the District's "No Smoking" restrictions where imposed. Additionally, no smoking shall be allowed within a 50 foot radius of the transformers and the temporary oil storage tank, during oil processing, before, during, or after the mobilizing and demobilizing phases.
- b) Electrical
- Due to the District's concern for safety, the transformers shall be electrically grounded during all work performed by the District and the Contractor.
- c) Fire
- 1) The Contractor shall exercise all reasonable caution to prevent fires. Flammable rubbish, especially accumulations of paper, excelsior, and oil-soaked materials, shall be removed from the premises and disposed of as soon as possible. Gasoline, alcohol, oil, solvents, and other flammable substances shall be kept in approved safety containers. All protective covers, drop cloths, and tarpaulins are to be flameproof.
  - 2) The Contractor shall supply and keep adequate fire extinguishing equipment on hand at all times, and in close proximity to the equipment being worked on.
- d) Personal Protective Equipment
- 1) Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with proper protective clothing as required by OSHA, WISHA, and/or other regulatory agencies. This protective clothing shall be worn at all times when working around the oil processing equipment and when work inside of the transformer is required.
  - 2) Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with ear plugs. Ear plugs shall be worn at all times when working around the oil processing equipment and District marked/designated areas requiring ear protection.
  - 3) The Contractor shall provide a correctly calibrated oxygen level meter for use during confined space entry work inside of the transformer. The Contractor shall be responsible for providing and using a correctly calibrated oxygen level meter during RVT operations.
  - 4) The Contractor shall take adequate precautions to prevent injury and loss of life from falling, while working on top of the transformers. The Contractor is advised that wind conditions can change suddenly and that severe gusts up to 50 mph or more may be encountered when working outdoors. Full-body harnesses and lanyards, in accordance with OSHA regulations, are required when working on top of the transformer.
- e) Emergencies
- If an emergency situation is created or observed by the Contractor at Wanapum or Priest Rapids dams or on Grant PUD land within approximately ½ mile proximity of either dam, 911 shall be called immediately. After 911 is notified, the nearest control room shall be notified (Note: if a 911 call is dialed from a Grant PUD phone inside Wanapum or Priest Rapids dams, the respective control room will receive the call and dispatch emergency services). The District's Dispatch Center should be subsequently contacted for electric system emergencies All other emergencies shall be routed to the District's Security Operations Center (DSOC).
- To contact the Wanapum Control Room from:
- 1) A District telephone, dial ext. 2518.
  - 2) An outside telephone line, dial 1-509-754-5088 ext. 2518.



To contact the Priest Rapids Control Room from:

- 3) A District telephone, dial ext. 2718.
- 4) An outside telephone line, dial 1-509-754-5088 ext. 2718.

The Wanapum and Priest Rapids control rooms are staffed 24 hours per day.

To contact the Dispatch Center from:

- 5) A District telephone, dial ext. 2237 or 2238.
- 6) An outside telephone line, dial 1-800-216-5226.

The Dispatch Center is manned 24 hours per day.

To contact the District's Security Operations Center (DSOC):

- 7) A District telephone, dial ext. 2014.
- 8) An outside telephone line, dial 509-766-2538.

f) Security

The District's check-in/check-out procedure must be followed by the Contractor's employees and Subcontractor(s) whenever they are at the worksite. This procedure will be explained to the Contractor at the pre-work conference.

**The remaining sections are applicable to work at Grant PUD's hydroelectric facilities:**

18. Use of Smoke Eaters When Welding in the Plant: Contractors performing welding activities in the hydroelectric facilities shall provide containment, mechanical ventilation, local exhaust systems and filtration as necessary to prevent visible accumulation of welding fumes and smoke. The above is a District requirement.
19. Flash Protection during Welding Activities: Contractor shall provide screens in any areas where welding activities occur to protect others from the welding glare. The screens shall be positioned approximately two feet above the floor, without restricting ventilation. The screens shall be painted with paint that absorbs ultraviolet radiation. The above is a District requirement.
20. Excavation near Toe of Dam: For excavations near the toe of the dam (embankments and concrete structures), the Contractor shall submit the information required in the Technical Specifications and shown on the drawings in accordance with submittal requirements and schedule outlined in the Technical Specifications.

Where required by the drawings and/or Technical Specifications, the Contractor shall prepare and submit a Temporary Construction Emergency Action Plan (TCEAP) for review and approval by the District in accordance with the outline and schedule provided in the Technical Specifications. The TCEAP will also be subject to approval by the Federal Energy Regulatory Commission (FERC). The above is a District requirement.

21. Cofferdam: For cofferdams used to dewater work areas, the Contractor shall submit the information required in the Technical Specifications and shown on the drawings in accordance with the submittal requirements outlined in the Technical Specifications.

Where required by the drawings and/or Technical Specifications, the Contractor shall prepare and submit a Temporary Construction Emergency Action Plan (TCEAP) for review and approval by the District in accordance with the outline and schedule provided in the Technical Specifications. The TCEAP will also be subject to approval by the Federal Energy Regulatory Commission (FERC). The above is a District requirement.

22. Forebay/Tailrace – Boat Use: Prior to performing any work on the water within the Priest Rapids Project, the Contractor will notify the appropriate Control Room (Wanapum 509-754-5007 or Priest Rapids 509-754-5006) whichever is closer. The check in procedure shall include the caller's name, company, number of people on the boat, and location of the work. Once the work is complete and the Contractor is ready to leave the reservoir, he/she must again notify the appropriate Control Room and check out. The above is a District requirement.
23. Barge/Vessel Stability and Anchorage: The Contractor shall provide to the District Representative a detailed barge and vessel plan for accomplishing in-water work 10 days prior to beginning in-water work. This plan shall address the following information at a minimum:
  - a) Details on the anchoring, temporary mooring, assembly and disassembly of the barge/vessels to be used.
  - b) Details regarding the planned use of cranes or other equipment on the barges/vessels and the methods for placing this equipment on the barges/vessels.

- c) Barge/vessel safety and emergency plans.
  - d) Detailed calculations prepared and sealed by a Professional Naval Architect for any significant water-based work activities which include, as applicable, barge/vessel mooring and anchoring systems, removal or demolition of underwater features, installation of temporary or permanent underwater materials and installation and removal of formwork or falsework. The above is a District requirement.
24. Working Over Or Adjacent To Water: All work conducted over, near, or in water will require a Risk Assessment/Job Hazard Analysis to assess the need of a rescue boat. This analysis will be submitted as part of the Site-Specific Safety Plan.
25. Personnel Lifting Over Water: When the work involves lifting personnel over water, special attention should be given to the requirements within the most recent version of WAC section 296-155-55300 which discusses fall protection requirements, personnel flotation device requirements, and the rescue skiff requirement. The above is a District requirement.
26. Priest Rapids Dam Deck Restrictions and Access:
- a) All Contractors working on the Priest Rapids powerhouse intake deck and/or the spillway bridge shall comply with Washington State Department of Transportation (WSDOT) publication “Work Zone Traffic Control Guidelines for Maintenance Operations” M 54-44. Personal protective wear shall comply with WSDOT publication “Safety Procedures and Guidelines Manual” M 75-01.
  - b) The Contractor may use the powerhouse intake and spillway bridge decks for access to the right (west) side of the dam upon coordination with the District and other contractors that may be working in the area. The Contractor will not be allowed to use either deck for staging or setup of equipment and cranes unless otherwise specifically arranged with the District.
  - c) Powerhouse intake deck, if used for staging and setup subject to Section CS-3.AA.2 above, shall be cleared for emergency gantry crane access within 15 minutes of notification.
  - d) Transformer deck may be used for setup and access to the work site. Only materials to be used during any one day may be stored on the transformer deck. No electrical outages of overhead lines will be given in that area and Contractor must comply with all electrical safety codes, including grounding all cranes parked on the transformer deck. The Contractor shall submit a request for a Hot Line Hold when work is required near energized high-voltage overhead lines and there is the possibility of accidental contact or violation of the applicable Minimum Approach Distance. The Contractor shall submit a request for a Hot Line Hold a minimum of three days before the start of the work. Conductor voltage above the deck is 230,000 volts. Only hydraulic “squirt” boom cranes may be used in that area. Contractor shall clear materials and equipment as necessary to provide bulkhead crane access to the end of the deck within 12 hours of notification.
  - e) At the Contractor’s option, it may retain the services of a professional structural engineer registered in the state of Washington, to determine the actual as-built load capacity of the decks and spillway bridge for the purpose of setting a crane on the decks and hoisting loads with the same in-lieu of complying with the original design loads specified above. A minimum impact factor of 20% shall be used. The maximum concrete tensile stress shall be less than the cracking stress.  
  
Should the Contractor choose to determine the actual load capacity of the existing structure, the engineer’s calculations, with his/her registration stamp and signature thereon, shall be submitted to the District for review and approval. The loads and resulting stresses shall be provided for each proposed crane setup. The Contractor shall take all responsibility and assume all liability for damage to the deck resulting from loads applied in excess of the original design loads specified above. The Contractor shall ensure these loadings are not exceeded.
  - f) The Contractor has the option of decking over wheel gate slots, bulkhead slots, and draft tube slots during construction at the Contractor’s expense.  
  
In the event of an emergency, the intake wheel gate slots shall be fully accessible within 15 minutes of notification by the plant operator. The Contractor shall provide a contact list of staff to the Priest Rapids control room of personnel who will respond in the event of an emergency. The Contractor shall maintain enough staff onsite 24 hours a day, 7 days a week to remove all necessary equipment and decking if the wheel gate slots are blocked and the intake bulkheads are not installed.  
  
The Contractor shall coordinate with the District Representative to provide access to the intake gate slots and draft tube gate slots.
  - g) Contractor shall not be entitled to any claims for delays or damages due to any of the deck blockage restrictions specified in the Technical Specifications.
- The above is a combination of Code and District requirements.
27. Wanapum Dam Deck Restrictions and Access:

- a) All contractors working on the Wanapum powerhouse intake deck and/or the spillway bridge shall comply with Washington State Department of Transportation (WSDOT) publication "Work Zone Traffic Control Guidelines for Maintenance Operations" M 54-44. Personal protective wear shall comply with WSDOT publication "Safety Procedures and Guidelines Manual" M 75-01.
- b) The Contractor may use the powerhouse intake and spillway bridge decks for access to the right (west) side of the dam upon coordination with the District and other contractors that may be working in the area. The Contractor will not be allowed to use either deck for staging or setup of equipment and cranes unless otherwise specifically arranged with the District.
- c) Powerhouse intake deck, if used for staging and setup subject to Section CS-3.BB.2 above, shall be cleared for emergency gantry crane access within 15 minutes of notification.
- d) Transformer deck may be used for setup and access to the work site. Only materials to be used during any one day may be stored on the transformer deck. No electrical outages of overhead lines will be given in that area and Contractor must comply with all electrical safety codes, including grounding all cranes parked on the transformer deck. The Contractor shall submit a request for a Hot Line Hold when work is required near energized high-voltage overhead lines and there is the possibility of accidental contact or violation of the applicable Minimum Approach Distance. The Contractor shall submit a request for a Hot Line Hold a minimum of three days before the start of the work. Conductor voltage above the deck is 230,000 volts. Only hydraulic "squirt" boom cranes may be used in that area. Contractor shall clear materials and equipment as necessary to provide bulkhead crane access to the end of the deck within 12 hours of notification.
- e) At the Contractor's option, it may retain the services of a professional structural engineer registered in the state of Washington, to determine the actual as-built load capacity of the decks and spillway bridge for the purpose of setting a crane on the decks and hoisting loads with the same in-lieu of complying with the original design loads specified above. A minimum impact factor of 20% shall be used. The maximum concrete tensile stress shall be less than the cracking stress.
- f) The Contractor has the option of decking over wheel gate slots, bulkhead slots, and draft tube slots during construction at the Contractor's expense.

In the event of an emergency, the intake wheel gate slots shall be fully accessible within 15 minutes of notification by the plant operator. The Contractor shall provide a contact list of staff to the Wanapum control room of personnel who will respond in the event of an emergency. The Contractor shall maintain enough staff onsite 24 hours a day, 7 days a week to remove all necessary equipment and decking if the wheel gate slots are blocked and the intake bulkheads are not installed.

The above is a combination of Code and District requirements.

- 28. Equipment Grounding Under Power Plant Overhead Power Lines: When working under energized lines with cranes, man lifts or other telescoping equipment, the equipment must be properly grounded. This includes concrete pump trucks and associated concrete trucks while discharging concrete underneath energized transmission lines. All vehicles being refueled must also be properly grounded while fuel transfer is in progress under energized lines. The above is a combination of Code and District requirements.
- 29. Power Plant Personal Protective Equipment: A hard hat, eye protection, and high visibility clothing are required for all personnel in the power plants, with exceptions noted below. Hearing protection is required in the power plant erection bays and in areas designated and marked through signage as hearing protection required areas.

PPE listed above is not required in administrative areas, rest rooms and break areas unless hazards are present due to construction work or other activity. In these cases, the crew foreman or supervisor will determine and post the level of PPE required in the work area. The above is a District requirement.

- 30. Power Production Clearance and Lock Out/Tag Out: All employees and contractors are required to follow the "Lockout Tagout Clearance Process" policy. No work will be performed on or around any hazardous energy source without a clearance or Lock Out/Tag Out, dependent on the location of the work. All affected personnel must receive clearance training. Failure to comply with the Lockout Tagout Clearance Process will result in removal from the project. The above is a combination of Code and District requirements.

- 31. Tying in Equipment to 600 V Plant Electrical System:

- a) Apprentices or Trainee Contractors will not be allowed to plug into the District's 600 V wall receptacles.
- b) Operations shall be notified when plugging in or unplugging 600 V wall receptacles.
- c) All personnel will be required by the District to wear 8 Cal/cm<sup>2</sup> AR long sleeve shirts, long pants, safety glasses and clean leather gloves while plugging into 600 V receptacles.

(As recommended by NFPA 70E).

Note: The preferred method is to de-energize the circuit before disconnecting and connecting, even though the receptacles and plugs may be rated for load breaking.

- d) WAC 296-45 requirements for training of Qualified Electrical Workers



- 1) The District will require all the electrical Contract employees who will be plugging in the 600 Volt plugs to be trained accordance with WAC 296-45.
- 2) The Contractor will be required to maintain the training records and submit to the District employee qualifications as requested, including:
  - Electrical license (01 License)
  - ResumeThe above is a combination of Code and District requirements.
- Training records

32. Drilling, Cutting, Excavating Above Cables/Conduits

When penetrating work (drilling, cutting, excavating) will be greater than 1.5 inches into surfaces which may conceal electrical conduits or cables, the contractor will follow District Electrical Safety Program requirements, which is available on the Grant PUD Contractor Training website: <http://www.grantpud.org/your-pud/contracting-opportunities>. The above is a combination of Code and District requirements.

33. Arc Flash Protection Requirements for Power Plants and Wanapum Maintenance Center:

Electrical work performed in District power plants and the Wanapum maintenance center must comply with the District Power Production Electrical Safety Program, which is available on the Grant PUD Contractor Training website: <http://www.grantpud.org/your-pud/contracting-opportunities>. Specifically, these requirements must be followed:

- a) A risk assessment must be performed before any work is performed within the Limited Approach Boundary (LAB) or Arc Flash Boundary (AFB) of energized equipment with any power equal to or greater than 50 volts.
- b) If the risk assessment in item 1) above requires an energized electrical work permit, the contractor shall complete the permit and submit to the plant manager for approval prior to performing work.
- c) The minimum arc rated clothing shall be worn and working distances observed according to incident energy information listed on the equipment label.
- d) Contractor personnel shall wear a minimum of 8 Cal/cm<sup>2</sup> anytime that work is being performed within the Limited Approach Boundary (LAB) or Arc Flash Boundary (AFB) of energized equipment.
- e) Unqualified persons shall not cross any Approach Boundary or taped off work area at any time unless escorted by a Qualified Electrical Worker and shall only do so with adequate PPE. Qualified Electrical Workers without the adequate PPE shall not cross any Approach Boundary or taped off work area at any time.

For District power production facilities other than power plants and the Wanapum maintenance center, the District power production electrical safety program does not apply and WAC 296-45 arc flash protection measures must be followed. The above is a combination of Code and District requirements.

34. Foreign Material Exclusion Policy

Contractors performing work on critical equipment in District power plants must comply with the District's Foreign Material Exclusion Policy, which will be made available to the Contractor by the District Representative at the pre-work conference.

19. Dust and Spray Control. The Contractor shall provide control measures to prevent dust and spray from contaminating or leaving the site. All control measures shall be satisfactory to the District.
20. Security, Safety Awareness Training, Dam Safety Awareness Training, and Transmission and Distribution Access Training. Prior to receiving access to any District facilities, all Contractors, Contractor'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 Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor 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>. All contractors 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](mailto:SecurityTrainingCerts@gcpud.org).



District Representative shall ensure that Contractor'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.

If applicable, Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed 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 to the District Representative before any security access badges will be issued.

If applicable, Transmission and Distribution Access Training is required for Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed 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 to the District Representative before any security access badges will be issued.

If you are uncertain which of the following courses you or your employees must complete, please contact your District Representative.

21. **Physical Security.** It shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Contractor Security Plan Information as if fully set out herein a copy of which shall be provided to the Contractor at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:
  - A. Keep all external gates and doors locked at all times and interior doors as directed.
  - B. Visibly display ID badges on their person at all times.
  - C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
  - D. 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, Contractor shall contact the District Representative.
  - E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
  - F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor 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. The Contractor is strictly prohibited from making copies of keys.
  - G. 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).
  - H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.
  - I. Guest Wireless: The District provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the District from personally owned mobile devices such as laptops and smart phones. Contractor personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

The Contractor and any Subcontractors shall comply with the safety requirements of this Order and all District policies located at <https://www.grantpud.org/for-contractors>.

22. **Acceptance and Final Payment.** When the Contractor has completed all work in accordance with the terms of the Order, the Contractor shall properly execute and submit final invoice to Accounts Payable at [accountspayable@gcpud.org](mailto:accountspayable@gcpud.org). Once final invoice has been processed, the District's Procurement Department will issue the Certificate of Completion and Release to be executed by the Contractor and returned to the Procurement Officer. The Certificate of Completion and Release shall constitute a waiver of all claims by the Contractor except for unsettled claims specifically stated, if any.

The Certificate of Completion and Release shall warrant that the Contractor has fully completed its work included in the Order and has fully paid for labor, materials, equipment, services, taxes and all other costs and expenses of every nature and kind whatsoever resulting from this Order. If any dispute exists between the Contractor and any person, firm or corporation to which the Contractor might be obligated in



connection with this Order, the Contractor shall state the name of claimant and amount and general nature of claim against the Contractor. The Certificate of Completion and Release shall state the amount and nature of all present and future claims that the Contractor may have against the District relative to this Order. The Order work shall not be complete until after the Contractor has returned to the Procurement Officer a properly completed Certificate of Completion and Release.

Upon receipt of Certificate of Completion and Release by the Procurement Officer, the District Representative provides a recommendation relative to Final Acceptance. The District shall, within a reasonable time, take action on Final Acceptance. Such action shall be subject to legal rights of the District, required warranties, and correction of faulty work discovered after final payment. The District shall have the right to retain from any payment then due the Contractor, so long as any bills or claims remain unsettled and outstanding, a sum sufficient, in the opinion of the District, to provide for the payment of the same. It is also understood and agreed that, in the case of any breach or damage by the Contractor of the provisions hereof, the District may retain from any payment or payments a sufficient sum in the opinion of the District which may become due under any obligation of the District.

Sixty days after Final Acceptance, retainage may be released to the Contractor; provided, however, that there are no claims filed of materialmen or laborers and that the District has received the certificate of the Washington State Department of Revenue of payment in full of all taxes, Employment Security Department release, the approved Washington State Department of Labor and Industries Certificate of Release of the State's Lien on Public Works Contracts form and the approved affidavit showing payment of prevailing wages for the Contractor and any Subcontractors. If any liens remain unsatisfied from the retainage, the Contractor shall refund to the District such amounts as the District may have been compelled to pay in discharging such liens including all costs and reasonable legal fees.

23. Utilization of Small and Diverse Businesses. Consistent with its Policy to promote and encourage the use of small and diverse businesses, the District has developed and administers a Supplier Development Program. The District promotes and encourages participation in its contracts by small and diverse businesses and is committed to enhancing diversification of the District's supply chain.
- A. If Contractor is certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) as a small and/or diverse business (see RCW 39.19.120 and WAC 326-20), is certified by the Washington State Department of Veterans Affairs (WDVA) as a Certified Veteran-Owned Business (see RCW 43.60A.010(7) & RCW 43.60A.190), has certified its Washington Small Business status (see RCW 39.26.010) in Washington's Electronic Business Solution (WEBS), is registered in the federal government's System for Award Management as a Small Business Administration certified business eligible for contracts that are reserved for small businesses, or is a Labor Surplus Area Firm, it shall notify the District of same.
  - B. If Contractor elects to use subcontractors in the performance of work under this Contract, Contractor shall take steps to solicit participation by small and diverse businesses.
  - C. Upon Contract award, and if applicable, the Contractor shall provide District Supplier Development Program staff, copies of the Contractor's, subcontractors and/or sub-consultants, as applicable, business certifications from the OMWBE, WDVA, WEBS, SBA or other verifying documentation in accordance with RCW 39.26.010(22) for audit purposes.