

# Safety Report

April 2023



Safety@Grant



## Our Commitment to Safety

*We believe that a safe workplace and community is founded upon an environment where **all voices can and will speak up, ask questions, and be heard without reprisal.***

*We will provide and maintain the proper training, tools, job layout, equipment and employees to perform work safely.*

# CXO Talking Points



# Injuries Reported

Date	Body Part	Description & Response
3/7	Injury to Face	Fleet Utility Mechanic was changing a wheel bearing and using a ratchet to remove a nut. The ratchet slipped and struck employee in the lip causing a laceration. Employee received care at local clinic. Reminder-line of fire injuries can occur even with proper planning and tool selection; be aware of body positioning.
3/22	Left Shoulder	Employee injured rotator cuff on left shoulder while moving rigging for left bank fish ladder maintenance. It was awkward positioning removing slings from the back of the truck. Reminder to stretch prior to work and exercise good body positioning when lifting objects. Get help with heavy loads when needed.



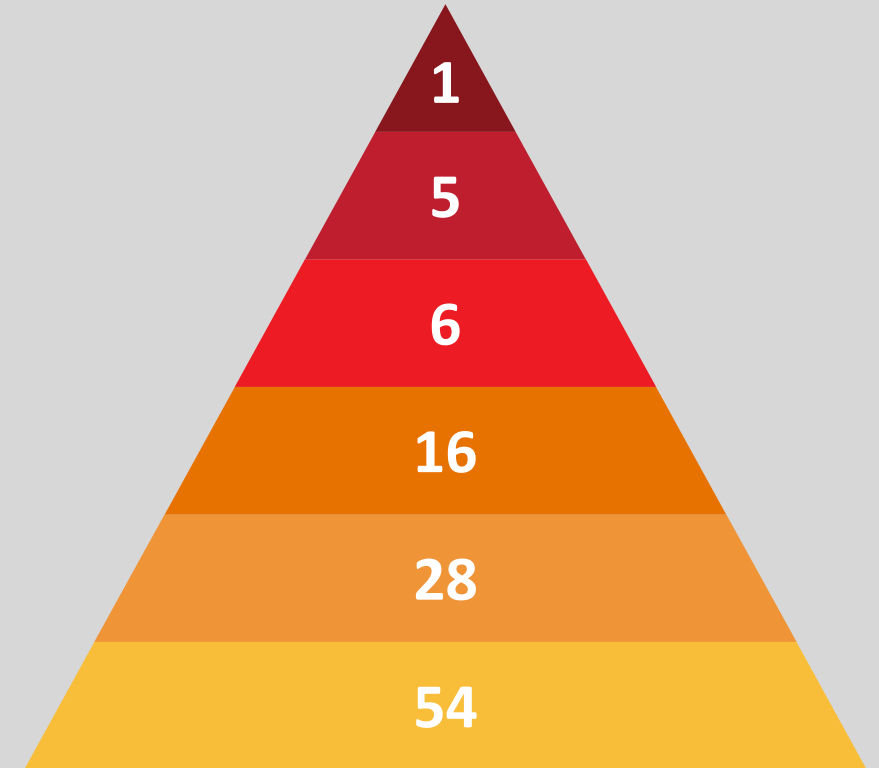
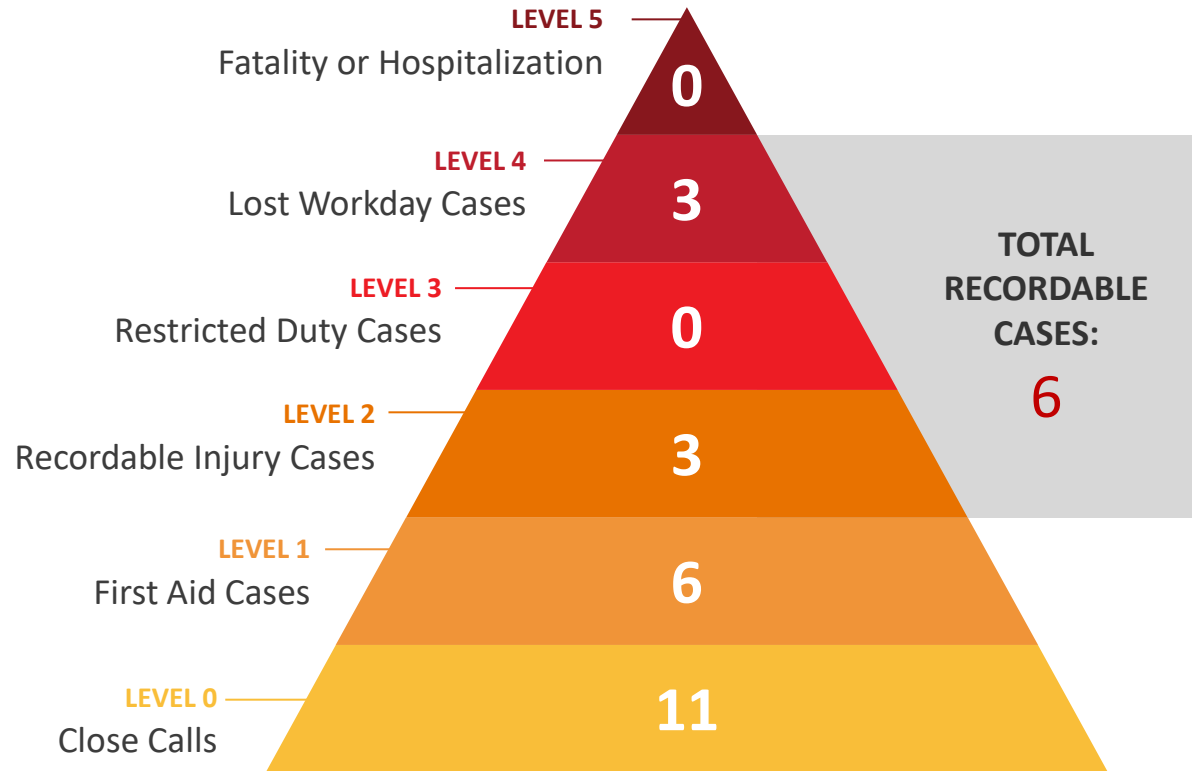
	Last Month	Year-to-Date
<b>Total Injuries Reported</b>	2	10
<b>Recordable Case(s)</b>	1	3
<b>Restricted Duty Case(s)</b>	0	0
<b>Lost Workday Case(s)</b>	1	3



# 2023 Incidents Summary

VS

# 2022



# Close Calls

Date	Overview	Location	Description & Response
3/2	Hydraulic Tamp End Blew Off	MLSC	Employees were moving a pole and got the tamp out to backfill the hole. When tamp was turned on the end blew off while the employee was holding it. Tamp was immediately turned off. A good reminder to continue to utilize the pre-use inspection process. Tamp and associated fittings will be repaired/replaced.
3/3	Visible Arc	MLSC Datacenter	Employee found an untested (found as is) Staples brand power strip with a laptop attached and was plugged into one of the 3-phase outlets that was operating at 208v. As the power strip was plugged into the rack PDU by the CSE, there was an audible pop and a visible arc at the power strip outlet where the laptop was plugged in. Facilities performed an inspection, no damage to equipment or outlet. Power strip was discarded. Reminder: Ensure that the voltage rating on the component you are connecting is compatible with the output from the receptacle.

# Close Calls

Date	Overview	Location	Description & Response
3/7	Leaking Roof	Bureau of Reclamation	Employee heard dripping above workstation and noticed water spots on the ceiling looking wet, and close to fluorescent lighting. Notified Bureau Office Manager. Employee moved to a safer workstation. A good example of see something, say something, even though the PUD is a tenant in this building.
3/8	Near Death Experience	MLLO	Employee was exiting desk area and foot caught on the Logitech headset cord resulting in a near death experience. The rolling chair offered little support in stopping momentum because well, it rolls but at the last minute, the employee was able to regain footing and avoid hitting the ground. Reminder-Remember to check for cords prior to moving around desk area and using items with wheels will certainly increase chances of hitting the ground.

# Close Calls

Date	Overview	Location	Description & Response
3/13	Missed Clearance Point	WAN	<p>Multiple crews working on different sections of the cooling water system and all clearance holders gave permission to lift appropriate tags. It was found that a 1" copper cooling water connection to a heat exchanger had not been re-installed. This caused water to be released from the open connection into the turbine pit. Water was shut down and all tags were rehung until all clearance holders were able to verify clearance perimeter was secure. Further testing didn't commence until the 1" copper tubing was installed. A good reminder to follow all procedures for restoration activities and perform a thorough walkthrough prior to releasing clearance.</p>

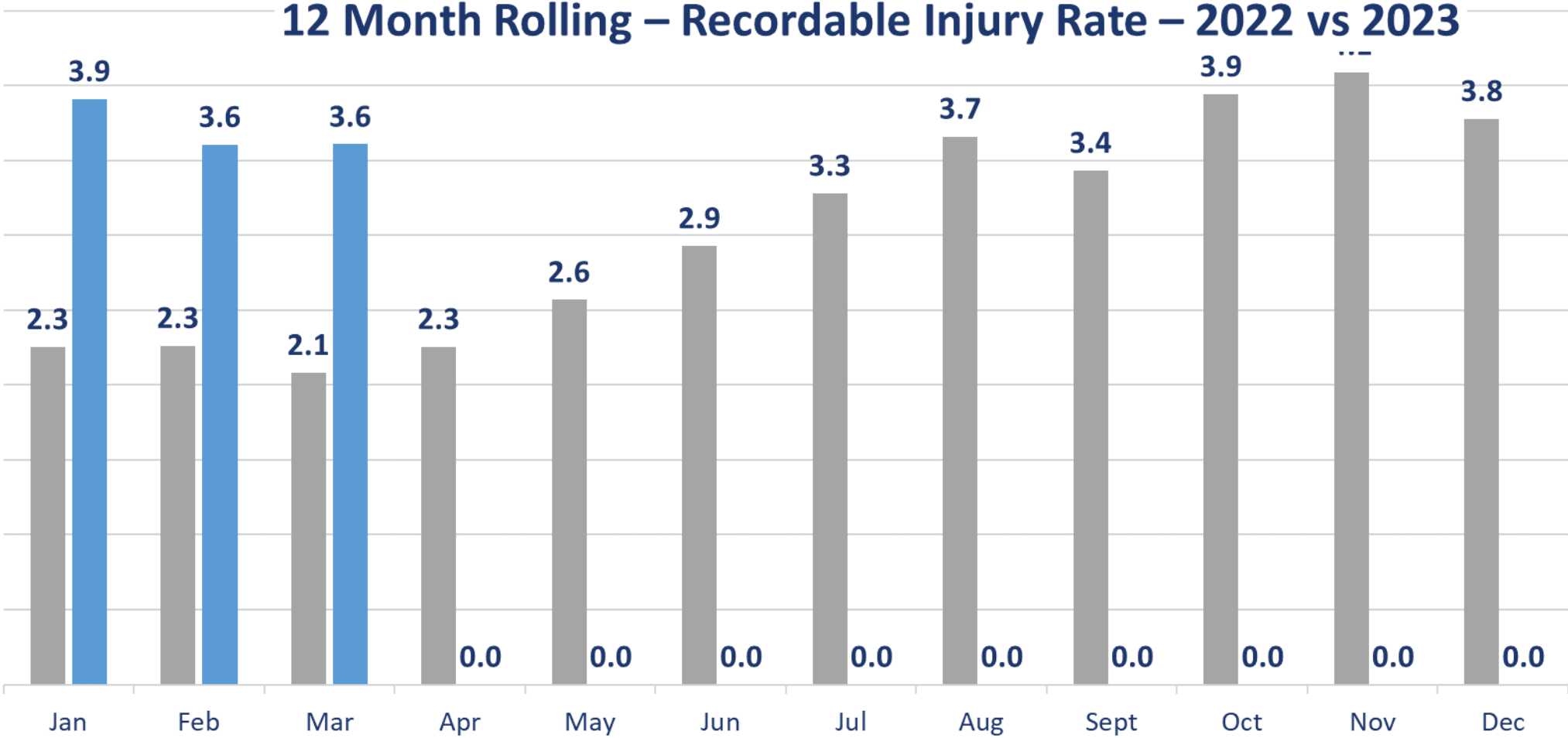
# Vehicle Incidents

Date	Overview	Location	Description & Response
3/6	Dent in Truck Hood	MLSC	Employees were loading flatbed truck to respond to pole fire. Due to the snow, the pole slipped out of employee's hands and hit the truck hood. Reminder to utilize a tag line to maintain control of suspended loads. This becomes especially critical when loads are hoisted out of reach.
3/27	Broken Taillight	MLLO	Employee was backing out of a parking spot and misjudged the proximity of the car on the other side. Made contact with the driver's side mirror of the car, knocking a hole in the taillight of the truck. Reminder to complete the 360 walk arounds to identify any potential hazards, especially when backing up. Use backup cameras and/or spotters, if available.

# Contractor Injuries & Incidents

Date	Overview	Description & Response
3/3	Breaker Trip	Contractor working on the new offices in HOA shorted the B-39 circuit conductor to ground. This resulted in the feeder breaker to panel B-2 tripping and shutting off most of the downstairs office lighting. No injuries and a callout was made to restore power. Safety Dept will contact DR to obtain further information.
3/6	HOB Roof	Contractor working on HOB roof was not using fall protection and DR was notified. DR reported the contractor stopped work, added a warning line system, which meets the expectations of the District Fall Protection Plan. Great example of 'See Something, Say Something'.
3/15	Confined Space	After further review of a contractor performing machining and welding work in the discharge ring area as part of the turbine generator rehab project, it was determined a confined space permit would be required. The work area has been reclassified and the appropriate permit, hole watch and rescue team has been established.

# Leading & Lagging Indicators



# When you're behind the wheel, your only job is to drive.



## 7 Ways to Prevent Distracted Driving.

**30%**

Of crash fatalities  
are due to  
distracted driving

**23%**

Of serious crashes  
are due to distracted  
driving

**3X**

Drivers are 3x more  
likely to be in a crash  
when talking on the  
phone

**70%**

Of observed distracted  
drivers were using  
their cell phone

### 1. PUT IT AWAY

Place your mobile device out of sight to prevent temptation.

### 2. KNOW WHERE YOU'RE GOING

If using a navigation system, program your destination before driving.

### 3. PULL OVER

If you have to call or text while driving, pull off the road safely and stop first.

### 4. ASK PASSENGERS FOR HELP

If riding with someone, seek their help to navigate, make a call or send a message.

### 5. BE A GOOD PASSENGER

Speak out if the driver of your vehicle is distracted.

### 6. DON'T BE A DISTRACTION

Avoid calling or texting others when you know they are driving.

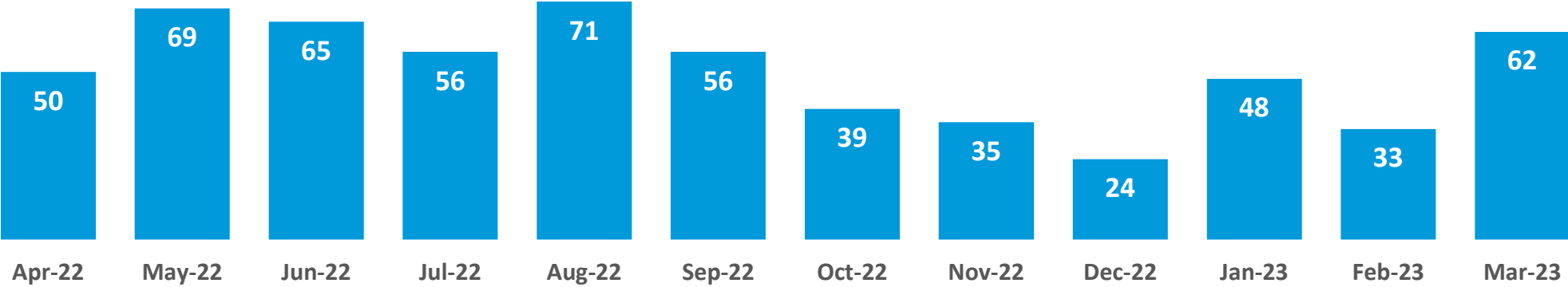
### 7. EVERYONE SHOULD PREVENT BEING DISTRACTED

Just as drivers need to pay attention, so do pedestrians and bicyclists. Never call, text or play games while walking or cycling.

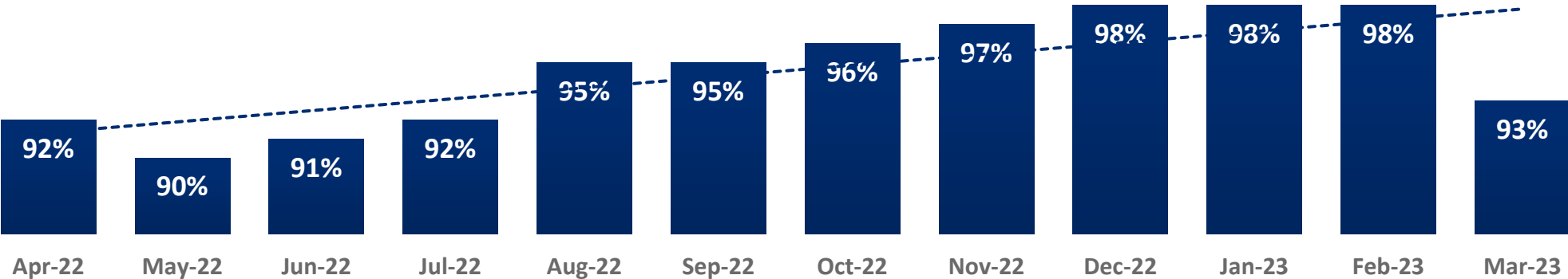


# Leading & Lagging Indicators

## Jobsite Reviews Conducted



## Safety Meeting Attendance



# Open Safety Action Items

Over 60 Days Old

As of February 2023	As of March 2023
Year 2017 = 1	Year 2017 = 1
Year 2018 = 2	Year 2018 = 2
Year 2019 = 1	Year 2019 = 1
Year 2020 = 2	Year 2020 = 2
Year 2021 = 6	Year 2021 = 6
Year 2022 = 4	Year 2022 = 2
Year 2023 = 5	Year 2023 = 4
<b>Month Total = 21</b>	<b>Month Total = 18</b>

Down  
3 from  
last  
month

## What's an Action Item?

*These are safety concerns that can be brought up anytime, including during a safety meeting.*



*They usually require some sort of further investigation or resolution, so they are assigned and tracked to make sure they're followed up on.*

# New Requirement

**After several meetings with the Department of Labor and Industries, it has been confirmed that work completed within the property of Wanapum and Priest Rapids Dams falls under WAC 296-45. Effective immediately, all work being done over, or adjacent to water will require a Risk Assessment/Job Hazard Analysis completed by Operations with support of the Safety Department to assess the needs of a rescue boat.**



Safety@Grant

# Thank You!



Safety@Grant

Sleep







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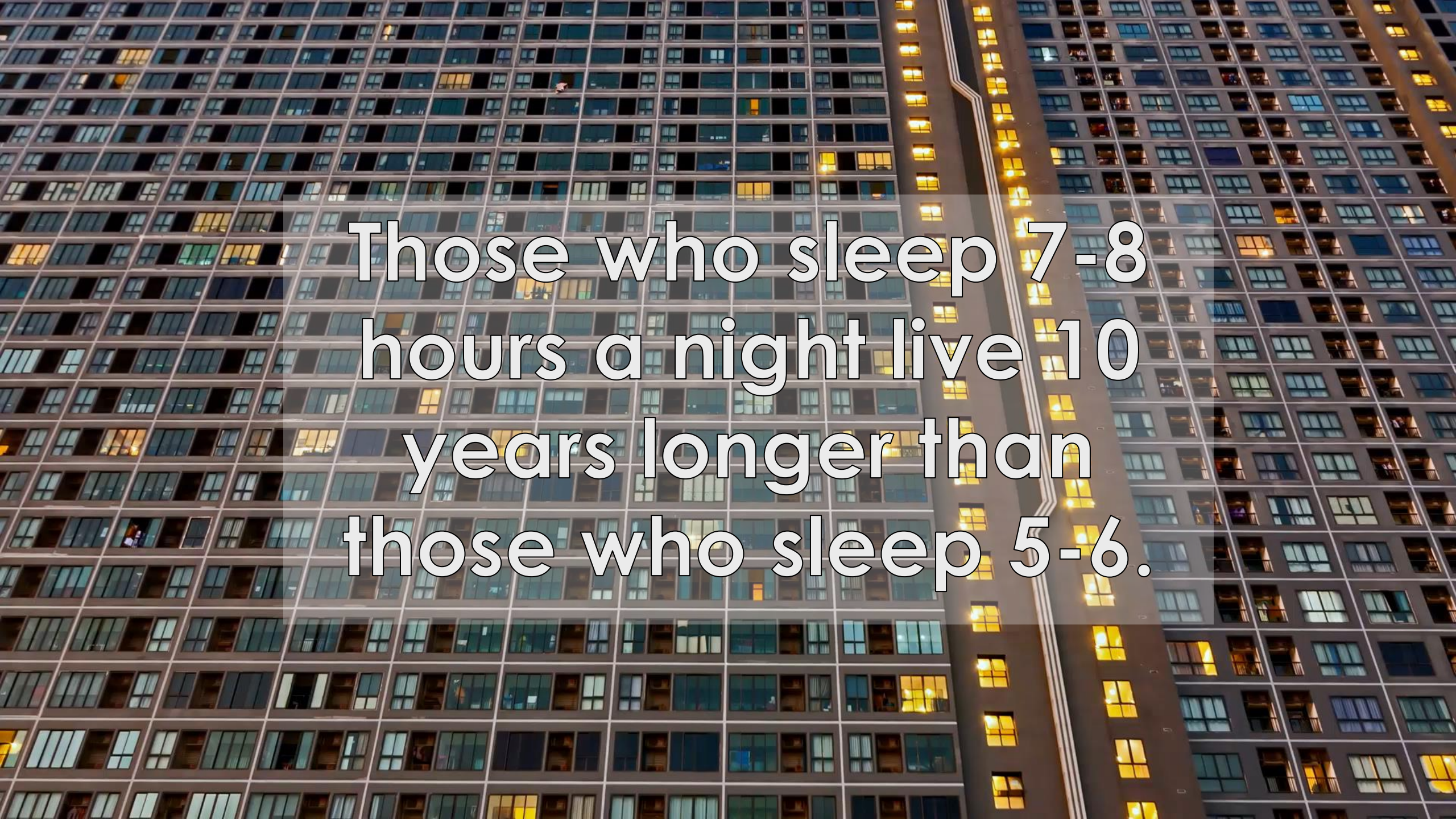
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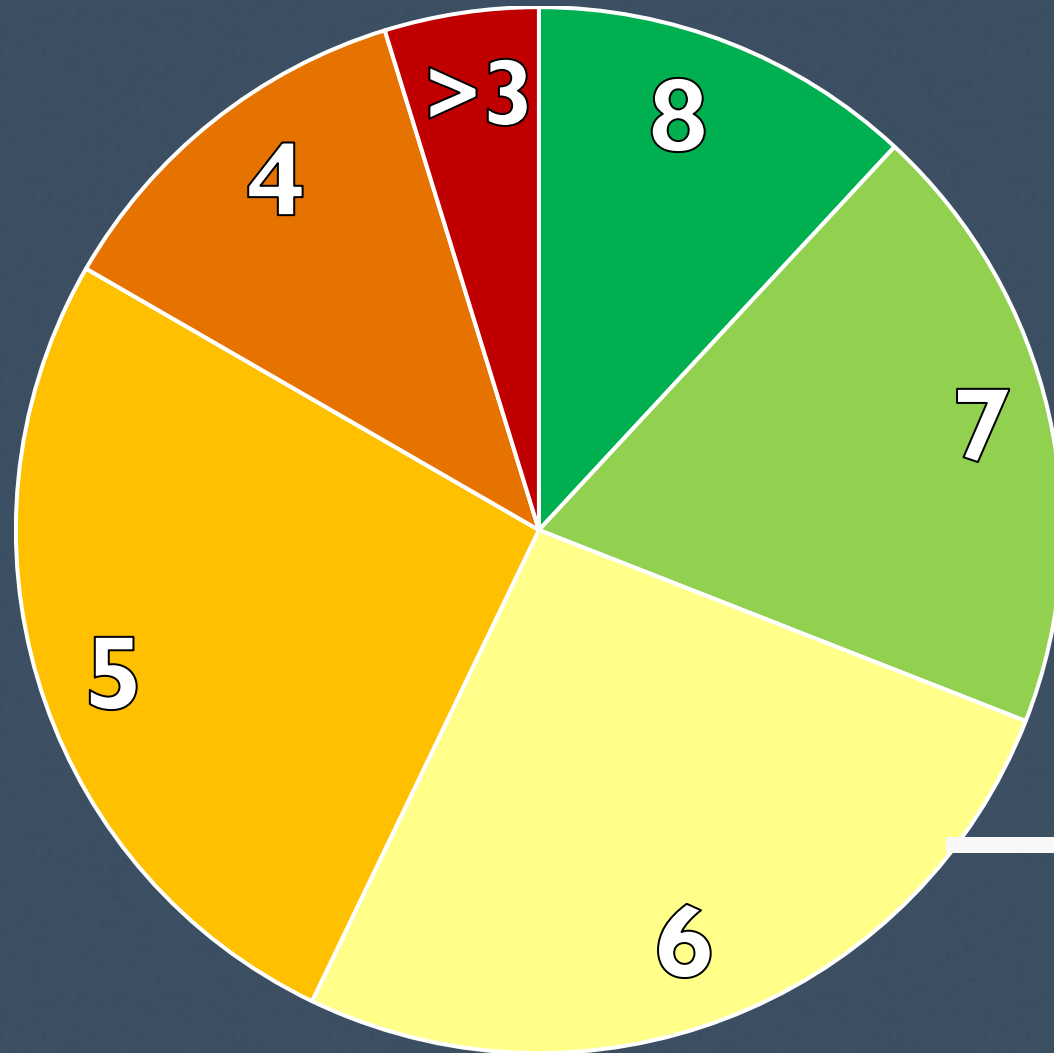
Those who sleep 7-8  
hours a night live 10  
years longer than  
those who sleep 5-6.



REM



# How Much Sleep Are Priest Rapids Employees Getting?



■ 8 Hours ■ 7 Hours ■ 6 Hours ■ 5 Hours ■ 4 Hours ■ 2 or 3

Increased chance of:

- Lack of Focus
- Trouble Retaining New Information
- Heart Disease and Stroke
- Kidney Disease
- High Blood Pressure
- Diabetes
- Dementia
- Irritability
- Depression
- Anxiety
- Infertility
- Divorce

Relationships

Trauma

Caretaker

Responsibilities

Personal Time

Commute

BASIC

Can't Fall Asleep

Wrongs

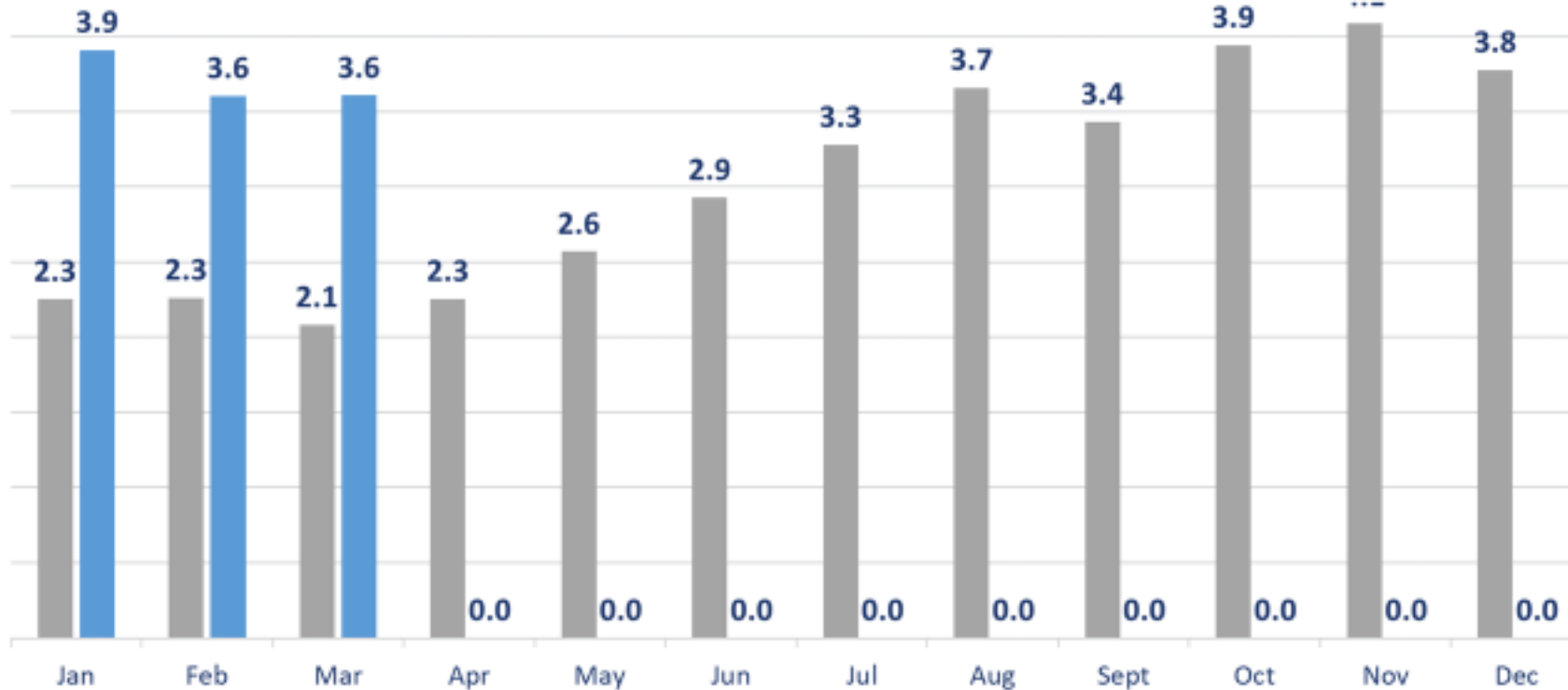
Money Stress

Anxiety

Snores

# Leading & Lagging Indicators

12 Month Rolling – Recordable Injury Rate – 2022 vs 2023





**Kidney Disease**

**Hereditary Eye Disease**

**30% Increase**

**33% Increase**

30

Minutes



# What Can Grant County Do?

- We're all adults
- We can choose when to sleep
- ***But if we can make a difference that lets folks sleep more, we can literally lengthen many of our coworkers' lives***

## Let's Change Things

# Sleep is your superpower | Matt Walker – YouTube



Sleep is your superpower | Matt Walker

 TED   
 22.3M subscribers

Subscribe

 253K



 Share

 Save



Matt Walker, PhD, Professor of Neuroscience and Psychology at the University of California, Berkeley



# Power Production

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Our People Driving Strong  
Performance

Quarterly Commission Briefing Q1 2023



Powering our way of life.



# Acronym List

## One Playbook



- PP – Power Production
- PRREIP – Priest Rapids Right Embankment Improvement Project
- JSR – Job Site Review (Safety)
- WMC – Wanapum Maintenance Center
- PR – Priest Rapids
- WAN – Wanapum
- PRP – Priest Rapids Project

# 2023 Q1 Business Report

## Hitting the High Points

### Key Operational Metrics

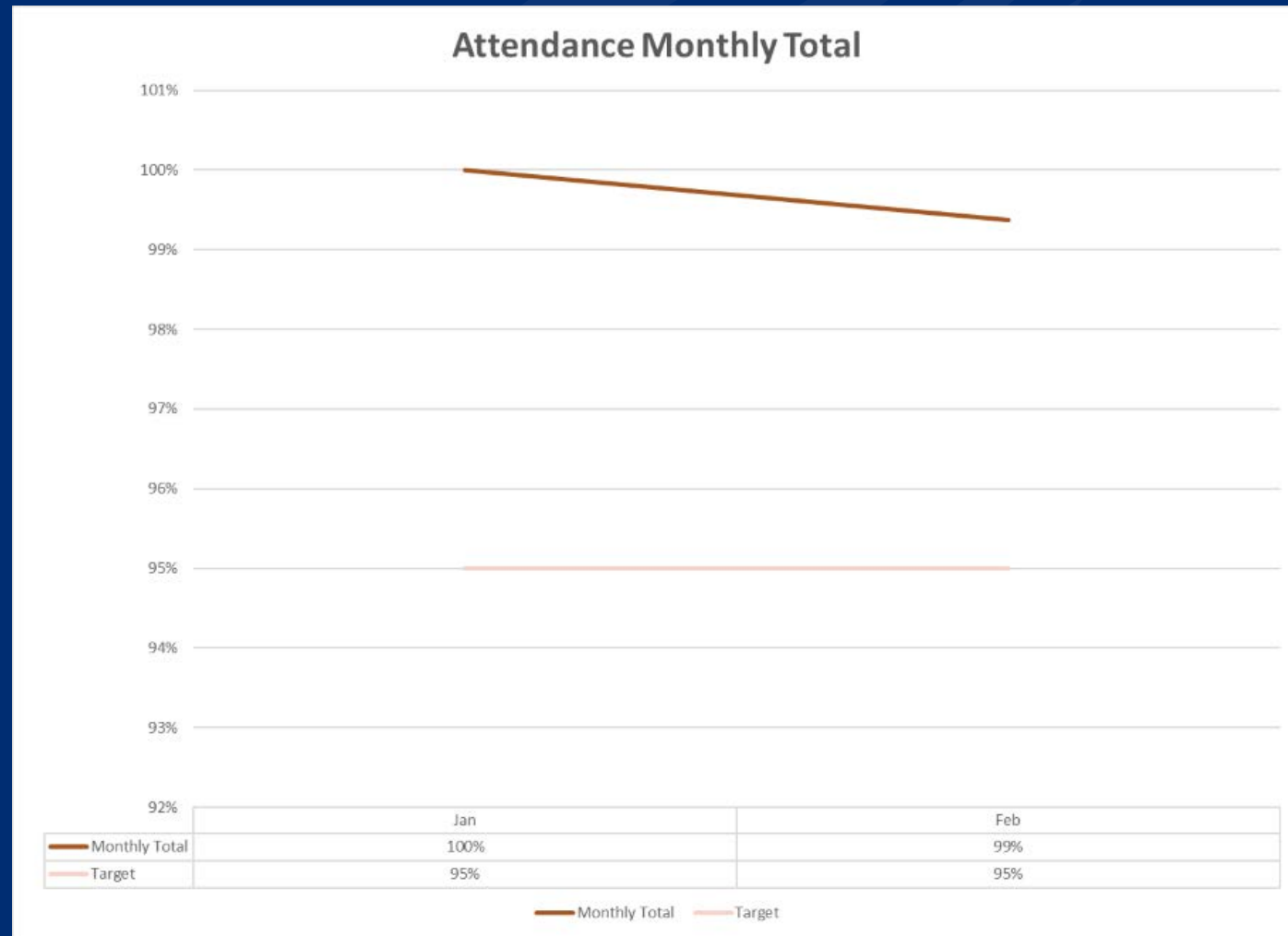
- Safety
- Plant Performance
- Financial

### Projects, Strategy & Next Quarter

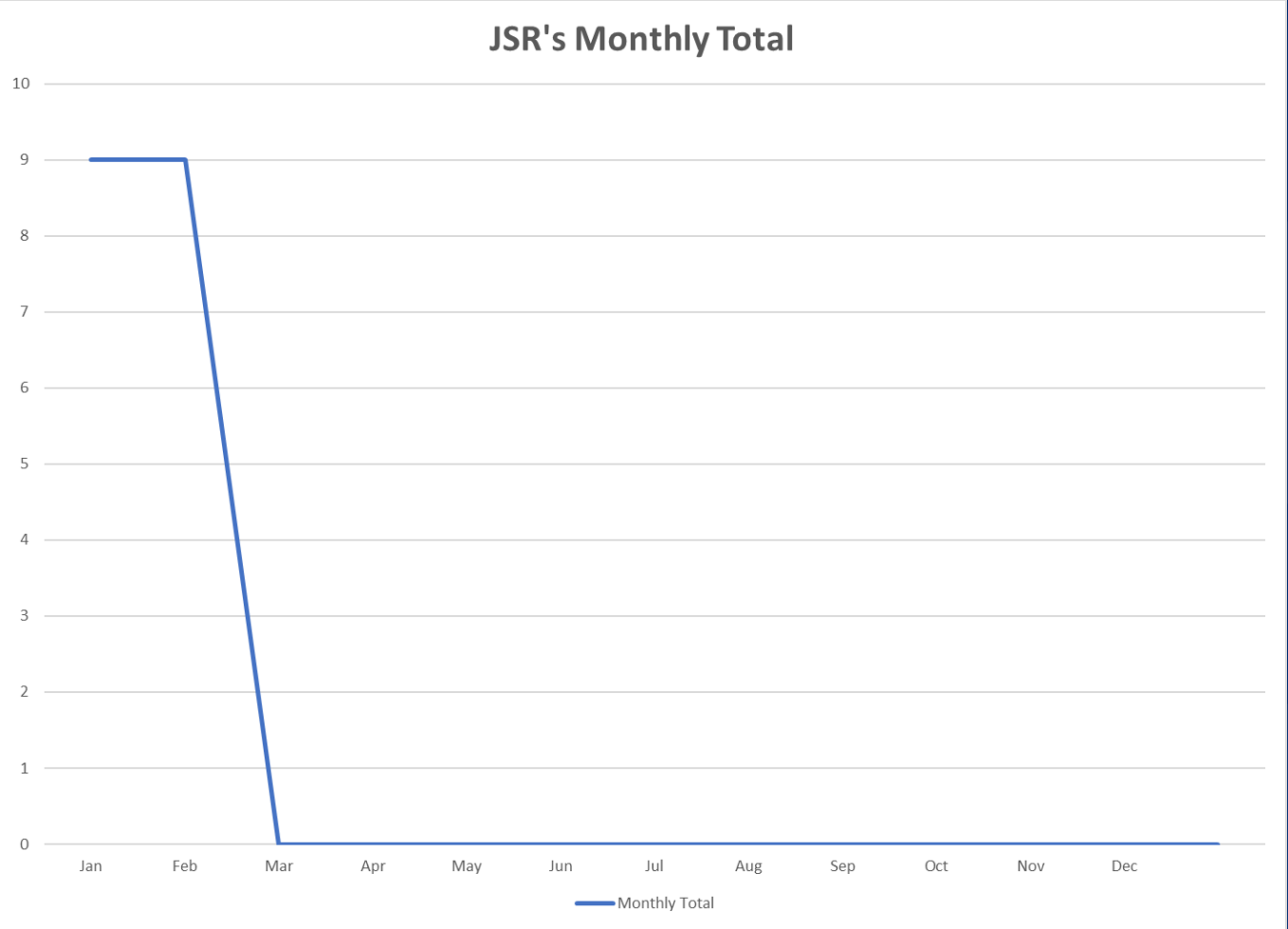
- Capital Projects
- Strategy Progress
- 2023 Q2 Forecast



# Safety Performance Targeting Zero Harm



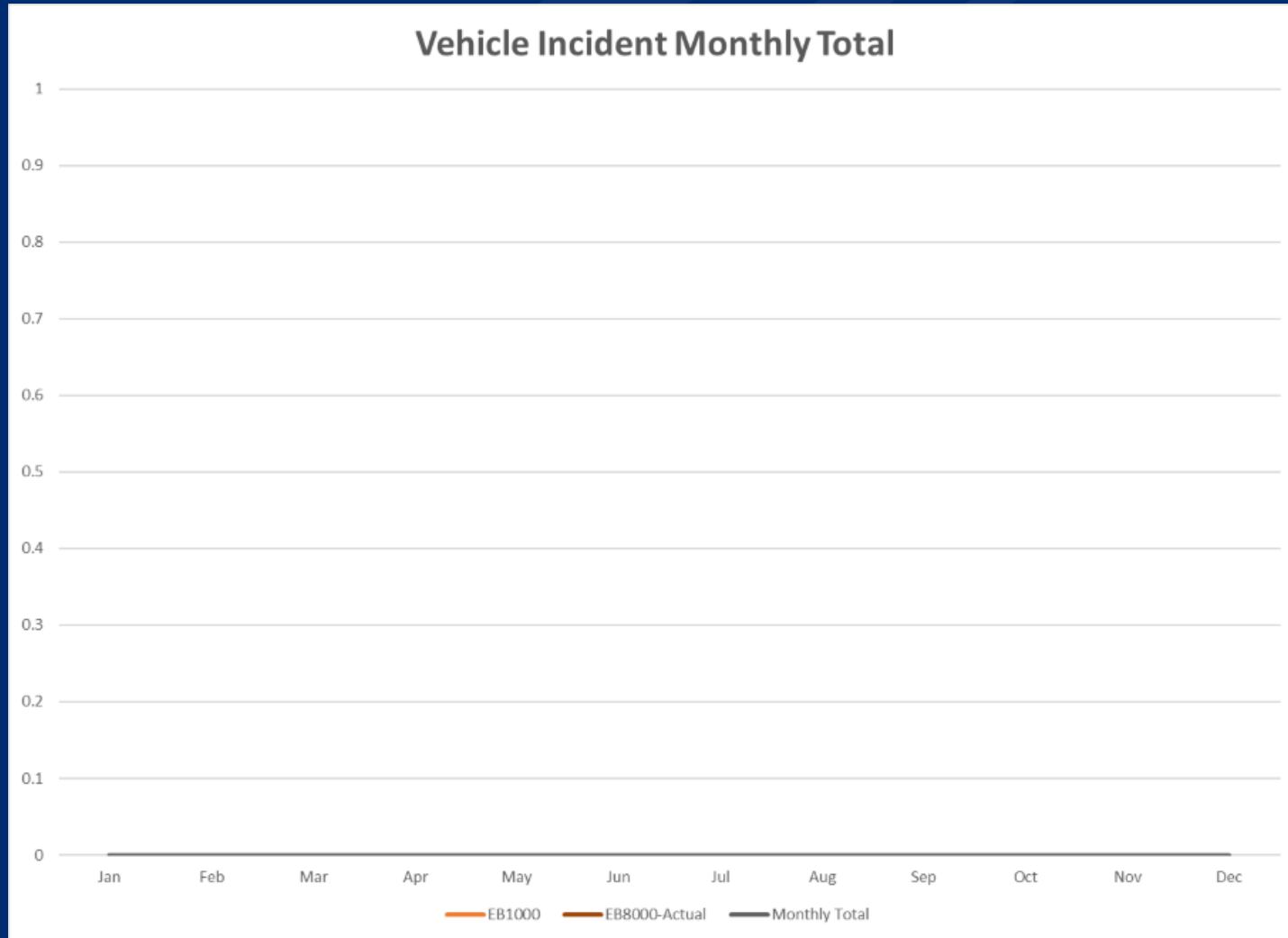
# Safety Performance Targeting Zero Harm



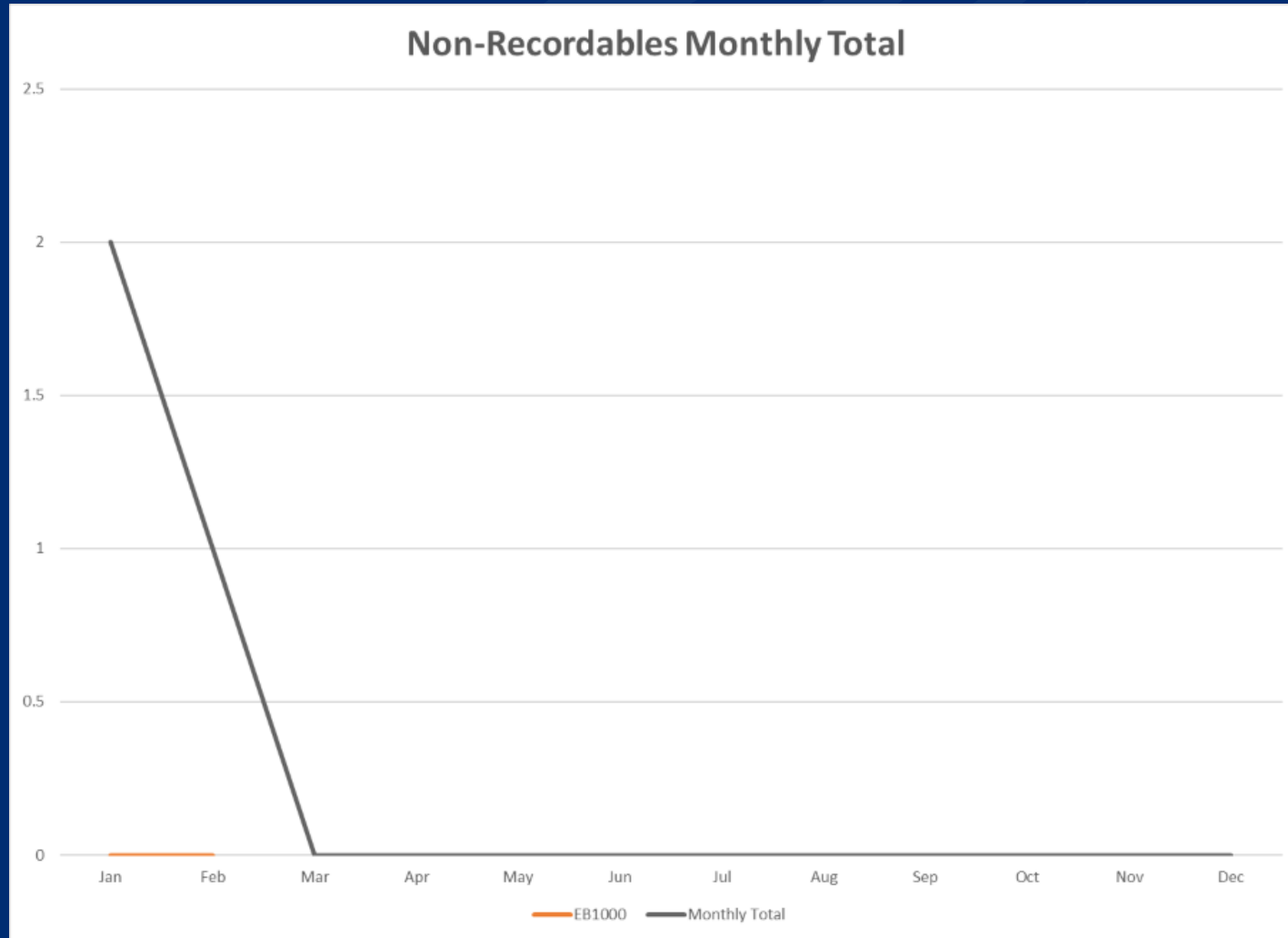


# Safety Performance

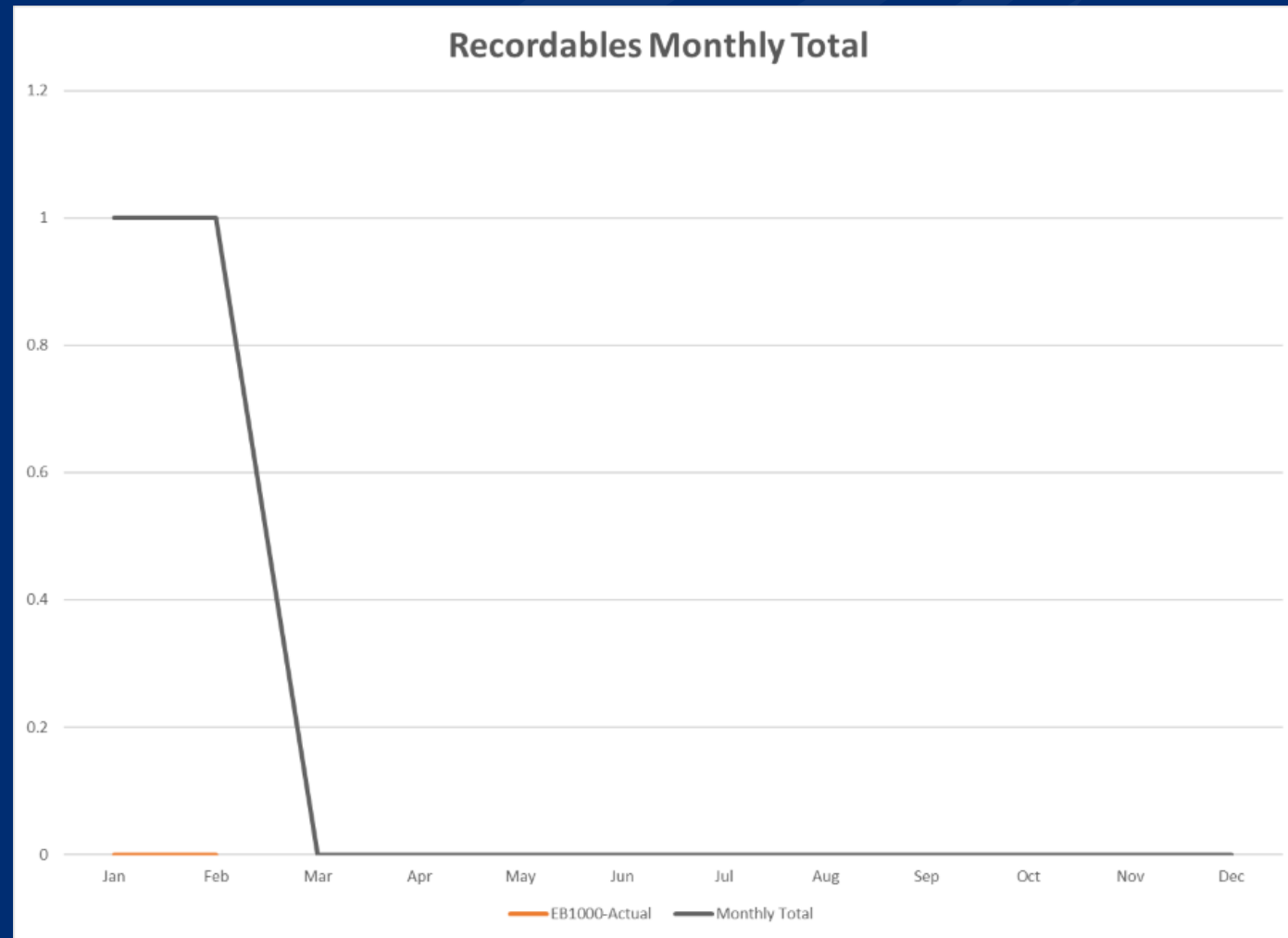
## Targeting Zero Harm



# Safety Performance Targeting Zero Harm



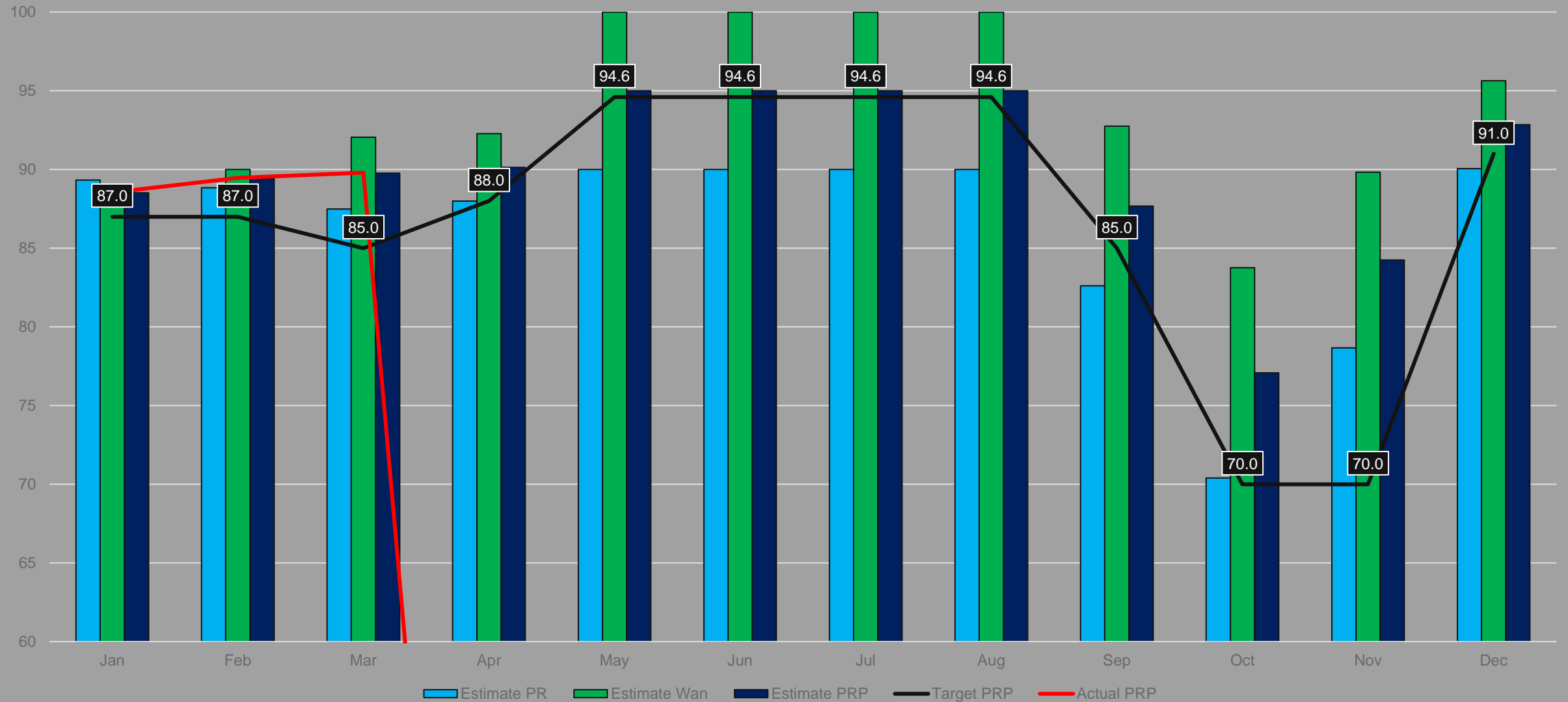
# Safety Performance Targeting Zero Harm





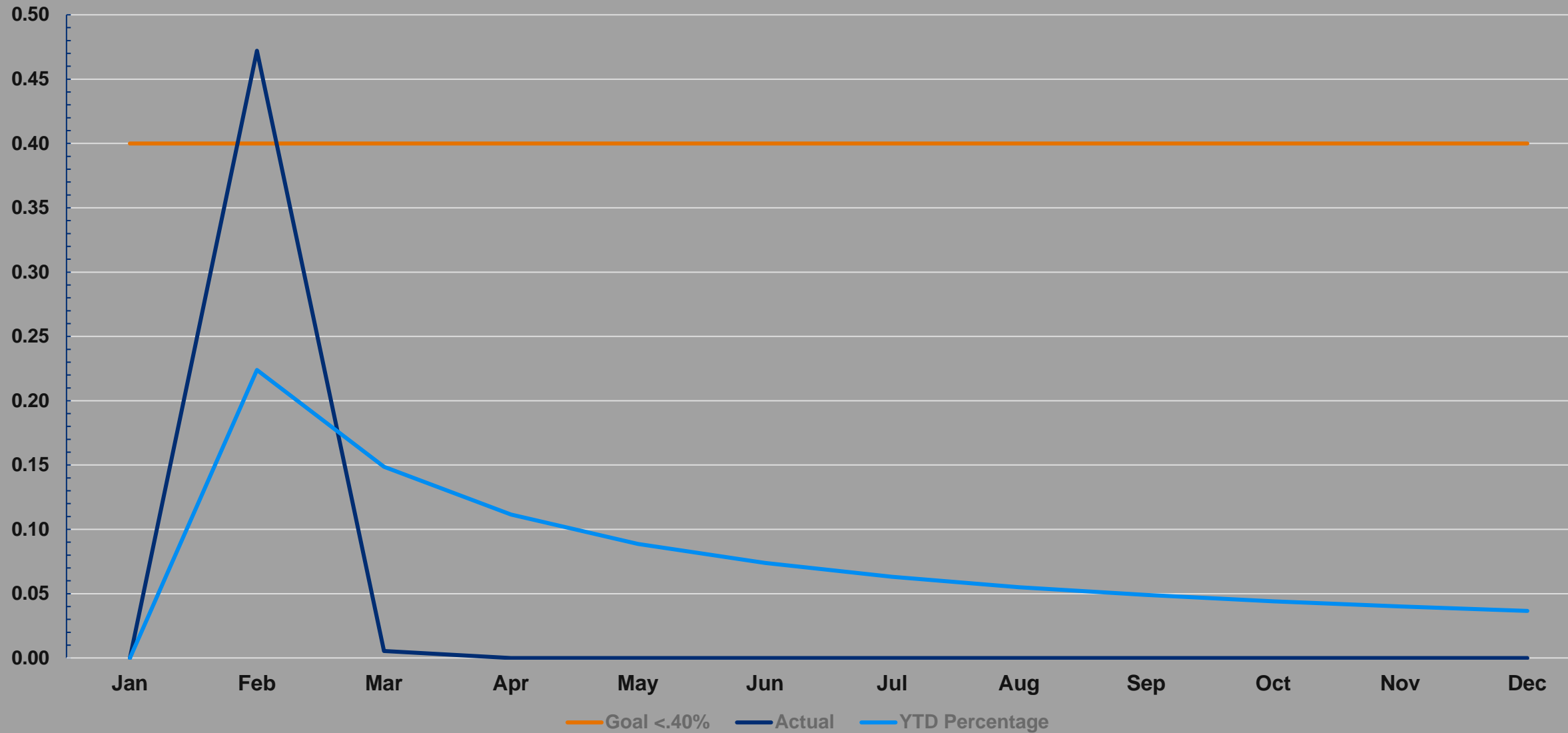
# Plant Performance

## Availability Estimate vs Actual



# Plant Performance

## Project Forced Outage Factor



# Capital Project Update

## Investing in the Future

### Priest Rapids Right Embankment Improvement Project

- All RCC complete – April 2022
- Construction Complete – Dec 2023
- PR Unit Rehab
  - P04 – Negotiations over wicket gate delays resulted in ~\$700k of costs accepted by Voith
  - P07 – complete Dec 2023
- Station Service Upgrades
  - Wan: Sept 2023 - Aug 2025
  - PR: Sept 2024 – June 2025



# Power Production Strategy Update

## Improving, Relentlessly

### Business Process Development

- Standardized Policy/Procedure/Checklist templates
- Identified needed documents & scheduled completion
- Trained key staff on human factor procedure writing
- Work Management
  - Revised work management procedure & aligned all PP teams on it as a standard
  - Significant progress on Operations SOPs, reducing risk and increasing efficiency
- Asset Management
  - Completed 2 asset strategies
  - Completed condition assessments on 100+ assets



Photo by Jacob Lund from Noun Project

# 2023 Q2 Forecast

## Focusing on Strategy & Operations

- Strategic Initiatives
  - Develop department skills matrices
  - Establish standard stakeholder engagement template
  - Begin establishing work scheduling standards
  - Establish standard for compliance work tracking
  - Develop 2 new asset strategies – transformers & Nason Creek acclimation facility
- Operations
  - Execute 2023 outage schedule
  - Begin plans for long term staffing to meet outage targets given market signals





**Powering our way of life.**



# Power Delivery

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## Q1 2023 Business Report



Grant County  
**PUBLIC UTILITY DISTRICT**

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# Purpose and Goal

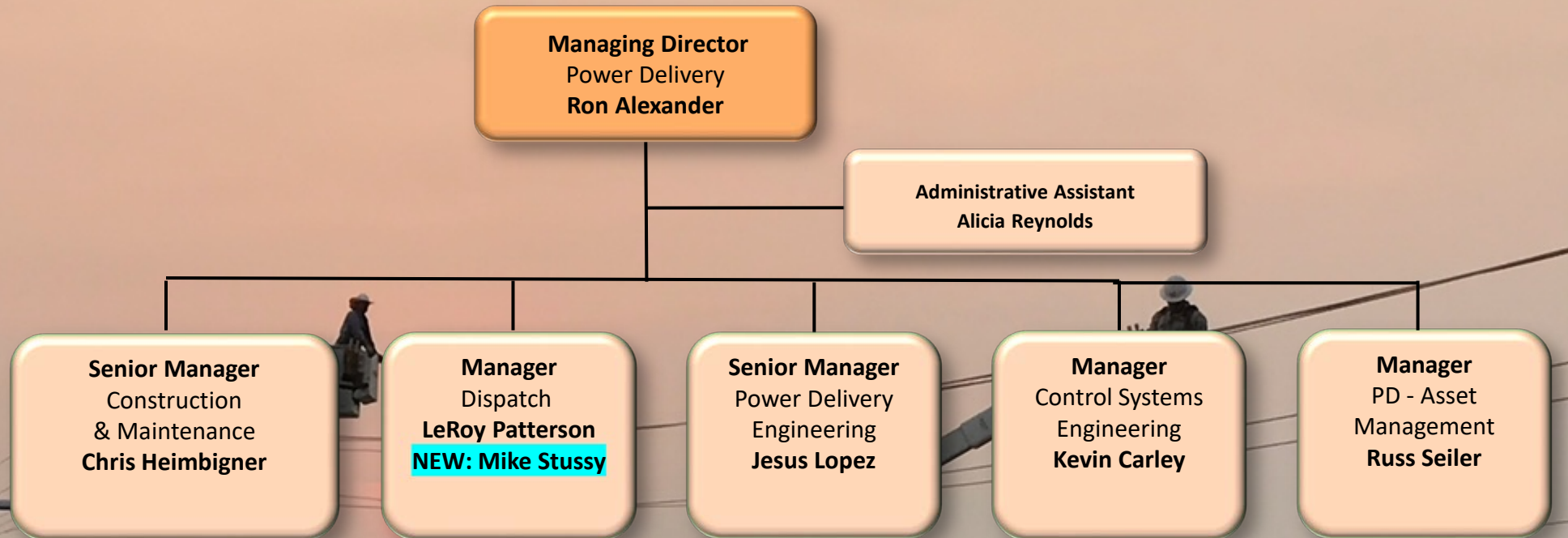
**Purpose:** Provide our customers with safe, reliable electric and communication services by effectively planning, designing, constructing, maintaining and operating our assets in transmission, substation, distribution, fiber and their associated control systems.

**Goal:** Achieve our purpose while championing a culture of safety and operational excellence with continual focus on our values of safety, innovation, service, teamwork, respect, integrity and heritage.





# Structure and Personnel



- Line Department –
- Power System Electricians
- Meter/Relay
- Fiber
- Electronics
- Maintenance Engineering

- Dispatch

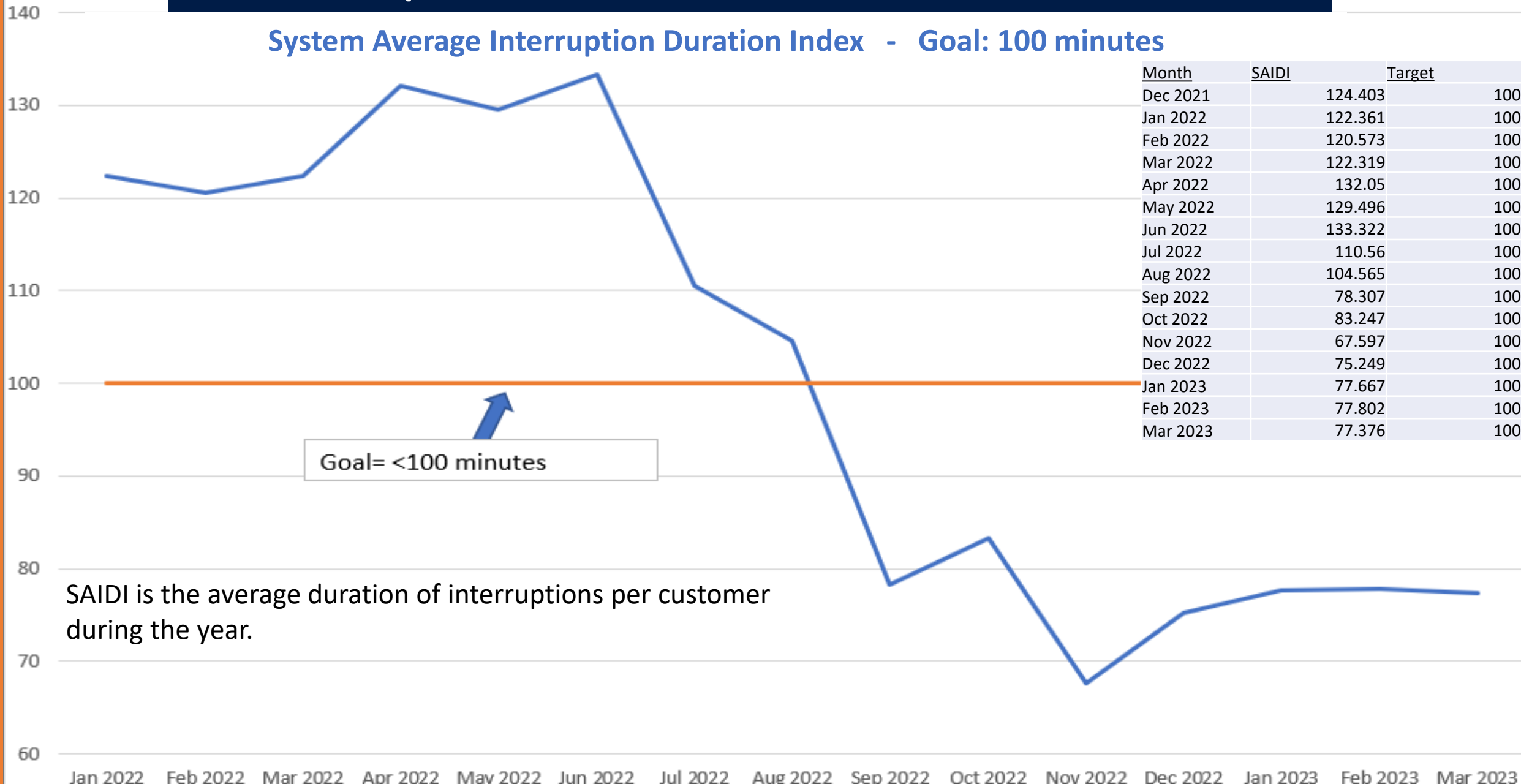
- Systems Planning & Standards
- Transmission, Substation & Automation
- Customer & Distribution Engineering

- Control Systems

- Asset Management
- GIS Mapping
- Work Management

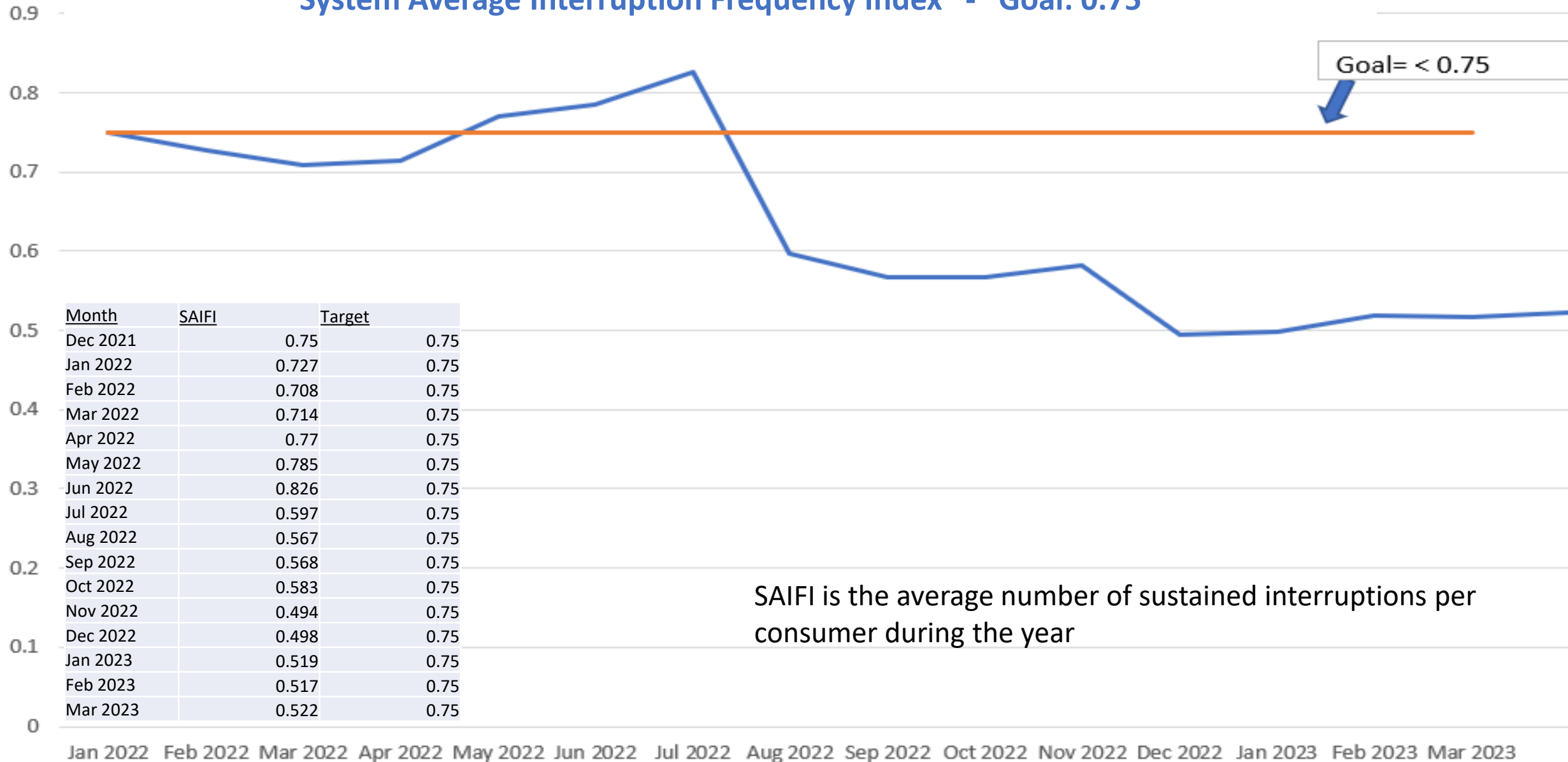
# Operational Performance - SAIDI

System Average Interruption Duration Index - Goal: 100 minutes



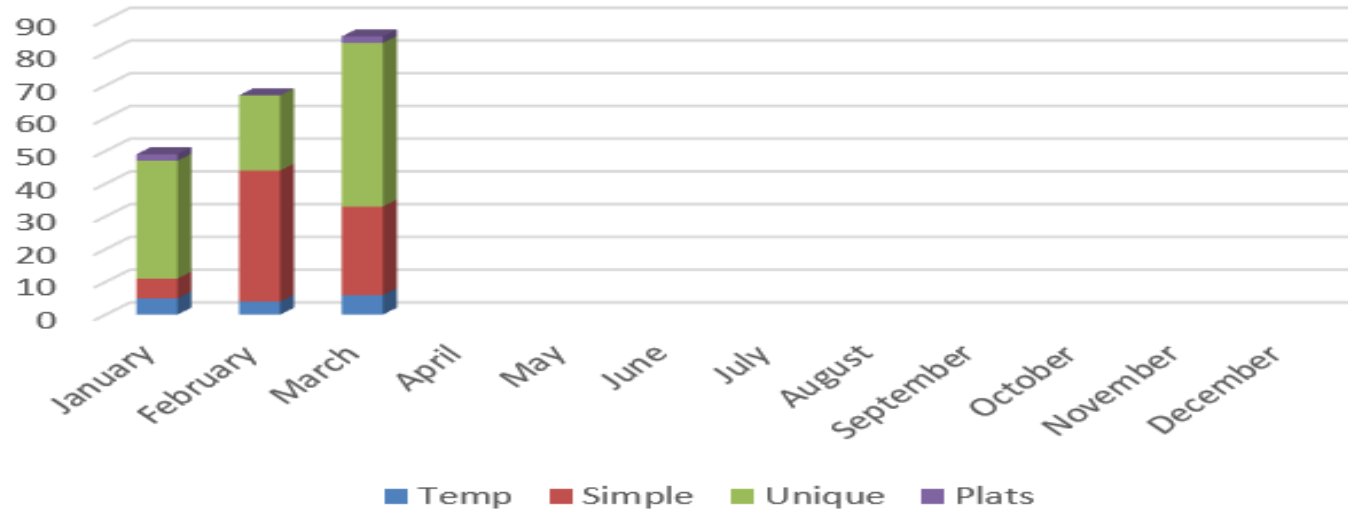
# Operational Performance - SAIFI

System Average Interruption Frequency Index - Goal: 0.75



# Operational Performance – 2022 Work Orders Rec'd

WORK ORDER TYPES



2023	Temp	Simple	Unique	Plats	Total	Total
January	5	6	36	2	49	
February	4	40	23	0	67	
March	6	27	50	2	85	<b>201</b>
April					0	
May					0	
June					0	<b>0</b>
July					0	
August					0	
September					0	<b>0</b>
October					0	
November					0	
December					0	<b>0</b>
	15	73	109	4		
						<b>Yearly Total: 201</b>

# Q1 2023

## Power Delivery Engineering (Highlights)

- **QTEP**
  - Continuing with planning and design work / Paralleling tasks to improve schedule
  - Investigating innovative procurement strategies to mitigate supply chain constraints
  - Continuing participation with PMO and Property Services on public outreach .
- **West Canal and Quincy Foothills Substations**
  - Design work is substantially complete.
  - Assisting PMO on development of labor contracts
- **Big Bend Switchyard**
  - Design work is complete.
  - Assisting PMO on development of labor contracts
- **Ruff Substation (ECBID)**
  - Design work is in final stages
  - Procurement of material has commenced
- **Design Build 2**
  - Continuing technical support of program



# 2023 Highlights

## System Operations (Dispatch)

- Operations Technical Advisor – Performing Operations Planning Analysis, seasonal studies, and other operating study functions, previously performed by PDE as of 1/1/2023
- Implementing 2023 training plans to meet NERC requirements that include use of internal and external (vendor) training
- Preparing for 2023 WECC/NERC audit
- Actively coordinating with C&M to prioritize maintenance, and review/update substation operating procedures
- Working with PMO and Facilities to find a new electronic alternative to our Electric System Display Board (old one no longer supported for parts)

# 2023 Q1 Highlights

## PD Asset Management - GIS

- **New Software Live on Jan 30<sup>th</sup> - One Giant Leap for Mankind!**
- User Training 95% Complete
- User Support / Data cleanup ongoing
- Contractor support to Map 5 Month Backlog
- Fiber Data Migration by Third Party – Ongoing to June
- Phase 2 for Fiber - Upcoming



# 2023 Q1 Highlights

## PD Asset Management

### Clevest Mobile Work Management Tool

- Positive crew feedback on early testing
- Go live moving to Q4 2023
- Challenges with availability of technical staff

### Wood Pole Replacements

- Alley Poles in Ephrata Started

### Data

- Outage trending dashboard
- Asset Data Working Group

## Clevest Mobile Work Tool

The screenshot displays the Clevest Mobile Work Tool interface. On the left, a satellite map shows a residential area with various colored markers (red, blue, green) indicating work locations. On the right, a data table lists work orders with columns for Job Code, Worker, Customer Address 1, Is Target Order?, Order #, Customer City, and Next Order #. The table contains 20 rows of data.

Job Code	Worker	Customer Address 1	Is Target Order?	Order #	Customer City	Next Order #
Road Meter	Worker, Test	308 Ivy St SE		C00000001	Ephrata	32899673800100
Locate	Worker, Test			C00000002		2123495
TR Object in Line	Worker, Test	8798 Hwy 26 W		C00000003	Royal City	C00000003
TR Power Issue	after hours	0961 Hwy 26 W		C00000004	Royal City	C00000004
Remove Meter		2485 Road E NE		C00000005	Moses Lake	32899673800435
Locate	1, Test (test1)			C00000006		C00000006
Locate	1, test (test1)			C00000007		C00000007
Road Meter	1, Test (test1)	306 Ivy St SE		C00000008	Ephrata	328996738003810
Street Light Out				C00000009		C00000009
Dismantle ES90				C00000010		C00000010
Road Meter	Worker, Test	308 Ivy St SE		C00000011	Ephrata	32899673800105
Road Meter	Worker, Test	308 Ivy St SE		C00000012	Ephrata	32899673800106
TR Object in Line	Schwab, Ada			C00000013		C00000013
Road Meter	1, Test (test1)	306 Ivy St SE		C00000014	Ephrata	328996738003811
Locate	McGuire, Cars			C00000015		2292826
Meter Exchange	Schwab, Ada	619 Stratford Rd N #C		C00000016	Moses Lake	6802360450026
Dismantle ES90				C00000017	Ephrata	32899673800108
TR Object in Line				C00000018		C00000018
TR Object in Line				C00000019		C00000019
TR Object in Line	Worker, Test	1791 Nelson Rd NE		C00000020	Moses Lake	C00000020
Road Meter		23957 Rd 51 NE		C00000021	Hartline	21987049531614
TR Fire	Worker, Test	11489 Nelson Rd NE		C00000022	Moses Lake	C00000022
TR Object in Line	Schwab, Ada			C00000023		C00000023
Meter Investigate		839 Broadway Ave E Info		C00000024	Moses Lake	98629718951546
Meter Investigate		14124 Wheeler Rd NE		C00000025	Moses Lake	038154613356
Meter Investigate		14124 Wheeler Rd NE		C00000026	Moses Lake	04872071895648
TR Equipment Iss.	Schwab, Ada			C00000027		C00000027
TR Equipment Iss.	Hammann, Ma	10130 Knox Rd NE A		C00000028	Moses Lake	C00000028

# Q1 2023

## Control Systems Engineering

- 2023 WECC Audit
  - WECC reduced final audit scope associated with the CSE team to only CIP-005 R2.4/R2.5 & CIP-010 R1.6.
  - Submitted Evidence Request Tool
- Energy Management System (EMS)
  - EMS Replacement project
    - Continuing the loading of data into the new OSI Monarch EMS system
    - Production system and software installation complete. Network / Workstation installation to be completed August 2023.
  - Completed adding SCADA to Seep Lake substation/90% complete with configuration at Baird Springs
- Operational Cyber Security
  - Completed Firewall Migrations at West Quincy, Nelson Road and Coulee City substations
  - Completed Firewall installation for DB2 Baird Springs projects
  - Working with CAISO and OATI on an upgrade of the WECC Interchange Tool
- **Staffing** – Hired Luis Perez who will start on 5/22/2023

# Q1 2023

## Power Quality Effort

- Working to identify capacitor banks throughout the county for controls
- Identifying fixed capacitor banks that are burdening the system and need to be removed
- Adding new programming to switching regulator sites to eliminate the need to have personnel driving to each regulator site in a back-feed scenario. Approximately 10 sites need the programming change
- Identified sites that need regulator control upgrades
- Utilizing the newly formed distribution improvement line crew to begin tackling projects identified during last year's efforts
- Distribution crewed rewired and put in new poles for last 1.5 miles of K5 feeder out of Wahluke
- John Kemman and Mark "Bosco" Falsted continue working closely with PDE-CSE, Distribution Line Crew, and County irrigation customers





# Power Delivery: Construction and Maintenance Update



Powering our way of life.

# Meter and Relay Shop

Shop continues to support our Irrigation Customer base with Mark “Bosco” Falsted (Tech) and John Kemman (Maintenance Engineer)

Work completed 7 transformer and relay tests.

Commission Baird Springs substation

Training continues to be key for this team:

- WEI Relay School at EWU during March
- NWPPA Foreman Training during March

Release new “Technician Training” lessons and plan for year 1.



# Power System Electricians

- New Power System Electrician Trainee-Aaron Lindell
- Focusing on Leadership development this year with PSE Foreman. NWPPA certified Foreman Training.

*For our customers:*

- Coordinated with REC to complete preventative maintenance and corrective maintenance for their upcoming start up.
- Coordinating with Yahoo and others for preventative and corrective maintenance on North Quincy substation transformer gassing issues.
- Deployed Mobile Sub to West Quincy substation for Baird Springs cutover project in support of PMO



# Line Crew

## Staffing

- 3 new Groundmen, Jesse Paszkeicz, Ryan McDaniel and Cory Klingenberg have started with the District
- 7 total Apprentice Lineman
- 2 Lineman positions are vacant

## Projects

- Grant PUD line crews are working on customer service work orders (6-10 week backlog)
- District Improvement crew is working on overhead rebuild (K5)
- Transmission crew is working on maintenance
- 4 dock crews are working on fiber make ready and large rebuilds (B26)(L7)

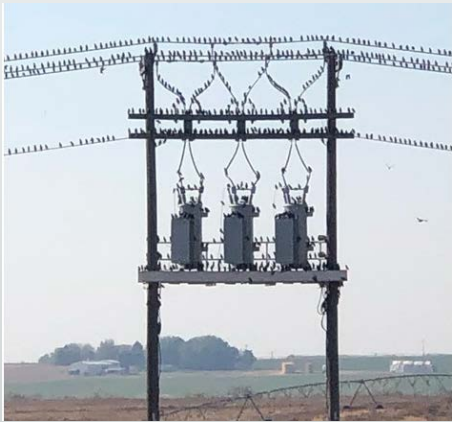
# Corner Grounded Delta project

- Corner Ground Delta upgrade completed
- Original approved budget was \$2.144M, currently we forecast coming in around \$1.95M
- Of the contracted 36 sites, 28 sites are complete and 24 have passed LNI inspection, another 4 are scheduled for inspection. PUD Dock crew work is complete on all sites.



# Maintenance Engineering

- Standards Dept now under C&M Maintenance engineering.
- Pole Test & Treat contractor is complete.
- The two new battery trailers have arrived.
- The Soap Lake Substation transformer replacement is complete.



# Power Delivery C&M Challenges/Opportunities Q4 2022

- ❖ Stretch and Flex pilot for C&M begins the end of January
- ❖ Developing Power Delivery Safety Program with front line representatives from Safety, C&M and Dispatch
- ❖ Working with CAP on 7 condition reports throughout C&M (metering issues, RR bridge, and static line failure)
- ❖ Hired administrative assistant Jackie Turner



**Thank You For Your Ongoing Support**



Grant County  
**PUBLIC UTILITY DISTRICT**



MOSSADAMS

# Grant County PUD

## 2022 AUDIT RESULTS

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Discussion with Board of Commissioners

April 25, 2023

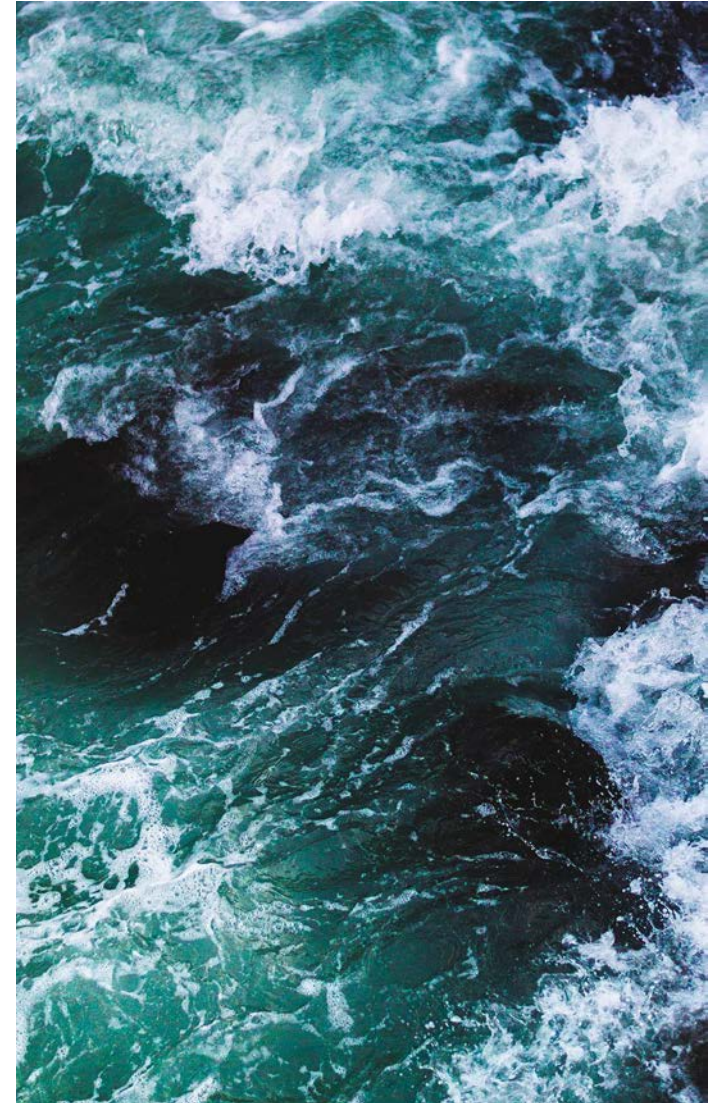




# Agenda

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1. Scope of Services and Reports Issued
2. Areas of Audit Emphasis
3. Impact of Adoption of Lease Standard
4. Matters Required to be Communicated with Those Charged with Governance
5. New and Upcoming Accounting Pronouncements





# Scope of Services and Audit Reports Issued

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**Scope of Services:** Audit of financial statements for the year ended December 31, 2022

## **Reports:**

Unmodified opinion on financial statements of the District, which are presented fairly in accordance with U.S. Generally Accepted Accounting Principles

- Emphasis of matter paragraph related to adoption of new leasing standard

Audit and report on internal control and compliance over financial reporting in accordance with Government Auditing Standards

- No material weaknesses noted
- No significant deficiencies identified
- No compliance findings noted



# Our Responsibility Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

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1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, **our audit does not relieve you or management of your responsibilities.**

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States, and **design the audit to obtain reasonable, rather than absolute, assurance** about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting as a basis for designing audit procedures but **not for the purpose of expressing an opinion on its effectiveness or to provide assurance** concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, **we are not required to design procedures for the purpose of identifying other matters to communicate to you.**



# Areas of Audit Emphasis

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## **Capital Assets & Construction in Process**

- Consideration of capitalization policies and potential impairment, as well as testing of additions, retirements, overhead application, and depreciation

## **Operating Expenses and Related Payables**

- Classification of amounts
- Internal controls over expenditures to vendors and employees

## **Bond Activity**

- Tests of revenue and refunding bonds, debt repayments, discounts and premiums, and compliance with covenants
- Third-party confirmations with financial institutions

## **Power Sales Transactions**

- Tests of sales to power purchasers, including via third party confirmations
- Tests of wholesale power transactions
- Review of cash receipts and timing of revenue recognition



# Areas of Audit Emphasis (continued)

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## **Retail Energy Sales and Related Receivables**

- Vouching of cash receipts and timing of revenue recognition
- Third-party confirmations with largest commercial power purchasers

## **Net Position Classification**

- Tests of classification of net investment in capital assets, restricted and unrestricted

## **Information Technology (IT) General Computer Controls**

- Our IT specialists tested the IT applications and general computer controls that support the various financial reporting systems

## **Adoption of New Leasing Standard**

- Review of adoption of standard which requires the District to treat leases as a right to use asset (lessee) and as a lease receivable/deferred inflow of resources (lessor)

## **Financial Statement Footnote Disclosures**

- Review of the footnote disclosures for completeness and accuracy in accordance with authoritative disclosure checklists and our knowledge of industry best practices



# Impact of Adoption of Lease Standard

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## Adoption as of January 1, 2021 with restatement of 2021 financial statements

- Balance sheet: Both assets (lease receivable) and liabilities (deferred inflows) increased by ~\$18 million
- Net Position: Increase in lease revenues of \$208,000, which resulted in an increase in net income by same amount

In 2022, Lease amounts are \$17.7 million with lease revenues of \$696,000 (see Note 4)





# Required Communications

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- Our audit was performed according to the planned scope
- Significant accounting policies are summarized in Note 1 to the financial statements
  - *There were no changes to significant accounting policies for the year ended December 31, 2022, except for the adoption of GASB 87 Leases*
- No difficulties were encountered during the performance of our audit
- Financial statement disclosures were consistent, clear and understandable
- There were no passed or recorded audit adjustments as a result of our audit
- Other information included in the annual report
- We are not aware of management's consultation with other accountants about significant accounting or auditing matters, other than assistance with lease standard implementation



# Required Communications (continued)

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- Ability to continue as a going concern - no disclosure deemed necessary
- Potential effect on the financial statements of significant risks, exposures & uncertainties
  - *The District is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements in Note 1*
- There were no disagreements with management
  - *Weekly meetings were held between Moss Adams and District management and staff throughout the audit term*
- Consideration of fraud in a financial statement audit
  - *We are not aware of any instances of fraud or noncompliance with laws and regulations*
- A management letter of representations was requested and received from management
- Moss Adams is independent with respect to the District



# New and Upcoming Accounting Pronouncements

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GASB Statement No. 87 *Leases (adopted in 2022)*

GASB Statement No. 91 *Conduit Debt Obligations (adopted in 2022 with no impact to the financial statements)*

GASB Statement No. 92 *Omnibus 2020 (adopted in 2022 with no impact to the financial statements)*

GASB Statement No. 93 *Replacement of Interbank Offered Rates (adopted in 2022 with no impact to the financial statements)*

GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (effective in 2023)*

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (effective in 2023)*

GASB Statement No. 101 *Compensated Absences (effective in 2024)*



# Your Moss Adams Audit Service Team Leaders

Team Members	Responsibilities
<p><b>Laurie Tish, Partner</b>  <a href="mailto:laurie.tish@mossadams.com">laurie.tish@mossadams.com</a>            206. 302-6466</p> 	<p>Engagement Reviewer – Laurie served as your lead client service partner, overseeing all projects we perform for the District. Laurie is the Firm’s National Practice Leader for Government Services and has over 30 years of experience serving municipal electric utilities.</p>
<p><b>Keith Simovic, Partner</b>  <a href="mailto:keith.simovic@mossadams.com">keith.simovic@mossadams.com</a>            503. 478-2284</p> 	<p>Keith assisted Laurie with review of our audit files and the financial statements. Keith specializes in serving municipal electric utilities.</p>
<p><b>Olga Darlington, Partner</b>  <a href="mailto:olga.darlington@mossadams.com">olga.darlington@mossadams.com</a>            425. 551-5712</p> 	<p>Concurring Reviewer – Olga served as a second partner reviewer, approving our audit plan and serving as a resource to the audit team. Olga specializes in serving municipal electric utilities.</p>
<p><b>Abe McClenny, Manager</b>  <a href="mailto:abe.mcclenny@mossadams.com">abe.mcclenny@mossadams.com</a>            206. 748-4874</p> 	<p>Information Technology Lead – Abe led our procedures over the IT general computer controls.</p>
<p><b>Daniel Roberts, Senior Manager</b>  <a href="mailto:Daniel.roberts@mossadams.com">Daniel.roberts@mossadams.com</a>            425. 551-5729</p> 	<p>Dan supervised our staff and was our primary point of contact during audit fieldwork. Dan specializes in serving municipal electric utilities</p>





**THANK  
YOU**





# Q1 RETAIL LOAD VARIANCE REPORT

Contributor:

Amanpreet Singh, Rates & Pricing

April 25<sup>th</sup>, 2023



Powering our way of life.

# Q1 Summary – Budget Forecast vs. Actual

Load	Budget Forecast Load (aMW)	703
	Actual Load (aMW)	686
	Load Variance (aMW)	(17)
	Load Variance %	-2.4%

- Q1 Loads were **17 aMW**, or **2.4%**, below budgeted levels.

# Rate Schedule Load Variances

## Q1 Budget Forecast and Actuals Variance by Rate Schedule

	2023 Q1 Budget Forecast and Actual Loads (aMW)			
	Forecast	Actual	Difference	Variance %
Residential (1)	151	160	9	6.2%
Commercial (2)	79	78	(1)	-0.7%
Irrigation (3)	-	1	1	N/A
Streetlights (6)	1	1	(0)	-1.3%
Large General (7)	74	68	(6)	-8.3%
Industrial (14)	31	34	3	9.8%
Industrial (15)	299	268	(31)	-10.4%
Ag Food (16)	36	30	(6)	-17.4%
Evolving Industry (17)	-	8	8	N/A
Ag Food-Boiler (85)	-	-	-	N/A
New Large Load (94)	32	38	6	20.4%
<b>Totals</b>	<b>703</b>	<b>686</b>	<b>(17)</b>	<b>-2.4%</b>



# Q1 Rate Schedule 1 Residential Differences

Q1 Residential (RS 1) actual loads were **160 aMW, 6.2% higher** than budget forecast.

- Colder weather conditions led to Residential load being higher than it would have been given normal weather conditions
- Adjusted for the weather, actual load was **145 aMW**, Residential loads are **1.9% lower** than the budget forecast



# Q1 Rate Schedule 2 General Service Differences

Q1 General Service / Commercial (RS 2) actual loads were **78 aMW, 0.7% lower** than budget forecast.

- The weather-normalized Commercial actual load is **73 aMW, 4.8% lower** than the budget forecast
- The February 2023 unemployment rate for Grant County was **9.1%, or 13.8% higher** than in February 2022, which was **8.0%**
  - In November 2022, unemployment was **6.3%**

\*\*Note: the unemployment figures are subject to revision on the website





# Q1 Rate Schedule 3 Irrigation Differences

Q1 Irrigation (RS 3) actual loads were  
**1 aMW.**

- Irrigation Season is April 1<sup>st</sup>  
through November 1<sup>st</sup>



# Q1 Rate Schedule 7 Large General Service Differences

Q1 Large General (RS 7) actual loads were **68 aMW, 8.3% lower** than budget forecast.

- Large commercial decrease is largely attributable to cryptocurrency mining being moved to Rate Schedule 17 starting February 1<sup>st</sup>, 2023.





# Q1 Rate Schedule 14 Industrial Differences

Q1 Industrial (RS 14) actual loads were **34 aMW, 9.8% above** budget forecast.

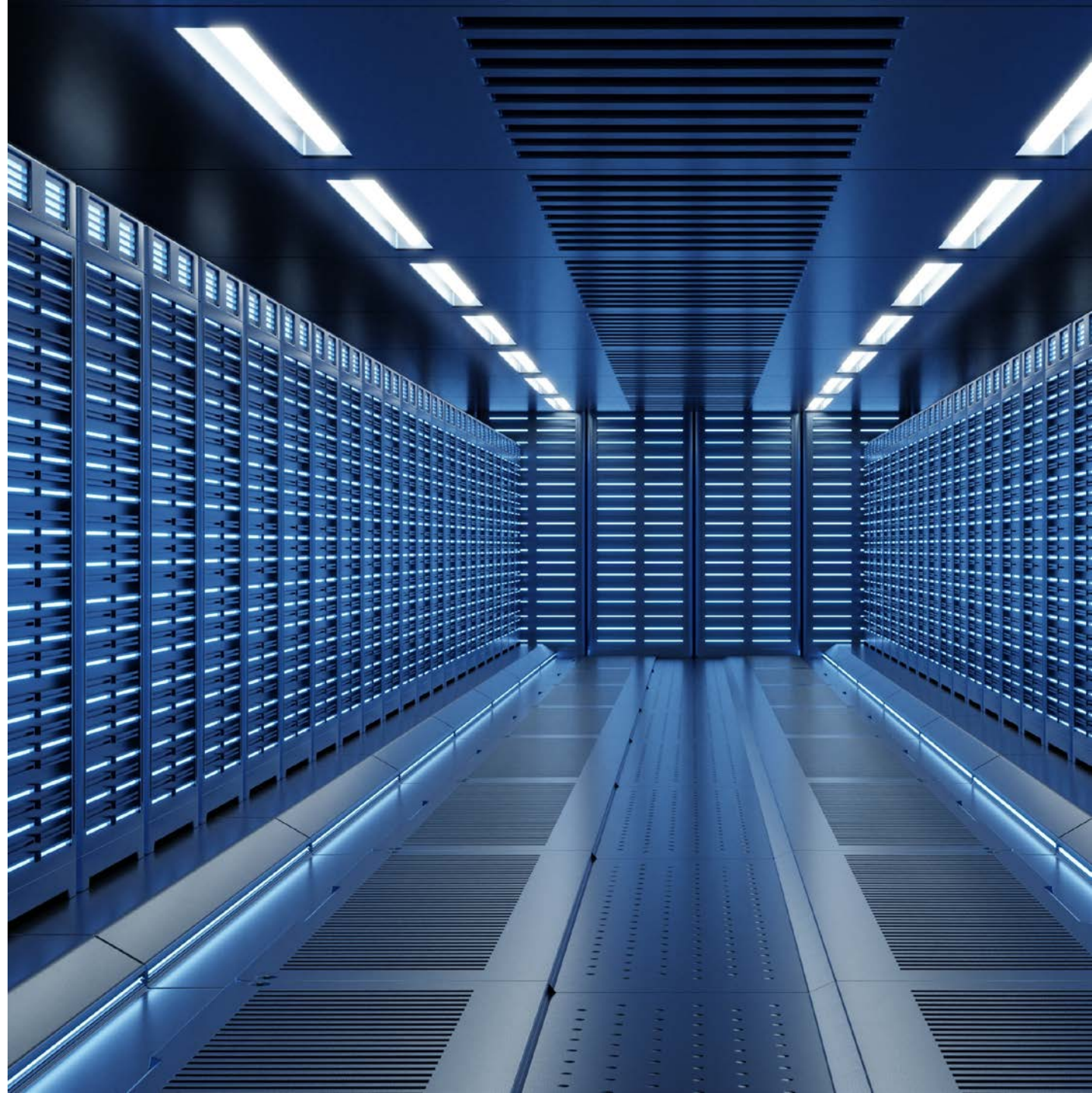
- One customer is coming in a lot lower than forecasted.
- A customer was forecasted to grow into Rate Schedule 15, however, is still in Rate Schedule 14.



# Q1 Rate Schedule 15 Large Industrial Differences

Q1 Large Industrial (RS 15) actual loads were **268 aMW, 10.4% below** budget forecast.

- One customer in the forecast is still in Rate Schedule 14





# Q1 Rate Schedule 16 Ag Food Processors Differences

Q1 Ag Food Processors (RS 16) actual loads were 30 aMW, 17.4% below budget forecast.

- An agriculture processing customer has decreased a large portion of its load
- Some customers are coming in lower than forecasted





# Q1 Rate Schedule 94 New Large Load Differences

Q1 New Large Load (RS 94) actuals were **6 aMW, 20.4% above** budget forecast.

- Increase in New Large Loads is arising from one customer growing faster than forecasted.



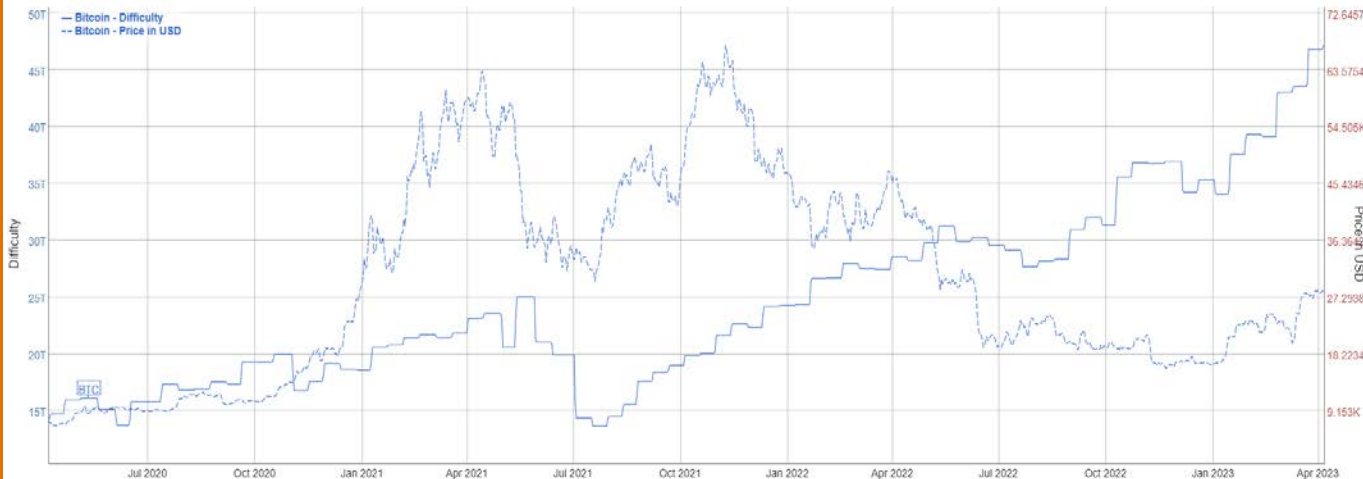


# Q1 Rate Schedule 17

## Evolving Industry Differences

Q1 Cryptocurrency actual loads were **~25 aMW**

- Bitcoin closed the quarter with a roughly 70% gain
- Bitcoin closed out the quarter as the best performing asset class
- Crypto fans attribute this increase to the banking crisis however, that is not the case
- Surge has been fueled partly by problems in other corners of the crypto industry and investors expecting the Fed to slow its interest-rate increases



Source: [Bitcoin Difficulty vs. Price in USD Chart \(bitinfocharts.com\)](https://bitinfocharts.com)





# Q1 2023 Takeaways



Residential and Commercial loads are 1.9% and 4.8% **below** budget, on a weather adjusted basis.








Net Rate Schedule 7, 14, 15, 16, 17, 85, & 94 actual loads are **below the budget** forecast by around 26 aMW; with Rate Schedule 15 and 16 having the most variance.







Cryptocurrency moved into the Evolving Industry Rate Schedule starting February 2023.





# Thank You



Service	Rate	Icon	Description
Residential Service	1		Single family dwelling, individual apartment or farmhouse for single-phase service.
General Service	2		Accounts with loads not exceeding 500 kW (as measured by Billing Demand) for general service, commercial, multi-residential and miscellaneous outbuilding lighting, heating and power (excepting irrigation service) requirements.
General Service	2F		Single-phase loads not exceeding 500 watts as determined from the equipment's UL listing.
Irrigation Service	3		Customers with irrigation, orchard temperature control or soil drainage loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting.
Street Lighting Service	6		Street lighting



Service	Rate	Icon	Description
Large General Service	7		Accounts with loads not less than 200 kW or more than 5,000 kW Billing Demand for general service lighting, heating and power requirements. Service will NOT be provided under this rate schedule to process heating or boiler service loads greater than 3,000 kW unless such loads were served on this rate schedule prior to January 1, 2001.
Industrial Service	14		Industrial customers whose Billing Demand is greater than 5 MW/MVA and less than 15 MW/MVA
Large Industrial Service	15		Industrial customers whose Billing Demand is greater than or equal to 15 MW/MVA
AG Food Processing Service	16		Customers whose Billing Demand is greater than 5 MW/MVA and less than 15 MW/MVA at plants where the primary purpose is processing, canning, freezing or the frozen storage of agricultural food crops (including livestock, poultry and fish)

Service	Rate	Icon	Description
Evolving Industry	17		Retail customers whose energy load activity and/or industry meets the requirements of the Evolving Industry definition as detailed in the rate document.
Commercial Fast Charging Electric Vehicle Service	19		Retail accounts served by Grant PUD for facilities dedicated solely for direct current electric vehicle charging. Rate is only available to Level 3 (or above) fast charging stations with monthly loads of no more than 3,000 kW Billing Demand at an individual location.
AG Food Processing Boiler Service	85		Electric boilers which are separately metered and are primarily used for the purpose of processing, canning, or freezing agricultural food crops (including livestock, poultry and fish)
New Large Load	94		All New Large Loads, as defined by the District's Customer Service Policies. Service to such loads will be in accordance with the terms of this rate schedule.