

A G E N D A
GRANT COUNTY PUBLIC UTILITY DISTRICT
30 C Street SW – Commission Meeting Room
Ephrata, Washington
COMMISSION MEETING
Tuesday, January 9, 2024

An Executive Session may be called at any time for purposes authorized
by the Open Public Meetings Act

- 8:30 a.m.** Executive Session
- 9:00 a.m.** Commission Convenes
Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing
Pledge of Allegiance
Attendance
Public requests to discuss agenda items/non-agenda items
Correspondence
Business Meeting

1. Consent Agenda

Approval of Vouchers

Meeting minutes of December 12, 2023

Special meeting minutes of December 17, 2023

Special meeting minutes of January 5, 2024

2. Regular Agenda

9041 – Resolution Superseding Resolution Nos. 9006 and 9008, Relating to Amending Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85.

3. Review Items For Next Business Meeting

XXXX – Resolution Amending Grant PUD’s Strategic Plan Effective January 23, 2024.

XXXX – Resolution Amending Grant PUD’s Wholesale Fiber Product and Service Schedule 100.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement (PSA) with Friehe Land Holding LLC, to acquire 3.69 acres of property from parcel #18-1206-0000 and combine said 3.69 acres with parcel #18-1207-000 owned by Grant County PUD No. 2, supporting future Ruff Substation expansion, in the amount of \$38,500.00. (xxxx)

Motion authorizing payment of non-compliant purchases from AlignOrg Solutions, LLC for invoice numbers 2437, 2468 and 2498 dated September 30, 2023, October 31, 2023 and November 30, 2023 in the total amount of \$75,000.00. (xxxx)

Motion authorizing the General Manager/CEO to execute Change Order No. 2 to Contract 430-11632 with Arch Staffing and Consulting, increasing the not-to-exceed contract amount by \$3,000,000.00 for a new contract total of \$4,950,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2. (xxxx)

Motion authorizing the General Manager/CEO to execute Contract 430-12233 with CxTec in an amount not-to-exceed 1,315,768.00 for consolidation of all enterprise support agreements for Grant PUD's Fortinet security infrastructure, into one master co-termed contract, with a contract term of February 1, 2024 through January 31, 2027. (xxxx)

4. Calendar

5. Reports from Staff (if applicable)

Adjournment

Draft – Subject to Commission Review

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

December 12, 2023

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: 596 502 173# with the following Commissioners present: Nelson Cox, President; Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner and Judy Wilson, Commissioner.

Commission President Cox opened the meeting at 8:30 a.m.

An executive session was announced to begin at 8:40 a.m. to last until 9:00 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 Commission recessed at 8:31 a.m.

The Commission resumed at 8:40 a.m.

The previously announced executive session was held.

The executive session concluded at 9:00 a.m. and the regular session resumed.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:19 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: BPA rate adjustment clarification; customer contact regarding a cracked pole owned by the telephone company; report from Silo Nano Technologies plant tour and construction celebration event; brief update regarding January 2024 X-energy Tour and Delegation visits; update from recent NOAA Fisheries meeting; concerns with changes in company ownership of current security contract; and Emergency Declaration Amendment No. 3 notification supporting ongoing repairs at the Soap Lake substation.

New employee, Glen Pruitt, Manager of Reliability and Compliance, was introduced to the Commission.

The Central Washington Power Agency (CWPA) Annual Meeting was held with the following attendees present: Judy Wilson, Grant PUD Commissioner; Larry Schaapman, Grant PUD Commissioner; Nelson Cox, Grant PUD Commissioner; Terry Pyle, Grant PUD Commissioner; Tom Flint, Grant PUD Commissioner; Shan Rowbotham, Kittitas PUD Commissioner; Rick Catlin, Kittitas PUD Commissioner; Joe O'Leary, Kittitas PUD Commissioner; Rich Wallen, Grant PUD General Manager/CEO; and Matt Boast, Kittitas PUD General Manager.

Tom Dresser, Manager of Fish and Wildlife, presented the Fish and Wildlife Report.

Thomas Stredwick, Senior Manager of Employee Experience, introduced members of the Orange and Blue U program. Members Molly Hill, Mindy Klingenberg, TJ Hossele, and Casey Raab presented their capstone report as the final project of their one-year program experience.

Angelina Johnson, Senior Manager of Treasury and Financial Planning; Cesar Castro-Leon, Senior Data Analyst; and Amy Thompson, Senior Financial Analyst, provided a bond transaction follow-up.

The Commission calendar was reviewed.

An executive session was announced at 12:00 p.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.

Marvin Price, Moses Lake, Washington, spoke in opposition to projected rate increases and Resolution No. 8768. In addition, he proposed a multi-year two percent rate increase equally applied to all rate schedules.

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

Payment Number	137860	through	138328	\$12,762,461.14
Payroll Direct Deposit	228167	through	228956	\$2,577,970.03
Payroll Tax and Garnishments	20231129A	through	20231129A	\$1,019,417.71

Meeting minutes of November 28, 2023.

RESOLUTION NO. 9034

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE CENTRAL WASHINGTON POWER AGENCY

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Larry Schaapman is hereby appointed as representative of Grant PUD to the Board of Directors of the Central Washington Power Agency, effective January 1, 2024 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Terry Pyle, Nelson Cox, Judy Wilson and Tom Flint are appointed as alternate representatives to said Board to serve in the absence or disability of Commissioner Schaapman.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution, appoint other members of the Board as representative or alternate in the place and stead of those above named.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023.

RESOLUTION NO. 9035

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF ENERGY NORTHWEST

BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington, that Commissioner Tom Flint is hereby appointed as the representative of Grant PUD to the Board of Directors of Energy Northwest, effective January 1, 2024 and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Nelson Cox, Judy Wilson, Terry Pyle and Larry Schaapman are appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Flint.

BE IT FURTHER RESOLVED that the above named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission; and, provided further, that the members of the Commission may from time to time, by resolution,

appoint other members of the Board as representative or alternate in the place and stead of those above named.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023.

RESOLUTION NO. 9036

A RESOLUTION APPOINTING A REPRESENTATIVE AND ALTERNATES TO THE BOARD OF DIRECTORS OF THE WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION

BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Commissioner Terry Pyle is hereby appointed as representative of Grant PUD to the Board of Directors of the Washington Public Utility Districts' Association, effective January 1, 2024, and will serve until his successor is appointed.

BE IT FURTHER RESOLVED that Commissioners Nelson Cox, Tom Flint, Larry Schaapman and Judy Wilson are hereby appointed as alternate representatives to said Board of Directors to serve in the absence or disability of Commissioner Pyle. Other Commissioners will not be precluded.

BE IT FURTHER RESOLVED that the above-named representative and alternates shall serve until a successor or successors have been appointed by resolution adopted by the Commission.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023.

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

Resolution No. 9037 relative to establishing a conservation plan and target was presented to the Commission. Motion was made by Mr. Flint and seconded by Mrs. Wilson to approve Resolution No. 9037. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9037

A RESOLUTION ESTABLISHING THE PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON 10-YEAR CONSERVATION POTENTIAL PLAN AND TWO-YEAR CONSERVATION TARGET PURSUANT TO RCW CHAPTER 19.285

Recitals

1. Public Utility District No. 2 of Grant County, Washington ("Grant PUD") is subject to RCW Chapter 19.285, the Energy Independence Act (EIA) and also known as Initiative 937;
2. EIA requires Grant PUD to set targets for energy conservation and use of eligible renewable resources by identifying achievable cost-effective conservation potential through 2033;
3. Beginning January 1, 2024, Grant PUD must begin acquiring all conservation that is cost effective, reliable, and feasible to meet our EIA compliance target;
4. The 2024 ten-year conservation potential plan and two-year conservation target has been reviewed and updated;
5. It is in Grant PUD's best interest to adopt a ten-year conservation potential plan and two-year conservation target;
6. Every two years Grant PUD must review and update its ten-year conservation potential plan, establish a biennial acquisition target, and meet that target during the subsequent two-year period; and
7. A legal advertisement will be published in local newspapers notifying customers of noticed public hearing to be held on November 28, 2023 regarding Grant PUD's efforts to establish the ten-year conservation potential plan and two-year conservation target.

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

Section 1. Grant PUD has established the ten-year conservation potential plan of 163,374 MWH and two-year conservation target of 33,376 MWH.

Section 2. Grant PUD's biennial target is its pro rata share of its ten-year conservation potential plan.

Section 3. Grant PUD is acquiring all conservation that is cost-effective, reliable, and feasible.

Section 4. Grant PUD reviewed the plan and target as set forth in RCW 19.285.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023.

Resolution No. 9038 relative to awarding a contract was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 9038. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9038

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-11879, FOR SUPPLYING 336 AAC AND 795 AAC OVERHEAD CONDUCTOR

Recitals

1. Bids were publicly opened on July 12, 2023 for Contract 170-11879, for Supplying 336 AAC and 795 AAC Overhead Conductor;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;

• General Pacific, Inc.	\$1,702,040.70
• Border States	\$2,689,425.80
• Wesco/Anixter	\$2,479,755.00
• American Wire Group	\$2,783,510.00
3. The low bid, submitted by General Pacific, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$3,045,150.00; and
5. Grant PUD's Senior Manager of Power Delivery Engineering and General Manager concur with staff and recommend award to General Pacific, Inc. as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-11879, for Supplying 336 AAC and 795 AAC Overhead Conductor with General Pacific, Inc. of Fairview, Oregon in the amount of \$1,702,040.70 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 12th day of December, 2023.

Resolution No. 9039 relative to setting rate policy was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Pyle to approve Resolution No. 9039. After consideration, the motion passed by majority vote of the Commission with Commissioner Flint casting the only opposing vote.

RESOLUTION NO. 9039

A RESOLUTION SUPERSEDING RESOLUTION NO. 8768 AND SETTING RATE POLICY

WHEREAS, Public Utility District No. 2 of Grant County, Washington (Grant PUD) is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy pursuant to RCW 54.16.040.

WHEREAS, Grant PUD's Board of Commissioners have the sole authority and responsibility to set electric rates.

WHEREAS, the Priest Rapids Project (PRP) was built by Grant PUD to benefit the citizens of the county.

WHEREAS, the amount of PRP generation available for use in Grant County, Washington is limited.

WHEREAS, Resolution No. 8768 that was approved May 12th, 2015 previously had set components of rate policy.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that Grant PUD's staff is hereby directed to prepare and present draft retail rate schedules for the Commission's consideration in accordance with the following principles and objectives:

Section 1. Rate schedules shall comply with all applicable laws and regulations.

Section 2. Rate schedules shall be straightforward and understandable by customers and staff.

Section 3. Combined total of all rate schedules shall capture all electric retail costs borne by Grant PUD.

Section 4. Grant PUD shall forecast its revenue requirements in advance and it shall plan to implement rate level changes in small, predictable increases.

Section 5. Rate schedules shall provide for Core Customer preferential access to the low cost embedded power supply resources in place as of the year 2013. Core Customers shall be defined as Residential, General Service (Small Commercial), Irrigation and Large General Service (Large Commercial) customers. Additionally, all customers' first 7,300,000 monthly kwh consumption (10 MW x 1,000 x 8,760/12) will be treated likewise; being considered as preferential access. Preferential access shall provide for "first in line" access to Priest Rapids Project power supply.

Section 6. Changes in rate schedules should be designed to limit impact to customers due to substantial structure change, aka "rate shock". Rate class specific limits set at not less than 0.25x the average total Revenue Requirement level increase and not more than 2.50x the average total Revenue Requirement level increase on an annual increase basis. In a year that no general retail rate increase is put into effect, no increase will be applied to any schedule.

Section 7. Rate class Revenue Requirement shall be guided by cost-of-service analysis.

Section 8. Rate schedules shall be set by Commission directive and may take into consideration cost to serve as well as other factors. Commission has discretionary authority in setting rate components and meeting overall revenue requirements.

Section 9. By December 31, 2024, the rate schedules may be designed such that the differential between the estimated "cost to serve" and the "expected class revenue recovery" for each Rate Class may not exceed +15%/- 20.0%. Annually the long-term plan will be evaluated and, if appropriate, updated to stay on course to meet established targets / policy.

Section 10. Rate targets as established in Section 9 above shall be solved to allow the greatest economic benefit to the core customers as defined in Section 5 above and to first allocate the largest negative revenue to cost differential to those classes that represent the largest population of the rate base. Residential and Irrigation schedules shall receive the largest revenue-cost benefit at -20%. General Service (Small Commercial) and Large General Service (Large Commercial) shall be allocated any remaining economic benefit.

Section 11. Grant PUD shall explore alternative revenue recovery options such as rate contracts when potential for District benefit may exist.

Section 12. A separate rate design protocol document will be developed and serve as guidance on inter-class design goals and criteria.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023.

Resolution No. 9040 relative to prequalification of contractors was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Flint to approve Resolution No. 9040. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9040

A RESOLUTION PRE-QUALIFYING CONTRACTORS TO PERFORM ELECTRICAL WORK FOR GRANT PUD

Recitals

1. RCW 54.04.085 requires that contractors be pre-qualified to do electrical work for Grant PUD, and pursuant thereto, contractors listed in Appendix A have filed applications for pre-qualification with Grant PUD;
2. Grant PUD’s staff have reviewed all applications and their recommendations with respect to the same are set forth in Appendix A attached hereto;
3. Grant PUD’s staff recommend rejection of certain contractor pre-qualification requests, and Grant PUD’s General Manager concurs with those recommendations; and
4. The Commission has reviewed and considered the recommendations of Grant PUD’s staff.

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

Section 1. The various contractor requests received by Grant PUD for pre-qualification are hereby approved and rejected as set forth in Appendix A attached hereto.

Section 2. For these contractors who are pre-qualified as set forth in Appendix A, they shall each designate their employees, and/or subcontractors with electrical contract licenses prior to performing any electrical work for Grant PUD requiring the same.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 12th day of December, 2023

Motion was made by Mr. Schaapman and seconded by Mr. Pyle naming the following slate of officers effective January 1, 2024 and shall remain in effect until the next election of officers:

President	Tom Flint
Vice President	Terry Pyle
Secretary	Larry Schaapman
Commissioner	Judy Wilson
Commissioner	Nelson Cox

After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Schaapman authorizing the General Manager/CEO to execute Change Order No. 8 to Contract 430-4179 with DataPro Solutions, Inc., increasing the not-to-exceed contract amount by \$77,081.42 for a new contract total of \$601,593.31, extending the contract completion date to December 31, 2024, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 8. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mrs. Wilson authorizing transfer of \$45,000,000.00 from the Electric Revenue Fund into the Rate Stabilization portion of the Electric System

R&C Fund effective December 31, 2023. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Pyle authorizing Interlocal Agreement 230-12115 with Grant County Fire District 8 and Interlocal Agreement 430-12116 with all Grant County Fire Districts for fire protection and emergency medical services. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing the General Manager/CEO to execute Amendment No. 3 to Contract 430-10759 for Cooperative Service Agreement with the USDA, increasing the not-to-exceed contract amount by \$684,244.88 for a new contract total of \$1,557,636.88, extending the contract completion date to December 31, 2025, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Amendment No. 3. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

Brett Lenz, Manager of Cultural Resources, Lightning Paul, and Clarice Paul presented the Cultural Resources Program Report.

Chuck Allen, Senior Manager of External Affairs and Communications; Annette Lovitt, Public Affairs Officer; and Rosalie Black, Public Affairs Officer, reviewed the Community Engagement Activity Report.

The Commission recessed at 2:52 p.m.

The Commission resumed at 3:00 p.m.

An executive session was announced at 3:00 p.m. to last until 4:00 p.m. to review performance of a public employee present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 4:00 p.m. on December 12 and reconvened on Thursday, December 21 at 5:00 p.m. at Best Western Lakefront Inn – Peninsula Room, 3000 W Marina Drive, Moses Lake, Washington for the purpose of attending a Grant County Leadership Roundtable and any other business that may come before the Commission with the following Commissioners present: Nelson Cox, Tom Flint, Terry Pyle and Larry Schaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the December 12, 2023 meeting officially adjourned at 7:30 p.m. on December 21, 2023.

Nelson Cox, President

ATTEST:

Terry Pyle, Secretary

Tom Flint, Vice President

Larry Schaapman, Commissioner

Judy Wilson, Commissioner

Draft – Subject to Commission Review

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

December 17, 2023

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 1:00 p.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington, with the following Commissioners present: Nelson Cox, President; Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner; and Judy Wilson, Commissioner.

An executive session was announced at 1:00 p.m. to last until 3:00 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:00 p.m.

The December 17, 2023 special meeting officially adjourned at 3:00 p.m.

Nelson Cox, President

ATTEST:

Terry Pyle, Secretary

Tom Flint, Vice President

Larry Schaapman, Commissioner

Judy Wilson, Commissioner

Draft – Subject to Commission Review

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

January 5, 2024

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington, with the following Commissioners present: Tom Flint, President; Terry Pyle, Vice President; Larry Schaapman, Secretary; Judy Wilson, Commissioner; and Nelson Cox, Commissioner.

An executive session was announced at 9:00 a.m. to last until [redacted] a.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g). The executive session concluded at [redacted] p.m.

The January 5, 2024 special meeting officially adjourned at 3:00 p.m.

Tom Flint, President

ATTEST:

Larry Schaapman, Secretary

Terry Pyle, Vice President

Judy Wilson, Commissioner

Nelson Cox, Commissioner

RESOLUTION NO. 9041

A RESOLUTION SUPERSEDING RESOLUTION NOS. 9006 AND 9008, RELATING TO AMENDING RATE SCHEDULE NOS. 1, 2, 3, 6, 7, 14, 15, 16, 17 AND 85.

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. The Commission directed Staff to allocate an overall 3% retail revenue increase among Grant PUD rate schedules beginning April 1, 2024, with consideration to the rate policy set previously in Resolution No. 8768.
3. Resolution No. 9006 previously adopted Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, and 85; Resolution No. 9008 previously adopted Rate Schedule No. 17.
4. The General Manager and Grant PUD Staff recommend amending Grant PUD Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85 as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that effective April 1, 2024, Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85 are hereby effective as set forth in Exhibit A.

BE IT FURTHER RESOLVED that as of April 1, 2024, Resolution No. 9006 as it relates to Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, and 85 is hereby superseded.

BE IT FURTHER RESOLVED that as of April 1, 2024, Resolution No. 9008 as it relates to Rate Schedule No. 17 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 9th day of January, 2024.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUMDecember 12th, 2023**TO:** Rich Wallen, General Manager/Chief Executive Officer**VIA:** Ty Ehrman, Chief Customer Officer**FROM:** Julio Aguirre Carmona, Program Manager of Rates and Pricing
Depree Standley, Financial Analyst**SUBJECT:** Approval of revised retail rate schedules for the implementation of a 3% revenue increase effective April 1, 2024.

Purpose: Approval of revised Rate Schedule (“RS”) Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85 to implement a 3% annual retail revenue increase with the corresponding class allocations, as discussed during the October 17, 2023, and the November 21, 2023, Commission Workshops.

Discussion: On October 17, 2023, and November 21, 2023, Staff and the Commission discussed the potential implementation of a 3% increase to Grant PUD retail revenue effective in 2024. Staff brought forward to the Commission some class cost allocation alternatives that could be used to implement a 3% increase in the total annual retail revenue.¹ These alternatives were developed in consideration of the parameters and principles previously set forth in Resolution No. 8768 and recognizing the Commission’s most recent approved increase to retail rates effective on April 1, 2023, as part of Resolution No. 9006.

Based on Staff’s analysis and after discussing the various alternatives, the Commission directed Staff to revise the current retail rates using their preferred class cost allocation, which is outlined as follows:

Rate Schedule/Class	Proposed Annual Revenue Increase	Current Est. Ave. Unit Rate per kWh	Proposed Est. Ave. Unit Rate per kWh (4/1/2024)
Residential (Sch. 1)	3.53%	\$0.05710	\$0.05912
General Service (Sch. 2)	3.53%	\$0.04825	\$0.04996
Irrigation (Sch. 3)	3.53%	\$0.04931	\$0.05106
Street Lights (Sch. 6)	3.53%	\$0.22267	\$0.23053
Large General Service (Sch. 7)	3.53%	\$0.03350	\$0.03468
Industrial (Sch. 14)	5.25%	\$0.03118	\$0.03282
Large Industrial (Sch. 15)	1.74%	\$0.03763	\$0.03829
Agricultural Processing (Sch. 16)	5.25%	\$0.03120	\$0.03284
Evolving Industry (Sch. 17)	5.25%	\$0.03171	\$0.03337
Agricultural Boiler (Sch. 85) ²	5.25%	N/A	N/A
Total Retail	3.00%	\$0.04208	\$0.04334

¹ The Commission had also considered a 2.5% annual revenue increase for retail service. However, ultimately the Commission directed the Rates and Pricing team to develop retail rates assuming an overall revenue increase of 3% for 2024.

² Currently there is no energy usage under RS85. Staff will review the appropriateness of maintaining this rate schedule and provide recommendations to the Commission to modify or eliminate RS85 in the next rate review process or earlier if Staff considers it necessary.

To moderate the potential rate impact of the 3% revenue increase on some of the retail classes while still making progress toward the rate trajectories resulting from Resolution No. 8768, the determination of the percentage increase by rate schedule was performed considering the following factors:

- No rate schedule was subject to a percentage revenue increase greater than 1.75x the system average. This results in a maximum increase of 5.25% for any rate schedule, which in this case is applied to RS14, RS16, RS17 and RS85. This upper cap is within the parameter set in Resolution No. 8768 or an increase of no more than 2.5X the system average.
- No rate schedule received a percentage increase lower than 0.58x the system average or 1.74%. This percentage is within the parameter established in Resolution No. 8768 or an increase of no less than 0.25x the system average. In this case, only RS15 is subject to this percentage revenue increase.
- All other retail rate schedules, including all the “core” customers served under RS1, RS2, RS3 and RS7, are subject to a percentage increase of 3.53%, which is marginally higher than the proposed system average increase of 3%.

For the revised Rate Schedule No. 17 – Evolving Industry Service, Staff has recalculated and applied the appropriate revenue increase only to the direct cost element included in Rate Schedule Nos. 17A and 17B, based on the proposed rate increases applied to Rate Schedule Nos. 1, 2 and 7. These revised direct cost elements for Rate Schedule Nos. 17A and 17B effective on April 1, 2024, have been converted to the corresponding basic charges, volumetric energy rates and demand rate as shown in the RS17 tariff attached to Staff’s proposed Resolution in this case. The additional rate premiums or adders currently billed to RS17 customers were not adjusted as they are determined through the assessment of the Evolving Industries as outlined in Grant PUD’s Customer Service policies.²

Additionally, for the revised Rate Schedule No. 15 – Large Industrial Service, Staff has adjusted the minimum load size criteria to qualify for this schedule from 15 MW/MVA to 10 MW/MVA and the size of the first energy block from the current 10.95 million kWh to 7.3 million kWh. This is proposed in order to align the minimum demand and the first block of energy usage under this rate schedule with the current definition of Preferential Access as outlined in Resolution No. 8768 and to simplify the administration and future application of the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) Rider No. 18. There are currently no customers with a billable demand between 10MW and 15MW, so no customers will be impacted by reducing the minimum load size applicable to customers under this rate schedule.

Overall, Staff’s proposed revenue increases by rate schedule are designed to provide Grant PUD with the opportunity to collect sufficient revenues to address the increasing operational costs associated with the Electric System and the Priest Rapids Project (“PRP”) and to maintain a sustainable long term financial position and acceptable financial metrics.

² RS17 is composed of two rate components, a base rate or direct cost, which is based upon the same costing methods used for determining the cost to serve and the social adder of other retail rate schedules, plus risk premium adders, which may vary based on a bi-annual evolving industry assessment. Current risk premium adders for RS17 were approved in 2023 as part of Resolution No. 9008.

After review by the Commission, there was no change to Staff's proposed revenue increases by rate schedule and the corresponding rates. The class cost allocation to Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85 is the same as presented to the Commission on November 21, 2023 (under Alternative 3).

Recommendation: To adopt via resolution the attached Rate Schedule Nos. 1, 2, 3, 6, 7, 14, 15, 16, 17 and 85 as proposed, with an effective date of April 1, 2024.³

Legal Review: See attached e-mail(s)

³ In most retail tariffs, Staff uses the language "*after April 1, 2024*" to align the effective date of the increase with the time when the metered data is processed and reported through the billing system.

Randi Hovland

From: Ty Ehrman
Sent: Wednesday, November 29, 2023 7:44 PM
To: Julio Aguirre Carmona; Mitchell Delabarre
Cc: Leah Mauceri; Depree Standley
Subject: RE: Commission Packets for Revised Retail Rates and Revised Rate Making Policy

Julio, The docs look great and appreciate you and team getting them put together in short order. I do have a few comments below that I would like your answers on. Thanks!

1. Assuming all new rates have been peer-checked to ensure accuracy – please let me know.
2. For RS15, it looks like energy charge for tier 2 is a decrease rather than an increase (0.02880 should be 0.03012). Please adjust.
3. Curious why we had previously on RS2 two tiers in energy charges with the same rate?

P.S. Mitch/Leah, appreciate your expedited review - the rates team have worked on a compressed schedule to meet packet deadline for 12/12 meeting following last week's workshop feedback in order to ensure review and approval in separate meetings (to allow public comment) in time for customer solutions to get billing systems set up in new rates and fully tested. Thanks in advance for helping us out on the timeline and please let me know if you have concerns.

Ty Ehrman

DESK 509.793.1587

CELL 509.361.8201

From: Julio Aguirre Carmona <jaguirre@gcpud.org>
Sent: Wednesday, November 29, 2023 3:35 PM
To: Mitchell Delabarre <Mdelaba@gcpud.org>; Ty Ehrman <Tehrman@gcpud.org>
Cc: Leah Mauceri <Lmaucer@gcpud.org>; Depree Standley <dstandley@gcpud.org>
Subject: Commission Packets for Revised Retail Rates and Revised Rate Making Policy

Good afternoon Ty/Mitch,

Please find attached the packet we plan to submit to the Commission for the approval of revised retail rates, effective on 4/1/2024, which follows the Commission's directive provided at the most recent Commission Workshop on 11/21/2023. A link to the redline and clean final versions of the tariffs implementing these changes is provided here as well:

[Tariffs - Redline](#)

[Tariffs- Clean](#)

Additionally, we are also including a separate Memo and proposed resolution to amend the existing language in Resolution No. 8768 to extend the "expiration date" of the current rate making policy and give us some time to engage with the Commission and come up with a revised policy over the next 12 months that will supersede the existing Resolution 8768.

Please let us know if you have any questions or concerns. In the interest of time, we are proving these to you both concurrently, so we would appreciate it if you could provide us with your legal concurrence (Mitch) and executive approval (Ty), by tomorrow morning if possible, so that we can submit these packets for the Commission's consideration at their 12/12 meeting.

Thank you!

Julio

Julio C. Aguirre

Program Manager, Rates & Pricing

CELL. 505.506.5639

EMAIL jaguirre@gcpud.org



RATE SCHEDULE No. 1
DOMESTIC SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To single family dwelling, individual apartment or farmhouse for single-phase service.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATE: The Customer's monthly billing will consist of a basic charge, an energy charge and a minimum charge as set forth below:

Basic Charge:	\$0.59 per day
Energy Charge:	\$0.04868 per kWh
Minimum Charge:	\$20.00 per Month

FOR QUALIFYING LOW-INCOME CUSTOMERS: Qualified low income senior citizens or qualified low income disabled customers shall receive a discount equal to 20% of the monthly bill, exclusive of taxes. Eligibility and qualification requirements for these low income rate discounts will be as specified in the District's Customer Service Policies.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of the District's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 1
DOMESTIC SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To single family dwelling, individual apartment or farmhouse for single-phase service.

EFFECTIVE: With meter readings after *April 1, 202~~34~~*.

MONTHLY BILLING RATE: The Customer's monthly billing will consist of a basic charge, an energy charge and a minimum charge as set forth below:

Basic Charge:	\$0. 57 <u>59</u> per day
Energy Charge:	\$0. 04702 <u>04868</u> per kWh
Minimum Charge:	\$20.00 per Month

FOR QUALIFYING LOW-INCOME CUSTOMERS: Qualified low income senior citizens or qualified low income disabled customers shall receive a discount equal to 20% of the monthly bill, exclusive of taxes. Eligibility and qualification requirements for these low income rate discounts will be as specified in the District's Customer Service Policies.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of the District's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 2
GENERAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE:

Rate Schedule No. 2: To 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.

Rate Schedule No. 2F: To single-phase loads not exceeding 500 watts as determined from the equipment's UL listing.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATE: Bills received by the customers will be based on the following:

Rate Schedule No. 2 & 2F

Basic Charge:	Single-phase	\$0.75 per day
	Three-phase	\$1.12 per day
Energy Charge:	All kWh	\$0.04544 per kWh
Minimum Charge:	\$4.05 per kW of Billing Demand, applicable to loads of 100 kW and above, but not less than the Basic Charge.	

Usage in kWh for the Energy Charge in Rate Schedule 2F is calculated by using the maximum watts listed by UL on the device X hours per billing period / 1000= kWh.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a) The contract demand, if any.
- b) The highest 15-minute demand during the billing period as determined by demand meter. Metered demand will be adjusted up to 95 percent power factor on accounts having reactive meters.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of Grant PUD's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 2
GENERAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE:

Rate Schedule No. 2: To 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.

Rate Schedule No. 2F: To single-phase loads not exceeding 500 watts as determined from the equipment's UL listing.

EFFECTIVE: With meter readings after *April 1, 202~~4~~3*.

MONTHLY BILLING RATE: Bills received by the customers will be based on the following:

Rate Schedule No. 2 & 2F

Basic Charge:	Single-phase	\$0. 72 <u>75</u> per day
	Three-phase	\$1. 08 <u>12</u> per day
Energy Charge:	First 10,000 All kWh	\$0. 04389 <u>04544</u> per kWh
	Additional kWh	\$0.04389 per kWh
Minimum Charge:	\$4.05 per kW of Billing Demand, applicable to loads of 100 kW and above, but not less than the Basic Charge.	

Usage in kWh for the Energy Charge in Rate Schedule 2F is calculated by using the maximum watts listed by UL on the device X hours per billing period / 1000= kWh.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a) The contract demand, if any.
- b) The highest 15-minute demand during the billing period as determined by demand meter. Metered demand will be adjusted up to 95 percent power factor on accounts having reactive meters.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of Grant PUD's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 3
IRRIGATION SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: Customers with irrigation, orchard temperature control or soil drainage loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting. For miscellaneous power requirements, customers will furnish additional transformers and other equipment necessary. A grinder, chopper, welder, etc., may be used on a limited operation basis; provided, a double-throw switch or other suitable device is installed that will disconnect one piece of equipment from the line while the other is in operation; provided further, that the load so connected is less than the primary load. Customers receiving service pursuant this rate schedule shall be required to pay charges as set forth below.

EFFECTIVE: With meter readings after *April 1, 2024*.

CAPACITY CHARGE: The Capacity Charge is a recurring charge that is based on the Customer's Billing Horsepower. The Customer's Billing Horsepower is equal to the sum of the horsepower ratings of all of the Customer's equipment that may be operated at the same time under one meter. In no case will charges be based on a Customer's Billing Horsepower of less than two horsepower for single-phase service, nor less than five horsepower for three-phase service. Whenever horsepower requirements, as calculated from the metered demand, exceed nameplate horsepower ratings of the operating load, the District may base its charges upon those requirements.

The Capacity Charge will be determined in accordance with the following:

- | | |
|--------------------------|---------------|
| a) First 75 hp billed at | \$2.86 per hp |
| b) Over 75 hp billed at | \$2.62 per hp |

The Capacity Charge is based on a seven (7) month irrigation season (from April through October) and is billed monthly.

ENERGY CHARGE: The Energy Charge is based on the number of kilowatt hours consumed by the Customer during the billing period in accordance with the following:

- | | |
|-------------------|-------------------|
| All kWh billed at | \$0.03099 per kWh |
|-------------------|-------------------|

The Energy Charge is billed over the seven (7) month irrigation season and is billed monthly.

BASIC CHARGE: The Basic Charge is based on a seven (7) month irrigation season and is billed monthly.

- | | |
|--------------|-------------------|
| Single-phase | \$31.43 per month |
| Three-phase | \$44.88 per month |

MINIMUM CHARGE:

The Monthly Minimum Charge is the monthly Capacity Charge and \$31.43 per month for Single-phase or \$44.88 per month for Three-phase.

TAX ADJUSTMENT: The amount of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service provided pursuant to this rate schedule is subject to terms and conditions of the District's Customer Service policies, as periodically amended.

RATE SCHEDULE No. 3
IRRIGATION SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: Customers with irrigation, orchard temperature control or soil drainage loads not exceeding 2,500 horsepower and other miscellaneous power needs including lighting. For miscellaneous power requirements, customers will furnish additional transformers and other equipment necessary. A grinder, chopper, welder, etc., may be used on a limited operation basis; provided, a double-throw switch or other suitable device is installed that will disconnect one piece of equipment from the line while the other is in operation; provided further, that the load so connected is less than the primary load.

Customers receiving service pursuant this rate schedule shall be required to pay charges as set forth below.

EFFECTIVE: With meter readings after *April 1, 2024*.

CAPACITY CHARGE: The Capacity Charge is a recurring charge that is based on the Customer's Billing Horsepower. The Customer's Billing Horsepower is equal to the sum of the horsepower ratings of all of the Customer's equipment that may be operated at the same time under one meter. In no case will charges be based on a Customer's Billing Horsepower of less than two horsepower for single-phase service, nor less than five horsepower for three-phase service. Whenever horsepower requirements, as calculated from the metered demand, exceed nameplate horsepower ratings of the operating load, the District may base its charges upon those requirements.

The Capacity Charge will be determined in accordance with the following:

- a) First 75 hp billed at ~~\$2.76~~86 per hp
- b) Over 75 hp billed at ~~\$2.53~~62 per hp

The Capacity Charge is based on a seven (7) month irrigation season (from April through October) and is billed monthly.

ENERGY CHARGE: The Energy Charge is based on the number of kilowatt hours consumed by the Customer during the billing period in accordance with the following:

- All kWh billed at ~~\$0.02993~~03099 per kWh

The Energy Charge is billed over the seven (7) month irrigation season and is billed monthly.

BASIC CHARGE: The Basic Charge is based on a seven (7) month irrigation season and is billed monthly.

- Single-phase ~~\$30.3631~~43 per month
- Three-phase ~~\$43.3544~~88 per month

MINIMUM CHARGE:

The Monthly Minimum Charge is the monthly Capacity Charge and ~~\$30.3631~~43 per month for Single-phase

or \$43,354.88 per month for Three-phase.

TAX ADJUSTMENT: The amount of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service provided pursuant to this rate schedule is subject to terms and conditions of the District's Customer Service policies, as periodically amended.

RATE SCHEDULE No. 6
STREET LIGHTING SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

CONVENTIONAL STREET LIGHTING:

AVAILABLE: To political subdivisions of the State of Washington and agencies of the Federal Government providing lighting; and to qualified non-profit corporations, license under RCW Chapter 24.03, providing streetlights to platted residential subdivisions consisting of not less than five permanent single-family residences. Service is to be extended upon authorized application, provided security acceptable to the District, is made available to secure payment for services rendered.

EFFECTIVE: April 1, 2024.

MONTHLY RATE:

Conventional Group 1	\$10.00	Conventional Group 2	\$13.54
*5,800 Lumen High Pressure Sodium (70 Watt) 16,000 Lumen High Pressure Sodium (150 Watt) Up to 105 Watt LED		22,000 Lumen High Pressure Sodium (200 Watt) *27,000 Lumen High Pressure Sodium (250 Watt) 106-185 Watt LED	
Conventional Group 3	\$19.12	Conventional Standards¹	
50,000 Lumen High Pressure Sodium (400 Watt) 186-310 Watt LED		25' – 30' ** \$5.85 35' – 40' ** \$8.09	
*Rate applicable only to existing lights.		** Mounting height of lamps.	

¹Standards are an additional charge over and above the monthly rate for conventional light fixtures.

DECORATIVE STREET LIGHTING:

AVAILABLE: To municipalities only for enhancement of central shopping and contiguous business areas.

MONTHLY RATE:

Decorative Unit 1	\$44.61	Decorative 1A	\$23.75
Tapered post, two plain arms with acorn globes.		Two modified plain arms with acorn globes.	
Decorative Unit 2	\$45.87	Decorative Unit 2A	\$26.59
Fluted post, two filigreed arms with acorn globes.		Two modified filigreed arms with acorn globes.	

OPTIONS ¹ :	COST PER UNIT
REFLECTOR & REFRACTORS, pair	\$3.16
POWER: - Up to 35 Watt two lamps	\$0.83
- 36 - 70 Watt two lamps	\$1.54
- 71 - 150 Watt two lamps	\$3.16

¹Reflector/Refractor and Power costs are additional charges over and above monthly Decorative Unit rates.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of Grant PUD's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 6
STREET LIGHTING SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

CONVENTIONAL STREET LIGHTING:

AVAILABLE: To political subdivisions of the State of Washington and agencies of the Federal Government providing lighting; and to qualified non-profit corporations, license under RCW Chapter 24.03, providing streetlights to platted residential subdivisions consisting of not less than five permanent single-family residences. Service is to be extended upon authorized application, provided security acceptable to the District, is made available to secure payment for services rendered.

EFFECTIVE: April 1, 202~~3~~4.

MONTHLY RATE:

Conventional Group 1 <u>\$9.6610.00</u>	Conventional Group 2 <u>\$13.0813.54</u>	
*5,800 Lumen High Pressure Sodium (70 Watt) 16,000 Lumen High Pressure Sodium (150 Watt) Up to 105 Watt LED	22,000 Lumen High Pressure Sodium (200 Watt) *27,000 Lumen High Pressure Sodium (250 Watt) 106-185 Watt LED	
Conventional Group 3 <u>\$18.4719.12</u>	Conventional Standards¹	
50,000 Lumen High Pressure Sodium (400 Watt) 186-310 Watt LED	25' – 30' **	<u>\$5.655.85</u>
	35' – 40' **	<u>\$7.818.09</u>
*Rate applicable only to existing lights.		** Mounting height of lamps.

¹Standards are an additional charge over and above the monthly rate for conventional light fixtures.

DECORATIVE STREET LIGHTING:

AVAILABLE: To municipalities only for enhancement of central shopping and contiguous business areas.

MONTHLY RATE:

Decorative Unit 1 <u>\$43.0944.61</u>	Decorative 1A <u>\$22.9423.75</u>
Tapered post, two plain arms with acorn globes.	Two modified plain arms with acorn globes.
Decorative Unit 2 <u>\$44.3045.87</u>	Decorative Unit 2A <u>\$25.6826.59</u>

Fluted post, two filigreed arms with acorn globes.	Two modified filigreed arms with acorn globes.
OPTIONS¹:	COST PER UNIT
REFLECTOR & REFRACTORS, pair	\$3.05 <u>3.16</u>
POWER: - Up to 35 Watt two lamps	\$0.80 <u>0.83</u>
- 36 - 70 Watt two lamps	\$1.49 <u>1.54</u>
- 71 - 150 Watt two lamps	\$3.05 <u>3.16</u>

¹Reflector/Refractor and Power costs are additional charges over and above monthly Decorative Unit rates.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of Grant PUD's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 7
LARGE GENERAL SERVICE

AVAILABLE: To 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. Such loads will be served on Rate Schedule 85 or its successor.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATE: Bills received by the customers will be based on the following:

Basic Charge:	\$158.78 per month
Energy Charge:	\$0.02248 per kWh for the first 50,000 kWh \$0.01988 per kWh for all additional kWh
Demand Charge:	\$5.31 per kW of Billing Demand
Minimum Charge:	\$158.78 per month

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- (a) The contract demand, if any.
- (b) The highest 15-minute demand during the billing period as determined by demand meter. Metered demand will be adjusted up to 95 percent power factor on accounts having reactive meters.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of the District's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 7
LARGE GENERAL SERVICE

AVAILABLE: To 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. Such loads will be served on Rate Schedule 85 or its successor.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATE: Bills received by the customers will be based on the following:

Basic Charge:	\$153.36 <u>158.78</u> per month
Energy Charge:	\$0.021710 <u>0.02248</u> per kWh for the first 50,000 kWh \$0.019200 <u>0.01988</u> per kWh for all additional kWh
Demand Charge:	\$5.135 <u>.31</u> per kW of Billing Demand
Minimum Charge:	\$153.36 <u>158.78</u> per month

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- (a) The contract demand, if any.
- (b) The highest 15-minute demand during the billing period as determined by demand meter. Metered demand will be adjusted up to 95 percent power factor on accounts having reactive meters.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070, of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Subject to terms and conditions of the District's Customer Service Policies, as periodically amended.

RATE SCHEDULE No. 14
INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than 5 MW/MVA and less than 10 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$685.32 per month
Energy Charge:	\$0.02213 per kWh for the first 7,300,000 kWh \$0.03569 per kWh for all additional kWh
Demand Charge:	\$5.62 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 14
INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than 5 MW/MVA and less than ~~15~~10 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 202*~~3~~4.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$651.14 <u>685.32</u> per month
Energy Charge:	\$0.0210 <u>30.02213</u> per kWh for the first 7,300,000 kWh \$0.0339 <u>10.03569</u> per kWh for all additional kWh
Demand Charge:	\$5.34 <u>5.62</u> per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 -month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to 10 MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$1,035.20 per month
Energy Charge:	\$0.02642 per kWh for the first 7,300,000 kWh \$0.02880 per kWh for 7,300,001 to 21,900,000 kWh \$0.03136 per kWh greater than 21,900,000
Demand Charge:	\$5.88 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with Rate Schedule No. 18 – EUDL CRAC Rider.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 15
LARGE INDUSTRIAL SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To industrial customers whose Billing Demand is greater than or equal to ~~15-10~~ MW/MVA, provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2023*~~34~~.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$ 1,017.50 <u>1,035.20</u> per month
Energy Charge:	\$ 0.025970 <u>0.02642</u> per kWh for the first 10,950 <u>7,300</u> ,000 kWh
	\$ 0.029600 <u>0.02880</u> per kWh for 7,300,001 <u>10,950,001</u> to 21,900,000 kWh
	\$ 0.030970 <u>0.03136</u> per kWh greater than 21,900,000
Demand Charge:	\$ 5.785 <u>.88</u> per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 month period.

ADDITIONAL CHARGES: Customers on this schedule are subject to charges related to the Estimated Unmet District Load Cost Recovery Adjustment Clause (EUDL CRAC) as determined in accordance with Rate Schedule No. 18 – EUDL CRAC Rider.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 16
AGRICULTURAL FOOD PROCESSING SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: 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), provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$685.32 per month
Energy Charge:	\$0.02153 per kWh for the first 7,300,000 kWh
	\$0.03569 per kWh for all additional kWh
Demand Charge:	\$5.64 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 16
AGRICULTURAL FOOD PROCESSING SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: 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), provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2023*~~4~~.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$651.14 <u>685.32</u> per month
Energy Charge:	\$0.0204 <u>60.02153</u> per kWh for the first 7,300,000 kWh
	\$0.0339 <u>10.03569</u> per kWh for all additional kWh
Demand Charge:	\$5.36 <u>5.64</u> per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent <u>12</u> -month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 17
EVOLVING INDUSTRY SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To accounts whose load activity and / or industry is classified as an Evolving Industry. If any part of a load is classified as Evolving Industry, all loads measured by that meter are subject to this rate.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

17-A: For retail customers that would otherwise be served as Residential, Rate Schedule 1, and other retail customers with service less than 200 kW Billing Demand.

EFFECTIVE: With meter readings after *April 1, 2024*.

Basic Charge: \$1.04 per day

Energy Charge: \$0.08867 per kWh

Minimum Charge: \$1.04 per day

17-B: For retail customers with service of 200kW or greater Billing Demand.

EFFECTIVE: With meter readings after *April 1, 2024*.

Basic Charge: \$1,000.00 per month

Energy Charge: \$0.00554 per kWh

Demand Charge: \$28.18 per kW of Billing Period

Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 17
EVOLVING INDUSTRY SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To accounts whose load activity and / or industry is classified as an Evolving Industry. If any part of a load is classified as Evolving Industry, all loads measured by that meter are subject to this rate.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

17-A: For retail customers that would otherwise be served as Residential, Rate Schedule 1, and other retail customers with service less than 200 ~~k~~kW Billing Demand.

EFFECTIVE: With meter readings after ~~February~~ April 1, 2023.

Basic Charge: \$1.04 per day

Energy Charge: ~~\$0.085350~~ 0.08867 per kWh

Minimum Charge: \$1.04 per day

17-B: For retail customers with service of 200~~k~~kW or greater Billing Demand.

EFFECTIVE: With meter readings after ~~February~~ April 1, 2023.

Basic Charge: \$1,000.00 per month

Energy Charge: ~~\$0.003890~~ 0.00554 per kWh

Demand Charge: \$28.18 per kW of Billing Period

Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

RATE SCHEDULE No. 85
AGRICULTURAL FOOD PROCESSING BOILER SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To 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), provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 2024*.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$1,334.97 per month
Energy Charge:	\$0.02856 per kWh for the first 7,300,000 kWh \$0.03257 per kWh for all additional kWh
Demand Charge:	\$6.24 per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies as the same may be amended from time to time.

RATE SCHEDULE No. 85
AGRICULTURAL FOOD PROCESSING BOILER SERVICE

Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.

AVAILABLE: To 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), provided however, service to any Customer load or portion thereof which is or becomes a New Large Load as defined by the District's Customer Service Policies shall be served at the rates specified in Rate Schedule No. 94.

EFFECTIVE: With meter readings after *April 1, 202~~3~~⁴*.

MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:

Basic Charge:	\$1,268.38 <u>\$1,334.97</u> per month
Energy Charge:	\$0.027140 <u>\$0.02856</u> per kWh for the first 7,300,000 kWh \$0.03095 <u>\$0.03257</u> per kWh for all additional kWh
Demand Charge:	\$5.936 <u>\$6.24</u> per kW of Billing Demand
Minimum:	The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12 -month period.

BILLING DEMAND: The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

TAX ADJUSTMENT: The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

SERVICE: Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies as the same may be amended from time to time.

For Commission Review – 1/9/2024

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD’S STRATEGIC PLAN EFFECTIVE
JANUARY 23, 2024

Recitals

- 1. On May 24, 2022, the Commission by Resolution No. 8993 amended Grant PUD’s Strategic Plan;
- 2. The Strategic Plan is a living document that will be systematically reviewed every six months with the Commission. During these sessions, the board will review progress made towards our goals and identify the strengths, weaknesses, opportunities, and threats facing the utility;
- 3. Slight variations to the document are anticipated regularly and will be reviewed with the Commission. When formal action is taken to revise the Strategic Plan, staff will propose those changes via formal resolution; and
- 4. Grant PUD’s General Manager / CEO recommends adoption of a revised Strategic Plan dated January 23, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Grant PUD’s Strategic Plan dated January 23, 2024 is hereby adopted and said Strategic Plan replaces and supersedes Grant PUD’s Strategic Plan dated May 24, 2022.

BE IT FURTHER RESOLVED that Resolution No. 8993 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of January, 2024.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

STRATEGIC PLAN 2024

January 23, 2024





OUR MISSION

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

OUR VISION

EXCELLENCE IN SERVICE AND LEADERSHIP

We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.



OUR VALUES

We are, each of us, stewards of Grant PUD. To do great work, we must each share a common story for why we are here, what we are here to do, and how we choose to do it. Grant PUD and the IBEW have come together to develop our collective path toward how work is done. This is a way of being that we all choose to uphold. We count on everyone to internalize these ways of working. This code steers our actions, shapes our behaviors, and guides us to make decisions with confidence rather than delay. The language within this code is derived from the IBEW's Code of Excellence and customized to achieve the mutual commitments that every Grant PUD employee is expected to exhibit.

These words empower us to embrace our culture, work with purpose, live our values, deliver on strategies and make an impact in our community.

■ SAFETY

Our Commitment: 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.

■ INNOVATION

Our Commitment: We recognize that the best ideas often come from those closest to the work. We will approach our work with a sense of curiosity and embrace a mindset that values learning. No matter what our position is in the organization, we believe that every employee has the ability to identify solutions and influence positive outcomes.

■ SERVICE

Our Commitment: We are all public service employees. As such, we commit to delivering results that have a high standard for quality and allow employees to enjoy a work-life balance. We come to work on time, fit for duty, and ready to work for our customers. We will utilize our training, tools, and equipment provided to pursue a higher standard of work and ethics that delivers a lasting benefit of productivity, professionalism and quality workmanship.

■ TEAMWORK

Our Commitment: We are not all the same and

believe that is what makes teams great. We value the differences in who we are, perspectives we hold and ways we think. We recognize that fulfilling our mission requires intense focus, so we believe it is important to make space for everyone, not take ourselves too seriously, and enjoy our time here with one another.

■ RESPECT

Our Commitment: We believe that every person has value and every role has purpose. As such, we will not insult or demean others and will offer feedback in a way that contributes to the success of individuals and the business. We believe that people are most effective when they have the confidence to try something new, communicate directly, professionally, and in alignment with Grant PUD & IBEW values.

■ INTEGRITY

Our Commitment: As stewards of the public's trust, we are all accountable to the Code of Excellence. We will not allow others' failure to practice these commitments as an excuse for us to abandon ours. We believe that integrity is the basis for trust and requires courage, especially when it involves change.

■ HERITAGE

We protect, preserve and perpetuate both the spirit of the Grant PUD and the Wanapum relations. **Our Commitment:** We honor the contributions of those that came before us and find ways to actively maintain our public power connection to the communities we serve.

OUR KEY OBJECTIVES

1 Achieve and maintain a zero-incident workplace

5 Provide outstanding service to our customers

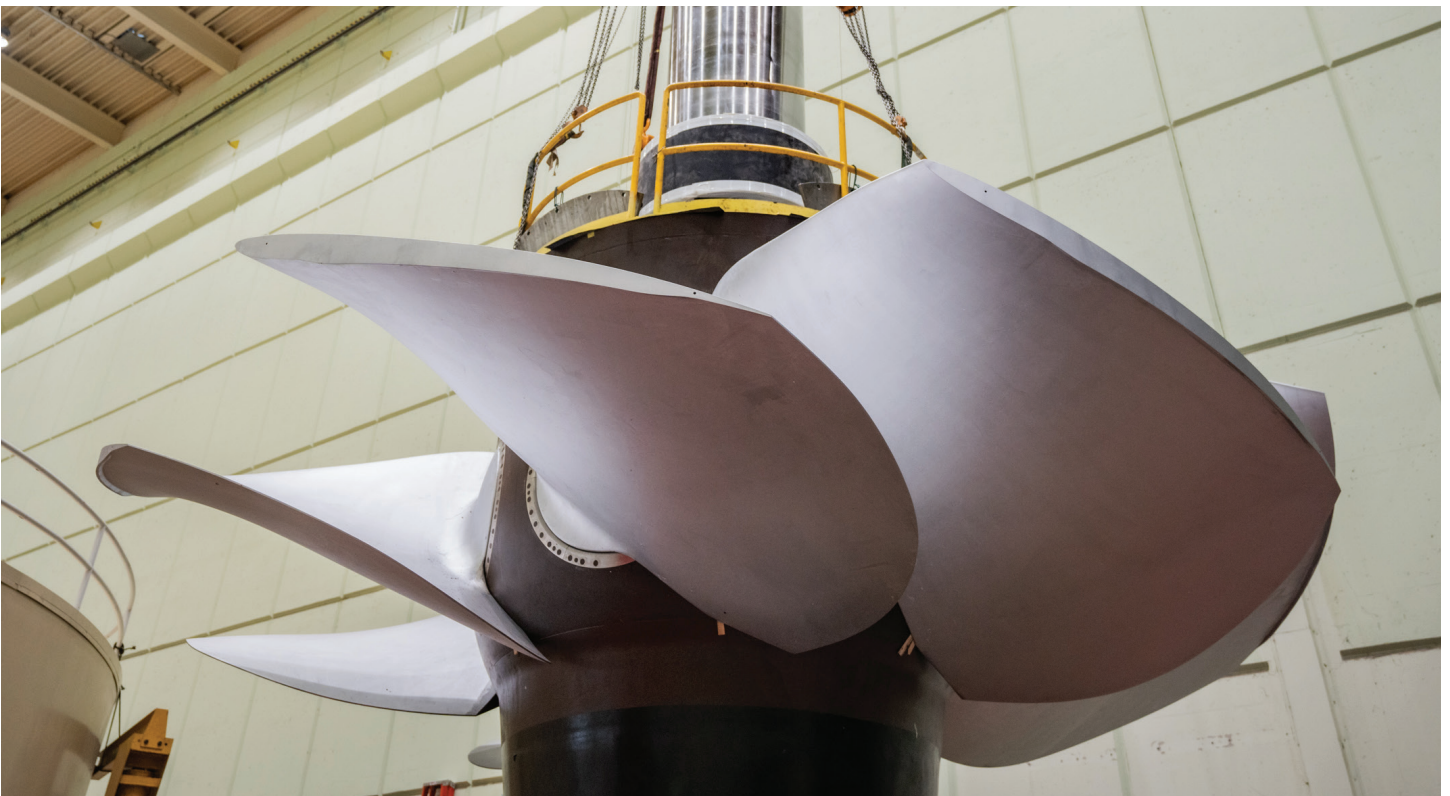
2 Design and sustain an engaging & fulfilling Grant PUD culture

6 Operate responsibly by attaining environmental, cultural resource and regulatory compliance

3 Maintain a strong financial position

7 Completion and maintenance of a sustainable wholesale fiber optic network

4 Provide long-term low rates





OBJECTIVE 1

ACHIEVE AND MAINTAIN A ZERO-INCIDENT WORKPLACE

Safety shall encompass industrial safety, dam safety, together with physical security of our employees and the public. Every employee plays a role in this objective. By prioritizing safe work practices over job completion, speaking up when safety concerns exist, ceasing to proceed in the face of uncertainty together with a data-driven analytical approach to industrial safety, we will ensure all employees, contractors, and members of the public always remain free from harm.

STRATEGIES

- Employ a defense-in-depth approach to industrial safety
- Ensure an industry leading Dam Safety Program exists with active engagement and awareness across all levels of the organization
- Ensure rigorous root cause analysis and formal corrective action tracking programs exist
- Develop a strong “see something, say something” culture with clear expectations that safety shall always preempt production
- Employ a Lean management approach

KEY METRICS

- Recordable incident rate



OBJECTIVE 2

DESIGN AND SUSTAIN AN ENGAGING & FULFILLING GRANT PUD CULTURE

Workplace culture is the infrastructure that guides how we function. Business outcomes, such as safety, compliance, financial results, and operational excellence, all hinge on a healthy workplace culture that supports people. We continuously design our culture so every role has purpose and every employee has value. We make meaningful investments in our workforce. We encourage transparent and authentic communication, and engage our teammates with respect and empathy.

STRATEGIES

- Reinforce commitment to the Code of Excellence
- Recruit, develop and retain a best-in-class workforce
- Sponsor a vibrant employee association
- Establish a deliberate, continuous learning strategy aligned to business outcomes
- Implement the ADDIE instructional systems design framework for training
- Articulate and reinforce our desired leadership culture
- Deliver industry-leading educational reimbursement programs

KEY METRICS

- Organizational Health Index
- Employee Engagement Assessment
- Educational Reimbursement Target
- Training Effectiveness Assessment
- Establish a holistic approach to employee wellness



OBJECTIVE 3

MAINTAIN A STRONG FINANCIAL POSITION

Every employee plays a role in this objective. By making cost-conscious business decisions and watching out for our bottom line, we will maintain the funds necessary to get our work done and to keep the lights on for the people of Grant County at the lowest possible costs.

STRATEGIES

- Achieve cost efficiencies
- Manage risk
- Set retail rates that meet the retail revenue requirement
- Enhance project prioritization and project selection
- Increase process & method standardization
- Optimize non-retail rate revenue

KEY METRICS

- Liquidity threshold (liquid working capital + R&C fund balance)
- Consolidated return on net assets
- Consolidated debt service coverage
- Consolidated debt to plant ratio



OBJECTIVE 4

PROVIDE LONG TERM LOW RATES

Our customers expect to receive high-quality service at the lowest possible costs. To do this, we monitor how we use power from our resources to maximize net revenue to the utility. We also encourage energy conservation to ensure that the low-cost energy from our hydropower projects meet the needs of our county for as long as possible. By planning for our energy needs, both now and in the future, we can achieve long-term low rates for our customers.

STRATEGIES

- Optimize Grant PUD's generating resources
- Perform long-term integrated resource planning
- Develop effective and efficient conservation programs
- Build, operate and maintain T&D system to optimal levels
- Develop, protect and enhance Grant PUD / Wanapum interests in local, state and national forums

KEY METRICS

- Retail operating ratio (adjusted)
- Grant PUD retail rate index (ASC) vs. "Peer group of excellence" retail rate index
- Grant PUD credit rating

OBJECTIVE 5

PROVIDE OUTSTANDING SERVICE TO OUR CUSTOMERS

Every action we take at this utility is in service to our customers. We continually ask ourselves how our performance aids in improving service quality and reliability. The concerns of people we impact and our fellow employees are important to us and we act quickly to resolve issues to exceed customer expectations.

STRATEGIES

- Optimize Grant PUD's generating plant availability
- Optimize critical spares inventory
- Provide prompt response to customer inquiries and service requests
- Provide convenient retail customer access to Grant PUD (physical & virtual)
- Utilize sound Asset Management principles to maximize customer value

KEY METRICS

- Electric system reliability indices – SAIDI and SAIFI
- Generating plant availability and forced outage percentages
- Retail customer satisfaction surveys





OBJECTIVE 6

OPERATE RESPONSIBLY BY ATTAINING ENVIRONMENTAL, CULTURAL RESOURCE AND REGULATORY COMPLIANCE

We are one team with the same mission. We work together to find operational efficiencies and implement a common sense approach in our work. We care about the natural, cultural and financial resources that the public entrusts to us and diligently work to protect these resources in local, regional and national forums.

STRATEGIES

- Employ “defense in depth” philosophy in compliance arenas
- Clearly define and communicate compliance requirements
- Engage in active stakeholder collaboration
- Employ process standardization and strong internal controls throughout Grant PUD
- Actively engage in relevant industry issue forums

KEY METRICS

- Internal and external audit outcomes
- Compliance requirement satisfaction
- Environmental and cultural goal achievement

OBJECTIVE 7

DEVELOP A SUSTAINABLE FIBER OPTIC NETWORK

We are committed to expanding and maintaining our wholesale fiber optic network to all the people of Grant County. We seek to identify and offer services that meet customers' needs and increase network revenue for the utility. As with all utility services, we make decisions that best serve present and future generations of customers.

STRATEGIES

- Optimize Grant PUD's wholesale fiber optic network expansion by offering competitive product and services (within limits of existing legal limitations and authorizing resolution)
- Achieve network maintenance with minimal subscriber outage time

KEY METRICS

- Achieve planned capital build for current year
- Average planned participation take rate goal







Thank you for taking the time to familiarize yourself with our strategic plan. As Grant PUD continues to evolve, you will play a continuing role in our success. With that in mind, your feedback is essential. Please feel free to contact us with any questions or concerns.

RICH WALLEN

Chief Executive Officer and
General Manager

rwallen@gcpud.org
509-754-6744



Powered by Us

For Commission Review – 1/9/2024

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD’S WHOLESALE FIBER PRODUCT AND SERVICE SCHEDULE 100

Recitals

1. Grant PUD is authorized by RCW 54.16.330 to operate and maintain telecommunications for Grant PUD’s own internal telecommunications needs and for the provision of wholesale telecommunications services within Grant PUD; and
2. Grant PUD’s Chief Operating Officer and staff are of the opinion that the Revised Wholesale Fiber Product and Service Schedule 100 is in the best interest of Grant PUD.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the changes to sections G, K, and Special VLAN Services, as set forth in the attached Exhibit A are hereby approved and adopted and shall be effective March 1, 2024.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of January, 2024.

President

ATTEST:

Secretary

Vice President

Commissioner

Commissioner

MEMORANDUM

December 12, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Chief Operating Officer

FROM: Terry McKenzie, Senior Manager of Telecom & Fiber Services TKM

SUBJECT: Updated Product and Service Schedule 100

Purpose: To update the Wholesale Fiber Product and Service Schedule 100 from its last version dated April 1, 2019 (Resolution 8913).

Discussion: The Wholesale Fiber Product and Service Schedule 100 are the rates applicable to the retail and transport service providers utilizing Grant PUD’s fiber network. Modifications to product and service offerings outlined in this schedule will depend on the introduction of new technologies, the addition of new services, alterations to existing services, and heightened demand for capacity. Rate adjustments will be subject to changes in revenue and market conditions.

These changes were evaluated by CCG Consulting (Doug Dawson) which has assisted Grant PUD for over 15 years with wholesale fiber product and service modifications. On November 16th, the service providers had two meeting opportunities to learn about the changes on Rate Schedule 100. The following service providers were in attendance; GC Powernet, Localtel, Fordair Wireless, SiteStar, 509 Fiber, iFiber, Evergem, Advanced Stream, Vyve, Startouch and Crescent Bar Internet. The service providers requested 30-60 days to prepare their system(s) and communicate to their customers, the effective date will be April 1, 2024.

Section	Description
Wholesale Fiber Product and Service Schedule 100	Change District to Grant PUD
G. Service Level Commitment	Removed the language about purchasing third party network operations center (NOC) because the contract was canceled.
K. IP Addresses	Setting up a service provider using Grant PUDs upstream internet may require IP addresses which cost our Telecom Engineering time to request, process, implement and the cost of the IP addresses and this cost will be passed to the service provider plus 10%.
Basic Access 100x100 Mbps	Increase of \$2.50 per month
Enhanced Access 250x250 Mbps	Increase of \$2.50 per month
Gigabit Access	Increase of \$2.50 per month
Special VLAN Ethernet Services	Added a 250 Mbps service, a management VLAN, and included a 3-year term at a lower cost.

Recommendation: Commission approval to update the Wholesale Fiber Product and Service Schedule 100.

Legal Review: See attached e-mail(s).

Public Utility District No. 2 of Grant County, Washington
Product and Service Schedule 100

Wholesale High Speed Network

Resolution ~~No. 8913#####XXXX~~

Exhibit A

Effective ~~0403/01/2019~~2024

- A. The products & services listed on this schedule are available to qualified Service Providers desiring to use ~~the District's~~Grant PUDs wholesale fiber optic and wireless network. ~~The District~~Grant PUD reserves the right, at its sole option, to discontinue service(s) listed in this product & service schedule at any time.
- B. Prices listed in all tables below are monthly recurring charges unless otherwise noted.
- C. ~~The District~~Grant PUD provisions VLAN's to connect a Service Provider to its subscribers (aka Customer VLAN). The Customer VLAN is to be used for connecting unrelated subscribers to the Service Provider's network. The number of Customer VLANs being used by any single Service Provider will be at ~~the District's~~Grant PUDs discretion.
- D. The Service Provider's physical interface(s) to the Customer VLAN(s) on ~~the District's~~Grant PUDs wholesale fiber network will be provided using the least cost method that provides necessary bandwidth for the Service Provider to have unimpeded traffic flow to subscribers provisioned on a particular VLAN. Any additional Service Provider interfaces will be charged at a Special VLAN fee.
- E. Standard subscriber premises units (gateways) used by ~~the District~~Grant PUD provide multiple copper interfaces for connection(s) to the end-user. These units remain the property of ~~the District~~Grant PUD and may be used to serve multiple unique premises in multi-tenant applications.
- F. Service Providers may request an account be added and a Customer VLAN port be provisioned on a gateway for the purposes of extending a single point-to-point connection to a single off-network premises. The Standard Ethernet Services pricing will apply. Customer VLAN ports used to extend services off-network to multiple end-users (i.e. wireless access points, multiple dwelling units, upstream internet service) will be charged port fees per the Customer VLAN Off-Network Services section of this Product and Service Schedule 100. All other re-transmission of Wholesale High Speed Network service is prohibited.
- G. Service Level Commitment: ~~The District purchases third party network operations center (NOC) services for network monitoring. This Tier 1 level of support is available to all Service Providers 24 hours per day/7 days per week. The NOC will generate maintenance tickets for all network problems identified, however~~ District-Grant PUD staff will only respond after-hours to tickets involving Premium Access subscribers or broader network problems. Basic Access subscriber trouble will be addressed during normal business hours.
- H. All wholesale fiber optic and wireless network services provided by ~~the District~~Grant PUD are subject to the terms and conditions in the District's Telecommunications Policies, as the same may be amended from time-to-time.

I. The amount of any tax levied by any governmental entity, in accordance with the laws of the State of Washington, will be added to the charges shown in this product & service schedule.

J. After a six month initial startup period, Service Providers will be charged a minimum monthly bill according to the following timeline:

1-6 Months No Minimum
7-18 Months \$1,000.00 Minimum
18+ Months \$1,500.00 Minimum

K. Upstream Internet Wholesale pricing is based on cost per megabit ~~the District~~ Grant PUD pays at the time of billing (reviewed and subject to change annually). IP address space can be provided at cost per IP. Ethernet ports required to deliver the service are included in the monthly price.

L. Wireless Subscriber Standard Ethernet Service requires each Service Provider to agree to the terms of the Wireless Service Provider Agreement.

M. E-LAN service provides carrier-class support of traffic with additional tagging up to 9,000 byte maximum transmission unit (MTU). E-LAN service requires a contract for the initial service turn up for end-use sites.

*Note: Service speeds are “up to”. Grant PUD will provision at the maximum speed it qualifies for based on the selected service. Actual speed varies based on a number of factors. See Telecommunications Customer Service Policies Section 2.0 for a complete depiction of District limitations & obligations.

Set-up of new Service Provider	\$2,000 (NRC) \$2,500 security deposit
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Standard Ethernet Services:

Basic Access 100x100 Mbps* Tier 1 technical support provided 24/7, higher tiers of support available only during District's Grant PUDs normal business hours. Includes Ethernet ports for data and/or voice	\$30 <u>32.50</u>
Enhanced Access 250x250 Mbps* Tier 1 technical support provided 24/7, higher tiers of support available only during District's Grant PUDs normal business hours. Includes Ethernet ports for data and/or voice	\$40 <u>42.50</u>
Gigabit Access* (Where available; provisioned on Service Provider's customer VLAN) Tier 1 technical support provided 24/7, higher tiers of support available only during District's Grant PUDs normal business hours. Includes Ethernet ports for data and/or voice	\$50 <u>52.50</u>
Wireless Access (Where Available)	\$26
<i>In addition to the 100 Mbps, 250 Mbps and Gigabit Access fee for each unique premises, the following products or services may be purchased:</i>	
Premium Support (per unique premises) All tiers of technical support provided 24/7 with priority restoration following network outages. Also includes Ethernet ports for data and/or voice.	\$10
Video VLAN Port	\$1.50
POTS Port	\$5
Plant construction to provide service outside of an existing fiber service area	Pre-payment of 100% of estimated District Grant PUDs cost.

Customer VLAN Off-Network Services:

(Includes premium support)

50 Mbps port	\$75
100 Mbps port	\$150
1000 Mbps port	\$500

Special VLAN Ethernet Services:

(Includes premium support, uses the customer NNI) see E-LAN Carrier Ethernet Services for pricing with terms) Management VLAN is allowed on multiple locations.

	<u>Month to Month</u>	<u>3 Year</u>
Set-up fee per port	\$100 non-recurring	<u>\$100 non-recurring</u>
50 Mbps port	\$100	
50 Mbps port with Q-in-Q	\$150	
<u>100 Mbps Management VLAN</u>	<u>\$250</u>	
100 Mbps port	\$470 <u>425</u>	<u>\$250</u>
100 Mbps port with Q-in-Q	\$611 <u>575</u>	<u>\$400</u>
<u>250 Mbps port</u>	<u>\$600</u>	<u>\$400</u>
<u>250 Mbps port with Q-in-Q</u>	<u>\$800</u>	<u>\$500</u>
<u>500 Mbps port</u>	<u>\$750</u>	<u>\$450</u>
<u>500 Mbps port with Q-in-Q</u>	<u>\$950</u>	<u>\$575</u>
1000 Mbps port	\$1,450 <u>1,250</u>	<u>\$900</u>
1000 Mbps port with Q-in-Q	\$1,668 <u>1,400</u>	<u>1,050</u>

Upstream Internet Services – No Commit:

Non-Recurring Cost: Setup <u>Upstream Fee</u>	\$500
Per Mbps calculated using 95% percentile method	Wholesale Plus 10%
<u>Non-Recurring Cost: Setup IP Address Allocation Fee, if provided by Grant PUD</u>	<u>\$1,500</u>
<u>Per IP Address monthly recurring fee</u>	<u>Cost Plus 10%</u>

Advanced Transport Services: *(Listed in tables below)*

Contracts will be executed for each service defining the price, term and service level agreement. Each contract will require pre-payment of 100% of the estimated ~~District Grant PUDs~~ cost for equipment, interfaces and/or fiber plant construction to accomplish the service connections. The maximum contract term including extensions shall not exceed 10 years.

Wavelength Services:

	1 Year	3 Year	5 Year
1G per span	\$1,050	\$875	\$750
OC48 per span	\$1,050	\$875	\$750
10G (LAN or WAN PHY) per span	\$4,200	\$3,500	\$3,000

SONET Services – Linear or UPSR: *No longer available for purchase. All SONET services must be transitioned to an alternative product by December 31, 2019.*

	1 Year	3 Year	5 Year
DS-1 per span	\$60	\$50	\$45
STS-1 per span	\$230	\$192	\$179
STS-3 per span	\$360	\$300	\$250

STS-12 per span	\$1,200	\$1,000	\$820
STS-24 per span	\$1,450	\$1,200	\$1,000
<i>The following add-ons may be purchased for each advanced transport circuit:</i>			
Interface protection	50% adder to the monthly charge for one span		
Circuit protection	Monthly charge as listed above per additional span(s) required to accomplish requested protection		

E-LAN Carrier Ethernet Services

(Includes Premium support; only subscriber, end-use ports to terminate at NNI)

	1 Year Term	3 Year term	5 Year term
End-Use Site 100 Mbps port	\$500	\$300	\$200
End-Use Site 1 Gbps port	\$1,150	\$900	\$650

<i>(Term pricing not available on NNI product)</i>	
NNI 1 Gbps port	\$720
NNI 10 Gbps port	\$1,840

For Commission Review – 1/9/2024


Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement (PSA) with Friehe Land Holding LLC, to acquire 3.69 acres of property from parcel #18-1206-0000 and combine said 3.69 acres with parcel #18-1207-000 owned by Grant County PUD No. 2, supporting future Ruff Substation expansion, in the amount of \$38,500.00.

Friehe PSA

MEMORANDUM

December 18, 2023

TO: Richard Wallen, General Manager and Chief Executive Officer

VIA: Ross Hendrick, Senior Manager – Environmental Affairs
Ron Alexander, Managing Director – Power Delivery 
Damien Hooper, Lands and Permitting Supervisor

FROM: Samuel Dart, Lands Specialist
Chris Clarke, Lands Specialist

SUBJECT: Land acquisition to support future Ruff Substation expansion.

Purpose: To recommend a Motion authorizing the Manager to sign the Purchase and Sale Agreement (PSA) with Friehe Land Holding LLC, a Washington Limited Liability Company, (Grantor) to acquire 3.69-acres from parcel #18-1206-000 and combine said 3.69 acres with parcel #18-1207-000 owned by Grant County PUD No. 2.

Discussion: Grant PUD has a need to procure additional land adjacent to the existing Grant PUD property on the west side of Road S-NE identified as Grant County Assessor's Parcel No.18-1207-000. Land Services staff will be negotiating with the Grantor once a motion approving this memo is given by authorization signature of the PSA. Grant PUD contracted with Pacific Appraisal and the subject parcel was given a fair market value of \$38,500.00.

Justification: Grant PUD will be building a new substation on the newly acquired land adjacent to the existing substation. This will support increasing East Columbia Basin Irrigation District (ECBID) customers pumping station load growth for the east low canal water expansion project. The existing substation site was determined to be undersized to allow for construction of the new substation prior to dismantling the existing. The additional land allows Grant PUD to safely construct the new station while continuing to provide service through the existing station.

Financial Considerations: The fair market value amount of \$38,500.00 was determined by the per acre value from the Agri/Com appraisal value of \$10,425.00 per acre X 3.69 acres. If the Grantor does not agree with Grant PUD's proposed fair market value, then the Grantor would need to acquire an appraisal to establish a value, and both parties would negotiate from that point. Grant PUD will be reimbursed by the ECBID for the initial land purchase. Billing credits will be awarded to ECBID over several years upon their increase in service usage from the substation site. Providing the potential return of up to 75% of land value paid back to ECBID.

Recommendation: Approval of a motion authorizing the Manager to sign the attached Purchase and Sale Agreement with the Grantor to support future Ruff Substation expansion.

Legal Review: The Purchase and Sale Agreement has been reviewed by Grant PUD legal counsel for compliance with applicable law and an e-mail dated November 22, 2023 indicating concurrence is attached.

Attachments: Purchase and Sale Agreement
November 22, 2023 Legal Concurrence

Randi Hovland

From: Ross Hendrick
Sent: Thursday, December 21, 2023 8:43 AM
To: Sam Dart
Cc: Damien Hooper
Subject: Re: ECBID (Ruff) Substation Property Acquisition

Hi Sam, I am not able to sign this until tomorrow afternoon at the earliest when I get back from PL. However I approve this memo going forward to for Commission review. Thanks!

Ross

RH

From: Sam Dart <sdart@gcpud.org>
Sent: Thursday, December 21, 2023 7:34:25 AM
To: Ross Hendrick <Rhendr1@gcpud.org>
Cc: Damien Hooper <dhooper@gcpud.org>
Subject: RE: ECBID (Ruff) Substation Property Acquisition

Morning Ross,

Randi would like to have you and Ron's signature on the Ruff substation memo. Would you be able to sign and then ask Ron to sign it? Randi did say if a signature is not possible then an email from each of you to document both of your approvals would be ok.

Samuel Dart

Lands Specialist

Cell .

OFFICE 509.754.7072

EMAIL sdart@gcpud.org



From: Randi Hovland <Rhovla1@gcpud.org>
Sent: Wednesday, December 20, 2023 4:26 PM
To: Sam Dart <sdart@gcpud.org>
Subject: RE: ECBID (Ruff) Substation Property Acquisition

Hi Sam!

Thank you for the update.

Is there any chance you could get a signature from both Ross and Ron on this memo? If a signature is not possible, we can accept an email from them with their documented approval to submit to the packet.

This Real Estate Purchase and Sale Agreement (the “Agreement”) is dated _____, 2023, and is entered into by and between FRIEHE LAND HOLDING LLC, a Washington limited liability company (“Seller) and PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, WASHINGTON a municipal corporation (“Buyer”).

Seller wishes to sell and Buyer wishes to purchase the Property, as defined below, upon the following terms and conditions:

1. The Property. The property to be purchased by Buyer (the “Property”) shall consist of (i) that certain parcels of land consisting of approximately 3.65 acres and commonly known as a portion of Grant County Assessor Parcel No. 18-1206-000 in Section 07, Township 19 North, Range 30 East, W.M., Grant County, Washington, the approximate location of which is attached on **Exhibit A** hereto; and (ii) all improvements thereon (the “Project”); and (iii) all personal property owned by Seller located at said real property, as set forth on the inventory to be furnished by Seller to Buyer pursuant to this Agreement; and (iv) all shrubs, trees, and plants thereon; and (v) all oil, gas, water and mineral rights and shares of stock pertaining to water or mineral rights, whether or not appurtenant thereto, owned by Seller; and (vi) all easements, rights of way, and other rights appurtenant thereto; and (vii) all permits and contract rights relating to the operation of the Property. If the exact boundaries and acreage of the Property is not known as of the date of mutual execution hereof, Buyer and Seller shall mutually agree on same during the period described in Section 7(b) below. If the Property does not constitute a separate, legal, buildable lot which has been segregated for property tax purposes, Seller shall accomplish all actions necessary to render the Property in such condition on or before the expiration of the period described in Section 7(b) below.

2. Closing. “Closing” shall mean the date on which the general warranty deed with full warranties of title transferring title to the Property from Seller to Buyer is recorded in the official records of the County in which the Property is situated. Closing shall occur on or before the date which is thirty (30) days after Buyer’s waiver of all of the contingencies set forth in Sections 7 below, or such other date as may be mutually agreed upon by the parties, at the offices of Stewart Title Company (the “Escrow Agent”) located in Ephrata, Washington. If Closing has not occurred prior to the date that is one hundred twenty (120) days after mutual execution hereof (the “Outside Date for Closing”) for any reason other than a default by Buyer or Seller hereunder, then this Agreement shall automatically terminate, and the parties shall have no further liabilities or obligations toward each other under this Agreement.

3. Consideration. The consideration to be paid to Seller by Buyer for purchase of the Property (the “Purchase Price”) shall be a total of Thirty-Eight Thousand Five Hundred Dollars (\$38,500.00) and shall be payable all in cash at Closing.

4. Title.

(a) Preliminary Title Report. Buyer shall, at Buyer’s expense, obtain a preliminary title report applicable to the Property (the “Preliminary Title Report”) issued by Stewart Title Company (the “Title Company”), together with a copy of all items indicated as exceptions in such Preliminary Title Report.

(b) Condition of Title. At Closing, Seller shall convey fee simple title to the Property to Buyer by general warranty deed, subject only to the items indicated on the Preliminary Title Report which have been approved by Buyer.

(c) Evidence of Title. Seller shall, at Seller's expense, provide Buyer with evidence of Buyer's title to the Property in the form of an owner's ALTA standard coverage policy of title insurance, Form B 1970 (revised 10/17/70), issued by the Title Company containing only those exceptions approved by Buyer with a liability limit equal to the Purchase Price. Seller also agrees to provide affidavits and indemnities in standard form required by the Title Company to remove from the title policy to be issued at Closing the standard preprinted exceptions for unrecorded leases and mechanics liens. Notwithstanding anything to the contrary herein, Seller shall remove at or before Closing, and the Permitted Exceptions shall not include, any financial encumbrances or monetary liens encumbering the Property (except to the extent caused by Buyer).

5. Delivery for Approval. Within ten (10) working days of the execution of this Agreement, Seller shall deliver to Buyer for Buyer's approval as to form and content, the following:

(a) An inventory of all personal property (if any) to be transferred to Buyer.

(b) Copies of all maintenance, service and other agreements affecting the Property.

(c) Copies of all construction and equipment warranties affecting the Property.

(d) All plans, specifications, surveys, soils reports and calculations related thereto and appraisals of the Property, environmental and hazardous waste reports and studies relating to the Property, and any other reports or studies relating to the physical condition of the Property or adjacent properties prepared prior to the date of this Agreement in the possession or subject to the control of Seller.

(e) All certificates of occupancy, building permits, architect's statements of completion and similar documents in possession or subject to the control of Seller evidencing appropriate regulatory approval of the completion of construction of improvements at the Property.

(f) To the extent the Property or this transaction is subject to natural hazard disclosure requirements or requires a transfer disclosure statement pursuant to applicable law, a disclosure statement in conformity with the provisions of applicable law for such disclosures.

6. Costs to Buyer and Seller; Closing Documents.

(a) Seller shall pay the following:

- (i) Cost of the policy of title insurance, and all endorsements thereto, as called for in Section 4
- (ii) One-half of the escrow fee and document preparation;
- (iii) Any broker's commissions;
- (iv) Real estate transfer taxes; and
- (v) Costs of Seller's counsel.

(b) Buyer shall pay one-half of the escrow fee and document preparation, cost of the preliminary title report, the costs of Buyer's counsel and any costs or fees for recording the general warranty deed.

(c) Real estate taxes and assessments, rents, water, and other utilities shall be prorated as of Closing.

(d) At Closing, Seller shall deliver to Escrow Agent the general warranty deed and a warranty bill of sale conveying to Buyer the personal property; and

(e) At Closing, Buyer shall pay the Purchase Price and shall execute such other documents reasonably required to close the transaction contemplated by this Agreement.

7. Conditions Precedent to Buyer's Obligation.

(a) Buyer's obligation to perform under this Agreement is subject to and contingent upon Buyer's approval or determination in its sole discretion of the following, all to occur within ninety (90) days after the date of mutual execution hereof:

- (i) Title Condition. Buyer's review and approval of the Preliminary Title Report, together with all exceptions listed therein.
- (ii) Documents. Buyer's review and approval of all items required to be delivered to Buyer pursuant to Section 5 of this Agreement.
- (iii) Board of Commission Approval. Receipt of approval from Buyer's Board of Commissioners of all business terms of this Agreement by adoption of a resolution providing for the same.
- (iv) Fair Market Value. Buyers receipt of an appraisal prepared by Pacific Appraisal Associates, to determine the fair market value of the property meets or exceeds the purchase price.
- (v) Regulatory Approval. Receipt of approval from all applicable regulatory authorities of Buyer's purchase of the Property and of any related opening, closing or relocating of Buyer's facilities.

- (vi) Survey. Buyers receipt of a Record of Survey conducted by Erlandsen and Associates, to set property pins, prepare and verify legal description and record the Record of Survey with the Grant County Auditors office. Record of Survey to be paid by Buyer.
- (vii) Inspection of the Property. Buyer's written approval of the Property, including zoning, land use, cultural resources, soils, geotechnical, and environmental condition of the Property and adjacent parcels, pursuant to physical inspection by Buyer or by whomsoever Buyer may designate, which approval may be withheld in Buyer's sole and absolute discretion. No inference that Buyer has waived any right to rely on representations or warranties of Seller as set forth in Section 8 of this Agreement shall be drawn from Buyer's approval of the Property pursuant to such physical inspection.

Unless otherwise stated by Buyer in writing, failure to timely approve or disapprove any of the above-referenced matters shall constitute disapproval.

- (viii) Buyer's obligation to take title to the Property and pay the Purchase Price at Closing is subject to and contingent upon receipt, on or before the Outside Date for Closing, of all necessary governmental, nongovernmental, and utility company approvals and permits for Buyer's proposed use and development of the Property, including any necessary land use and zoning approvals.; Unless otherwise stated by Buyer in writing, failure to timely approve or disapprove the matters set forth in this Section 7(c) or before the Outside Date for Closing shall constitute disapproval. Seller shall reasonably cooperate with Buyer to enable Buyer to obtain all such permits and approvals for development of the Property as Buyer may desire.

8. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer, which representations shall be true as of the Closing and shall survive the Closing.

- (a) The Property, the building and other improvements on the Property, and all systems therein, and the use being made thereof at Closing, conform to all fire, zoning, health, environmental, subdivision, building, labor and other federal, state and local codes, laws, rules and regulations, and there are no violations thereof with respect to the Property not heretofore removed or corrected; and Seller has received no notices of any action or government proceeding in eminent domain, zoning change or otherwise, which would affect the Property; nor does Seller know of any fact which might give rise to such proceeding.
- (b) No part of any improvements on the Property encroaches upon any property adjacent thereto or upon any easements, nor are there any encroachments upon the Property.
- (c) There are no leases or rental agreements affecting the Property and no party has any right to the present or future possession or use of the Property other than Seller. No leases or rental agreements covering space at the Property shall be entered into prior to Closing without the prior written consent of Buyer.

(d) There are no maintenance, advertising, management, leasing, employment, service, or other contracts affecting the Property which will be in effect at Closing, other than those transferred to and approved by Buyer prior to Closing.

(e) As of the date of mutual execution hereof, electrical power, and telephone service lines are all available at the Property.

(f) All applicable permits, declarations, and other evidences of compliance from regulatory authorities required to be obtained at the Property, the sale of the Property to Buyer, and the operation and use of the Property, including, without limitation, those regulating the division and partition of real property and environmental matters, have been obtained.

(g) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Property for work performed or commenced prior to Closing. Seller agrees to hold Buyer harmless from all costs, expenses, liabilities, losses and charges arising from or relating to any such lien or any similar lien claimed against the Property and arising from work performed or commenced prior to Closing.

(h) Seller has made no untrue statements or representations in connection with this Agreement, and all items transferred to Buyer on or before Closing are true and correct copies of what they purport to be. Said items have not been amended or modified, other than as also transferred to Buyer, and no items that should have been set forth as exhibits hereto or transferred to Buyer on or before Closing have not been so set forth or transferred. Seller has not failed to state or disclose any material fact in connection with the transactions contemplated by this Agreement.

(i) None of the personal property being acquired by Buyer pursuant to this Agreement, including, without limitation, the Leases, is subject to any outstanding security interest, other than in favor of beneficiaries of deeds of trust listed in the Preliminary Title Report.

(j) Seller has the capacity and requisite authority to enter into and carry out this Agreement and the transactions contemplated hereby and has or prior to Closing will fulfill all statutory requirements necessary to convey the Property to Buyer.

(k) Seller hereby indemnifies and holds Buyer harmless from any claim, liability, loss or expense for any brokerage commission, finder's fee, acquisition fee, or like payment asserted against Buyer in connection with the Property.

(l) Except as may have been otherwise expressly provided herein, Seller shall not further encumber the Property or any of the improvements or personal property thereon.

(m) There is no suit, action or arbitration, or legal or other proceeding or governmental investigation pending which affects the Property.

(n) Except as described in environmental reports provided to Buyer or in any disclosure statement, (i) the Property does not contain, no activity on the Property has produced, and the

Property has not been used in any manner for the storage, discharge, deposit or dumping of hazardous or toxic wastes or substances, whether in the soil, ground water or otherwise; (ii) the Property does not contain underground tanks of any kind; (iii) the Property does not contain and does not produce polychlorinated biphenyls, asbestos, urea formaldehyde or radon gas; and (iv) there are no surface or subsurface conditions which constitute or with the passage of time may constitute a public or private nuisance. Seller has not undertaken any of the foregoing activities and has not caused or allowed any of the foregoing conditions to exist on the Property.

(o) No part of the Property constitutes a “wetland,” as defined under any federal, state or local law, ordinance or regulation.

(p) Seller is not a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and the Income Tax Regulations promulgated thereunder.

Seller hereby agrees to defend, protect, indemnify and hold Buyer harmless from any and all loss, damage, liability or expense, including attorneys’ fees and costs, Buyer may suffer as a result of any breach of or any inaccuracy of the foregoing representations and warranties. These representations and warranties shall survive Closing.

9. Possession. Upon execution of this Agreement, Buyer, through its authorized agents, personnel and employees, shall be entitled to enter upon the Property during normal business hours to make such inspections or studies as Buyer may deem reasonably necessary, including without limitation soils and hazardous waste studies. Full possession of the Property shall be delivered to Buyer by Seller at Closing. Seller shall furnish to Buyer all information that Buyer may reasonably request. If this transaction fails to close, Buyer shall restore the Property at its sole cost to substantially the same condition as when Buyer commenced its studies and tests.

10. Seller’s Remedy. Following waiver of all of Buyer’s contingencies set forth in Sections 7(a), 7(b) and 7(c) above, if this transaction fails to close due to a breach by Buyer hereunder, the sole and exclusive remedy available to Seller as a result of such breach shall be to terminate this Agreement, whereupon Buyer shall deliver to Seller, at no cost to Seller, copies of any reports, studies, or tests performed by Buyer or its agents in connection with this transaction (excluding financial feasibility studies or other proprietary information). Seller hereby waives any other remedy it may have.

11. Buyer’s Remedies. If this transaction fails to close due to a breach by Seller hereunder, then, in addition to all other rights or remedies available to Buyer for Seller’s breach of this Agreement, including specific performance, Buyer shall have the right to terminate this Agreement upon notice thereof to Seller. Buyer, at its option, may elect to waive the performance of any condition, contingency or provision in Buyer’s favor set forth in this Agreement. If any condition to Closing shall not be satisfied, Buyer, at its option, may terminate this Agreement, and such termination, by itself, shall not be deemed a breach hereunder.

12. Miscellaneous.

(a) All notices, consents and approvals required by this Agreement shall be either:

- (i) personally delivered; or
- (ii) placed in the United States mail, properly addressed and with full first-class postage prepaid, certified mail with a return receipt. Said notices, consents and approvals shall be deemed received on the earlier of the date actually received, or forty-eight (48) hours after being mailed as aforesaid.

Said notices, consents and approvals shall be sent to the parties hereto at the following addresses, unless otherwise notified in writing:

To Seller: Friehe Land Holding, LLC
 2498 Road S-NE
 Moses Lake, WA 98837

To Buyer: Public Utility District No. 2 of Grant County, WA.
 Lands and Permitting Services
 PO Box 878
 Ephrata, WA 98823

(b) Attorneys' Fees. In the event that either party hereto brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, or for an alleged breach or default of, or any other action arising out of this Agreement or the transactions contemplated hereby the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and any court costs incurred in such action or proceeding, including on appeal, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

(c) Entire Agreement and Amendments. This Agreement, together with any Exhibits referred to herein constitute the final and complete expression between the parties hereto and supersedes any and all prior arrangements or understandings between the parties. This Agreement can be amended only by a writing signed by Buyer and Seller.

(d) Exhibits. All exhibits attached hereto are hereby incorporated by reference and made a part hereof.

(e) Time of the Essence. Time is of the essence in connection with each and every provision of this Agreement.

(f) Choice of Law. This Agreement and each and every related document is to be governed by, and construed in accordance with, the laws of the state in which the Property is situated.

(g) Successors. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. However, Seller shall have no right to assign any of its rights, privileges, duties or obligations under this Agreement or to convey or transfer the Property prior to Closing, without the prior written consent of Buyer. Buyer shall be entitled to assign Buyer's interest under this Agreement.

(h) Section Headings. The headings of the Sections of this Agreement are inserted solely for convenience of reference, and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(i) Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Agreement shall be made against either party except on the basis of a written instrument executed by or on behalf of such party. A receipt by Seller of any payment due hereunder, with knowledge of any breach of this Agreement, shall not be deemed a waiver of such breach. The party for whose benefit a condition is herein inserted shall have the unilateral right to waive such condition.

(j) Further Actions. Buyer and Seller agree to execute such further documents, and take such further actions, as may reasonably be required to carry out the provisions of this Agreement, or any agreement or document relating hereto or entered into in connection herewith.

(k) Counterparts. This Agreement may be executed in counterparts, each of which, when combined, shall constitute one single binding agreement.

IN WITNESS WHEREOF, the undersigned have executed this document as of the day and year first hereinabove written.

SELLER:

FRIEHE LAND HOLDING, LLC

Dated: _____

By _____

By _____

BUYER:

PUBLIC UTILITY DISTRICT NO 2 OF
GRANT COUNTY, WASHINGTON

Dated: _____

By _____

STATE OF WASHINGTON
County of Grant

On this _____ day of _____, 20____, before me personally appeared to me _____ known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposed therein mentioned, and on oath stated that _____ he/she _____ was/were authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

DATED: _____

Notary Public

Residing at

My appointment expires: _____

STATE OF WASHINGTON
County of Grant

On this _____ day of _____, 20____, before me personally appeared to me _____ known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposed therein mentioned, and on oath stated that _____ he/she _____ was/were authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

DATED: _____

Notary Public

Residing at

My appointment expires: _____

For Commission Review – 1/9/2024


Motion was made by _____ and seconded by _____ authorizing payment of non-compliant purchases from AlignOrg Solutions, LLC for invoice numbers 2437, 2468 and 2498 dated September 30, 2023, October 31, 2023 and November 30, 2023 in the total amount of \$75,000.00.

AlignOrg Invoices

MEMORANDUM

December 28, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer

FROM: Charles Meyer, Directing Manager of Enterprise Technology 

SUBJECT: Request to Pay Unauthorized Purchase

Purpose: Request Commission approval to pay AlignOrg invoices dated September 30, 2023, October 31, 2023, and November 30, 2023 in the total amount of \$75,000.

Description of unauthorized purchase: Consulting work to help develop the Technology Roadmap based on the requests that came out of the AlignOrg micro sessions for the strategic planning work.

Details and history of the purchase: The District entered into a contract with AlignOrg to conduct micro sessions for strategic planning. Stemming from those micro sessions, Enterprise Technology chose to engage AlignOrg in reviewing and updating its Technology Roadmap. A new contract request was submitted and in development but was not in place prior to work being completed by AlignOrg.

Total cost: Seventy-Five Thousand Dollars (\$75,000.00)

Violation (i.e., State Bid Law, Delegation of Authority, etc.): The work performed by AlignOrg was performed without a contract in place. The contract was in development but had not been executed and awarded prior to the work being performed.

Steps Taken to Avoid Future Violations: Ensure the contract has been completed by both sides before work starts.

Recommendation: Commission approval to pay AlignOrg Solutions, LLC, invoice numbers 2437, 2468 and 2498 in the total amount of \$75,000.00.

See attached invoices.

CC: Manager Procurement
Accounts Payable Supervisor
Auditor



AlignOrg Solutions, LLC
1986 Bonneville Ln
Kaysville, UT 84037
502-552-3243
ar@alignorg.com

INVOICE

Invoice Date: 9/30/23
Total Amount: \$25,000.00
Number: 2437
PO Number:
Terms: Net 30
Project: Grant PUD - JM IT Roadmap

Grant PUD

Public Utility District N. 2 of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
United States

RECEIVED
By Debbie Galeana at 10:19 am, Oct 23, 2023

Invoice Details

Description	Amount
Journey Management	\$25,000.00
TOTAL AMOUNT DUE	\$25,000.00

Remit to: AlignOrg Solutions, 1986 W. Bonneville Lane, Kaysville, UT 84037
A 2.5% late fee will be assessed every 30 days past due



INVOICE

AlignOrg Solutions, LLC
1986 Bonneville Ln
Kaysville, UT 84037
502-552-3243
ar@alignorg.com

Invoice Date: 10/31/23
Total Amount: \$25,000.00
Number: 2468
PO Number: Contract ID 430-11823
Terms: Net 30
Project: Grant PUD - JM IT Roadmap - Oct . 2023

Grant PUD

Public Utility District N. 2 of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
United States

RECEIVED
By Breanna Lopez at 1:19 pm, Nov 09, 2023

Invoice Details

Description	Amount
Journey Management	\$25,000.00
TOTAL AMOUNT DUE	\$25,000.00

Remit to: AlignOrg Solutions, 1986 W. Bonneville Lane, Kaysville, UT 84037
A 2.5% late fee will be assessed every 30 days past due



AlignOrg Solutions, LLC
1986 Bonneville Ln
Kaysville, UT 84037
502-552-3243
ar@alignorg.com

INVOICE

Invoice Date: 11/30/23
Total Amount: \$25,000.00
Number: 2498
PO Number: Contract #430-12051
Terms: Net 30
Project: Grant PUD - JM IT Roadmap - No v 2023

Grant PUD

Public Utility District N. 2 of Grant County, Washington
Attn: Accounts Payable
PO Box 878
Ephrata, WA 98823
United States

RECEIVED
By Breanna Lopez at 10:25 am, Dec 08, 2023

Invoice Details

Description	Amount
Journey Management	\$25,000.00
TOTAL AMOUNT DUE	\$25,000.00

Remit to: AlignOrg Solutions, 1986 W. Bonneville Lane, Kaysville, UT 84037
A 2.5% late fee will be assessed every 30 days past due

For Commission Review – 1/9/2024

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO to execute Change Order No. 2 to Contract 430-11632 with Arch Staffing and Consulting, increasing the not-to-exceed contract amount by \$3,000,000.00 for a new contract total of \$4,950,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 2.

Arch Staffing and Consulting

MEMORANDUM

Date December 20, 2023

TO: Rich Wallen, General Manager/Chief Executive Officer
FROM: Charles Meyer, Managing Director Enterprise Technology
SUBJECT: Change Order for Contract 430-11632

Purpose:

To request Commission approval to increase the awarded contract price with Arch Staffing & Consulting, Contract No. 430-11632. Arch Staffing provides staff augmentation services for ET, PMO and other Grant PUD business units.

Discussion:

Arch provides Grant PUD with contracted labor resources whose skills and capacity are needed to execute technology projects and run business activities that directly support Grant PUD’s business objectives and the strategic plan. This contract is an on-demand agreement utilizing statement of work task authorizations for each resource procured. Grant PUD cannot successfully execute its strategic plans and related project work without staff augmentation and specialized services.

This agreement is specific to the technology work performed at Grant PUD and managed separately from Arch Staffing’s agreement with the Project Management Office.

The initial technology staffing support agreement for \$1,500,000 was signed on October 25, 2022. Change Order #1 for \$450,000 was signed on November 8, 2023. As of December 26, 2023, there is \$6,897.75 left in the contract. There are four outstanding invoices for November, as well as those invoices received for billing through December 10, 2023 totaling approximately \$129,121.85. We are expecting to receive additional invoices for billing through December 31, 2023. That amount is not yet known. Further, we anticipate an ongoing relationship with this provider thanks to the high level of service in providing staffing resources. The allocation of funds and price spent to date are outlined in the table below.

TA #	Functional Area	Resource Name	TA Status	Not to Exceed	Invoiced through 12/10/2023
1.1	IT - Software Engineer	Mark Hartley	Open	\$481,104.00	\$258,115.83
2.2	IT - Sr Business Analyst/QA Tester	Carey McGuire	Open	\$799,680.00	\$381,133.60

TA #	Functional Area	Resource Name	TA Status	Not to Exceed	Invoiced through 12/10/2023
3.1	IT - SharePoint and Power Platform	Paul Weisenberger	Open	\$276,140.80	\$250,992.76
4.1	IT – Senior Software Engineer	Mick Conway	Open	\$44,000.00	\$33,000.00
5.1	IT – Data Engineer	Jason Veytsman	Closed	\$31,680.00	\$31,680.00
6.1	MSGP Support	Sumit Ghai	Open	\$333,592.00	\$348,249.80
7	MSGP Support	Kevin Hutchins	Open	\$266,240.00	\$227,034.69
8	IT – Telecommunications Engineer (Direct hire fee)	Joel Currey	Closed	\$26,000.00	\$26,000.00
9.1	IT – Business Systems Analyst	Gail Fitzmaurice	Open	\$521,728.00	\$186,205.18
10	IT – Tech Writer/Content Developer	Stephen Beecroft	Open	\$109,440.00	\$115,938.00
11	IT – Business Systems Analyst	Sara Hosseinizad	Open	\$404,040.00	\$96,037.20
12	IT Tech Writer/Content Developer	Hai Vo	Open	\$79,360.00	\$85,312.00
13.1	IT – Business Systems Analyst	James Berkman	Closed	\$29,832.00	\$29,832.00
Totals				\$3,402,836.80	\$2,069,531.06

Justification:

Each project and/or activity that will require staff augmentation to reduce risk and create a successful outcome will be independently justified and funded, either through capital or O&M budgets. Scaling our resources up and down quickly and efficiently via on demand staff augmentation is an effective long-term strategy for resourcing projects. Staff augmentation and resources required to execute projects will typically be included and justified in the budget and value statement for the project itself. This contract is merely a mechanism for acquiring those resources as efficiently as possible.

If not approved, projects and other ongoing work will be unable to be executed in the desired time frame, with high quality results. We have reached the limits of the existing contract and will be unable to staff additional short-term needs without this increase.

Financial Considerations:

Grant PUD has the ability to negotiate rates and accept or reject potential staff augmentation resources presented by Arch. Having this contract in place significantly lowers the administrative work required to onboard resources by maintaining a relationship with a proven partner and issuing task/work

authorizations. Quickly scaling resources up and down per project demand and priority is more efficient than adding full time resources which have a long-term impact to District finances.

Grant PUD also has other staff augmentation contracts in place for technology resources and can leverage those current and past agreements for competitive purposes.

Contract Specifics:

This agreement is intended to be ongoing through 2025.

Recommendation:

Commission approval of Change Order No. 2 to Contract No. 430-11632 to increase the total contract price by \$3,000,000.00 from \$1,950,000.00 to \$4,950,000.00.

Legal Review:

See attached e-mail(s).

From: [Charles Meyer](#)
To: [Zachery Cooper](#)
Cc: [Michele Mesaros](#)
Subject: RE: Commission Memo Approval Contract 430-11632 CO 2
Date: Thursday, December 28, 2023 9:48:52 AM
Attachments: [image001.png](#)

Memo looks good, please proceed.

Charles Meyer

Managing Director of Enterprise Technologies

CELL 760.579.1171

EMAIL cmeyer@gcpud.org



grantpud.org

From: Zachery Cooper <zcooper@gcpud.org>
Sent: Thursday, December 28, 2023 8:19 AM
To: Charles Meyer <cmeyer@gcpud.org>
Cc: Michele Mesaros <mmesaros@gcpud.org>
Subject: Commission Memo Approval Contract 430-11632 CO 2

Good morning Charles,

The change order for Arch made it through legal. I need your final approval of the memo to put together the commission packet.

[C365Web \(contracts365.com\)](http://C365Web(contracts365.com))

Thank you,

Zachery Cooper

Procurement Officer II

OFFICE 509.760.7617

EMAIL zcooper@gcpud.org

ADDRESS 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321



grantpud.org

CHANGE ORDER
NO. 2

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain November 15, 2025.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$3,000,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$4,950,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2
of Grant County, Washington

Arch Staffing and Consulting

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Change Order Table

Contract Title: Arch Staffing and Consulting for Enterprise Technology 2022 - 2025

Contract No.	430-11632	Award Date:	10/25/2022
Project Manager:	Charles Meyer	Original Contract Amount:	\$1,500,000.00
District Representative (If Different):		Original Contract completion:	11/15/2025
Contractor:	Arch Staffing and Consulting		

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase Contract Price	Managing Director	11/08/23	N/A	\$450,000.00	\$1,950,000.00	\$450,000.00
2	Increase Contract Price	Comm		N/A	\$3,000,000.00	\$4,950,000.00	\$3,450,000.00
Total Change Order Cost Change Amount					3,450,000.00		

For Commission Review – 1/9/2024

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO to execute Contract 430-12233 with CxTec in an amount not-to-exceed 1,315,768.00 for consolidation of all enterprise support agreements for the Grant PUD's Fortinet security infrastructure, into one master co-termed contract, with a contract term of February 1, 2024 through January 31, 2027.

CxTec

MEMORANDUM

January 5, 2024

TO: Richard Wallen, General Manager/Chief Executive Officer

VIA: Charles Meyer, Managing Director of Enterprise Technology

FROM: Don Lester, Control Systems Engineer

SUBJECT: Fortinet Enterprise Agreement Contract 430-12233

Purpose:

To request Commission approval of Contract 430-12233 to consolidate all enterprise support agreements for the District's entire Fortinet security infrastructure into one master, co-termed contract for the next three years, starting on 2/1/2024 and ending on 1/31/2027, purchased from authorized reseller, CxTec.

Discussion:

Fortinet provides Grant PUD with Internet perimeter and internal operational technology defenses, multifactor authentication, centralized management, reporting, alerting, real-time threat protection and antivirus defense, as well as the hardware, security, and upgrade support for each of these systems. These solutions are used for both general business operations as well as to meet our regulatory obligations and requirements.

The current renewal requires manually co-termining new products and services to the existing expiration, and then a master annual renewal for all the co-termed products and services. The 2024 annual renewal was quoted at \$605,129.99, which would increase each year for a rough estimate of \$1,923,894 over the course of three years (assuming a 6% increase each year).

This renewal includes all of our current services, upgrades them to enterprise tier, and locks the total three year cost in at \$1,315,768 for a three year savings of \$608,126.

The current annual co-term agreement will expire on 2/1/2024.

Justification:

This Fortinet infrastructure is leveraged by our Business public Internet connections in both Ephrata and Moses Lake, customer service kiosks, remote access (work from home), remote access (vendor connectivity), public facing Internet services (ie, ITron, FME, SecureFileTransfer, etc), Priest Rapids Dam, Wanapum Dam, the boundary between Business/IT and Energy Management Systems (EMS)/OT, and all substations with externally routed connectivity (currently 34).

GCPD has made a substantial investment in this infrastructure, starting in 2018, and these ongoing support and maintenance services are needed to sustain operational efficiencies.

Financial Considerations:

As mentioned in the Discussion section, this renewal includes all of our current services, upgrades them to enterprise tier, and locks the total three year cost in at \$1,315,768 for a three year savings of \$608,126.

Contract Specifics:

Service specifics are described in the Justification section.

Three bids were solicited from different vendors:

BorderLAN:	\$1,740,916.23
XioLogix:	\$1,893,112.50
CxTec:	\$1,315,768.00

There is no advantage to one vendor over another as the services will be provided directly by the manufacturer, Fortinet.

Recommendation:

Commission approval of contract 430-12233 for least cost bid, CxTec, for \$1,315,768.00.

From: [Charles Meyer](#)
To: [Don Lester](#); [Zachery Cooper](#)
Cc: [Michele Mesaros](#)
Subject: Re: Final approval of Contract 430-12233 (Fortinet EA)
Date: Friday, December 29, 2023 1:27:48 PM
Attachments: [image002.jpg](#)
[image003.png](#)

I am good to proceed.

Charles

Get [Outlook for iOS](#)

From: Don Lester <dlester@gcpud.org>
Sent: Friday, December 29, 2023 1:18:53 PM
To: Zachery Cooper <zcooper@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>
Cc: Michele Mesaros <mmesaros@gcpud.org>
Subject: RE: Final approval of Contract 430-12233 (Fortinet EA)

I am good to proceed.

Don Lester
GPUD Engineer CSE IV
503-506-8216
dlester@gcpud.org



From: Zachery Cooper <zcooper@gcpud.org>
Sent: Friday, December 29, 2023 1:15 PM
To: Don Lester <dlester@gcpud.org>; Charles Meyer <cmeyer@gcpud.org>
Cc: Michele Mesaros <mmesaros@gcpud.org>
Subject: Final approval of Contract 430-12233 (Fortinet EA)

Good afternoon,

Contract 430-12233 has been approved by legal. I need final approval from you guys on this contract and commission memo. [C365Web \(contracts365.com\)](http://C365Web(contracts365.com))

Thank you,

Zachery Cooper

Procurement Officer II

OFFICE 509.760.7617

EMAIL zcooper@gcpud.org

ADDRESS 14352 Hwy 243 S Bldg. 6, Beverly, WA 99321



grantpud.org



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

Vendor: CXTE00

CXTEC
 5404 SOUTH BAY RD
 SYRACUSE NY 13212

Purchase Order	
Purchase Order No.	PO430-12233
Date	12/26/2023

Ship To:

154 A ST SE
 EPHRATA WA 98823

Contract / Quote No. 11349930

Please submit Invoices to AccountsPayable@gcpud.org and reference the Purchase Order number.

^ Changed Since the Previous Revision

		Payment Terms	Confirm With				Page
		NET30	ED VENTRONE				1
L/N	Item Number	Bin	Req. Date	U/M	Ordered	Unit Price	Ext. Price
Item Description							Requested by
Shipping Method		Reference Number					
1	PART# FC-FELAE-36-XG1		2/1/2027	Each	899,759.00	\$1.00	\$899,759.00
	3 YEAR ENT ENTERPRISE LICENSE AGREEMENT TIER XG1 TERM 2/2/24 - 2/1/27						DON LESTER
	NO FREIGHT						
2	PART# FC-ESAB-A1		2/1/2027	Each	416,009.00	\$1.00	\$416,009.00
	3 YEAR 24X7 ENTERPRISE SUP AGREEMENT TIER A1 TERM 2/2/24 - 2/1/27						DON LESTER
	NO FREIGHT						

This Purchase is governed by the Terms and Conditions of Cxtec and Fortinet. Cxtec (PD-V26) and Fortinet (PD-V27) are CIP-13 approved. The District's CIP-13 Terms and Conditions apply to this Purchase.

All applicable taxes to be applied.

Subtotal	\$1,315,768.00
Tax	\$110,524.52
Order Total	\$1,426,292.52

Zachery Cooper 509-760-7617

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.



DIVISIONS OF CXTEC

Quote# 11349930
Expires: 01/26/2024

Prepared By: Ed Ventrone Jr.
315-883-3845
ed.ventrone@cxtec.com

Requested By:	Ship To:	Bill To:
Grant County Public Utilities District Don Lester Fax:	Don Lester 154 A Street SE PUD No 2 of Grant County WA Ephrata, WA 98823 United States	Accounts Payable 30 C St SW PO Box 878 Ephrata, WA 98823 United States

QTY	Mfr Part No.	Description	Unit Price	Ext Price
1	FC-FELAE-36-XG1	3 YEAR ENT ENTERPRISE LICENSE AGREEMENT. TIER XG1	\$899,759.00	\$899,759.00
1	FC-ESAB-36-A1	3YR 24X7 ENTERPRISE SUP AGREEMENT TIER A1	\$416,009.00	\$416,009.00
		Subtotal		\$1,315,768.00

Payment Terms: 30 Days

Check/ACH/wire payment. All net terms are subject to standard terms and conditions.

Combined Subtotals \$1,315,768.00

Tax \$110,524.51

TOTAL PURCHASE PRICE \$1,426,292.51

Shipping Information

Priority 2 DAY AIR
Carrier UPS

Terms Prepaid & Add
FOB Origin/Shipping



Terms & Conditions

Shipping Information: To accommodate your shipping preferences, CXtec will make every effort to bill your freight carrier account directly. Sometimes we are unable to comply with this request due to limitations based on carrier availability, shipment weight, or other circumstances. When this occurs, CXtec will ensure that the product is shipped to you in the most economical way and will inform you of any associated costs subject to additional billing.

Freight charges are prepaid & add, Syracuse, NY.

Warranty Information: equal2new® Products carry a lifetime warranty on parts and labor to the original End User purchaser.

CABLEExpress® products carry a limited lifetime warranty on parts and labor to the original End User purchaser.

New Equipment and Premise Wiring Product: CXtec warrants that any item will be in compliance with the original manufacturer's warranty from the date of shipment.

CXtec
400 South Salina St
Suite 201
Syracuse NY 13202
www.cxtec.com
www.cablexpress.com

North American Offices: 315.476.3000
North American Fax: 315.455.1800
International Offices: 011.315.476.3100
International Fax: 011.315.455.1800

Alteration, abuse or misuse voids all warranties. Some products may have extended warranties available or may have warranties exceeding the standards listed.

Return Information: All returns must be pre-approved, issued a Return Material Authorization # prior to returning, and shipped prepaid to CXtec. Returnable items may be subject to a restocking fee. Opened products, custom cables, bulk cable, connectors, tools, test equipment, configured products, special orders, discontinued items, and items held more than 30 days are not returnable.

Payment Information: CXtec standard terms are net 30 for customers with approved credit. An account can be established by submitting a completed credit application (available upon request). Instant credit will be extended for companies favorably rated by D&B. All purchase orders must be for the full purchase price plus taxes and freight as applicable.

Billing Information: CXtec utilizes electronic invoicing practices, and will email all invoices to the "Bill To" contact referenced on the customer's purchase order.

Confidentiality Notice: This document, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of the original document.

All orders subject to Terms and Conditions located at <https://www.cxtec.com/hubfs/Common%20Assets/CXtecTermsandConditions.pdf>.

Payments made by credit cards will be subject to applicable credit card surcharges.

Exempt from sales tax? If so, please forward a copy of your company's sales tax exemption forms when placing your order, to avoid being charged sales tax.

Customer Signature for Quote 11349930

Date

Purchase Order Number

The person signing above is authorized to approve this purchase.

All amounts are in US Dollars.

equal2new prices and product availability are subject to market fluctuations. Prices on new items are subject to manufacturer price variations.

CXtec
400 South Salina St
Suite 201
Syracuse NY 13202
www.cxtec.com
www.cablexpress.com

North American Offices: 315.476.3000
North American Fax: 315.455.1800
International Offices: 011.315.476.3100
International Fax: 011.315.455.1800

CXTEC TERMS AND CONDITIONS OF SALE

ALL ORDERS PLACED WITH CXTEC ("SELLER") ARE SUBJECT TO THESE TERMS AND CONDITIONS ("TERMS AND CONDITIONS"), UNLESS SUPERCEDED BY A MASTER AGREEMENT SEPARATELY EXECUTED BETWEEN THE PARTIES ("AGREEMENT"), AND ALL ADDITIONAL TERMS AND CONDITIONS PRESENTED ON OR ACCOMPANYING A SELLER QUOTE OR RELATED DOCUMENT. SALE OF ANY PRODUCTS OR SERVICES BY SELLER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO THESE TERMS AND CONDITIONS. NO TERM OR CONDITION CONTAINED IN BUYER'S PURCHASE ORDER OR SIMILAR DOCUMENT WILL APPLY UNLESS AGREED UPON BY SELLER, EVEN IF SELLER HAS ACCEPTED THE ORDER SET FORTH IN SUCH PURCHASE ORDER, AND ALL SUCH TERMS OR CONDITIONS ARE OTHERWISE HEREBY EXPRESSLY REJECTED BY SELLER. NO MODIFICATION OR CLAIMED WAIVER OF ANY PROVISION HEREIN SHALL BE VALID EXCEPT BY WRITTEN AMENDMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER. THESE TERMS AND CONDITIONS REPRESENT THE ENTIRE AGREEMENT OF THE PARTIES AS TO ANY ORDER PLACED BY BUYER AND ACCEPTED BY SELLER ("ACCEPTED ORDER"), EXCEPT WHERE SELLER HAS AGREED TO OTHER OR ADDITIONAL TERMS AND CONDITIONS IN WRITING BY ITS AUTHORIZED AGENT.

1. ACCEPTANCE. All orders are subject to credit approval and written (either printed or electronic) acceptance or acknowledgement by Seller at Seller's home office, in its sole discretion, regardless of the location of Buyer or Seller's sales representative.

2. PRICE. Errors or omissions in price are subject to correction. Prices are quoted as determined by Seller in US dollars (USD) and will remain open for the time period specified in each Quotation. Freight, customs fees, tariffs, VAT, duties, freight forwarder fees, consular fees, taxes, however designated and all other costs after shipment are Buyer's obligations. Seller will bill Buyer for all applicable taxes, unless Buyer provides an exemption certificate, and provided that, if Seller is not registered to collect and remit sales and/or use taxes in the jurisdiction where product is shipped at Buyer's request, then Buyer hereby agrees that it shall pay and remit all applicable VAT, sales and/or use taxes to the proper taxing authority and shall indemnify Seller from any liability related to the payment, underpayment or nonpayment thereof.

3. PAYMENT. All payments shall be made in US Dollars via check, ACH or other electronic means agreed between the Parties. Unless otherwise agreed to in writing by Seller, payment terms are net thirty (30) days from the date of Seller's invoice. All invoices will be rendered electronically as shipments are made, Seller shall not be responsible for providing hard copies of invoices, shipping receipts or any other documentation to Buyer. Credit card charges will be subject to the current market fees. Seller may impose late charges of 1.5% per month, or the maximum permitted by law, on all outstanding balances. Seller reserves the right by written notice to cancel any Accepted Order or require full or partial payment or adequate assurance of performance from Buyer without liability to Seller in the event of: (i) Buyer's insolvency, (ii) Buyer's filing of a voluntary petition in bankruptcy, (iii) the appointment of a receiver or trustee for Buyer or (iv) the execution by Buyer of an assignment for the benefit of creditors.

4. SHIPMENT/SERVICE. Shipment and service dates are estimated in good faith but are not guaranteed by Seller. After an order is accepted, Buyer may not change shipment and services dates without Seller's written consent. Seller will not be held liable for any late delivery charges. Shipments will be made F.O.B. origin prepaid and add, Syracuse,

New York or such other location as Seller shall select. Accepted Orders may be tendered in partial shipments at Seller's discretion.

5. FORCE MAJEURE/DELAYS IN DELIVERY. Except for each Party's payment obligations hereunder, neither Party shall be liable for a failure to perform to the extent that the delay or failure was caused by an event beyond such Party's reasonable control, which events may include natural disasters, epidemics, pandemics, quarantines, embargoes, explosions, riots, government action, wars, acts of terrorism or acts of God (each, a "Force Majeure Event"). Each Party shall use commercially reasonable efforts to ensure that the effects of any Force Majeure Event are minimized and resume full performance under these Terms and Conditions as soon as practicable.

6. TITLE, RISK OF LOSS AND INSURANCE. Title, risk of loss and insurance responsibilities pass to Buyer upon delivery of products by Seller to a shipping agent or carrier.

7. CANCELLATIONS AND CHANGES.

(a) Cancellation of any Accepted Order, in whole or in part, is subject to Seller's receipt of Buyer's written notice of such cancellation prior to any product being shipped or released for shipment. In the event of any such cancellation, Buyer shall be responsible for any reasonable costs and expenses (including, without limitation, expenses and commitments to Seller's suppliers and subcontractors) incurred by Seller prior to Seller's receipt of the cancellation notice. Notwithstanding the foregoing, Orders for custom, special or non-standard products and/or services, as well as any third-party Original Equipment Manufacturer's (each an "OEM") products and services not cancellable under such OEM terms and conditions, are final and non-cancelable.

(b) Seller reserves the right to cancel an Accepted Order in whole or in part if, in Seller's judgment, Buyer's financial condition does not justify the terms of payment specified.

(c) Each party may at any time propose changes to an Accepted Order. Seller is not obligated to proceed with any change until both parties agree upon such change in writing. The written change documentation will describe changes in Product type, quantity and schedule for delivery, and the resulting changes in price and other provisions, as agreed.

(d) It shall be acceptable and not considered a change if Seller delivers a Product that bears a different, superseding or new part or version number compared to the part or version number listed in the Accepted Order.

8. INSPECTION. Seller, or its representative, will inspect products prior to shipment in accordance with its normal practices.

9. EXPORT LICENSES AND PERMITS.

(a) Seller warrants that it is in compliance with applicable U.S. export regulations. Buyer shall be responsible for procuring all applicable import licenses and complying with all import regulations.

(b) Buyer acknowledges that the export, re-export, or import into any other country of commodities, technical data, or software ("Controlled Items") purchased from Seller is subject to the export/import control laws and regulations of the U.S. as well such laws from other applicable countries (collectively the "Export/Import Laws and Regulations"), and Buyer warrants that it shall notify Seller if it intends to re-export or re-sell Controlled Items. Buyer shall comply with all Export/Import Laws and Regulations. Buyer certifies that it will not directly or indirectly export, re-export, transmit, or cause to be exported, re-exported

or transmitted, any Controlled Items to any country, individual, corporation, organization, or entity to which such export, re-export, or transmission is restricted or prohibited, including any country, individual, corporation, organization, or entity under sanctions or embargoes administered by the U.S. Departments of State, Treasury or Commerce, the European Union, or any other applicable government authority. Buyer certifies that it will not use any Product purchased from Seller in relation to nuclear, biological or chemical weapons or missile systems capable of delivering same or the development of any weapons of mass destruction. Buyer certifies that it is not an embassy, agency or subdivision of a non-U.S. government. Seller reserves the right to require Buyer to sign an Export Statement of Assurance, and to provide further details regarding Buyer's intentions for the Products (including final destination, intended end use and intended end user) prior to shipment. Buyer's failure to provide such assurance and information upon request may result in Seller's cancellation of any pending Quote or Order.

(c) Buyer acknowledges that it is Buyer's responsibility to obtain any license to export, re-export, import into any other country, or transmit any Controlled Items as may be required under any applicable export/import control laws or regulations. Buyer shall not export, re-export, import to any other country, or transmit any Controlled Items except in accordance with all applicable laws, and regulations.

(d) Buyer shall not give any Foreign Person (including Buyer's own non-U.S. employees or affiliates) access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export/Import Laws and Regulations without the prior written consent of Seller. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Seller may reasonably request. No consent granted by Seller in response to Buyer's request under this paragraph 9(d) shall relieve Buyer of its obligations to comply with the provisions of this Article 9 or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of this Article 9, nor constitute consent for Buyer to violate any provision of the Export Laws and Regulations.

(e) Buyer shall indemnify, defend and save harmless Seller from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including reasonable attorneys' fees, arising out of claims, suit, allegations or charges of Buyer's failure to comply with the provisions of this Article 9 and breach of the acknowledgements and certifications set forth in paragraphs 9(b), (c) and (d). Any failure of Buyer to comply with the requirements or any breach of the acknowledgements and certifications contained in this Article 9 shall be a material breach of these Terms and Conditions.

10. PACKING. Products will be packed or packaged for shipment in accordance with Seller's standard commercial practices.

11. TECHNICAL DATA . All Seller's drawings, data, designs, tooling, equipment, procedures, engineering changes, inventions, and all other information, technical or otherwise which was developed, made or supplied by Seller in the sale of any product, or the performance of any service sold, rendered or licensed hereunder will be and remain the sole property of Seller and no license is implied by the sale.

12. U.S. GOVERNMENT CONTRACT PROVISIONS.

(a) This Article 12 applies only if an Accepted Order is for the direct or indirect sale to any agency of the U.S. government and/or is funded in whole or in part by any agency of the U.S. government.

(b) Buyer agrees that all Products and Services provided by Seller meet the definition of "commercial-off-the-shelf" ("COTS") or "commercial item" as those terms are defined in Federal Acquisition Regulation ("FAR") 2.101. To the extent the Buy American Act, Trade Agreements Act, or other domestic preference requirements are applicable to an Accepted Order, the country of origin of Products is unknown unless otherwise specifically stated by Seller in an Accepted Order. Buyer agrees any Services offered by Seller are exempt from the Service Contract Act of 1965 (FAR 52.222-41). Buyer represents and agrees that an Accepted Order is not funded in whole or in part by American Recovery Reinvestment Act funds unless otherwise specifically stated in an Accepted Order. The version of any applicable FAR clause listed in this Article 12 shall be the one in effect on the effective date of an Accepted Order.

(c) If Buyer is an agency of the U.S. Government, then as permitted by FAR 12.302, Buyer agrees that all paragraphs of FAR 52.212-4 (except those listed in 12.302(b)) are replaced with these Terms and Conditions. Buyer further agrees the subparagraphs of FAR 52.212- 5 apply only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the price agreed to in an Accepted Order.

(d) If Buyer is procuring the Products or Services as a contractor, or subcontractor at any tier, on behalf of any agency of the U.S. Government, then Buyer agrees that FAR 52.212-5(e) or 52.244-6 (whichever is applicable) applies only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the price agreed to in an Accepted Order.

13. ASSIGNMENT. Buyer shall not delegate any duties, nor assign any rights or claims under an Accepted Order, or for breach thereof, without Seller's prior written consent, any such attempted delegation or assignment shall be void. Seller may assign any rights, duties, or obligations herein, including under an Accepted Order, for any reason, including by way of merger, consolidation, restructuring, sale of assets or otherwise.

14. CONTINUOUS PERFORMANCE. Buyer shall not top, suspend or slow performance or payment under an Accepted Order because of any disputes between Seller and Buyer.

15. PRODUCT RETURNS. Immediately upon Buyer's receipt of any goods shipped hereunder, Buyer shall inspect the same and shall notify Seller in writing of any claims for shortages or damages. Each shipment shall be deemed irrevocably accepted five (5) business days following the date of delivery, unless notice is given pursuant to Seller's Product Return Policy in effect on the date of the return. See www.cxtec.com/CXtecProductReturnPolicy. The terms of this policy are incorporated into these Terms and Conditions as if set forth herein.

16. SERVICES.

(a) Buyer may order Services from or through Seller from time to time from one or more OEMs, including, but not limited to, extended warranty services, which are sold by Seller as a distributor or sales agent ("OEM Services").

(b) Buyer shall consider the OEM to be the contracting party for all OEM Services. The OEM shall be the party responsible for providing OEM Services to Buyer, and the OEM shall be solely responsible to Buyer for any loss, claims or damages arising from or related to the provision of such OEM Services. Buyer and Buyer's Affiliates (defined below) hereby release Seller and Seller's Affiliates (defined below) from any and all claims arising from or relating to the purchase or provision of any such OEM Services. Any amounts, including, but not limited to, taxes, associated with OEM Services which may be collected by Seller will be collected solely in the capacity as an independent sales agent. "Affiliate" means,

with respect to a party, an entity that controls, is controlled by, or is under common control with such party.

(c) The terms of any contract for Professional Services from Seller will be contained in these Terms and Conditions and one or more separate agreements (each, a "Related Agreement"), including but not limited to, a Statement of Work or Change Order. Each Statement of Work shall incorporate these Terms and Conditions and constitute a separate agreement with respect to the Services performed. Following the expiration of the initial maintenance service term (the "Initial Term"), this Order shall automatically renew for successive one (1) year periods (each a "Renewal Term" and, together with the Initial Term, the "Term") unless a party provides notice of non-renewal at least thirty (30) days prior to the expiration of the then current term. In the event of a conflict between any term or condition of the above referenced Agreements and these Terms and Conditions, the conflict will be resolved by giving precedence in the following order: (i) the Change Order; (ii) the Statement of Work; and (iii) these Terms and Conditions.

(d) Buyer shall perform any specific Buyer's duties set forth in any applicable Statement of Work, and Buyer further agrees to cooperate with Seller in connection with performance of the Services by providing: (i) timely responses to Seller's inquiries and requests for approvals and authorizations, (ii) access to any information or materials reasonably requested by Seller which are necessary or useful as determined by Seller in connection with providing the Services, including, but not limited to, physical and computer access to Buyer's computer systems, and (iii) all Required Consents necessary for Seller to provide the Services. "Required Consents" means consents or approvals required to give Seller, its Affiliates, and its and their subcontractors the right or license to access, use and modify all data and third-party products. Buyer acknowledges and agrees that the Services are dependent upon the completeness and accuracy of information provided by Buyer and the knowledge and cooperation of the agents, employees or subcontractors engaged or appointed by Buyer who are selected by Buyer to work with Seller.

(e) Seller will follow all reasonable Buyer security rules and procedures, as communicated in writing by Buyer to Seller from time to time.

(f) Seller, through its employees or representatives, may perform the Services at Buyer's place of business, at Seller's own facilities or any other location Seller and Buyer deem appropriate. When the Services are performed at Buyer's premises, Seller shall attempt to perform such Services within Buyer's normal business hours unless otherwise jointly agreed to by the parties. Buyer shall also provide Seller access to Buyer's facilities and staff and any other Buyer resources (and when the Services are provided at another location designated by Buyer, the staff and resources at such location) that Seller determines are useful or necessary for Seller to provide the Services. When the Services are provided on Buyer's premises or at another location designated by Buyer, Buyer agrees to maintain adequate insurance coverage to protect Seller and Buyer's premises and to indemnify and hold Seller and its representatives and Affiliates, and its and their agents and employees harmless from any loss, cost, damage or expense (including, but not limited to, attorneys' fees and expenses) arising out of any product liability, death, personal injury or property damage or destruction occurring at such location in connection with the performance of the Services, other than solely as a result of Seller's gross negligence or willful misconduct.

(g) When Product is procured from Seller in which Services will be performed prior to shipping to Buyer's location, Buyer shall accept ownership of all Product delivered to the Seller's facility at the time Seller's engineering resources begin Services as outlined in an executed Statement of Work. All Product will be invoiced to the Buyer at that time in

accordance with the Payment provisions referenced in Article 3 of these Terms and Conditions.

17. SETOFFS. Buyer shall have no right of setoff and shall have no right to self-help deductions against amounts due to Seller.

18. NO AUDITS. Buyer shall have no right to audit Seller's books and records, or to review Seller's financial statements, provided that Seller shall, upon reasonable request, provide Buyer with electronic information directly related to Buyer's account with Seller and Buyer's transactions with Seller for a period not to exceed the twelve (12) months prior to such request.

19. TERMINATION FOR CAUSE. Either party may terminate an individual Accepted Order upon the other party's material breach of these Terms and Conditions, provided that (a) the non-breaching party sends written notice to the breaching party describing the breach in reasonable detail, (b) the breaching party does not cure the breach within twenty (20) days following its receipt of such notice (the "Notice Period"), and (c) following the expiration of the Notice Period, the non-breaching party sends a second written notice to the breaching party indicating the non-breaching party's election to terminate the Accepted Order. In the event of any proceedings by or against Buyer in bankruptcy or insolvency, or for appointment of any receiver or trustee, or any general assignment for the benefit of creditors, Seller, in addition to any other remedy provided it by applicable law or in equity, or other right reserved to it elsewhere in these Terms and Conditions, and without any liability to Buyer on account thereof, and with or without terminating this Accepted Order, may withhold any further shipment(s) to Buyer; and Buyer shall be liable to pay to Seller any damages incurred by Seller as a result thereof. Buyer agrees that a breach by Buyer of any other agreement between Buyer and Seller, whether or not related to this Accepted Order or the goods sold hereunder, constitutes a material breach under this Accepted Order, thereby entitling Seller to assert all its rights and remedies hereunder.

20. LIMITED WARRANTIES.

(a) Seller does not manufacture all of the products it sells. If other manufacturers' product(s) and/or services are purchased by Seller and resold to Buyer then such product(s) and/or services will be limited to that manufacturers' warranty. Seller assumes no warranty liability for other manufacturers' product(s) and/or services furnished to Buyer.

(b) Seller provides a limited lifetime warranty on CABLExpress® products, a copy of this warranty is available at: www.cablexpress.com/CBXPWarranty and the terms of this warranty are incorporated into these Terms and Conditions as if set forth herein.

(c) Seller provides a lifetime warranty on CXtec's equal2new® products, a copy of this warranty is available at: www.cxtec.com/Equal2newLPWarranty and the terms of this warranty are incorporated into these Terms and Conditions as if set forth herein.

(d) No agent, distributor, or representative is authorized to make any warranties on behalf of Seller or to assume for Seller any other liability in connection with any Seller product or service, unless provided hereunder.

21. DISCLAIMER OF WARRANTY. Buyer understands and agrees as follows:

THE ABOVE WARRANTY REPLACES ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL OTHER WARRANTIES ARE DISCLAIMED, EXCLUDED AND REJECTED BY SELLER.

22. LIMITATION OF LIABILITIES.

(a) IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY NATURE ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS OR WILL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING WILL APPLY REGARDLESS OF THE NEGLIGENCE OR OTHER FAULT OF EITHER PARTY AND REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER THEORY OF LIABILITY.

(b) EXCEPT FOR DAMAGES RELATED TO A BREACH OF EITHER PARTY'S CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS HEREIN, OR A PARTY'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, UNDER NO CIRCUMSTANCES WILL EITHER PARTY, ITS AFFILIATES AND/OR RELATED COMPANIES BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR AN AMOUNT GREATER THAN THE AGGREGATE AMOUNTS PAID OR PAYABLE HEREUNDER IN THE TWELVE (12) MONTHS PRECEDING ANY CLAIM. FOR CLAIMS ARISING FROM A BREACH OF EITHER PARTY'S CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS HEREIN EACH PARTY'S TOTAL LIABILITY SHALL NOT EXCEED \$1,000,000 USD. THIS SECTION WILL APPLY REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY OR ANY OTHER THEORY OF LIABILITY, UNLESS OTHERWISE BARRED BY LAW.

23. INTELLECTUAL PROPERTY AND INDEMNIFICATION.

(a) Seller is not the owner of any patent, copyright, trademark or any other intellectual property related to Products manufactured by others that is sold hereunder and Seller does not transfer or grant any ownership right, license or any other right to use the intellectual property of others, unless otherwise provided in the manufacturer's terms and conditions.

(b) Seller disclaims all warranties related to the Intellectual Property and specifically disclaims any obligation or duty to indemnify, defend or hold harmless Buyer from and against any claim, liability, loss, damage, settlement, penalty, cost or expense made against or sustained by Buyer arising from any claim that Products sold hereunder infringe, misappropriate or violate any third party's intellectual property rights.

(c) The sale of Products, related software and/or provision of services hereunder does not convey any express or implied license under any patent, copyright, trademark or other proprietary rights owned or controlled by Seller, whether relating to the products sold or any manufacturing process or other matter. All rights under any such patent, copyright, trademark or other proprietary rights are expressly reserved by Seller.

(d) All contents of the Seller's website, advertising and marketing materials are protected by copyright and trademark laws. All rights reserved. For further information see: www.cxtec.com/LegalDisclaimer.

(e) Seller will defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based on a claim that the design or manufacture of products furnished hereunder which were manufactured by Seller solely to Seller's designs and specifications infringe any U.S. patent issued as of the date of shipment, provided Seller is promptly notified in writing of such suit or proceeding and is given full authority, information and assistance by Buyer for such defense. Seller will pay all damages and costs based on such claim of patent infringement which are finally awarded against Buyer in any such suit or proceeding or paid by way of settlement, but Seller shall have no liability whatsoever with respect to any settlement made by Buyer without Seller's prior written consent, which Seller may withhold in its sole discretion. If such products are held to infringe any U.S. patent and their use or sale is enjoined, or if in the opinion of Seller such products are likely to become the subject of such a claim of infringement, Seller may, in its sole discretion and at its own expense, either procure a license which will protect Buyer against such claim without cost to Buyer, replace such products with non-infringing products, or require return of such products and refund an equitable portion of the price paid by Buyer to Seller for such products. Seller shall have no obligation of indemnification for claims based on: (1) Buyer's misuse of Products or incorporation of Products sold hereunder in

any item produced or manufactured by Buyer or a third party; (2) Seller's design or manufacture of Products to specifications provided by Buyer; and/or (3) Buyer's Infringement of any third party's intellectual property rights.

(f) THE FORGOING PROVISIONS OF THIS SECTION 23 STATE THE SOLE AND EXCLUSIVE LIABILITY OF SELLER FOR PATENT, COPYRIGHT AND/OR TRADEMARK INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN REGARD THERETO.

24. CONFIDENTIALITY.

(a) "Confidential Information" means any data or information in whatever form that is not generally known to the public that is disclosed or delivered by one party (the "Disclosing Party") to the other party (the "Receiving Party") in any manner, whether or not marked or designated as confidential. As used herein Confidential Information includes, without limitation, one or more of the following types of information: conversations, documents, data, reports, business plans, inventions, business proposals, pricing models, forms, financial information, contracts, trade secrets, customer lists, prospective customers, business forecasts, sales & marketing techniques, mailing lists, accounting and business methods, costs, product development, inventory, services, software, applications, computer systems, databases, flow charts, graphics, drawings, photographs, know-how, the identity of customers, suppliers and contractors, any information or arrangements pertaining to such customers, suppliers and contractors, training methods, testing & production procedures, company history, and any other similar or proprietary information relating to the Disclosing Party. Confidential Information shall include the information described in the preceding sentence however embodied.

(b) The Receiving Party agrees to hold the Confidential Information in strict confidence and will use such information only for the purpose of transacting business between Buyer and Seller. Receiving Party shall take all reasonable and necessary steps to guard against the unauthorized dissemination, use or disclosure of the Confidential Information and to handle the Confidential Information with the same degree of care used to protect its own Confidential Information, but in no event less than reasonable care.

(c) The Receiving Party shall not at any time or in any manner, either directly or indirectly, divulge, communicate, use, exploit or disclose the Confidential Information to any third party without written authorization from the Disclosing Party. All Confidential Information disclosed under this Agreement (including all copies thereof, and any information in computer software or held in electronic storage media), and any derivative works or improvements on or to the Confidential Information, is and shall remain the sole property of the Disclosing Party and shall be returned to the Disclosing Party, or destroyed at their option, promptly upon Disclosing Party's request and direction.

25. NO BUSINESS ASSOCIATE RELATIONSHIP. Any and all obligations of Seller to protect a Buyer's patients' rights or to maintain confidential and secure any protected health information (other than as outlined in Section 24 above) shall be governed by a separate Business Associate Agreement between the Parties. In no event shall an Accepted Order create a relationship between Seller and Buyer whereby Seller may be deemed a Business Associate of Buyer as that term is used in relation to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the related regulations. Nothing in these Terms and Conditions shall be construed to permit Seller to have access to, retain or use any protected health information of any Buyer.

26. INTERPRETATION, SEVERABILITY. These Terms and Conditions shall be construed and interpreted as if drafted jointly by Buyer and Seller. In the event any portion of these Terms and Conditions is found to be unenforceable, all other portions shall remain enforceable to the fullest extent allowable by law. Any omitted provision legally required for enforceability hereof shall be deemed inserted where required or in place of any conflicting provision.

27. NOTICE. All notices or other communications required to be given under these Terms and Conditions shall be in writing and shall be deemed to have been given upon personal delivery, certified or registered mail, return receipt requested, or by overnight courier with proof of delivery to the parties at the addresses set forth in an Accepted Order, unless a different address is designated in writing.

28. WAIVER. Failure of a Party to insist upon performance of any terms or conditions in this document shall not be deemed a waiver of any subsequent breach or default of these Terms and Conditions. No waiver will be valid unless in writing and no waiver granted will release a Party from subsequent compliance herewith.

29. SELLER'S RIGHT TO SUBCONTRACT. Seller reserves the right to subcontract any obligation hereunder.

30. GOVERNING LAW. These Terms and Conditions and any Accepted Orders shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to its conflict of laws provisions. Any dispute regarding these Terms and Conditions or an Accepted Order shall be resolved in the state or federal courts of the State of New York, and each Party hereby expressly consents to the personal jurisdiction of the state or federal courts in the State of New York. The United Nations Convention on the International Sale of Goods shall not apply to these Terms and Conditions, an Accepted Order, or any related agreement or document. Any claim, except for nonpayment, must be brought within one (1) year of product shipment or completion of services. THE PARTIES AGREE TO WAIVE, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY LEGAL DISPUTE.

31. NO CLASS ACTIONS. NEITHER BUYER NOR SELLER SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS BY OR AGAINST OTHER BUYERS, OR PURSUE ANY CLAIM AS A REPRESENTATIVE OR CLASS ACTION OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

32. DISPUTE RESOLUTION. If a dispute arises under these Terms and Conditions (a "Dispute"), then prior to bringing any suit, action or proceeding in connection with such Dispute, a party must first give written notice of the Dispute to the other party describing the Dispute and requesting it be resolved pursuant to this dispute resolution process (the "Dispute Notice"). If the parties are unable to resolve the Dispute within thirty (30) days of delivery of the Dispute Notice, then each party shall promptly (but no later than ten business days thereafter) (a) appoint a designated representative who has sufficient authority to settle the Dispute and who is at a higher management level than the person with direct responsibility for the administration of these Terms and Conditions (the "Designated Representative"), and (b) notify the other party in writing of the name and contact information of such Designated Representative. The designated representatives shall then meet as often as they deem necessary in their reasonable judgment in order to discuss the Dispute and negotiate in good faith to resolve the Dispute. The Designated Representatives shall mutually determine the format for such discussions and negotiations, provided that all reasonable requests for relevant information relating the Dispute made by one party to the other party shall be honored. If the parties are unable to

resolve the Dispute within sixty (60) days after the appointment of both Designated Representatives, then either party may proceed with any other available remedy.

33. SURVIVAL. The following Articles shall survive termination or cancellation of an Accepted Order: 9, 12, 16, 17, 18, 20-25, 30-33 and 37, as well as any other provision, which by its nature, would reasonably be expected to survive termination.

34. MODIFICATION. Seller reserves the right to change these Terms and Conditions at any time by publishing revised Terms and Conditions on Seller's website. The revised Terms and Conditions shall immediately become effective for all sales made after such publication. Buyers can find the latest version of these Terms and Conditions at www.cxtec.com/CXtecTerms.

35. HEADINGS. The section headings in these Terms and Conditions are solely for reference purposes.

36. COUNTERPARTS. Any agreement subject to these Terms and Conditions may be executed in any number of counterparts. Delivery by facsimile, or other electronic means, of an executed signature page to any such agreement shall be effective as delivery of a manually signed original or counterpart.

37. INDEPENDENT ENTITIES. None of the provisions of these Terms and Conditions are intended to create nor shall be deemed or construed to create any relationship between the Parties other than that of independent entities contracting with each other solely for the purpose of affecting the provisions of these Terms and Conditions and any agreement subject to these Terms and Conditions. Neither Party nor any of its employees or agents will be construed to be the agent, the employer or representative of the other Party. Neither Party has any expressed or implied rights nor any authority to assume or create any obligation or responsibility on behalf of or in the name of the other Party, except as otherwise set forth in these Terms and Conditions.